

**PROPOSED  
MEDIUM-TERM PLAN  
FOR THE  
PERIOD 1980-1983**

---

**Volume III**

**GENERAL ASSEMBLY**  
OFFICIAL RECORDS: THIRTY-THIRD SESSION  
SUPPLEMENT No. 6 (A/33/6/Rev.1)



**UNITED NATIONS**





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**UNITED NATIONS**  
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#### NOTE

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

The proposed medium-term plan for the period 1980-1983 has been divided into four volumes. The present volume contains chapters 17 to 20;\* chapters 1 to 12 appear in volume I, chapters 13 to 16 in volume II and chapters 21 to 28 in volume IV.

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\* These chapters appeared in mimeographed form as separate documents under the symbols A/33/6 (Part 17) to A/33/6 (Part 20), issued between 6 July and 24 August 1978.

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## ABBREVIATIONS

|          |                                                                  |
|----------|------------------------------------------------------------------|
| ACC      | Administrative Committee on Co-ordination                        |
| CPC      | Committee for Programme and Co-ordination                        |
| ECA      | Economic Commission for Africa                                   |
| ECE      | Economic Commission for Europe                                   |
| ECLA     | Economic Commission for Latin America                            |
| ECWA     | Economic Commission for Western Asia                             |
| EEC      | European Economic Community                                      |
| ESCAP    | Economic and Social Commission for Asia and the Pacific          |
| FAO      | Food and Agriculture Organization of the United Nations          |
| GATT     | General Agreement on Tariffs and Trade                           |
| IAEA     | International Atomic Energy Agency                               |
| IBRD     | International Bank for Reconstruction and Development            |
| ICAO     | International Civil Aviation Organization                        |
| ILO      | International Labour Organisation                                |
| IMCO     | Inter-Governmental Maritime Consultative Organization            |
| IMF      | International Monetary Fund                                      |
| ITU      | International Telecommunication Union                            |
| OECD     | Organisation for Economic Co-operation and Development           |
| PAHO     | Pan American Health Organization                                 |
| UNCITRAL | United Nations Commission on International Trade Law             |
| UNCTAD   | United Nations Conference on Trade and Development               |
| UNDOF    | United Nations Disengagement Observer Force                      |
| UNDP     | United Nations Development Programme                             |
| UNDRO    | Office of the United Nations Disaster Relief Co-ordinator        |
| UNEF     | United Nations Emergency Force                                   |
| UNEP     | United Nations Environment Programme                             |
| UNESCO   | United Nations Educational, Scientific and Cultural Organization |
| UNFPA    | United Nations Fund for Population Activities                    |
| UNHCR    | Office of the United Nations High Commissioner for Refugees      |
| UNICEF   | United Nations Children's Fund                                   |
| UNIDO    | United Nations Industrial Development Organization               |
| UNIFIL   | United Nations Interim Force in Lebanon                          |

UNITAR United Nations Institute for Training and Research  
UNRWA United Nations Relief and Works Agency for Palestine Refugees in the  
Near East  
UNTSO United Nations Truce Supervision Organization in Palestine  
UPU Universal Postal Union  
WFC World Food Council  
WFP World Food Programme  
WHO World Health Organization  
WIPO World Intellectual Property Organization  
WMO World Meteorological Organization

Part Two

MAJOR PROGRAMMES (continued)

C. Economic and social (continued)

## INDUSTRIAL DEVELOPMENT

## UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

A. Organization1. Intergovernmental review

17.1 The work of the secretariat in the three programmes conducted by UNIDO is reviewed by the Industrial Development Board (IDB), which meets once every year, and by the General Conference of UNIDO, which is convened approximately every four years. The last meeting of the Board was in May/June 1977, and the Second General Conference was held in March 1975. The Third General Conference will be held in January/February 1980. This plan was submitted to IDB at its twelfth session, in May 1978.

2. Secretariat

17.2 The secretariat unit responsible for these programmes is organized in three substantive divisions, and two further divisions provide programme support. There were 368 Professional staff members as at 31 December 1977. Fifty posts were supported from extrabudgetary sources. The following is the distribution of these staff resources as at 31 December 1977:

| <u>Organizational unit</u>                                                 | <u>Professional staff</u> |                                | <u>Total</u> |
|----------------------------------------------------------------------------|---------------------------|--------------------------------|--------------|
|                                                                            | <u>Regular budget</u>     | <u>Extra-budgetary sources</u> |              |
| Office of the Executive Director                                           | 3                         | 2                              | 5            |
| Division of Policy Co-ordination                                           | 49                        | 8                              | 57           |
| International Centre for Industrial Studies                                | 61                        | 1                              | 62           |
| Industrial Operations Division                                             | 101                       | 34                             | 135          |
| Division of Conference Services, Public Information and External Relations | 69                        | -                              | 69           |
| Administrative Services Division                                           | 35                        | 5                              | 40           |
| Total                                                                      | 318                       | 50                             | 368          |

3. Divergencies between current administrative structure and proposed programme structure

17.3 Some sections within the Division of Policy Co-ordination and the Industrial Operations Division fall within, and other sections fall outside, the proposed programme structure. Proposals aimed at strengthening the field presence of UNIDO during the plan period would probably involve the creation of an additional element in the administrative structure but outside the proposed programme structure. These matters are dealt with below under the programmes entitled policy co-ordination and industrial operations.

\* Previously issued under the symbol A/33/6 (Part 17).

#### 4. Expected completions and consequent reorganizations

17.4 It is in the nature of the activities undertaken by UNIDO that the number of programme elements distinguished in a programme budget can be kept within manageable limits only by grouping together a series of individual projects of broadly similar purpose within nearly every programme element. In view of the mandate of UNIDO, programme elements defined in such terms are likely to continue indefinitely. Expected completions, therefore, are few in number and rarely result in reorganizations of any significance. The exceptions to these generalizations are noted under the individual programmes of UNIDO.

#### 5. Other organizational matters

17.5 In conformity with General Assembly resolution 32/167, a United Nations Conference on the Establishment of the United Nations Industrial Development Organization as a Specialized Agency met in February/March 1978 without, however, reaching complete agreement. The Secretary-General is including UNIDO in the medium-term plan for the period 1980-1983 without regard to any possible change in its organizational status as part of the United Nations Secretariat. Any other course would, of necessity, involve assumptions, implicit or explicit, which are not within his competence to make. If it should turn out that the budget estimates in respect of UNIDO for the biennium 1980-1981 have to be approved by new legislative bodies of a specialized agency, it may be presumed that those bodies will welcome the availability of the planning proposals made by the Secretary-General at the present stage and the views of reviewing and legislative bodies of the United Nations thereon.

17.6 The occupation of the complex of buildings in the Donaupark, Vienna, by UNIDO, some other units of the United Nations and IAEA calls for some comment. The move to this new headquarters site which, as far as UNIDO is concerned, is expected to take place in the course of 1979 will not affect the programmes of activity of the Organization, but there will be a number of organizational changes in the area of programme support.

17.7 The medium-term plan for the period 1978-1981 and the proposed programme budget for the biennium 1978-1979 both referred to the essential role of the industrial development field advisers <sup>1/</sup> whose salaries are in practically every case financed by UNDP, and to the difficulties that have been encountered in financing an increase in the number of these field advisers. In its resolution 32/165 on strengthening of operational activities in the field of industrial development, the General Assembly recommended that the Secretary-General should submit appropriate budgetary estimates at its thirty-third session whereby field advisers would be financed from the regular budget of the United Nations. To this end the Executive Director of UNIDO has been requested to submit to the Secretary-General, a review of the status of funding of field advisers, indicating financial measures to achieve, at the earliest feasible date, a total force of 60 field advisers, the number envisaged in Industrial Development Board decision III (VII) of 14 May 1973. It is proposed to submit at that time concrete proposals to cover the programme and general administrative aspects, as necessary, in addition to financial estimates for expenditure in 1979. Without prejudging in any respect what should be included in the proposals, the Secretary-General assumes, for the purposes of the medium-term plan for the period 1980-1983, that these field advisers will be financed under the regular budget for UNIDO. Regardless of the

<sup>1/</sup> See Official Records of the General Assembly, Thirty-first Session, Supplement No. 6A (A/31/Add.1), para. 820 and ibid., Thirty-second Session, Supplement No. 6 (A/32/6 and Corr.1 and 2), vol. II, sect. 12, paras. 12.6 and 12.50-12.52, respectively.

source of funding for individual field advisers, it may be anticipated that these advisory services relating to industrial development will, as in the past, always be provided within the multidisciplinary context of UNDP field offices. Discussions have already taken place between the Executive Director of UNIDO and the Administrator of UNDP for the purpose of reviewing the arrangements for recruitment, appointment and administration of field advisers when the size of the network and the number of funding sources are expanded.

## B. Co-ordination

### 1. Formal co-ordination within the secretariat

17.8 The organizational structure itself is designed to promote co-ordination, in that certain functions of the Division of Policy Co-ordination formally involve the co-ordination of matters which also concern other divisions. Under well-established arrangements, two series of directors' meetings are held on a continuing basis: one series consists of meetings to review the implementation of all UNIDO programmes and other important matters which may have arisen, and in the second series the directors meet as a programming committee to consider and approve project proposals for financing under the regular programme of technical assistance or from voluntary contributions to UNIDO, including those to the United Nations Industrial Development Fund (UNIDF). As a further measure of horizontal co-ordination within the secretariat ad hoc task forces are established for specific tasks of limited duration and there are interdivisional working groups for tasks of a continuing nature.

### 2. Formal co-ordination within the United Nations system

17.9. In view of the stress laid by the Lima Declaration and Plan of Action on Industrial Development and Co-operation on the central co-ordinating role of UNIDO in the field of industrial development, a section for interagency programme co-ordination was included in the newly established Division of Policy Co-ordination when the Secretariat was reorganized at the beginning of 1976. The section provides secretariat services for the UNIDO Advisory Committee on Co-ordination in the Field of Industrial Development (UNIDAC), whose establishment was likewise recommended in the Lima Declaration and Plan of Action. The secretariats of a number of specialized agencies and units of the United Nations participate in the work of UNIDAC. There are also formal arrangements under which bilateral intersecretariat meetings are held with FAO, ILO, WHO, WIPO, UNESCO, UNCTAD and the UNCTAD/GATT International Trade Centre. The vehicle of programme co-ordination between UNIDO and the regional commissions is essentially the joint industry divisions located in the regional commissions, where outposted UNIDO staff, as well as regional advisers financed from the regular programme of technical assistance, are stationed.

17.10 UNIDO is also a member of ACC and a number of its subsidiary bodies. It is also a member of the Inter-Agency Consultative Board of UNDP (IACB) and the Environment Co-ordination Board (ECB).

17.11 The above arrangements will be modified as a result of the recommendations by the Ad Hoc Committee on the Restructuring of the Economic and Social Sectors of the United Nations System and endorsed by the General Assembly at its thirty-second session.

3. Units with which significant joint activities are expected during the period 1980-1983

17.12 Joint activities are indicated in the description of the three separate programmes conducted by UNIDO.

C. Allocation of resources to programmes

17.13 The trend in the percentage allocation of resources to programmes is expected to be approximately as shown in the following table:





PROGRAMME 1: UNIDO: POLICY CO-ORDINATION

A. Organization

1. Intergovernmental review

17.14 The review procedures are as described above for the work of the UNIDO secretariat as a whole.

2. Secretariat

17.15 The unit of the UNIDO secretariat responsible for this programme is the Division of Policy Co-ordination, in which there were 57 Professional posts as at 31 December 1977, 8 of which were supported from extrabudgetary sources. The Division had the following organizational units as at 31 December 1977:

| <u>Organizational unit</u>                                                                   | <u>Professional Staff</u> |                                |              |
|----------------------------------------------------------------------------------------------|---------------------------|--------------------------------|--------------|
|                                                                                              | <u>Regular budget</u>     | <u>Extra-budgetary sources</u> | <u>Total</u> |
| Office of the Director                                                                       | 5                         | -                              | 5            |
| Sections within the programme structure                                                      |                           |                                |              |
| Programme Development and Evaluation Section                                                 | 12                        | 3                              | 15           |
| Least Developed Countries Section                                                            | 3                         | 1                              | 4            |
| Section for Economic Co-operation among Developing Countries                                 | 1                         | 2                              | 3            |
| Negotiations Section                                                                         | 8                         | 1                              | 9            |
| Remainder of Division                                                                        |                           |                                |              |
| Field Reports Monitoring Section                                                             | 4                         | -                              | 4            |
| Inter-Agency Programme Co-ordination Section                                                 | 5                         | 1                              | 6            |
| Non-Governmental Organizations and Business and Industrial Institutions Co-operation Section | 5                         | -                              | 5            |
| New York Liaison Office                                                                      | 6                         | -                              | 6            |
| Total                                                                                        | 49                        | 8                              | 57           |

3. Divergencies between current administrative structure and proposed programme structure

17.16 While the general principle that the organizational unit corresponding to the programme level should be the division was followed in the proposed programme budget for 1978-1979, it is necessary to recognize for planning purposes that some of the activities of the Division of Policy Co-ordination consist of the exercise of

co-ordination functions and that others are undertaken in pursuance of programmes. The above tabulation indicates which parts of the administrative structure are treated in the medium-term plan as part of the proposed programme structure (see the four subprogrammes immediately following). It will be appreciated, however, that there is no such sharp distinction in the day-to-day activities of the various sections belonging to the Division.

#### 4. Expected completions and consequent reorganizations

##### (a) Expected completions

17.17 Programme elements were described in paragraphs 12.36 to 12.52 and 12.59 of the proposed programme budget for the biennium 1978-1979. <sup>2/</sup> Those elements which fall within the programme structure of the medium-term plan are of a continuing nature because they aggregate a succession of activities of a similar generic type. For this reason, no completions may be expected either in 1978-1979 or in 1980-1981. The only possible exception to this judgement would occur if in the course of the activities undertaken in the system of consultations (see subprogramme 4) the work relating to any specific industrial sector were to be brought to a close by intergovernmental decision.

##### (b) Consequent reorganizations

17.18 In view of the continuing nature of the programme elements no major reorganizations are expected.

#### 5. Other organizational matters

17.19 As indicated earlier in the section relating to the organization of UNIDO as a whole, it is assumed for the purposes of the plan that at its thirty-third session the General Assembly will approve budgetary estimates that will provide for industrial development field advisers to be financed from the regular budget of the United Nations during the year 1979. Whether it is decided at that time to include the relevant appropriations in section 12 of the programme budget for 1978-1979 (UNIDO) or, for administrative reasons, to make some alternative arrangements, provision for industrial development field advisers needs to be included in this plan. At this stage it has been found convenient to locate such provision in the Division of Policy Co-ordination. Since the creation of the Division in 1976, the resources requested and approved have included those expended for official travel of industrial development field advisers, and all other expenses in connexion with the activities of the advisers have been met by UNDP. The Field Reports Monitoring Section of the Division has been responsible for the liaison between UNIDO headquarters and the field advisers and has the principal responsibility for selecting candidates, from among whom appointments have been made by the Administrator of UNDP.

17.20 The creation in 1977 of the Section for Economic Co-operation among Developing Countries of the Division of Policy Co-ordination reflected the growing importance attached in the work programmes of UNIDO to the promotion of co-operation in industrialization among developing countries. This new subprogramme not only takes over certain functions relating to technical co-operation activities previously conducted under subprogramme 1 below (programme development and evaluation) but embraces a number of pertinent promotional activities. The Section is also a focal point within the UNIDO secretariat for co-ordinating activities related to co-operation in industrialization among developing countries.

<sup>2/</sup> Official Records of the General Assembly, Thirty-second Session, Supplement No. 6 (A/32/6 and Corr.1 and 2), vol. II.

## B. Co-ordination

### 1. Formal co-ordination within the secretariat

17.21 The arrangements described above for UNIDO as a whole apply equally to all programmes. There is continuous co-operation with the industrial operations programme in developing programmes and projects, in order to take full advantage of operational experience and technical expertise. This applies particularly in the context of the country programming exercises of UNDP. The machinery of task forces and interdivisional working groups is regularly used for operating the system of consultations.

### 2. Formal co-ordination within the United Nations system

17.22 In addition to the arrangements described above, UNIDO and the United Nations have formal co-ordination arrangements which include consultations at the level of the ACC Interagency Group on Economic Co-operation among Developing Countries.

### 3. Units with which significant joint activities are expected during the period 1980-1983

17.23 Some programmes for the least developed countries are expected to be elaborated jointly with regional commissions and other regional bodies. Preparatory work and follow-up activities in the regions in connexion with the system of consultations are expected to be undertaken jointly with the relevant regional commissions. The modalities of consultation meetings at the regional level remain to be decided, no such meetings having yet been authorized.

## C. Allocation of resources to subprogrammes

17.24 The trend in the percentage allocation of resources to subprogrammes is expected to be approximately as shown in the following table:

Allocation of resources to subprogrammes a/  
(Percentage)

| <u>Subprogramme</u>                                                                   | <u>1978-1979</u>      |                                |              | <u>1980-1981</u>      |                                |              | <u>1982-1983</u>      |                                |              |
|---------------------------------------------------------------------------------------|-----------------------|--------------------------------|--------------|-----------------------|--------------------------------|--------------|-----------------------|--------------------------------|--------------|
|                                                                                       | <u>Regular budget</u> | <u>Extra-budgetary sources</u> | <u>Total</u> | <u>Regular budget</u> | <u>Extra-budgetary sources</u> | <u>Total</u> | <u>Regular budget</u> | <u>Extra-budgetary sources</u> | <u>Total</u> |
| 1. Programme development and evaluation                                               | 28                    | 69                             | 40           | 28                    | 59                             | 40           | 27                    | 58                             | 41           |
| 2. Special measures for least developed countries                                     | 12                    | 15                             | 13           | 12                    | 14                             | 13           | 12                    | 14                             | 13           |
| 3. Co-operation among developing countries for industrialization                      | 5                     | 16                             | 9            | 6                     | 19                             | 11           | 6                     | 18                             | 11           |
| 4. System of continuing consultations on the equitable distribution of world industry | 55                    | -                              | 38           | 54                    | 8                              | 36           | 55                    | 10                             | 35           |
| Total                                                                                 | 100                   | 100                            | 100          | 100                   | 100                            | 100          | 100                   | 100                            | 100          |

a/ Excluding resources of Division of Policy Co-ordination allocated to organizational units falling outside the programme structure of the medium-term plan.

## D. Subprogramme narratives

### SUBPROGRAMME 1: PROGRAMME DEVELOPMENT AND EVALUATION

#### (a) Objective

17.25 The objective of this subprogramme is to assist the developing countries in formulating technical co-operation programmes for their industrial development and devising the constituent projects of such programmes, and to help improve the efficacy of these technical co-operation programmes by evaluating their impact, by assessing the progress made and results achieved by individual projects at intermediate and final stages of their implementation and by investigating the efficiency of specific processes used.

#### (b) Problem addressed

17.26 In seeking to accelerate their industrialization, the developing countries face a variety of problems at several levels. The macro-economic aspects have to be dealt with in preparing national plans and policies for industry. At the micro-economic level, the technical processes to be employed in manufacturing any specific product or product range have to be selected, production facilities acquired, people trained in new skills, factory operations managed day by day, goods sold on home markets and possibly exported. An infrastructure of industrial institutions and services has to be established to support industrial enterprises. By no means least, financial resources have to be mobilized for investment in industry.

17.27 There is, in practice, not one problem to be resolved by this subprogramme and another set of problems to be resolved by the various industrial studies subprogrammes, as well as a further problem to be resolved by consultations on the equitable distribution of world industry. The strategies and output of all subprogrammes of UNIDO address a common set of interacting problems by means of different instruments; and they combine synergistically to make their impact in the developing countries. This subprogramme is concerned with the instrument of technical co-operation activities. The resources made available to UNIDO in this connexion have to be programmed in the light of the guidance given by policy-making organs and in response to the requests received from the developing countries themselves.

#### (c) Legislative authority

17.28 The legislative authority for this subprogramme is to be found in General Assembly resolution 2152 (XXI), paragraph 2 (a), which includes operational activities among the functions of UNIDO. The mandate was confirmed in section IV of resolution 3362 (S-VII), by which the Assembly endorsed the Lima Declaration and Plan of Action, and indirectly by other resolutions in respect of operational activities.

#### (d) Strategy and output

##### (i) Situation at the end of 1979

17.29 At the end of 1979, the workload of programme development will still be related mainly to projects destined for execution by UNIDO on behalf of UNDP, but

it is anticipated that the programme of activities financed by the new United Nations Industrial Development Fund (UNIDF) will have grown rapidly and may already be absorbing as much as one third of the total staff resources devoted to programme development. At that time, the second cycle of UNDP country programming exercises should have been completed. The emphasis will shift to the formulation and appraisal of specific project proposals. Guidelines for project design and procedures for project appraisal are expected to have been thoroughly reviewed and streamlined, and the evaluation activities should be taking place at all levels in a systematic and continuing fashion.

(ii) Biennium 1980-1981

17.30 The formulation and appraisal of projects within the second country programme cycle and the mid-term review of the country programmes are expected to be completed during the biennium. Programming missions and preparatory discussions with Governments concerning their needs for assistance in the industry sector during the third country programming cycle will be initiated. A further considerable expansion is assumed in the resources made available through UNIDF in the light of the endorsement by the General Assembly in resolution 32/166 of the Industrial Development Board decision that a desirable funding level would be \$50 million yearly. This will call for increased resources and a further shift in emphasis of the subprogramme towards the formulation and appraisal of projects financed from non-UNDP sources. Headquarters evaluation activities would include one programme evaluation, 12 comprehensive project evaluations (including field missions), desk evaluations of a sample of 40 projects from the Special Industrial Services programme and 40 projects financed by UNIDF. It is planned that field staff should evaluate all field projects on the basis of a headquarters questionnaire every four years, the first such exercise taking place within this biennium.

(iii) Biennium 1982-1983

17.31 The emphasis in programming activities connected with UNDP will again shift to the preparation of country programmes, the third cycle of which is expected to be completed by the end of 1983. In this biennium, the value of projects to be formulated and appraised in connexion with UNIDF is expected to reach a similar order of magnitude to the value of projects financed by UNDP and executed by UNIDO. Close co-ordination between the two programmes will be of the utmost importance. Evaluation activities are expected to continue in this biennium on the same scale as in 1980-1981.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

17.32 There are no activities in the strategy that are considered likely to be of marginal usefulness. This, however, does not mean that certain types of projects will not be judged to be of marginal usefulness in the light of the evaluation activities. It is not anticipated that any legislation would be required to discontinue such projects.

(e) Expected impact

17.33 The impact of programme development and evaluation will occur mainly after implementation and completion of projects. Such impact is discussed more

specifically under the programmes responsible for implementation, in particular, the industrial operations programme. The discussions held with Governments, in order to ensure that projects are well designed to respond to the needs of recipient countries within the context of their own development plans and strategies, may well have the effect in some cases of assisting those Governments to improve the quality and effectiveness of their own planning activities in the area of industrial development.

## SUBPROGRAMME 2: SPECIAL MEASURES FOR THE LEAST DEVELOPED COUNTRIES

### (a) Objective

17.34 The objective of this subprogramme is to assist the least developed, land-locked and island developing countries to accelerate their industrial development by designing, formulating and promoting the financing of special measures and innovative programmes to meet their particular requirements.

### (b) Problem addressed

17.35 The countries covered by this subprogramme, which include those of the Sudano-Sahelian zone, face in an extreme form the generality of problems encountered by all developing countries in seeking to industrialize. In calling for special measures in favour of the least developed among the developing countries, the General Assembly referred to overcoming the scarcity of indigenous technical and managerial cadres, building the economic and social infrastructure, increasing the exploitation by these countries of their natural resources and assisting in the formulation and implementation of national development plans. <sup>3/</sup> The land-locked and island developing countries suffer from the disadvantage that their geographical situation tends to raise transport costs for goods imported and exported and that this generally has the indirect effect of also raising certain costs of industrial production and distribution internally. The challenge posed is one of devising special measures in the area of technical co-operation activities to overcome these disadvantages and to mobilize financial resources for the expanded programmes of aid that are needed.

### (c) Legislative authority

17.36 The legislative authority for this subprogramme derives from the Lima Declaration and Plan of Action (A/10112, chap. IV) as endorsed by the General Assembly in its resolution 3362 (S-VII), section IV, paragraphs 1 and 8. In its resolution 32/163 on strengthening of operational activities in the field of industrial development in the least developed among the developing countries, the General Assembly urged that a sizable proportion of the resources of UNIDF be allocated to such activities.

### (d) Strategy and output

#### (i) Situation at the end of 1979

17.37 The subprogramme calls for continuing activities which should evolve in the light of experience. It was initiated as a result of the recommendations of

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<sup>3/</sup> See General Assembly resolution 2626 (XXV) on the International Development Strategy for the Second United Nations Development Decade, sect. C.5, para. (57).

the Lima Declaration and Plan of Action, and, by the end of 1979, will have been in operation for four years, during which the greater part of the investigatory and fact-finding work necessary in order to establish sound foundations for the development of programme activities will have been completed. In addition, a certain number of projects arising from the activities of the subprogramme will have been implemented to an extent that permits at least an interim evaluation of the effectiveness of the special measures which they embody. Despite the experience accumulated, however, it is envisaged that the formulation and appraisal of projects in this subprogramme will generally require more intensive work, including on-the-spot investigations in a greater proportion of cases, than is required in similar activities undertaken for other developing countries.

(ii) Biennium 1980-1981

17.38 Programme development will lay stress on the generation of technical skills, through national and regional training programmes specially designed for the needs of these countries; a greater degree of domestic processing of local raw materials; the use of pilot plants to foster experimentation and adaptation of industrial technology; and strengthening the links between the small-scale industries sector and agricultural production in rural areas. The institutional infrastructure for industrialization also calls for a greater provision of technical assistance in this group of countries. The subprogramme will contribute to the preparation of UNDP country programmes and the preparation of projects, whether financed by UNDP or by voluntary contributions to UNIDO, paralleling in these countries the activities carried out under subprogramme 1 in respect of other developing countries.

17.39 The situation of the Sudano-Sahelian zone requires specific action from UNIDO in the light of the conclusions of the United Nations Conference on Desertification held at Nairobi in 1977 (A/CONF.74/36). To this end action-oriented programmes and projects will be formulated in co-operation with the Permanent Inter-State Committee on Drought Control in the Sahel (CISS), the United Nations Sahelian Office (UNSO), the Sahel Institute and other United Nations bodies, covering such areas as water management and irrigation, crop protection and preservation, and the local production of fertilizers, pesticides and agricultural machinery and implements. As in the previous biennium, action will be taken, upon request, to ensure better utilization of installed industrial capacity, by means of sectoral surveys, advisory services and training programmes in production management.

17.40 The strategy for mobilizing financial resources in connexion with aid programmes to these countries is intimately linked with the development of projects which carry the support of recipient Governments and are also judged by potential donor Governments to be well conceived. Intergovernmental expert group meetings have proved an effective promotional vehicle in this connexion, and their periodic use is expected to continue. In the preparation of such meetings and in follow-up work, such as fact-finding and preparatory missions to the field, it is envisaged that outside expertise will often be employed, financed by UNIDF. A high proportion of the projects developed by the subprogramme will relate to the agro-industry sector. Governments will be encouraged to consider regional and subregional projects, as well as national ones, where the technical and economic parameters point to the advantages of a larger geographical base of operation.



(iii) Biennium 1982-1983

17.41 It is not envisaged that the basic strategy and output will differ markedly from those of the preceding biennium. Such fresh guidance as the Third General Conference of UNIDO may provide on the strategy to be followed in assisting this group of countries would affect mainly the orientation and the details of projects during this biennium, although some changes might be made during 1981.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

17.42 On the basis of experience to date none of the types of activity undertaken has proved to be of marginal usefulness, although, inevitably, some of the innovations have not fulfilled the high hopes with which they were launched. No legislative authority is required to discontinue measures or projects that prove disappointing.

(e) Expected impact

17.43 As with subprogramme 1, the impact of this subprogramme will occur mainly after implementation and completion of projects. In the longer term, these activities will be reflected both in the volume of aid granted to this group of countries under bilateral and international programmes and in the extent to which the recommendations in the Lima Declaration and Plan of Action with regard to this group of countries are achieved (the statement may be recalled that industrialization in these countries must take place at a more rapid pace than average). Whatever the achievements that such indicators may eventually show, they will be attributable to the efforts of many parties, and it would not be claimed that the contribution of UNIDO was anything but a modest part of the whole.

SUBPROGRAMME 3: CO-OPERATION AMONG DEVELOPING COUNTRIES FOR INDUSTRIALIZATION

(a) Objective

17.44 The objective of this subprogramme is to promote an increase in the degree of economic and technical co-operation among developing countries for purposes of industrialization.

(b) Problem addressed

17.45 The concept of co-operation for industrialization springs from the realization that a stage has been reached when developing countries must take a direct and more active part in the international processes and activities which affect their economic and social development and that, besides helping them to meet their needs for skills and technology, economic and technical co-operation will help to promote better understanding and appreciation of their common problems of development and to generate mutual self-help and self-reliance.

17.46 However, though the above concept may be readily accepted in principle, and a number of developing countries have, indeed, taken steps to promote co-operation among themselves, there are factors which impede fruitful expansion in this direction. Foremost among these are a lack of confidence in the technical capacities of other developing countries, a lack of information on the existence

of those capacities and a bias in favour of traditional sources of technical assistance. Expansion is further hampered by the fact that existing institutional and financial mechanisms for the promotion of self-help among developing countries are not altogether adequate for the task in hand.

(c) Legislative authority

17.47 The legislative authority for this subprogramme derives from General Assembly resolution 3202 (S-VI) on the programme of action on the establishment of a new international economic order, section VII; its resolution 3241 (XXIX) on economic co-operation among developing countries, paragraph 3; its resolution 3362 (S-VII) on development and international economic co-operation, section VI; its resolution 3442 (XXX) on economic co-operation among developing countries, paragraphs 4 and 5; its resolution 31/119 on economic co-operation among developing countries, paragraph 4; and its resolution 32/180 on economic co-operation among developing countries, paragraph 4. In addition, UNIDO, as a participating and executing agency, is involved in technical co-operation among developing countries within the framework of UNDP activities, which are the subject of further resolutions of the General Assembly.

(d) Strategy and output

(i) Situation at the end of 1979

17.48 By the end of 1979, measures will have been taken to assist interested countries in developing information programmes designed to make the importance and nature of mutual economic and technical development better known and in reducing the information gap as regards the industrial and technological capacities and requirements of developing countries. Systematic inquiries will have been completed for the purpose of identifying which developing countries are able to provide which specific kinds of assistance on a co-operative basis to other developing countries. In addition, a review will have been made of existing intergovernmental machinery and institutions concerned with various aspects of economic co-operation among developing countries in industrial matters, with a view to identifying any short-comings they may have and proposing means of overcoming same.

(ii) Biennium 1980-1981

17.49 The strategy outlined above will be expanded or modified in light of the recommendations emanating from the United Nations Conference on Technical Co-operation among Developing Countries held in Buenos Aires in August/September 1978. It is anticipated, however, that attention will focus on the provision of guidance in establishing or strengthening institutions at the regional and subregional levels designed to promote the sharing of experience in industrialization, technology and the use of legislative machinery in industry. Similarly, the possibilities will be explored of pooling and sharing at these levels expertise, equipment and technical services, as well as research work and training. Increased co-operation among the developing countries should lead to creating or strengthening the institutional machinery for consultation and co-ordination that will enable the developing countries to obtain better terms for the acquisition of technology, expertise, licences and equipment from the developed countries. The subprogramme will also encourage and provide guidance in the establishment of consultation machinery at the regional, subregional and interregional levels, with a view to harmonizing industrialization policies and

ensuring a greater degree of industrial complementarity among developing countries, taking into account economies of scale and specialization. These activities will be carefully integrated with those undertaken in connexion with the system of consultations (see subprogramme 4). Assistance will be given to Governments in creating the infrastructure of specialized institutions at the regional and subregional level where necessary in order to provide adequate support to these activities.

17.50 Though the emphasis will often be on multilateral forms of co-operation among developing countries, the subprogramme will assist Governments seeking to make bilateral agreements by helping them to identify fruitful areas for bilateral technical co-operation.

(iii) Biennium 1982-1983

17.51 No basic change in strategy is foreseen. An increase in output is envisaged, responding to a growing potential for economic co-operation among developing countries in accelerating their industrialization.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

17.52 There are no activities of marginal usefulness in this subprogramme plan.

(d) Expected impact

17.53 The programme is expected to lead to the creation and strengthening of machinery for economic co-operation and integration at the regional, subregional and interregional levels, together with the related institutional infrastructure for industrial research and development, training, information, etc. It is also expected to increase the opportunities for collaboration among developing countries at these levels through the progressive harmonization of national industrial development objectives. The use of this machinery is expected to result in a more harmonious, balanced and rapid industrial development in the community of developing countries and a significant increase in their collective self-reliance.

SUBPROGRAMME 4: SYSTEM OF CONTINUING CONSULTATIONS ON THE EQUITABLE DISTRIBUTION OF WORLD INDUSTRY

(a) Objective

17.54 The objective of this subprogramme is to increase the share of the developing countries in world industrial production through the operation of a system of continuing consultations at the global, regional, interregional and sectoral levels. These consultations aim at making more equitable the distribution of world industrial production, and to this end they are designed to seek agreement on action at the national and international level to attain the objective. As a contingent supplementary objective, the subprogramme should enable UNIDO to serve as a forum for the negotiation of industrial agreements between developed and developing countries and among developing countries themselves, at the request of the countries concerned.

(b) Problems addressed

17.55 The Lima Declaration and Plan of Action stresses the need for greater co-operation between developed and developing countries in seeking to achieve the target share for the latter group of countries of at least 25 per cent of total industrial output by the end of the present century. It recognizes that, since "the unrestricted play of market forces is not the most suitable means of promoting industrialization on a world scale or of achieving effective international co-operation in the field of industry" (A/10112, chap. 4, para. 42), the exercise of the political will of individual countries and a mutual readiness to co-operate will be required in order to achieve the target. Before such co-operation can be realized, mutually advantageous broad agreements must be reached on an appreciable number of issues in such sensitive areas as regular supplies of raw materials and fuels, equipment and spare parts, access to markets, sources and conditions of finance, contract and guarantee procedures, and the redeployment from industrialized to the developing countries of industrial capacities in appropriate circumstances. In the context of the above, the main obstacles and constraints to industrial expansion in the developing countries are addressed - initially in selected industrial sectors - and solutions proposed.

(c) Legislative authority

17.56 The legislative authority for this subprogramme is derived from the Lima Declaration and Plan of Action, as endorsed by the General Assembly in its resolution 3362 (S-VII), section IV. The evolution of the system to date has taken place under the supervision of the Industrial Development Board, which has decided that the system should function for the time being on an experimental basis at the sectoral level, including preparatory activities at the regional level relating to the sectors concerned. It is expected that after the Third General Conference of UNIDO, to be held in January 1980, the system will function at all the levels envisaged.

(d) Strategy and output

(i) Situation at the end of 1979

17.57 The strategy employed under this subprogramme is to organize a system of continuing consultations on selected high-priority industries, with attention focused primarily on "industries processing raw materials exported by developing countries or which consume vast quantities of energy" (Lima Declaration and Plan of Action, para. 61 (d)), in order to increase the value added in developing countries.

17.58 The system provides for the first time a world-wide forum where Governments and representatives of industry and labour of both developing and developed countries can discuss and examine problems of industrial development, not in generalities but in practical terms, with the object of producing concrete solutions. By the end of 1977, the first consultations had taken place on four sectors/subsectors: fertilizers, iron and steel, leather and leather products, and vegetable oils and fats. The mechanisms employed included the consultations as such and ancillary meetings, as follows:

- a. Group or panel meetings of experts selected for their knowledge and experience, convened at UNIDO expense, to assess the problems in the industrial sector concerned.

- b. Preparatory meetings of about 25 experts invited through government channels to select priority issues for consideration at the consultation meetings. Participants were selected with a view to regional balance and the proper representation of developed and developing countries. They attended at UNIDO expense.
- c. The consultation meetings. Participants - usually about 250 - included government officials, representatives of industry, trade unions, consumer groups, other United Nations bodies and international bodies of standing active in the particular industrial sector. All participants attended at their own expense.
- d. Small working groups established upon recommendation of a consultation meeting to pursue activities in areas calling for more detailed study, including the preparation of specific action proposals for submission to a subsequent consultation meeting. As a general rule, participants covered their own expenses.
- e. Regional meetings of experts to deal with problems of special significance to a given region. Expenses were shared by UNIDO and the relevant regional organization.

17.59 The approaches used in the organization of meetings have not followed a rigid pattern. There has, on the contrary, been a conscious attempt to vary the details in order to discover which approaches are most effective. The less successful approaches are not repeated.

17.60 Consultation meetings on a particular sector are spaced at intervals of from 12 to 24 months in order to allow time for follow-up action by UNIDO and adequate preparation by decision-makers from Government and industry who participated at the previous meetings at the relevant sector.

17.61 In 1977, the Industrial Development Board approved the start of preparatory work on the following additional sectors: capital goods, pharmaceuticals, agricultural machinery, petrochemicals and further agro-based subsectors. The Board is expected to authorize at its twelfth session (May 1978) the convening of consultation meetings in two of these new areas and, at the same time, to consider whether it might be advisable to deal at the global level with such issues as financing, investment guarantees and training of industrial manpower, which are proving to be issues common to several industrial sectors. Preparatory activities may have been initiated on some of these issues by the end of 1979. Assuming a continuation of the operation of the system on existing lines, the second consultation meetings will have been held on fertilizers, iron and steel, leather and leather products, and vegetable oils and fats; and first consultation meetings on the two additional sectors to be selected by the Board in 1978. In addition, a total of some 40 meetings of working groups, expert panels, preparatory regional groups and follow-up regional groups will have taken place. Further to the follow-up regional meetings, activities will be undertaken at the field level designed to generate and implement projects suited to the specific needs of the countries concerned, in particular the least developed countries, with special emphasis on the promotion of co-operation among developing countries.

(ii) Biennium 1980-1983

17.62 At the opening of this biennium more than four years will have elapsed since the General Assembly endorsed the recommendations in the Lima Declaration and Plan of Action and decided that the system of continuing consultations should be established at the global, regional, interregional and sectoral levels. It is to be assumed for the purposes of drawing up the plan that from 1980 onwards the consultations will be taking place at all of these levels. During the years 1980-1981, it is anticipated that the first consultation meetings will be held on two further industries to be selected by the Board in 1979, and the second consultation meetings on the two sectors selected in 1978. It is also envisaged that the third consultation meetings will be held on fertilizers, iron and steel, leather and leather products and vegetable oils and fats. In addition, follow-up and preparatory activities relating to at least 10 industrial sectors/subsectors will be carried out. It is assumed that the Third General Conference of UNIDO will recommend an increase in global-level consultation activities to deal with issues common to all the sectoral consultation meetings, as indicated above. It is further assumed that five or six interregional consultation meetings will be held on industrial sectors which lend themselves to co-operation among regions, in order to promote co-operation at this level.

(iii) Biennium 1982-1983

17.63 Activities along the lines described above will be expanded and intensified. It is anticipated that the subprogramme will be dealing with at least 12 industrial sectors, at various phases, by the end of 1983 and functioning at all the levels envisaged in the Lima Declaration and Plan of Action.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

17.64 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

17.65 The consultation meetings on the industrial sectors/subsectors covered by the end of 1977 have yielded consensus as follows regarding industrial production in the developing countries by the year 2000:

|                               |                                                                                    |
|-------------------------------|------------------------------------------------------------------------------------|
| Iron and steel:               | 30 per cent of world output                                                        |
| Fertilizers:                  | Self-sufficiency and an exportable surplus                                         |
| Vegetable oils and fats:      | Self-sufficiency and an exportable surplus                                         |
| Leather and leather products: | Growth in the leather industry would be predominantly in the developing countries. |

17.66 Subsequent consultation meetings are expected, by the end of the plan period, to have outlined ways and means of achieving these targets, in terms of the creation of new capacities in developing countries or the redeployment of capacities from developed to developing countries. The improvement of international co-operation is a lengthy, ambitious and involved process; only

some of its fruits will be seen in the span of the medium-term plan period. By the end of 1983, however, the system of consultations should have produced a number of instruments for the promotion of such co-operation. Examples are:

- a. An agreed model contract for the construction and operation of fertilizer plants in developing countries covering such eventualities as flaws or defects in design and construction;
- b. A multilateral insurance scheme to cover all parties concerned, particularly the developing countries, in transactions such as industrial joint ventures and redeployment of capacities;
- c. Evaluation surveys on 16 countries in Africa, Latin America and Asia, selected on the basis of their potential as producers of vegetable oils, taking into consideration their unutilized or under-utilized capacities and the present financial, technical, marketing and other constraints to development of the sector. The conclusions drawn from these surveys will provide Governments with the basis for concrete proposals for inclusion in the development programmes of these countries, as recommended by the Lima Declaration and Plan of Action, paragraph 61 (d). As a further result, industrial companies and financing institutions will be mobilized to sponsor such programmes.

17.67 In general, the agreements and conclusions reached through the system of consultations are expected to generate projects for technical assistance to the developing countries; to identify opportunities for industrial investment in those countries, including opportunities for the redeployment of industrial capacity from developed countries; and to promote investment, once the opportunities have been identified.

PROGRAMME 2: UNIDO: INDUSTRIAL STUDIES AND RESEARCH

A. Organization

1. Intergovernmental review

17.68 The review procedures are as described above for the work of the UNIDO secretariat as a whole.

2. Secretariat

17.69 The unit of the UNIDO secretariat responsible for this programme is the International Centre for Industrial Studies, in which there were 62 Professional staff members as at 31 December 1977. One post was supported from extrabudgetary sources. The Centre had the following organizational units as at 31 December 1977:

| <u>Organizational unit</u>                     | <u>Professional staff</u> |                                | <u>Total</u> |
|------------------------------------------------|---------------------------|--------------------------------|--------------|
|                                                | <u>Regular budget</u>     | <u>Extra-budgetary sources</u> |              |
| Office of the Director <u>a/</u>               | 7                         | 1                              | 8            |
| Global and Conceptual Studies Section          | 9                         | -                              | 9            |
| Regional and Country Studies Section           | 13                        | -                              | 13           |
| Sectoral Studies Section                       | 12                        | -                              | 12           |
| Development and Transfer of Technology Section | 8                         | -                              | 8            |
| Industrial Information Section                 | 12                        | -                              | 12           |
|                                                | <u>61</u>                 | <u>1</u>                       | <u>62</u>    |

a/ Including staff assigned to the regional commissions.

3. Divergencies between current administrative structure and proposed programme structure

17.70 UNIDO staff members assigned to the industry divisions operated jointly with the regional commissions at their headquarters are treated administratively as part of the Office of the Director but are regarded for the purpose of the medium-term plan as staff resources available to its various subprogrammes.



17.71 The activities of the Industrial Information Section include the provision of library services (see programme element 6.1 in the proposed programme budget for the biennium 1978-1979 4/). These activities fall outside the programme structure of the medium-term plan. Furthermore, they will be subject to modified administrative arrangements following the move to the Donaupark complex.

4. Expected completions and consequent reorganizations

(a) Expected completions

17.72 Each programme element described in paragraph 12.64 of the proposed programme budget for the biennium 1978-1979 4/ is of a long-lasting nature because it aggregates a number of studies and research activities concerned with a broad theme relevant to industrial development and the recommendations thereon in the Lima Declaration and Plan of Action.

17.73 Only the following elements are expected to be completed:

(i) In 1978-1979

- 1.1 The community and industrial development;
- 2.4 Techno-economic obstacles to increasing the share of developing countries in world industrial production;
- 3.4 Institutional infrastructure for industry;
- 3.6 National industrial development policy measures;
- 3.8 Natural resources utilization and industrial development;
- 3.9 Measurement of economic efficiency in industry;
- 4.2 Sectoral studies of management of industrial enterprises.

(ii) In 1980-1981

No completions will occur, since the other programme elements cited in the proposed programme budget for the biennium 1978-1979 under this programme are of a continuing nature.

(b) Consequent reorganizations

17.74 Some redeployment of staff within subprogrammes or between subprogrammes of this programme is the only consequence foreseen of the completion of the above programme elements.

5. Other organization matters

17.75 In addition to staff assigned from UNIDO, the industry divisions operated jointly with the regional commissions include staff of the regional commissions themselves. Though the assigned UNIDO staff members contribute to the results of the industry divisions as described in the relevant programmes conducted by the regional commissions, they also contribute essential material for the results of this UNIDO programme.

4/ Official Records of the General Assembly, Thirty-second Session, Supplement No. 6 (A/32/6 and Corr.1 and 2), vol. II, para. 12.64.

## B. Co-ordination

### 1. Formal co-ordination within the secretariat

17.76 The arrangements already described regarding UNIDO as a whole apply equally to all programmes.

### 2. Formal co-ordination within the United Nations system

17.77 The arrangements already described regarding UNIDO as a whole apply. In particular, co-ordination arrangements exist with the Department of International Economic and Social Affairs in matters concerning energy and transfer of appropriate technology.

### 3. Units with which significant joint activities are expected during the period 1980-1983

17.78 The following joint activities are expected to be undertaken:

(a) Follow-up to the joint study on international co-operation (see programme element 2.2 in the proposed programme budget for 1978-1979 <sup>h/</sup>); the units involved would include the Department of International Economic and Social Affairs, the Centre on Transnational Corporations, UNCTAD, UNDP, FAO, ILO and the World Bank;

(b) Projects in the UNEP regional seas programme;

(c) Regional industrial surveys and other activities, through the joint industry divisions of UNIDO and the regional commissions.

## C. Allocation of resources to subprogrammes

17.79 The trend in the percentage allocation of resources to subprogrammes is expected to be approximately as shown in the following table:

Allocation of resources to subprogrammes  
(Percentage)

| <u>Subprogramme</u>                             | 1978-1979      |                                |            | 1980-1981      |                                |            | 1982-1983      |                                |            |
|-------------------------------------------------|----------------|--------------------------------|------------|----------------|--------------------------------|------------|----------------|--------------------------------|------------|
|                                                 | Regular budget | Extra-<br>budgetary<br>sources | Total      | Regular budget | Extra-<br>budgetary<br>sources | Total      | Regular budget | Extra-<br>budgetary<br>sources | Total      |
| 1. Global and conceptual studies and research   | 22             | -                              | 21         | 21             | 8                              | 19         | 19             | 10                             | 18         |
| 2. Regional and country studies and research    | 24             | 29                             | 24         | 24             | 20                             | 24         | 24             | 15                             | 23         |
| 3. Sectoral studies and research                | 26             | -                              | 25         | 25             | 8                              | 24         | 24             | 13                             | 23         |
| 4. Development and transfer of technology       | 16             | -                              | 15         | 16             | 14                             | 16         | 17             | 15                             | 17         |
| 5. Industrial information and advisory services | 12             | 71                             | 15         | 14             | 50                             | 17         | 16             | 47                             | 19         |
| <b>Total</b>                                    | <b>100</b>     | <b>100</b>                     | <b>100</b> | <b>100</b>     | <b>100</b>                     | <b>100</b> | <b>100</b>     | <b>100</b>                     | <b>100</b> |

## D. Subprogramme narratives

### SUBPROGRAMME 1: GLOBAL AND CONCEPTUAL STUDIES AND RESEARCH

#### (a) Objective

17.80 The objective of this subprogramme is to study industrial development trends, on a global basis, in the light of the Lima Declaration and Plan of Action, in order to make pertinent recommendations thereon to Governments and to develop concepts of industrialization which will further the establishment of a new international economic order.

#### (b) Problem addressed

17.81 In endeavouring to achieve industrial growth commensurate with the targets set and in conformity with the measures recommended in the Lima Declaration and Plan of Action, the developing countries are confronted with the far-reaching implications, social as well as economic, of accelerated industrial development. There is a need to analyse these implications when formulating and evaluating policies appropriate to diverse but interconnected economies. Progress towards the achievement of development targets has to be monitored and guidance offered to the developing countries on possible strategies for overcoming the obstacles encountered. Methods and mechanisms of international co-operation for industrial development will need to be further elaborated in the light of the Declaration and Plan of Action for the Establishment of a New International Economic Order.

#### (c) Legislative authority

17.82 The legislative authority for this subprogramme derives from General Assembly resolution 3362 (S-VII) on development and international economic co-operation, section IV: paragraph 1 thereof endorsed the Lima Declaration and Plan of Action; and paragraph 7 provided for a joint study to be undertaken under the auspices of UNIDO on international industrial co-operation. In its resolution 31/163 on industrial redeployment in favour of developing countries, the General Assembly requested the Executive Director of UNIDO to prepare studies in this connexion which would include policy recommendations and the identification of specific industries and sectors of industries amenable to accelerated redeployment.

17.83 The Lima Plan of Action stated that the role and activities of UNIDO should be based, among other things, on the report of the Ad Hoc Committee on Long-range Strategy for UNIDO (ID/B/142). That Committee was required to identify the possibilities, ways and means of implementing the recommendations of the Group of High-level Experts on a Long-range Strategy for UNIDO and to submit a detailed plan and programme for those recommendations which could be implemented. Recommendation I of the High-level Group was concerned with industrial strategies and policies, and the Ad Hoc Committee described how its implementation should be initiated and developed by studies at the global level as well as the country, regional and sectoral levels. The strategy and output of this subprogramme pay full regard to the recommendations of the Ad Hoc Committee concerning studies at the various levels.

(d) Strategy and output

(i) Situation at the end of 1979

17.84. By the end of 1979, the joint study on international industrial co-operation <sup>5/</sup> will have been completed and transmitted, prior to its submission to the General Assembly, to the Third General Conference of UNIDO, together with an analytical report on follow-up by Governments and international organizations to the Lima Declaration and Plan of Action. A second generation of structures in connexion with the UNIDO World Industry Co-operation Model, with particular emphasis on national policy simulations and international linkages, will have been developed and made available to economic planners and policy-makers in order to facilitate international consultation and negotiation. A number of industrial sectors will have been identified where there is a strong possibility of structural changes in the developed countries. Governments will have been advised of the opportunities for redeployment of industrial capacity that are likely to arise in consequence.

(ii) Biennium 1980-1981

17.85 Particular emphasis will be attached to the development of new concepts and approaches, at the global level, in respect of industrial development and international industrial co-operation, and to efforts to redress the disequilibrium between developed and developing countries through structural change and industrial redeployment. The findings of these study activities will be transmitted to Governments for consideration when formulating industrial policies. Work will continue, in co-operation with other United Nations bodies, on the development of long-term projections as required by the various programmes of the Organization. The monitoring function will continue to be exercised, the findings being made available to Governments, and studies and research will continue into both the opportunities and the obstacles to the deployment of industrial production capacity on a growing scale in the developing countries.

(iii) Biennium 1982-1983

17.86 In addition to continuing the activities undertaken in the previous biennium, with suitable changes of emphasis because the problems will alter significantly as the share of the developing countries in world industrial production rises, this subprogramme will be concerned with the elaboration of long-term development objectives to follow on the International Development Strategy for the Second United Nations Development Decade.

(iv) Activities in the strategy that are considered to be of marginal usefulness and the legislation requiring them

17.87 There are no activities of marginal usefulness in this subprogramme plan.

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<sup>5/</sup> See resolution 3362 (S-VII), sect. IV, para. 7.

(e) Expected impact

17.88 Precise and objective indicators of achievement, dated and supplemented by numerical goals, cannot be provided for this subprogramme in view of the nature of the problem addressed. The various studies are expected to assist Governments in taking more effective action to achieve the targets set in the Lima Declaration and Plan of Action through a greater awareness of the complex functioning of the process of industrial development and of methods and mechanisms of co-operation between nations to the mutual advantage of the parties concerned.

SUBPROGRAMME 2: REGIONAL AND COUNTRY STUDIES AND RESEARCH

(a) Objective

17.89 The objective of this subprogramme is to study the structure, pattern and trends of industrial development at the country, regional and subregional levels with a view to advising appropriate governmental and intergovernmental agencies on strategies and measures for achieving the Lima target, and to study existing schemes and possible models for economic co-operation between countries in order to assist Governments in developing industries to serve regional and subregional markets.

(b) Problem addressed

17.90 In view of the complex of socio-economic factors and of human, financial and natural resources which have to be taken into account at country, regional and subregional levels, Governments express the need for advice to deal with their difficulties in drawing up strategies, development plans and policies for industrialization in the context of the Lima target and within the framework of collective self-reliance in an interdependent world. Comparative analyses and in-depth studies, including alternative concepts, methodologies and models of industrial development, have been requested by legislative bodies to assist Governments, both nationally and regionally, in overcoming these difficulties. Further problems arise in connexion with project selection and design and, later on, in project implementation and evaluation and in determining what follow-up activities are advisable. Governments can be assisted in this phase by comparative analyses of criteria, specific procedures and institutional arrangements in developing countries at different levels of development.

(c) Legislative authority

17.91 The legislative authority for this subprogramme derives from General Assembly resolution 3362 (S-VII), section IV. As noted under subprogramme 1, the report of the Ad Hoc Committee on Long-range Strategy for UNIDO included studies at the regional and country level among the activities by which UNIDO might advise and assist developing countries and UNDP on policies and strategies concerning industrialization within the context of over-all development plans.

(d) Strategy and output

(i) Situation at the end of 1979

17.92 By the end of 1979, the comprehensive Industrial Development Survey will have been completed for submission to the Third General Conference of UNIDO.

Furthermore, national surveys, comprising industrial development profiles of about 40 developing countries, will have been conducted for utilization by other subprogrammes of UNIDO. An analysis and progress report will have been completed on the integration of industrialization in the development of rural areas on a self-reliant basis. It is also proposed to have completed, for utilization in the industrial operations programme, studies on the institutional infrastructure, industrial training systems, the industrial processing of natural resources and the measurement of economic efficiency. These studies will be used by government authorities, research and development agencies, and academic institutions.

(ii) Biennium 1980-1981

17.93 Research will be undertaken with a view to formulating measures conducive to harmonious and balanced industrial development, due consideration being paid to the experience of countries with different economic and social systems and to the principles enunciated in the programme of action on the establishment of a new international economic order. The results of such research will be made available not only to ministries and national agencies concerned with industrial development planning, but to regional and subregional bodies, including the regional commissions. Further orientation may be expected from the Third General Conference of UNIDO. Industrial development profiles of another 40 countries in the context of the anticipated rate of growth of industrial production in the regions concerned will be completed. The findings will be presented in a form designed to assist Governments in reviewing their industrial strategies and policies and to provide information of maximum relevance to the planning of the industry sectors of UNDP country programmes. Regional industrial development surveys will be undertaken which will provide material for a biennial issue of the Industrial Development Survey. At the regional and subregional levels, studies and analyses will be undertaken to assist in the formulation of schemes for co-operation in industrialization on the basis of collective self-reliance. Based on earlier research into industrialization in rural areas and into institutional infrastructure or industrialization, assistance will be provided in the formulation of action-oriented programmes by Governments of developing countries.

17.94 The subprogramme is also responsible for organizing the storage and retrieval of statistical data to meet the requirements of the entire industrial studies and research programme and undertakes, as required, statistical research and special analyses. These activities will continue during the biennium.

(iii) Biennium 1982-1983

17.95 In addition to ensuring the logical and consistent development of the lines of inquiry pursued during the previous biennium, strategy and activities will be influenced by the deliberations of the Third General Conference of UNIDO. It can be expected that attention will be devoted to the strategical follow-up to the Second United Nations Development Decade on a regional and country basis, including assistance in the formulation and implementation of action-oriented programmes at these levels.

(iv) Activities in the strategy that are considered to be of marginal usefulness and the legislation requiring them

17.96 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

17.97 No objective indicators can be provided for this subprogramme. The various studies are expected to assist national, regional and subregional authorities in improving the quality and efficiency of their industrial planning and in the implementation of their development plans, thereby contributing to the achievement of the target for the year 2000 set in the Lima Declaration and Plan of Action.

SUBPROGRAMME 3: SECTORAL STUDIES AND RESEARCH

(a) Objective

17.98 The objective of this subprogramme is to enable developing countries to broaden their technological options and to assist decision makers in using available resources to best effect in industrial sector strategies and in establishing industrial enterprises through techno-economic studies of selected industrial sectors and analysis of trends in international trade.

(b) Problem addressed

17.99 Relocating industry and changing the geographical distribution of industrial production facilities on the scale envisaged by the Lima Declaration and Plan of Action, when it set the target that the developing countries should achieve a share of world industrial production amounting to at least 25 per cent by the year 2000, has been widely recognized as a challenging task involving a broad range of problems, both socio-economic and techno-economic in nature, for both developing and developed countries. One of the many implications is that the decision-making processes will need to be aided by the provision of data relevant to such factors as investment requirements in specific industries.

(c) Legislative authority

17.100 As for subprogrammes 1 and 2, the legislative authority for this subprogramme derives from the endorsement by the General Assembly of the Lima Declaration and Plan of Action in resolution 3362 (S-VII), which stated that the role and activities of UNIDO should be based, among other things, on the report of the Ad Hoc Committee on Long-range Strategy for UNIDO. The report deals with studies at the sectoral and other levels.

(d) Strategy and output

(i) Situation at the end of 1979

17.101 The sectors and subsectors studied between the inception of the subprogramme in 1976 and the end of 1979 are those with which the system of consultations is dealing or is preparing to deal. The information collected is periodically updated in the light of industrial development plans and decisions regarding industrial projects in both developing and developed countries. The methodology and forecasting techniques utilized in the studies are under continuous review, with the aim of improving the value of these documents in offering guidance to the Governments of developing countries in their industrial development. The sectoral case studies of management of industrial enterprises will have been completed. Some studies on the environmental aspects of industrial production in specific sectors will also have been carried out, and a manual prepared on environment management in industrial projects. In addition, UNIDO will have implemented various joint UNIDO/UNEP projects.



(ii) Biennium 1980-1981

17.102 It is envisaged that the selection of new sectors for in-depth study will continue in this biennium to be closely related to the requirements of the system of consultations. Particular emphasis will be given to investigating the international relationships affecting the development of each specific sector under study, in view of their relevance to long-term development objectives. The findings of these investigations will be disseminated to national decision makers in the sectors concerned. The possibilities of using non-conventional sources of energy in industrial production will be given an increased measure of attention, through studies of specific sectors. The impact of industrialization on the environment will continue to be investigated within the framework of the sectoral studies. It is anticipated that UNIDO will continue to participate in the programmes of UNEP, in particular, the UNEP regional seas programme.

(iii) Biennium 1982-1983

17.103 In addition to the development of the work programme of the previous biennium, the subprogramme will be concerned with making an integrated analysis of related groups of industries. A more detailed investigation will be made of sectoral linkages, and the studies conducted will include such factors as industrial location, management and financing.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

17.104 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

17.105 Objective indicators of achievement cannot be provided for this subprogramme in view of the nature of the problem addressed. The studies are expected to assist Governments and, especially through their use in connexion with the system of consultations on the distribution of world industry, other parties to the industrialization process in assessing the prospects for various sectors and in making decisions for their future development in keeping with the aims and objectives of the new international economic order.

SUBPROGRAMME 4: DEVELOPMENT AND TRANSFER OF TECHNOLOGY

(a) Objective

17.106 The objective of this programme is to assist the developing countries, by means of studies, research and promotional action, in matters relating to the domestic development and the acquisition from external sources of technology required for their industrial development.

(b) Problem addressed

17.107 All industrial production requires the use of technology, but there is generally some degree of choice among possible technologies. A particular developing country manufacturing a particular industrial product may sometimes be well advised to use, without modification, a technology in current use in developed countries, in which case the problem is one of selection, acquisition

and assimilation. Often, however, some adaptation or modification of the technology is desirable. There are also circumstances in which it would be even better if new technology suited to the production structure and markets of developing countries were developed. After deciding on the technology, production equipment has to be purchased and installed. Manufacture will, in many cases, be subject to the conclusion of agreements covering licensing and provision of technical know-how. The prices and other conditions governing the transfer of technology have an important influence on the establishment and expansion of industries in the developing countries. Since technology does not stand still, the next step in industrial maturity is for countries to develop a capability for dealing with technical innovation and thus to reduce progressively their reliance on external sources of expertise.

(c) Legislative authority

17.108 The legislative authority for this subprogramme derives from General Assembly resolution 2152 (XXI) on UNIDO, paragraph 2 (b); its resolution 3202 (S-VI) on the programme of action on the establishment of a new international economic order, section IV; its resolution 3507 (XXX) on institutional arrangements in the field of the transfer of technology; its resolution 3362 (S-VII) on development and international economic co-operation, section III and, for its endorsement of the Lima Declaration and Plan of Action, section IV; its resolution 31/183 on the establishment of a network for the exchange of technological information; and its resolution 32/115 on the United Nations Conference on Science and Technology for Development, section I, paragraphs 3 and 6; and from IDB resolution 47 (XI) on international co-operation in the transfer of technology.

(d) Strategy and output

(i) Situation at the end of 1979

17.109 Programme element 5.4, establishment of an industrial and technological information bank, described in paragraph 12.65 of the proposed programme budget for the biennium 1978-1979, 6/ has been transferred to subprogramme 5 and therefore is not discussed here. With regard to the selection and acquisition of technology, several technical memoranda relating to specific industrial sectors will have been completed. Other studies will compare and evaluate alternative technologies. Guidelines will be proposed on the screening and evaluation of technology transfer contracts, particularly licensing agreements. Training courses will have been devised and held for government officials working in these fields in the developing countries. In the area of adaptation and modification of technology, the emphasis will have been on producing inventories of indigenous technologies in selected sectors to be found in certain developing countries. A number of measures relating to the development of appropriate technology will have been implemented and others initiated. These were described in the report of the Executive Director of UNIDO on a co-operative programme of action submitted to and endorsed by the Board at its eleventh session (report ID/B/188 and decision IV (XI)). Policy norms will have been evolved, relating to the use of appropriate technology, within the over-all development strategy.

17.110 The remaining elements in the strategy will have been broadened in consequence of the work on a concrete co-operative programme of action. Governments will continue to be assisted, upon request, in their technology plans and policies, for which guidelines will have been prepared based on in-depth surveys.

6/ Official Records of the General Assembly, Thirty-second Session, Supplement No. 6 (A/32/6 and Corr.1 and 2), vol. II.

Governmental regulations on technology transfer in several countries will have been assessed and broad guidelines drawn up. The promotion of technical co-operation among developing countries will have been fostered through systematic exchange of non-confidential information on industrial technology by national institutions and through the establishment and strengthening of regional and national centres for the transfer of technology and other institutions. Documentation will have been prepared for the United Nations Conference on Science and Technology.

(ii) Biennium 1980-1981

17.111 Increased assistance will be given on the following lines: the formulation, adjustment and refinement of national technology plans and policies will be aided through surveys and advisory missions on the spot, joint discussions in meetings and workshops, and the dissemination of collected and processed material. Indigenous technological capabilities will be developed and strengthened by upgrading indigenous technologies identified in directories by specialists in and outside UNIDO. Training courses, workshops and seminars will contribute to the upgrading of these capabilities. Appropriate technologies will be increasingly developed with the assistance of specialized research and development institutions located as far as possible in developing countries. The use of these technologies, developed through UNIDO programmes or identified as such from available alternatives, will be promoted through information, published material, studies with recommendations and meetings of various types. Improved selection and acquisition methods will be elaborated as a result of the operation and the proper functioning of national and regional centres for the transfer of technology, by then more numerous and with a settled modus operandi. Consultancy and information services specializing in individual industrial sectors will develop beyond the initial tentative stages in consequence of the training and related activities envisaged for the biennium 1978-1979. Co-operation among developing countries and between developing and developed countries will be systematized and brought to the first stages of institutionalization, by bringing together the interested parties and promoting co-operative programmes.

(iii) Biennium 1982-1983

17.112 An increased output will be required from this subprogramme in the biennium, since many developing countries will have reached a stage in their industrial development in which the technological content of their manufacturing operations will be more sophisticated than hitherto. No fundamental change in strategy is foreseen, but changes of emphasis may well be required. It appears probable that growing attention will need to be given to development of the capability of undertaking technological innovation, modification and adaptation within the developing countries themselves.

(iv) Activities in the strategy that are considered to be of marginal usefulness and the legislation requiring them

17.113 None of the categories of activity that have been described here is considered to be currently of marginal usefulness or likely to become so during the period of the medium-term plan. There is, in any case, sufficient generality in the legislation authorizing this subprogramme for amending legislation to be unnecessary in order to accommodate detailed changes.

(e) Expected impact

17.114 As a result of the activities of this subprogramme, it is expected that the developing countries will be better able to deal with the technological aspects of their industrial development. When they have recourse to external sources of technology they are expected to be in a better position to secure favourable terms; in addition, many developing countries are expected to improve significantly their capability for relying on domestic resources for the necessary industrial technology. Co-operation among developing countries in the development and transfer of industrial technology is expected to increase. With regard to most activities under this subprogramme, it is not possible to provide objective indicators of achievement.

SUBPROGRAMME 5: INDUSTRIAL INFORMATION AND ADVISORY SERVICES

(a) Objective

17.115 The objective of this subprogramme is to provide the developing countries with an independent source of information and advice on technological and other aspects of industrial production.

(b) Problem addressed

17.116 The problem addressed is largely that which has been described under subprogramme 4. Whereas that subprogramme focuses on the difficulties of substance in developing and transferring industrial technology and on institutions whose activities are intended to reduce those difficulties, there is an associated problem of how to organize efficiently the dissemination of industrial information to and in the developing countries. It is necessary to organize access to the available relevant information. In addition, however, many developing countries need advice, if not on how to formulate their requests for information, then on how to use and interpret the information to which they gain access. It is in these areas that the subprogramme complements the activities of subprogramme 4.

(c) Legislative authority

17.117 The legislative authority for this subprogramme derives from General Assembly resolution 3362 (S-VII) on development and international economic co-operation, section IV, endorsing the Lima Declaration and Plan of Action, the report of the Ad Hoc Committee on Long-range Strategy for UNIDO, which included recommendations on the industrial information clearing-house function of UNIDO; and General Assembly resolution 31/183 on the establishment of a network for the exchange of technological information, particularly paragraph 9, concerning the establishment of the Industrial and Technological Information Bank (INTIB).

(d) Strategy and output

(i) Situation at the end of 1979

17.118 INTIB will have been operational or rather more than two years, consequent on decision V (XI) of the Board 7/ to make a start through a pilot project

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7/ Subsequently endorsed by the General Assembly in resolution 32/178.

involving only four industrial sectors. The state of operations at the end of 1979 will depend on a further decision to be taken by the Board at its twelfth session in the light of a progress report by the Executive Director of UNIDO. The publication of periodicals and guides to information sources will continue, covering new branches of industry and updating the guides previously issued. The Development and Transfer of Technology series of publications, initiated in 1977 to carry information due to be disseminated under the terms of reference of INTIB, will have become a sales publication, with some 30 issues already in circulation by the end of 1979.

17.119 Abstracting of UNIDO documents, publications and reports will also have continued, with publication in the Industrial Development Abstracts series. On-line access to computerized storage and retrieval facilities will have been extended in order to facilitate access to data banks of relevance to INTIB. The industrial information clearing-house functions of UNIDO will be considerably reinforced in this way, and it is expected that the Industrial Inquiry Service will have continued to handle some 8,000 to 10,000 inquiries a year, while expanding its sources of information. Taken together, INTIB and these complementary activities will add up to a referral service and a clearing-house, not just a data bank; they are expected to generate requests for direct advisory services from UNIDO headquarters as a new dimension of technical assistance operations.

(ii) Biennium 1980-1981

17.120 It is envisaged that there will be further development of INTIB, though this will depend on future decisions of policy-making bodies in the light of the financial implications of the arrangements proposed. It may be anticipated that the coverage of INTIB will be extended to all sectors of industry, with on-line access to other relevant data banks on a world-wide basis and close integration with the industrial information advisory services of the subprogramme. The recommendations of the United Nations Conference on Science and Technology will influence the extent to which UNIDO activities in this area are integrated with those in the United Nations network of information services. For these reasons, a more precise indication of output cannot realistically be given. Techniques of communication of information are changing with unusual speed, and the activities of the subprogramme must adapt flexibly to these new opportunities as they open up. Whatever the modalities and channels for dissemination, it is anticipated that the developing countries will wish to rely increasingly on a central source of unbiased information and advice such as UNIDO will be able to provide under the subprogramme.

(iii) Biennium 1982-1983

17.121 With the expectation that more developing countries will be establishing more of the industrial sectors that call for relatively sophisticated technology, it is a safe prediction that the need for industrial information and advisory services will continue to grow in volume. It will remain part of the strategy to be alert to the opportunities offered by technical advances in the information industry and to seek ever more cost-effective ways of providing these essential services to the developing countries.

(iv) Activities in the strategy that are considered to be of marginal usefulness and the legislation requiring them

17.122 Some features of ongoing activities may well be abandoned or modified in reaction to the progressive development of INTIB; some of the operations of INTIB at the pilot stage may later become of marginal usefulness, and successful ventures in the future arising from initiatives by developing countries or international sources may create flows of information which enable the subprogramme to discontinue certain of its activities. The principle of avoiding duplication of effort would continue to be placed at the core of the strategy, but it is not possible to be specific about its application. The existing legislation is sufficiently elastic to allow adaptation of the activities.

(e) Expected impact

17.123 The industrial information and advisory services, operated in conjunction with a fully developed INTIB and in association with other activities relating to the development and transfer of technology, as described in various UNIDO programmes, are expected to strengthen significantly the capability of the developing countries to launch and operate their industrial ventures. Objective indicators of achievement cannot be provided for this subprogramme, partly because the major question of the growth of INTIB cannot be answered in precise terms.

PROGRAMME 3: UNIDO: INDUSTRIAL OPERATIONS

A. Organization

1. Intergovernmental review

17.124 The review procedures are as described above for the work of the UNIDO secretariat as a whole.

2. Secretariat

17.125 The unit of the UNIDO secretariat responsible for this programme is the Industrial Operations Division, in which there were 135 Professional staff members as at 31 December 1977. Thirty-four posts were supported from extrabudgetary sources. The Division had the following organizational units as at 31 December 1977:

| <u>Organizational unit</u>                            | <u>Professional staff</u> |                                | <u>Total</u> |
|-------------------------------------------------------|---------------------------|--------------------------------|--------------|
|                                                       | <u>Regular budget</u>     | <u>Extra-budgetary sources</u> |              |
| Office of the Director                                | 9                         | 1                              | 10           |
| Sections within the programme structure               |                           |                                |              |
| Industrial Planning Section                           | 6                         | -                              | 6            |
| Institutional Infrastructure Section                  | 16                        | -                              | 16           |
| Factory Establishment and Management Training Section | 6                         | 1                              | 7            |
| Training Section                                      | 8                         | 1                              | 9            |
| Agro-industries Section                               | 12                        | 1                              | 13           |
| Metallurgical Industries Section                      | 5                         | 1                              | 6            |
| Engineering Industries Section                        | 9                         | 1                              | 10           |
| Chemical Industries Section                           | 16                        | -                              | 15           |
| Feasibility Studies Section                           | 5                         | 1                              | 6            |
| Investment Co-operative Programme Office              | 5                         | 11                             | 16           |
| Remainder of Division                                 |                           |                                |              |
| Project Personnel Recruitment Section                 | 1                         | 9                              | 10           |
| Purchase and Contracts Services Section               | 3                         | 7                              | 10           |
| <b>Total</b>                                          | <b>101</b>                | <b>34</b>                      | <b>135</b>   |

3. Divergences between current administrative structure and proposed programme structure

17.126 The 10 units tabulated above as being within the programme structure are grouped as follows for the conduct of programmes:

| <u>Organizational unit</u>                                                                                                   | <u>Subprogrammes</u>                                          |
|------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| Industrial Planning Section                                                                                                  | 1. Planning and programming operations                        |
| Institutional Infrastructure Section<br>Factory Establishment and Management<br>Training Section                             | 2. Institution building and training operations               |
| Agro-industries Section<br>Metallurgical Industries Section<br>Engineering Industries Section<br>Chemical Industries Section | 3. Operations relating to technology development and transfer |
| Feasibility Studies Section<br>Investment Co-operative Programme Office                                                      | 4. Pre-investment activities                                  |

The remaining two sections undertake programme support activities.

4. Expected completions and consequent reorganizations

(a) Expected completions

17.127 The programme elements of subprogrammes 1 to 4, as described in paragraph 12.79 of the proposed programme budget for the biennium 1978-1979, 6/ are generally of a continuing nature. The only exceptions are the ad hoc expert group meetings and other meetings of a training or promotional nature, all of which will be completed in 1978-1979.

(b) Consequent reorganizations

17.128 No major reorganizations are expected.

5. Other organizational matters

17.129 None.

B. Co-ordination

1. Formal co-ordination within the Secretariat

17.130 The arrangements described above for UNIDO as a whole apply equally to all programmes.

2. Formal co-ordination within the United Nations system

17.131 See arrangements described above for UNIDO as a whole.



3. Units with which significant joint activities are expected during the period 1980-1983

17.132 It is expected that, as in the past, joint activities will be carried out with such organizations as UNCTAD, UNEP, the regional commissions, FAO, ILO and UNESCO:

C. Allocation of resources to subprogrammes

17.133 The trend in the percentage allocation of resources to subprogrammes is expected to be approximately as shown in the following table:

Allocation of resources to subprogrammes a/  
(Percentage)

|                                                               | <u>1978-1979</u>                |                                               |              | <u>1980-1981</u>                |                                               |              | <u>1982-1983</u>                |                                               |              |
|---------------------------------------------------------------|---------------------------------|-----------------------------------------------|--------------|---------------------------------|-----------------------------------------------|--------------|---------------------------------|-----------------------------------------------|--------------|
|                                                               | <u>Regu-<br/>lar<br/>budget</u> | <u>Extra-<br/>budget-<br/>ary<br/>sources</u> | <u>Total</u> | <u>Regu-<br/>lar<br/>budget</u> | <u>Extra-<br/>budget-<br/>ary<br/>sources</u> | <u>Total</u> | <u>Regu-<br/>lar<br/>budget</u> | <u>Extra-<br/>budget-<br/>ary<br/>sources</u> | <u>Total</u> |
| 1. Planning and programming operations                        | 6                               | 2                                             | 5            | 6                               | 3                                             | 5            | 6                               | 3                                             | 4            |
| 2. Institution building and training operations               | 31                              | 36                                            | 32           | 31                              | 32                                            | 31           | 31                              | 31                                            | 31           |
| 3. Operations relating to technology development and transfer | 45                              | 28                                            | 39           | 46                              | 31                                            | 40           | 45                              | 36                                            | 41           |
| 4. Pre-investment activities                                  | 18                              | 34                                            | 24           | 17                              | 34                                            | 24           | 18                              | 30                                            | 24           |
| <b>Total</b>                                                  | <b>100</b>                      | <b>100</b>                                    | <b>100</b>   | <b>100</b>                      | <b>100</b>                                    | <b>100</b>   | <b>100</b>                      | <b>100</b>                                    | <b>100</b>   |

a/ Excluding resources of the Industrial Operations Division allocated to organizational units falling outside the programme structure of the medium-term plan.

D. Subprogramme narratives

SUBPROGRAMME 1: PLANNING AND PROGRAMMING OPERATIONS

(a) Objective

17.134 The objective of this subprogramme is to assist the developing countries - mainly through implementation of technical co-operation field projects - in

formulating and implementing industrial strategies and policies at the macro-level, in selecting industrial priorities and in preparing, evaluating and revising, as appropriate, national industrial plans and programmes.

(b) Problem addressed

17.135 The Governments of the developing countries make the key decisions regarding their own development, but many of them still request assistance in drawing up and evaluating their national industrial development plans and subsequently reaching set objectives. Industrial planning and programming must harmonize with those adopted for other sectors of the national plan, a difficult task involving the formulation of complex policies.

(c) Legislative authority

17.136 Legislative authority for this subprogramme is to be found in General Assembly resolutions 3202 (S-VI), section III; 3362 (S-VII), section IV; and 31/162, paragraph 1.

(d) Strategy and output

17.137 The technical assistance provided through this subprogramme is designed to assist Governments in promoting an integrated industrialization process within the social, cultural and political context of the country. Efforts are concentrated upon the identification of elements of potential advantage or constraint, the precise definition of the options available, the determination of priority targets at the national, regional or broader geographical levels and the practical application of the most advantageous concepts and programmes identified.

(i) Situation at the end of 1979

17.138 Operational activities in planning and programming have been expanding steadily in recent years and it is anticipated that requests for assistance by Governments, as well as subregional and regional groupings, will undoubtedly continue to grow. During 1976-1979, some 70 field projects will have been executed at an expenditure of about \$16 million, financed primarily from the UNDP/IPF (indicative planning figure) source of funds. An expert group meeting will have been held to review experience thus far and to improve the capacity of UNIDO to deliver technical assistance in the light thereof.

(ii) Biennium 1980-1981

17.139 A key element of the efforts of developing countries to intensify the pace of their industrial development is expected to be the diversification of the structure of the industrial sector with a view to building an integrated and more self-reliant sector with greater linkages internally and with other sectors of the economy. UNIDO will assist in this task, at levels of sophistication consonant with the complexity of the industrialization problems of the countries requesting assistance.

17.140 Although most developing countries have launched industrial development programmes, implementation, in many cases, has lagged and targets have not been reached. UNIDO will assist these countries in determining the causes of the lags and identifying alternative strategies, priorities or other measures that might improve the situation.

17.141 Present indications are that a number of countries will also require UNIDO assistance in formulating long-term (15-20 years) strategy and plans at the macro-economic level, as well as for specific sectors of industry.

17.142 During the biennium, it is expected that some 60 field projects aimed at contributing to the solution of the problems described in the foregoing paragraphs will be executed, at a total cost of \$14 million.

(iii) Biennium 1982-1983

17.143 In 1982-1983, the strategy outlined above will be continued and intensified. Since industrial planning and programming at the national level will undoubtedly continue to be regarded as an important instrument for the achievement of the 25 per cent minimum target set in the Lima Plan of Action, Government requests for assistance in this respect may be expected to increase. At the subregional and regional levels, emphasis will be placed on policies and strategies for the joint development of basic industries and the manufacture of intermediate and some capital goods.

17.144 Operational expenditures within the biennium should be in the region of \$20 million, representing some 50 large-scale projects.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

17.145 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

17.146 No objective indicators of the impact of this subprogramme are possible, but at national levels, planning and programming operations should make a major contribution towards consolidating the industrial structure, developing the economy of the rural areas, integrating industry with other sectors of the economy and raising industrial efficiency in general. At the subregional and regional levels, the subprogramme is expected to make a comparable contribution to industrial and economic integration among countries.

SUBPROGRAMME 2: INSTITUTION BUILDING AND TRAINING OPERATIONS

(a) Objective

17.147 The objective of this subprogramme is to assist the developing countries - mainly through implementation of technical co-operation field projects - in establishing and improving institutional infrastructures (a) to provide Governments with an instrument for developing, implementing and monitoring industrial programmes and projects; (b) to service manufacturing enterprises and various organizations (e.g., development banks and corporations) involved in industrial development activities; (c) to accelerate the establishment of new and the expansion of existing production facilities; and (d) to contribute to the training of the higher-echelon technical and managerial personnel essential to industrial growth.

(b) Problem addressed

17.148 In the developing countries, the need for an effective integrated

institutional infrastructure is particularly critical, since such infrastructure must in part compensate for the absence of a long tradition of industrial development and orientation. In many developing countries, gaps are to be found in institutional coverage, and in some countries, there are overlapping areas in the scope and functions of institutions serving industry. Another problem stems from the fact that no general formula can be applied in infrastructural development: each country has its unique development characteristics which must be taken into account. The general lack of qualified personnel at the managerial and higher technical levels creates a particularly acute problem where institutional infrastructures are concerned, since training new staff to deal with the complex issues and operations involved is both time-consuming and costly. Excessive delay and outlay in starting up new industries is a common problem, and the operation of existing units is often marked by under-utilized capacity. At the production level, the continuing expansion and diversification of industrial bases in the developing countries leads inevitably to greater complexity in the new production units being established and to greater strains on the supply of managerial skills.

(c) Legislative authority

17.149 Legislative authority for this subprogramme is to be found in General Assembly resolutions 3202 (S-VI), section III; 3362 (S-VII), section IV; 3405 (XXX); and 31/162.

(d) Strategy and output

(i) Situation at the end of 1979

17.150 The contribution of UNIDO to the development of institutional infrastructure has traditionally taken the form of assistance to government departments concerned with industrial planning, management, investment promotion, information, research and development, standardization, quality control, metrology, engineering, product design and adaptation, industrial legislation and patents, promotion of small-scale industries and technology transfer.

17.151 By the end of 1979, certain parts of the traditional programme will have been extended, in addition to which the foundation will have been laid for a basically new approach. The aim will be to secure the involvement of various industrial institutions in efforts to decentralize industry, to create additional employment outside the urban areas and to harmonize the industrial sector with other sectors of the economy. While the institutional infrastructure of many developing countries will still be rudimentary, in others it will have developed significantly but may still require co-ordination. UNIDO assistance is envisaged in developing such co-ordination, in fashioning machinery that will assure co-operative functioning in future and in increasing the capacity of existing organizations to cope with new developments in the industrial sector. Activities in the area of factory establishment and management seek to ensure that pre-investment studies are acted on before they become obsolete, that plant designs are appropriate to local conditions, that most favourable terms for outside participation (managerial, technical, financial, marketing) are negotiated and that maximum capacity utilization is achieved. Requests for such technical co-operation activities will have continued to grow, with concomitant growth in operational expenditures. Similarly, assistance in the field of industrial training, including the development of industrial training infrastructure on

regional, national, institutional and enterprise levels for specific industrial sectors, as well as the organization of specialized training courses on an individual or group basis, will have been carried on systematically.

(ii) Biennium 1980-1981

17.152 During this biennium, the need for stable institutional infrastructures will increase with the pace of industrialization, and demand for UNIDO assistance appears likely to outstrip resources. Priorities will therefore have to be set in consultation with Governments. Areas of greatest potential impact are expected to include the development of institutional abilities to select, design and adapt appropriate technologies; the integration of complementary industries in industrial zones; the clustering of rural industries; the harmonization of industry with other sectors of the economy; and institutional facilities to deal with subcontracting and industrial redeployment. Technical co-operation projects will aim to assist Governments to combine the development of national skills with the realization of specific industrialization targets; and to produce a high multiplier effect, for example, through industrial consultancy services. Manuals designed to facilitate the establishment or expansion of production capacities will be published. In co-operation with UNDP and Governments, factory establishment opportunities highlighted by pre-investment projects executed by other United Nations bodies will be examined.

17.153 Training activities will be continued along the lines described earlier, but with emphasis on training nationals of developing countries in their own countries or in other developing countries, rather than in industrialized countries, with a view to encouraging greater technical co-operation among the developing countries. Expenditures on field projects within the biennium are expected to amount to some \$52 million.

(iii) Biennium 1982-1983

17.154 Activities under the subprogramme will be expanded and refined in the light of the experience gained during the previous biennium. UNIDO plans to develop innovative recruitment techniques to meet government demand for increased and more sophisticated assistance in the development of institutional infrastructure. Expenditures on field projects should be in the region of \$78 million.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

17.155 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

17.156 No objective indicators of the subprogramme's impact are possible. However, institutions and services launched during the first two or three years of the plan period should have largely overcome their constitutional and initial staffing problems and be able to point to some tangible achievements in justification of claims for expansion of their activities. The impact of institutions of longer standing should be reflected in significantly shorter start-up time for new enterprises, acquisition of better investment terms and technology transfer agreements, accelerated rates of technical innovation in the

design and production of local manufactures, and higher returns on effort and investment in industrial development.

17.157 The establishment or expansion of production facilities with higher performance levels will, in addition to financial gains, have helped to develop national skills and self-reliance. The training activities are confined to the higher technological and managerial echelons of the industries concerned; they will have the bonus effect of making the industry in the developing country less dependent on foreign knowledge and expertise.

### SUBPROGRAMME 3: OPERATIONS RELATING TO TECHNOLOGY DEVELOPMENT AND TRANSFER

#### (a) Objective

17.158 The objective of this subprogramme is to assist the developing countries - mainly through implementation of technical co-operation field projects - to develop effective sectoral plans for, as well as to establish, expand or improve efficiency in, various sectors and branches of industry, which may be broadly grouped in four categories: agro-based and agro-related, metallurgical, engineering and chemical and related industries. The subprogramme aims to achieve the optimum use and local processing of domestic raw materials, to increase the degree of self-reliance through the local development of technology and the adaptation of foreign technology, and to exploit the basic complementarity between industry and other sectors of the economy, especially agriculture, by promoting the integrated development of each industrial sector.

#### (b) Problem addressed

17.159 The common problem addressed in this subprogramme is how best to exploit these four areas of industrial activity, which were accorded priority status for development in the Lima Declaration, either as being essential components of the industrial base of all countries or as offering development potential far in excess of other industries, thus making a significant contribution to the over-all target figure of at least 25 per cent for the share of the developing countries in world industrial production by the year 2000. For example, properly exploited, the leather and leather products branches of the developing countries' agro-industries might well produce, according to a recent UNIDO study, a far greater share than 25 per cent of world output of these products by the end of the century. Again, certain developing countries possess the raw materials, labour, sites and potential markets that ought to ensure them a worth-while share in world production and trade in iron, steel and aluminium. The obstacles to be overcome, however, are myriad. Most of these branches are generally highly capital-intensive, require sophisticated technology and skilled technical staff, and call for high expenditures on research and development.

#### (c) Legislative authority

17.160 Legislative authority for this subprogramme is to be found in General Assembly resolutions 3201 (S-VI), paragraph 4 (m) and (q); 3202 (S-VI), sections I, III and IV; 3348 (XXIX); 3362 (S-VII), sections IV and V; 3404 (XXX); 3405 (XXX); 31/121; and 31/122.

(d) Strategy and output

(i) Situation at the end of 1979

17.161 The strategy employed includes the elaboration of master plans for sectoral development in specific countries and the provision of assistance in establishing industries in these sectors, particularly with a view to exploiting under-utilized resources. This approach involves taking into account the whole process chain, from production of raw materials, to distribution and sale of final products, and examining the merits of backward integration into other sectors of the economy. UNIDO assistance in these industrial sectors consists predominantly of the provision of experts, contractual services and equipment, and training in a wide variety of technological disciplines. Many developing countries have profited from this assistance, and independent national capabilities and local know-how have been developed. A new development in this subprogramme is expected to be its involvement in the implementation of certain projects financed from the International Fund for Agricultural Development (IFAD).

17.162 In the biennium 1978-1979 total expenditures on agro-industrial field projects are expected to exceed \$13 million, and by the end of 1979 projects should be in hand to the value of \$25 million.

17.163 In the same biennium, some 75 projects will be implemented in the metallurgical sector with a total expenditure of \$9 million and some 66 projects in the engineering industries sector with a total expenditure of \$10 million.

17.164 Project expenditures in the chemical industries sector in 1978-1979 will probably exceed \$12 million.

(ii) Biennium 1980-1981

17.165 Assistance will continue along the lines described above. Expenditure on technical co-operation activities related to agro-industries will be about \$26.5 million. In both the engineering and metallurgical sectors greater emphasis will be placed on the establishment and strengthening of centres for technology development and training. The least developed countries will be assisted in establishing foundries, forges, mechanical workshops and engineering capabilities. It is expected that in the metallurgical sector some 80 field projects will be implemented in 25 developing countries at a total expenditure of about \$18.5 million, and 72 projects in the engineering sector, in 40 developing countries, at an expenditure of about \$20 million. As the chemical and related industries provide input for various other industrial sectors, operational projects in this sector are likely to increase in number and size as the industrialization of the developing countries advances. Project expenditures in 1980-1981 are expected to be of the order of \$22 million. For the subprogramme as a whole, operational project expenditures in the biennium will thus amount to \$87 million.

(iii) Biennium 1982-1983

17.166 Execution of the strategy described above will be continued, with greater emphasis on the promotion of co-operation among developing countries. Expenditures on technical co-operation activities in the agro-based and related industries will be about \$43 million. In the metallurgical sector, some 90 projects will be implemented, at an expenditure of about \$30 million; in the engineering sector

some 80 projects will be implemented at a total expenditure of about \$32 million; and in the chemical and related industries, project expenditures are expected to be of the order of \$35 million. For the subprogramme as a whole, operational project expenditures in the biennium will thus amount to about \$140 million.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

17.167 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

17.168 As with other technical co-operation activities, the expected impact of this subprogramme cannot be quantified, since many other factors outside the competence of the United Nations influence the pace of industrial development. By the end of 1983, however, the tempo of exploitation and domestic processing of agricultural and mineral resources and other raw materials by the developing countries will have been accelerated; most of the technology centres will be functioning independently and providing valuable service to the industries in the countries or regions in which they are located; and a measure of self-sufficiency in the chemical and related industries will have been achieved. The developing countries will also have raised the level of their acquisition and absorption of the technologies involved, thereby reducing their outlay of foreign exchange.

SUBPROGRAMME 4: PRE-INVESTMENT ACTIVITIES

(a) Objective

17.169 The objective of this subprogramme is to assist the developing countries in carrying out feasibility studies, with a view to generating and maintaining a flow of viable projects for investment; to interest potential investors in such projects and in projects identified in earlier feasibility studies; to identify specific projects for financing by the World Bank and other funding agencies; and to smooth the way for the redeployment of industrial capacities from the industrialized to the developing countries in appropriate cases.

(b) Problem addressed

17.170 Viewed against the targets for accelerated industrialization, rates of industrial investment in the developing countries have generally fallen short of expectations. One of the main underlying reasons is the shortage of capital, but no less serious a constraint is the inadequacy of skills for industrial project design and management. In consequence, there is a wasteful tendency for unutilized feasibility studies to pile up and for efforts to be concentrated on small-scale, high-cost production units. The opportunities offered by export markets, by regional co-operation and by new developments in international co-operation may easily be missed. The Lima Declaration and Plan of Action called for the redeployment from the developed to the developing countries of production capacities which were becoming less competitive internationally but which might promote greater utilization of natural and human resources in the latter countries. A number of medium-sized industrial enterprises in developed countries have signified interest in such redeployment but need guidance in effecting the transfer of capacity.



(c) Strategy and output

(i) Situation at the end of 1979

17.171 The strategy employed is to assist developing countries to carry out feasibility studies and whatever other studies are needed to facilitate financing, care being taken not to duplicate previous studies; to reduce the gap between study, appraisal and investment; to strengthen local capacity for industrial project design and selection; and to conduct market surveys.

17.172 In the search for viable investment projects, emphasis is placed on the industrial sectors highlighted in the Lima Declaration and Plan of Action (see subprogramme 3 above), as well as on projects seen as offering potential for the industrialization of a whole region. Measures for the mobilization of financial and other investment resources include the channelling of information on investment and financing opportunities; the collection and dissemination of industrial investment information, the operation of a UNIDO-sponsored exchange of information on industrial investment projects among development finance institutions and the holding of investment promotion meetings for specific sectors of industry and for selected developing countries. These activities are carried out in co-ordination and collaboration with the World Bank Group, regional development banks, multilateral and bilateral financing agencies and other financial institutions, including institutions in the countries belonging to the Council for Mutual Economic Assistance. It is reasonable to expect that by the end of 1979, a portfolio of some 2,000 investment project proposals with an estimated value of more than \$10 billion will have been compiled. On the basis of the investment proposals prepared since establishment of the Investment Co-operative Programme Office in 1976, some 75 to 100 projects will have been concluded or will have reached an advanced stage of negotiation between the interested parties. In the developed countries, Governments and other parties interested in industrial restructuring which would involve the transfer of some existing or future capacity to the developing countries will be receiving assistance in identifying branches of industries or technologies suitable for such transfer and likewise developing countries which would appear to be most receptive to the industries or technologies proposed. By the end of 1979, several hundred industrial enterprises willing to consider the transfer of resources to the developing countries (under arrangements which may include licensing or joint-venture agreements) should have been recorded.

(ii) Biennium 1980-1981

17.173 Assistance along the lines described above will be intensified and expanded. In particular, attention will be focused on export industries based on national resources, on the promotion of regional industrial projects and on examining the feasibility of projects involving new or adapted technologies, especially those which call for setting up pilot plants in the least developed countries and within integrated rural development schemes. Operational project expenditure in this biennium is expected to amount to about \$13 million.

(iii) Biennium 1982-1983

17.174 The assistance outlined above will be continued and expanded. It is expected that progress achieved through the system of consultations (see programme 1, subprogramme 4), and the studies relating to redeployment (see programme 2, subprogramme 1), will increasingly influence the orientation of

activities under this subprogramme. Operational project expenditures in this biennium are expected to amount to about \$19 million.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

17.175 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

17.176 The achievement of the quantitative Lima target relating to the share of the developing countries in world industrial production critically depends on the ability to generate, and to follow up financially on viable industrial investment projects. The benefits of assistance under this subprogramme are difficult to quantify because of the lag between studies and investments, but they will be reflected in higher rates of investment and industrialization over time. It is estimated that industrial capacity representing an annual investment of \$200 million to \$300 million will be created during the medium-term period.

#### PROGRAMME 4: ECONOMIC COMMISSION FOR AFRICA

##### A. Organization

##### 1. Intergovernmental review

17.177 The work of the secretariat in this programme is reviewed by the Conference of Ministers of the Economic Commission for Africa, which meets every two years. The last meeting was in February/March 1977. This plan has not been approved by this body, although it is primarily a continuation of the work programme approved by the same body. Within the context of ECA, the Conference of African Ministers of Industry determines the priorities on the basis of recommendations of the Follow-up Committee on Industrialization in Africa.

##### 2. Secretariat

17.178 The secretariat unit responsible for this programme is the Joint ECA/UNIDO Industry Division, in which there were 16 Professional posts as at 31 December 1977, of which three were supported from extrabudgetary sources. The Division has the following organizational units as at 31 December 1977.

| <u>Organizational unit</u>     | <u>Professional staff</u> |                                | <u>Total</u> |
|--------------------------------|---------------------------|--------------------------------|--------------|
|                                | <u>Regular budget</u>     | <u>Extra-budgetary sources</u> |              |
| Office of the Chief            | 1                         | -                              | 1            |
| Industrial Development Section | 4                         | 2                              | 6            |
| Industrial Operation Section   | 8                         | 1                              | 9            |
| <b>Total</b>                   | <b>13</b>                 | <b>3</b>                       | <b>16</b>    |

### 3. Expected completions

17.179 The following programme elements, described in paragraphs 9.23 and 9.24 of the proposed programme budget for the biennium 1978-1979, 8/ are expected to be completed in 1978-1979: 1.1; 1.2; 1.3; 1.4; 1.5; 2.1 (i), (ii), (iii), (iv), (v), (vi); 2.2 (i), (ii), (iii), (iv), (v); 2.3 (i), (ii), (iii), (iv), (v); and 2.4 (i), (ii), (iii). Agro-based and forest-based industry programme elements not included in document A/32/6 are 9.332 (24, 25) from document E/CN.14/TECO/35/Rev.1; 9.332 (09, 20, 11, 08) from document E/CN.14/TECO/34/Rev.2; and 9.332.29 from document E/CN.14/TECO/31/Rev.2.

### B. Co-ordination

#### 1. Formal co-ordination within the secretariat

17.180 Formal co-ordination is affected through the Policy and Programme Co-ordination Office, through the Inter-divisional Committees on Integrated Rural Development and the Least Developed Countries, and the relevant divisions: Natural Resources; Public Administration, Management and Manpower; Joint ECA/FAO Agriculture; Socio-economic Research and Planning; Statistics; and International Trade and Finance.

#### 2. Formal co-ordination within the United Nations system

17.181 There is formal co-operation between UNIDO and ECA through the Joint ECA/UNIDO Industry Division. An agreement between the two bodies was reached and signed on 1 January 1974 which determined the scope of co-operation in the implementation of joint projects. Similarly there is formal co-operation between FAO and the Division in the field of agro- and forest-based industries.

#### 3. Units with which significant joint activities are expected during the period 1980-1983

17.182 It is expected that significant joint activities will be carried out with the units within the secretariat referred to above and UNIDO, FAO, WHO, UNEP, ILO, UNCTAD and the International Office for Standards.

### C. Allocation of resources to subprogrammes

17.183 The trend in the percentage allocation of resources to subprogrammes is expected to be approximately as shown in the following table.

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8/ Official Records of the General Assembly, Thirty-second Session, Supplement No. 6 (A/32/6 and Corr.1 and 2), vol. I.

Allocation of resources to subprogrammes

(Percentage)

|                                                           | <u>1978-1979</u>                |                                               |              | <u>1980-1981</u>                |                                               |              | <u>1982-1983</u>                |                                               |              |
|-----------------------------------------------------------|---------------------------------|-----------------------------------------------|--------------|---------------------------------|-----------------------------------------------|--------------|---------------------------------|-----------------------------------------------|--------------|
|                                                           | <u>Regu-<br/>lar<br/>budget</u> | <u>Extra-<br/>budget-<br/>ary<br/>sources</u> | <u>Total</u> | <u>Regu-<br/>lar<br/>budget</u> | <u>Extra-<br/>budget-<br/>ary<br/>sources</u> | <u>Total</u> | <u>Regu-<br/>lar<br/>budget</u> | <u>Extra-<br/>budget-<br/>ary<br/>sources</u> | <u>Total</u> |
| 1. Policy de-<br>velopment and<br>institution<br>building | 31                              | 8                                             | 20           | 31                              | 15                                            | 19           | 31                              | 13                                            | 17           |
| 2. Development<br>of basic<br>industries                  | 53                              | 33                                            | 44           | 53                              | 40                                            | 43           | 53                              | 53                                            | 53           |
| 3. Agro-based<br>and forest-<br>based<br>industries       | 8                               | 42                                            | 24           | 8                               | 30                                            | 25           | 8                               | 21                                            | 18           |
| 4. Small-scale<br>industries                              | 8                               | 17                                            | 12           | 8                               | 15                                            | 13           | 8                               | 13                                            | 12           |
| <b>Total</b>                                              | <b>100</b>                      | <b>100</b>                                    | <b>100</b>   | <b>100</b>                      | <b>100</b>                                    | <b>100</b>   | <b>100</b>                      | <b>100</b>                                    | <b>100</b>   |

D. Subprogramme narratives

SUBPROGRAMME 1: POLICY DEVELOPMENT AND INSTITUTION BUILDING

(a) Objective

17.184 The objective of this subprogramme is basically to assist African countries in the identification of problem areas and their possible solutions, in the formulation, co-ordination, planning and implementation of industrial development strategies, targets and policies, and in the establishment and strengthening of institutional machinery for promoting and monitoring industrial development, with a view to fostering an increasing measure of self-reliance and self-sustaining development in the African region.

(b) Problems addressed

17.185 Major deficiencies in recent African industrialization policies include excessive external dependency for capabilities in formulating, financing, technology, management, manpower, designing, developing and implementing the various types of industrial programmes. There is a tendency to encourage industrialization on the basis of inadequately co-ordinated intersectoral policies and limited search of opportunities for complementarities among a large number of small African economies. Past and current industrial policies in the region have led to national industrial structures characterized by heterogeneity, high costs, low value added, unbalanced urban-rural industrial development, absence of internal forward and backward linkages, and which are, in short, insignificant in their dynamism and structural impact.

17.186 The lack of coherent institutional and organizational structure that could reflect the interdependence of economic activity has retarded the efforts of many

countries to develop, determine and carry through fundamental industrial development measures on the necessary scale.

17.187 There is also an urgent need to promote a multinational industrialization strategy and to enable African countries to develop a common framework for subregional, regional and international co-operation in the context of an integrated strategy to foster self-reliance and self-sustaining development in the African region.

(c) Legislative authority

17.188 The legislative authority for this subprogramme derives from Commission resolutions 256 (XII) and 319 (XIII) and the Lima Declaration and Plan of Action.

(d) Strategy and output

(i) Situation at the end of 1979

17.189 The main strategy which forms the central core of this subprogramme will consist of evaluating the adequacy and effectiveness of past and current industrialization policies and strategies designed to meet the main economic objectives laid down in major African and international conferences and consultations. Such objectives include self-sustaining development, an increasing measure of economic independence, control over natural resources and their use, increase in the capabilities of ECA member States to mount effective attacks on the twin evils of mass poverty and unemployment.

17.190 Action will have been taken in strengthening the industrial policy component associated with the establishment of institutions, such as the planned African Regional Centre for Industrial Design and Manufacturing and the African Industrial Development Fund, which are expected to be established by 1979. In addition to these institutions, there are other programmes within the ECA secretariat which will have the effect of improving industrial policy-making capabilities in the African region.

17.191 A symposium on industrial policies and strategies in Africa will be convened in early 1979, preceded by organization of national workshops. The report of the symposium will be submitted to the fifth session of the ECA Conference of Ministers and the fifth Conference of African Ministers of Industry and its Follow-up Committee.

17.192 In the preparation for the symposium several studies will be conducted on such industrial aspects as review of policies and strategies, integrated sectoral policies and strategies, capabilities in industrial project design, manpower requirements and financing, and on feasibilities for establishment of the African Industrial Development Fund and the African Centre for Consulting Engineering and Management Centre, including also specialized meetings and field missions.

(ii) Biennium 1980-1981

17.193 First steps will be taken to formulate sectoral policies and strategies and to promote a conceptual framework for developing integrated industrial branches. In this connexion, supplementary studies will be undertaken on evaluation and planning, finance, technology and manpower requirements for integrated industrial development. Work should continue also on creation and strengthening of machinery for monitoring the indicators for industrial development

and co-operation. Work will continue on backstopping the institutions established, such as the African Industrial Development Fund and the Design Centre.

17.194 Case studies will be made of industrial establishments and complexes, existing and planned, to work out proposals for promoting complementary opportunities and harmonization. Studies will be undertaken also on formulation of sectoral plans, policies, strategies and targets. Advisory services will be intensified aimed at the streamlining of ministries of industries so as to make them more sensitive to rational industrial strategy formulation and implementation. Working groups of experts and conferences will be organized on various aspects of integrated industrial development and the role of transnational corporations. There will also be workshops on the design and use of investment regulatory and promotion devices.

17.195 Other activities emanating from the symposium, meetings and the follow-up from the previous biennium will be undertaken. These may include refining of specific instruments of action, production of monographs and convening of working groups on such issues as regional and international consultations and negotiations.

(iii) Biennium 1982-1983

17.196 Within the context of general industrial development planning, policies and strategies, further studies will be carried out, with emphasis on the formulation and promotion of integrated policies and strategies for sectoral and subsectoral industrial development, within the framework and the concept of industrial complementarity at the national level and among countries in the African region. A systematic review of specific aspects of industrialization direction and type of broad adaptations, as follow-up to the symposium, and reports will be submitted to the Conference of African Ministers of Industry. There will be conferences, meetings and workshops on industrial subcontracting arrangements, manufacturing for export, the role of transnational corporations and the association of industrial development banks. Studies and advisory services will aim at promoting and upgrading the industrial support institutions and services, and also at developing greater capabilities in industrial project design, integrated sectoral programmes formulation and implementation.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

17.197 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

17.198 It is expected that by 1983 about half of the ECA member States will reflect in their development plans the policy and strategy formulations which clearly spell out the adaptations required to achieve self-reliance and self-sustaining industrialization. A greater number of technical and industrial institutions at the regional and, especially, at the subregional level will work out harmonious arrangements for developing capabilities to cope with a growing range of industrial activities. Also, at the subregional level, a more rational base for effective co-operation may be expected to come into existence within the framework of industrial complementarity and specialization.

## SUBPROGRAMME 2: DEVELOPMENT OF BASIC INDUSTRIES

### (a) Objective

17.199 The objective of this subprogramme is to assist African policy makers in identifying the characteristics of existing basic industries in African countries, in formulating sectoral plans, policies, strategies, targets, programmes and projects, and in the promotion and establishment, at the national and multinational levels, of institutional machineries for and the development of a core of integrated basic and associated industries, taking into account intersectoral and intereconomic linkages.

### (b) Problem addressed

17.200 There is a conspicuous absence of basic industries in the majority of African countries. This state of affairs is partly due to the narrowness of the market at the national level and the economies of scale that are characteristic of the basic industries. The requirements of basic industries, from conception to operation, are more complex and demanding in such factors as standardization, input, organizational structure and co-ordination. They include the development of raw material and energy-producing industries and infrastructures; adequate, diversified and expanding intermediate products-using industries; and technical input, such as a high proportion of skilled manpower and management. These and other factors have contributed and continue to contribute to excessive external dependency of African countries on project design, technology, capital goods, intermediate input, skills, management and financing.

17.201 In many instances, African countries have no choice but to use the technology, capital goods and intermediates that do not conform to their actual needs. In this connexion, the concept of basic industries in the region seems to have been associated with large-scale production units. As scale is relative with certain types of industries, however, emphasis should initially be placed on the development of small plants, such as small steel, foundry and forging units and other units producing such products as spare parts, components and accessories.

### (c) Legislative authority

17.202 The legislative authority for this subprogramme derives from General Assembly resolution 3202 (S-VI), Commission resolutions 256 (XII), 267 (XII) and 319 (XIII) and the Lima Declaration and Plan of Action.

### (d) Strategy and output

#### (i) Situation at the end of 1979

17.203 By the end of 1979, the problems and difficulties facing the development of some of the basic industries and strategic subsectors that could have maximum impact on the total economy and on the required structural change and that, therefore, deserve priority for development will have been identified. Initially, two field missions, one on engineering and metal industries and another on chemical industries, will be mounted to visit representative African countries to make comprehensive in-depth studies of actual situations and potentialities for achieving the objectives of the subprogramme.

17.204 The main result will be the reports of the field missions. Intergovernmental meetings of experts will have been convened to examine the findings and recommendations contained in the reports. These will have been followed by consultation meetings of government policy-makers and financing and other institutions which are expected to finalize the formulation of integrated policies, targets, programmes and strategies for the development of the basic industry sectors. In addition, the meetings are expected to give guidelines for follow-up action on the recommendations, particularly those on the projects identified by the missions at the national, multinational and subregional levels.

17.205 All activities leading to the establishment of the African Regional Centre for Industrial Design and Manufacturing will have been undertaken. Training courses on project design, evaluation and planning will have been held for government officials responsible for project preparation, planning and implementation. Dissemination of information and data relevant to all aspects of the basic industries will be initiated to be continued throughout the remaining biennia.

(ii) Biennium 1980-1981

17.206 During this biennium, the strategy will basically concentrate on translating the recommendations of the consultation meetings on the field mission reports into concrete projects. This would include provision of assistance to African Governments concerned in promoting such projects to potential investors in the establishment of African multinational corporations and in the creation and/or strengthening of other institutions necessary for the implementation of the sector programmes. A number of studies on project design, technology, consultancy services, contract preparations, capital goods, skills, management, financing, organization and redeployment of industrial production will be initiated. More specific investigations and prefeasibility studies will be carried out to develop further the linkages which enhance action-oriented co-operation among African countries at the subregional level.

17.207 Implementation of the above studies and activities would involve the holding of a number of meetings of government officials at the decision-making level. Such meetings may be in the form of working groups on national planning for the sector, on indigenous agents of production and state corporations, on the establishment of multinational enterprises and on consultations and negotiation with foreign investment agents.

17.208 In addition, seminars and workshops on planning and programming of multinational industries, on market surveys and forecasting, and on project preparation, evaluation and implementation will be organized for project officers and personnel of the African multinational corporations, government institutions (state corporations, development banks) and other potential public and private investors.

(iii) Biennium 1982-1983

17.209 The main focus for this biennium will be to carry the approved projects further towards their implementation. To this end assistance will be rendered to the African multinational corporations in activities preceding the implementation of physical facilities.



17.210 Feasibility studies will be undertaken in co-operation with financing institutions and interested investors. Studies on multinational procurement and contracting, bulk purchasing, subcontracting, guidelines for evaluating bids, etc. will be conducted. Other activities include preparing and evaluating bid documents, mobilizing finance, locating and negotiating with partners and identifying the requirements for technical staff and management.

17.211 Meetings of plenipotentiaries in connexion with multinational projects, preceded by meetings of African experts, will be called with a view to considering and making final decisions on the implementation of projects for which feasibility studies justify their realization. Similar meetings will be convened with a view to establishing subregional and/or regional institutions at the subsectoral level. A number of training programmes will be organized with emphasis on training of technical and managerial staff required for the particular industries to be established and for the preparation and evaluation of industrial contracts.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

17.212 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

17.213 It is expected that the above activities will result in forward and backward linkages that are inherent in the development of integrated basic industries and in enhancing the development of other industries and sectors by producing basic intermediates, such as spare parts, components, accessories, machine tools, agricultural and other implements, and mining and transport equipment. All this would mean maximization of domestic value-added and higher employment.

17.214 In addition, there will be increased availability and dissemination of bankable projects and greater involvement of the African multinational corporations (to be created), regional and subregional development banks, other financing institutions and research institutes. More specifically, implementation of such projects is expected to lead to the rationalization and further development of existing industries, the conversion of national industries into viable components of multinational industries and the creation of new integrated industries at the national, multinational and subregional levels, taking into account complementarity and specialization.

### SUBPROGRAMME 3: AGRO-BASED AND FOREST-BASED INDUSTRIES

(a) Objectives

17.215 The objective of this subprogramme is to assist African Governments in the identification, formulation, evaluation, promotion and accelerated implementation of integrated national and multinational agro-based and forest-based industry projects; in the identification of inter- and intrasubsectoral linkages; in marketing processed products; in the selection and development of technology; and in the establishment and strengthening of national and regional operational instruments.

(b) Problem addressed

17.216 There is no question that most African countries are not self-sufficient in their food requirements. Wastage due to lack of facilities for preservation, storage and packaging, the non-utilization of by-products, as well as the lack of bankable projects and/or inadequate project formulation and analysis, have led to increasing dependency on imports of processed food and wood products. There are also problems related to food quality, safety, testing and inspection. In many cases inadequate supporting services and institutions, such as marketing, training of skilled workers, maintenance and shortage of raw materials, have resulted in underutilization of the production capacities already established. Indiscriminate exploitation of forest resources and unfavourable concessionary agreements have inhibited and continue to inhibit the development of forest resources and forest-based industries.

17.217 There is also a need for developing integrated agro-based and forest-based industries, for the planning and programming of these branches, for determination of linkages with other industrial sectors and for improving the use of national resources for the development of these sectors.

(c) Legislative authority

17.218 The legislative authority for this subprogramme derives from Commission resolutions 256 (XII) and 319 (XIII), General Assembly resolutions 3201 (S-VI) and 3202 (S-VI), and the Lima Declaration and Plan of Action.

(d) Strategy and output

(i) Situation at the end of 1979

17.219 The strategy will initially focus on reducing dependency of the region on imports of food and wood products and on upgrading capabilities for the formulation and implementation of productive projects in this field.

17.220 Considerable effort will have been made to continue reviewing, identifying, and selecting for implementation subsectoral programmes, such as cereals, oils and fats, vegetables and fruits, dairy products, meat and fish products, animal feed, saw-milled products and pulp and paper industries.

17.221 On the basis of sectoral reviews, governmental and other expert meetings will have been organized to examine and formulate policy framework for the development of the subprogramme and to identify priority areas of the subsectors.

17.222 Inventories of existing plants in agro-based and forest-based industries, as well as directories of research and training facilities, will have been updated. Dissemination of such and other useful information and data will be continued.

(ii) Biennium 1980-1981

17.223 The strategy will focus on the identification of projects, preparation of prefeasibility studies and surveys, planning of the sector, establishment of mechanisms for implementation, studies on sectoral policy formulation with regard to complementarity and specialization, and establishment of African multinational corporations, as well as the use of appropriate technologies.

17.224 In addition to assistance to ECA member States, technical working groups of government experts will meet to consider problems and action proposals, and to examine the potential for complementarity and specialization among African countries and the intrasubsectoral as well as intersectoral linkages in respect of specific subsectors. Working groups will also be organized at various levels, including national planning for the sector, indigenous agents of production and state corporations, and establishment of multinational enterprises.

17.255 On the basis of project proposals emanating from the above meetings, a start will be made on the preparation of prefeasibility and feasibility studies. This will be followed by initiating negotiation meetings between the African multinational corporations and interested investors on the establishment of multinational agro-based and forest-based industries. Training workshops on the preparation, evaluation and implementation of agro-based and forest-based industry projects are expected to be held.

17.226 A study will be conducted on the selection, adaptation and use of appropriate technologies in this sector.

17.227 Special attention will be devoted to the follow-up activities on projects within the framework of MULPOC, <sup>9/</sup> in particular, the Ruzizi Valley agro-industrial project, the fish-processing project in Lake Tanganyika and Lake Kivu; the integrated development of fisheries project in the Turkana River Basin between Kenya and Ethiopia; and the creation of processing industries for rice, wheat, coffee, fruits, vegetables, oilseeds and fish in connexion with Zambia-Tanzania integrated rural development project.

(iii) Biennium 1982-1983

17.228 The strategy will concentrate on continuous activities aimed at reducing the region's dependency on food imports, on the redeployment of productive industries from developed countries to the African region and on the harmonization of development objectives of the sector, as well as on the formulation of action proposals to further foster the linkages with other sectors and to strengthen co-operation among developing countries.

17.229 Assistance on the preparation of feasibility studies will be continued on cereals, oils and fats, fruits and vegetables, meat and fish, leather and leather products, fibreboard and sawmilling, furniture and pulp and paper industries. An investigation will be carried out on the redeployment of industries in the sector.

17.230 Assistance will be provided in the identification and training of technical staff and management needed to establish and operate specific projects.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

17.231 There are no activities of marginal usefulness in this subprogramme plan.

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<sup>9/</sup> The Multinational Programming and Operational Centres of the Economic Commission for Africa.

(e) Expected impact

17.232 It is expected that these activities will result in more coherent diversification of the industrial sector and rapid development of the agro-based and forest-based industries, thus reducing the dependency of African countries on imported processed food and wood products, and in transforming local raw materials into end-products, instead of exporting them unprocessed. It will also improve nutritional standards of rural population, particularly in securing adequate nutrition for children and the poor. Utilization of agricultural by-products, resulting in minimizing waste of agricultural resources and in the diversification of industrial production, should contribute to significant increase in the productivity and employment-creating capacity of the sector.

SUBPROGRAMME 4: SMALL-SCALE INDUSTRIES

(a) Objective

17.233 The objective of this subprogramme is to assist Governments in the formulation of policies and programmes for the development of small-scale and rural industries; in developing and organizing industrial training programmes, workshops and seminars; in the integration of small-scale industries with medium-sized and large basic industries; and in the use of appropriate technology and the establishment of supporting institutions and services.

(b) Problem addressed

17.234 Industrialization in a large number of African countries is hampered by the small size of national markets and by lack of skill and technology and by the inadequacy of infrastructure, thus necessitating the promotion and development of small-scale industries, particularly in the least developed African countries. In these countries, therefore, great emphasis must be placed on small-scale and rural industries, which should play key roles in the over-all economic growth, resulting in greater utilization of local input and in reducing the exodus of people from rural to urban areas.

17.235 There is a need for introducing and adapting intermediate technology, using subcontracting and manpower training, establishing institutional supporting services, dispersing industrial establishments and fostering the dynamic growth of small-scale and rural industries.

(c) Legislative authority

17.236 The legislative authority for this subprogramme derives from Commission resolutions 218 (XII), 256 (XII), 267 (XII) and 319 (XIII) and the Lima Declaration and Plan of Action.

(d) Strategy and output

(i) Situation at the end of 1979

17.237 Activities will consist mainly of promoting the establishment of institutional supporting services; identification, organization and development of small-scale and rural industries; training of manpower; and dissemination of information.

17.238 Study visits, to selected countries outside the region, on the organization of small-scale industries within the framework of integrated rural development will have been organized for African participants responsible for small-scale industries. Studies on policies, institutions and machinery for promoting and establishing small-scale and rural industries and on the use of subcontracting for the development of these industries will have been carried out. A seminar on the use of subcontracting will have been organized.

(ii) Biennium 1980-1981

17.239 The strategy will focus on mobilizing assistance to promote manpower development and the establishment of appropriate institutional machinery to provide the necessary supporting services, especially information on markets and marketing channels, supply of raw materials and sources of finance, machinery and equipment.

17.240 Projects will include identification of opportunities for small-scale and rural industries, including case studies on industrial estates, co-operatives and extension services; use of subcontractings; preparation of model schemes and guidelines for the promotion of small-scale and rural industries, and the promotion of appropriate technology. A number of workshops and seminars on relevant aspects of small-scale and rural industries will be held and a study visit similar to the one above will be undertaken.

(iii) Biennium 1982-1983

17.241 The strategy will pinpoint the importance of integrating the small-scale and rural industries with medium and large industries. In view of the above, an analytical survey will be conducted to identify opportunities for relating small-scale and rural industries to medium, large and basic industries as a step towards improving and/or creating forward and backward intra- and intersectoral linkages. A meeting will be convened for the promotion of small-scale and rural industries based on the case studies conducted during 1980-1981. Furthermore, seminars and workshops will be organized on various aspects of small-scale and rural industries, in particular on institutional supporting services, credit facilities, and mobile units for demonstration, maintenance and testing.

(iv) Activities in the strategies that are considered likely to be of marginal usefulness and the legislation requiring them

17.242 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

17.243 This subprogramme should lay the foundation for more rapid economic growth, particularly in the least developed countries. By providing employment and alternative opportunities for upgrading skills, especially in the rural areas, it should contribute to improved standards of living of the rural population and the reduction of the influx of rural people to urban areas, and secure an even geographical distribution of industries.

17.244 The creation of opportunities for farmers to produce more and varied agricultural commodities which are required as input for small-scale and rural industries, and the utilization of agricultural by-products, should mean higher income for farmers. This should, in turn, create enlarged markets for the products from the small-scale and rural industries.

## PROGRAMME 5: ECONOMIC COMMISSION FOR EUROPE

### A. Organization

#### 1. Intergovernmental review

17.245 The work of the secretariat in this programme is reviewed by the Economic Commission for Europe which meets every year. The last meeting was April 1978. This plan has not been approved by ECE.

#### 2. Secretariat

17.246 The secretariat unit responsible for this programme is the Industry Division, in which there were 12 Professional staff members as at 31 December 1977. None of the posts was supported from extrabudgetary sources. The Division had no branches as at 31 December 1977.

#### 3. Expected completions

17.247 The following programme elements, described in paragraph 6.21 of the proposed programme budget for the biennium 1978-1979, 10/ are expected to be completed:

(i) In 1978-1979

1.1; 1.2; 1.3; 1.4; 1.5; 2.2; 3.1; 3.2; 3.3; 3.4; 3.7; 3.9; 4.1; 4.2;  
4.3; 6.1;

(ii) In 1980-1981

4.4.

### B. Co-ordination

#### Formal co-ordination within the secretariat

17.248 Co-ordination will be maintained with UNCTAD and UNIDO, and with other regional commissions. UNCTAD and UNIDO attend ECE meetings on industry, and the ECE Industry Division participates in UNCTAD and UNIDO meetings relevant to its work.

### C. Allocation of resources to subprogrammes

17.249 The trend in the percentage allocation of resources to subprogrammes is expected to be approximately as shown in the following table:

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10/ Official Records of the General Assembly, Thirty-second Session, Supplement No. 6 (A/32/6 and Corr.1 and 2), vol. I.

Allocation of resources to subprogrammes

(Percentage)

| <u>Subprogramme</u>                           | <u>1978-1979</u>                      |                                               |              | <u>1980-1981</u>                      |                                               |              | <u>1982-1983</u>                      |                                               |              |
|-----------------------------------------------|---------------------------------------|-----------------------------------------------|--------------|---------------------------------------|-----------------------------------------------|--------------|---------------------------------------|-----------------------------------------------|--------------|
|                                               | <u>Reg-<br/>ular<br/>bud-<br/>get</u> | <u>Extra-<br/>budget-<br/>ary<br/>sources</u> | <u>Total</u> | <u>Reg-<br/>ular<br/>bud-<br/>get</u> | <u>Extra-<br/>budget-<br/>ary<br/>sources</u> | <u>Total</u> | <u>Reg-<br/>ular<br/>bud-<br/>get</u> | <u>Extra-<br/>budget-<br/>ary<br/>sources</u> | <u>Total</u> |
| 1. Medium- and long-term planning             | 20                                    | -                                             | 20           | 20                                    | -                                             | 20           | 20                                    | -                                             | 20           |
| 2. Exchange of information                    | 20                                    | -                                             | 20           | 20                                    | -                                             | 20           | 20                                    | -                                             | 20           |
| 3. Study of selected problems                 | 40                                    | -                                             | 40           | 40                                    | -                                             | 40           | 40                                    | -                                             | 40           |
| 4. Environmental and resource-saving problems | 20                                    | -                                             | 20           | 20                                    | -                                             | 20           | 20                                    | -                                             | 20           |
| <b>Total</b>                                  | <b>100</b>                            | <b>100</b>                                    | <b>100</b>   | <b>100</b>                            | <b>100</b>                                    | <b>100</b>   | <b>100</b>                            | <b>-</b>                                      | <b>100</b>   |

D. Subprogramme narratives

SUBPROGRAMME 1: MEDIUM- AND LONG-TERM PLANNING.

(a) Objective

17.250 The objective of this subprogramme is to assist Governments in medium- and long-term planning in the steel, chemical and engineering industries.

(b) Problem addressed

17.251 There is a need for economic and market perspectives in order to permit these industries to plan their future development programmes.

(c) Legislative authority

17.252 The legislative authority for this subprogramme derives from Commission resolution 1 (XXXII).

(d) Strategy and output

(i) Situation at the end of 1979

17.253 By the end of 1979, the co-operation with the Senior Economic Advisers to ECE Governments on the preparation of the over-all economic perspective for the ECE region up to 1990 will have been completed. Long-term prospects for production, consumption and international trade in engineering products will also have been studied for selected branches. The Secretariat will complete in 1979 a study initiated in 1977 on the conservation of energy in the chemical industry. The seminar on systems of programming and long-term planning for chemical industry development will have taken place in 1979 in Poland at the invitation of the Polish Government.

(ii) Biennium 1980-1981

17.254 The Steel Committee may decide to implement the project on long-term perspectives for the iron and steel industry by starting work on a study of the possibility of devising a methodology for projection work on the steel industry. The Chemical Industry Committee may start work on a study on the chemical industry and its role in future food production.

(iii) Biennium 1982-1983

17.255 Subsequent to the study on the chemical industry and its role in future food production, a symposium will be organized to follow up and highlight specific aspects of the study in order to formulate concrete recommendations. Long-term perspectives for the iron and steel industry will be considered by the Steel Committee on the basis of studies and background papers in order to develop projections according to a methodology designed by a meeting of experts on forecasting methods.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

17.256 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

17.257 It is expected that intergovernmental co-operation concerning the long-term and medium-term prospects of these three industries will help decision-makers (in the public and private sectors) to make a rational choice regarding investments.

SUBPROGRAMME 2: EXCHANGE OF INFORMATION

(a) Objective

17.258 The objective of this subprogramme is to exchange information and experience on current developments in the steel, chemical and engineering industries.

(b) Problem addressed

17.259 Information currently available on short-term trends in the three industries should be harmonized and analysed according to a uniform approach in order to be cross-fertilized through international comparisons.

(c) Legislative authority

17.260 The legislative authority for this subprogramme derives from Commission resolution 1 (XXXII).

(d) Strategy and output

(i) Situation at the end of 1979

17.261 Annual meetings of the Steel and Chemical Industry Committees will continue to be held. There will be further ad hoc meetings of experts on engineering industries. The following activities will be continued: preparation and publication of the Steel Market Review and the Bulletin of Steel Statistics (annual); preparation and publication of the Annual Review of the Chemical Industry



and the Bulletin of Exports and Imports of Chemical Products; preparation of the Annual Bulletin of Statistics on International Trade in Engineering Products. A study on structural changes in the steel industry will be completed in 1977; and work will continue towards improvement of statistical methodology and comparability of data.

(ii) Period 1980-1983

17.262 Activities similar to those conducted in 1978-1979 will be carried out in the period 1980-1983.

(iii) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

17.263 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

17.264 It is expected that co-operation with the Conference of European Statisticians will improve further the comparability of data and that most publications issued under this programme will continue to have a large circulation among the public.

SUBPROGRAMME 3: STUDY OF SELECTED PROBLEMS

(a) Objective

17.265 The objective of this subprogramme is to assist member Governments in a systematic examination of selected economic and technological problems in the steel, chemical and engineering industries.

(b) Problem addressed

17.266 In each of the three industrial sectors mentioned above, priority problems, mainly of a technological nature, call for joint consideration by member Governments in order to reach appropriate solutions.

(c) Legislative authority

17.267 The legislative authority of this subprogramme derives from Commission resolution 1 (XXXII).

(d) Strategy and output

(i) Situation at the end of 1979

17.268 By the end of 1979, most projects currently under way will have been completed.

(a) Concerning engineering industries, the main completions will be a seminar on techno-economic trends in the development of airborne equipment for agriculture and other selected areas of the national economy and a seminar on the present situation and future trends in the use of electro-mechanical handling equipment in engineering industries.

(b) A study on the use of chemicals in housing and industrial construction will be completed in 1979.

(c) Three projects on the steel industry will be completed, namely, a study on the increasing use of continuous processes in the iron and steel industry and a study on techno-economic problems in the use of scrap in the iron and steel industry; a seminar will be held in Czechoslovakia in 1978 on economic and technical aspects of the application of computer techniques in iron and steelmaking processes; a seminar will also be organized in 1979 in Luxembourg on steel use in public works, infrastructure and construction.

(ii) Biennium 1980-1981

17.269 A seminar will be organized in 1980 in Italy on the techno-economic aspects of innovation in fabrication processes and products of the engineering industries. In the field of chemical industry, a study on fermentation technology, including the production of synthetic proteins, will be completed in 1981. The Steel Industry Committee will continue to study two projects to be completed during this period: a study on the utilization of low-grade iron ores, and one on the production and supply of metallurgical coke. The use of steel in shipyards will be the topic of a seminar to be held in Poland in 1980.

(iii) Biennium 1982-1983

17.270 A seminar will be organized on a topic dealing with a selected problem of the engineering industries, and a study will be completed on market trends and tendencies of international division of labour in the automobile industry (including production sharing of main parts for these products), especially East-West connexions. The Chemical Industry Committee will complete a study on fertilizers required to meet soil, crop and other conditions of developing countries. A study will be completed on the use of light-weight sections in construction.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

17.271 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

17.272 It is expected that this subprogramme will help member Governments to find solutions to the problems addressed.

SUBPROGRAMME 4: ENVIRONMENTAL AND RESOURCE-SAVING PROBLEMS

(a) Objective

17.273 The objective of this subprogramme is to help member Governments in solving selected environmental and resource-saving problems in the steel, chemical and engineering industries.

(b) Problem addressed

17.274 The three industrial sectors mentioned above are concerned with pollution abatement linked to their own production or the use of their products. They consume also large amounts of raw materials and energy and may participate actively in resource saving measures.

(c) Legislative authority

17.275 The legislative authority of this subprogramme derives from Commission resolution 1 (XXXII).

(d) Strategy and output

(i) Situation at the end of 1979

17.276 By the end of 1979 most projects currently under way will have been completed.

(a) A study on measures for saving raw materials (especially the application of metal and non-metal materials, etc.) in engineering industries will be completed in 1979.

(b) For the chemical industry, a seminar will be held in the German Democratic Republic in 1978 on the recycling of high-polymer wastes. In the same year, the Chemical Industry Committee will organize jointly with the Senior Advisers to ECE Governments on Environmental Problems a seminar on air pollution problems from specific branches of the organic chemical industry. A study will be completed in 1979 on the utilization of wastes in and by the chemical industry.

(c) The Steel Industry Committee will complete its participation in the examination of the problem of low-waste and non-waste technology in the iron and steel industry that is being undertaken by the Senior Advisers to ECE Governments on Environmental Problems.

(ii) Biennium 1980-1981

17.277 A study will be completed on the protection of engineering goods operating under difficult climatic conditions (especially electrical machinery and equipment). Two studies will be completed by the Chemical Industry Committee on the use as chemical raw materials of natural products (cellulose) or those from the sea and on the use of chemical treatment for reducing atmospheric pollution by sulphur oxide and gaseous pollutants in general.

(iii) Biennium 1982-1983

17.278 A seminar will be held in 1982 on the techno-economic aspects of anti-corrosion measures in engineering industries. In 1982, the Chemical Industry Committee will complete a study of the noxious effects of specific chemical substances, such as polyvinylchloride, and a study on current pollution standards in the fertilizer industry. The Steel Committee will organize a seminar on the protection against air and water pollution arising in the iron and steel industry.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

17.279 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

17.280 It is expected that the search for better technologies for preventing pollution and saving resources in these industries will help member Governments to reach their general objectives.

## PROGRAMME 6: ECONOMIC COMMISSION FOR LATIN AMERICA

### A. Organization

#### 1. Intergovernmental review

17.281 The work of the secretariat in this programme is reviewed by the Economic Commission for Latin America, which meets every two years. The last meeting was in April/May 1977. This plan has not been approved by ECLA.

#### 2. Secretariat

17.282 The unit responsible for this programme is the ECLA/UNIDO Joint Industrial Development Division, in which there were 14 Professional staff members as at 31 December 1977, 4 of them supported from extrabudgetary sources. The Division had the following staff as at 31 December 1977:

| <u>Organizational unit</u>                                                         | <u>Professional staff</u> |                               | <u>Total</u> |
|------------------------------------------------------------------------------------|---------------------------|-------------------------------|--------------|
|                                                                                    | <u>Regular budget</u>     | <u>Extrabudgetary sources</u> |              |
| ECLA/UNIDO Joint Industrial Development Division (Santiago, Mexico, Port of Spain) | 10                        | 4                             | 14           |

#### 3. Expected completions and consequent reorganization

##### (a) Expected completions

17.283 The following programme elements described in paragraph 8.28 of the proposed programme budget for the biennium 1978-1979 11/ are expected to be completed:

##### (i) In 1978-1979

Programme elements 1.1, 2.1, 3.1.

##### (ii) In 1980-1981

Programme elements 1.2 and 2.1.

##### (b) Consequent reorganization

17.284 In view of its characteristics and interdependent nature, it is suggested that subprogramme 2 be eliminated as such and its content included in subprogramme 1, thus also complying with the recommendation that subprogrammes representing less than three Professionals/year should not be formulated.

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11/ Ibid.

## B. Co-ordination

### 1. Formal co-ordination within the secretariat

17.285 Since 1976, there has been a formal co-ordination agreement with UNIDO to carry out a programme of work in the industrial sector through the establishment of an ECLA/UNIDO Joint Industrial Development Division.

### 2. Formal co-ordination within the United Nations system

17.286 Close co-ordination will also be maintained with FAO, especially in that part of the programme of work related to agro-industries.

### 3. Units with which significant joint activities are expected during the period 1980-1983

17.287 As has been the case to date, such joint activities will be carried out with FAO, through the FAO/UNDP Group on the Planning and Development of Forest Industries in Latin America in subprogramme 3, as an element of programme element 3.1.

## C. Allocation of resources to subprogrammes

17.288 The trend in the percentage allocation of resources to subprogrammes is expected to be approximately as shown in the following table:

### Allocation of resources to subprogrammes

(Percentage)

| <u>Subprogramme</u>                                                       | <u>1978-1979</u>            |                                     |       | <u>1980-1981</u>            |                                     |       | <u>1982-1983</u>            |                                     |       |
|---------------------------------------------------------------------------|-----------------------------|-------------------------------------|-------|-----------------------------|-------------------------------------|-------|-----------------------------|-------------------------------------|-------|
|                                                                           | Reg-<br>ular<br>bud-<br>get | Extra-<br>budget-<br>ary<br>sources | Total | Reg-<br>ular<br>bud-<br>get | Extra-<br>budget-<br>ary<br>sources | Total | Reg-<br>ular<br>bud-<br>get | Extra-<br>budget-<br>ary<br>sources | Total |
| 1. Future industrial development and the new international economic order | 46                          | 51                                  | 48    | 51                          | 42                                  | 48    | 49                          | 59                                  | 53    |
| 2. Regional co-operation in specific branches of industry                 | 47                          | 24                                  | 40    | 42                          | 33                                  | 39    | 46                          | 23                                  | 38    |
| 3. Industrial complementarity in Central America                          | 7                           | 25                                  | 12    | 7                           | 25                                  | 13    | 5                           | 18                                  | 9     |
| Total                                                                     | 100                         | 100                                 | 100   | 100                         | 100                                 | 100   | 100                         | 100                                 | 100   |

#### D. Subprogramme narratives

##### SUBPROGRAMME 1: FUTURE INDUSTRIAL DEVELOPMENT AND THE NEW INTERNATIONAL ECONOMIC ORDER

###### (a) Objective

17.289 The objective is to provide the countries of the region with information and studies which will help in the formulation and follow-up of industrialization policies and strategies intended to comply with their programme targets and with those expressed in the new international economic order and, more specifically, in the Lima Declaration and Plan of Action.

###### (b) Problem addressed

17.290 To date, the industrialization process in the region as a whole has contributed substantially to its economic and social development. Despite the progress made, however, it is considered that the results may be termed inadequate in view of the region's increasing requirements. In this context, it may also be mentioned that the effort made has not resulted in an improvement of the relative situation of the industrial sector of Latin America vis-à-vis the developed world or in a reduction of the differences among the countries which make up the region. Consequently, it will be necessary for those countries to continue to develop policies aimed at speeding industrialization, taking into account such problems as those connected with the structure of production, exports of manufactures, efficiency, employment and technological development. The maximum possible use of resources and growth potential will be linked not only with policies but with strengthening and intensifying regional economic co-operation with other developing areas and with the developed world.

###### (c) Legislative authority

17.291 The legislative authority for this subprogramme derives from ECLA resolutions 357 (XVI) and 373 (XVII).

###### (d) Strategy and output

###### (i) Situation at the end of 1979

17.292 Programme elements 1.1 and 2.1 will already have been considered by the Governments meeting at the Latin American Conference on Industrialization,<sup>12/</sup> and the main points connected with the Latin American position vis-à-vis future industrial development will have been discussed.

###### (ii) Biennium 1980-1981

17.293 The sequence of work for the biennium will depend to a large extent on the results of programme element 1.2, which is due for completion during this period, and on the conclusions of the Latin American Conference on Industrialization and the Third General Conference of UNIDO. It is expected that the work will be aimed

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<sup>12/</sup> The meeting of experts anticipated as output 1.2 (ii) in document A/32/6 became the Latin American Conference on Industrialization, under the terms of ECLA resolution 373 (XVII).

at an in-depth analysis of specific topics of industrial development, so that the conclusions can help to orient policies and activities at the national and regional levels directed at accelerating and reorientating the process in terms of the optimal possibilities anticipated for the region towards the end of the century.

17.294 In this context, it is anticipated that attention must be concentrated on some topics connected with the internal problems of the industrial sector - factors and agents of industrial development, stratification and interindustrial relations, resources for industrialization, etc., as well as on other topics connected with its external relations, such as integration, the export of manufactures and co-operation with other developing or developed areas.

17.295 In addition, the analysis of progress and problems in industrialization should continue on a permanent basis, and new and specific topics for consideration may emerge from this.

(iii) Biennium 1982-1983

17.296 Apart from continuing with the analysis of progress and problems in industrialization, the activity in this biennium will concentrate on the priority studies emerging from the previous periods and from the course and prospects of industrial development previously analysed. Similarly, priority will be given to reviewing the results of the studies made at the regional level so as to help in the adoption of specific measures for strengthening industrial development and complying with the targets of the Lima Declaration and Plan of Action.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

17.297 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

17.298 It is not possible to establish indicators for this subprogramme which will enable its precise impact to be assessed, but it is expected that it will contribute substantially to the formulation of plans and the adoption of measures at both country and regional levels which will make it possible to strengthen the industrialization process and, at the same time, deal with the aims of the new international economic order.

SUBPROGRAMME 2: REGIONAL CO-OPERATION IN SPECIFIC BRANCHES OF INDUSTRY

(a) Objective

17.299 The objective of this subprogramme is to assist the Governments in their endeavour to develop specific industrial sectors and to intensify industrial co-operation among countries of the region and with other countries, and to provide them with the technical and economic bases to allow them to take part in the system of world consultations established in the Lima Declaration and Plan of Action.



(b) Problem addressed

17.300 Consolidation of the progress achieved in industrial co-operation in individual branches of industry has not been sufficient to boost and extend the industrialization process, which, at the same time, is achieving a larger share in the world industrial product.

(c) Legislative authority

17.301 The legislative authority for this subprogramme derives from ECLA resolutions 357 (XVI) and 373 (XVII).

(d) Strategy and output

(i) Situation at the end of 1979

17.302 Sectoral studies of programme element 2.1 should have been completed and their conclusions reviewed at the regional level in at least two cases: capital goods and, probably, the chemical industry.

(ii) Biennium 1980-1981

17.303 Studies by branches of industry will continue, with priority given to those considered to be of greatest importance for the industrialization process, such as capital goods, chemical industries, agro-industries and forest industries. Work will also be carried out on sectoral activities with a view to defining regional action programmes in collaboration with the Latin American Economic System and in connexion with the requirements of the system of consultations established in the Lima Declaration and Plan of Action.

17.304 In view of the fact that the Third General Conference of UNIDO will be held during this biennium, following the Latin American Conference on Industrialization and the regional meeting on capital goods held in the previous biennium, it is probable that these Conferences will produce guidelines and priorities for these sectoral activities.

(iii) Biennium 1982-1983

17.305 The activity of this biennium will concentrate on the possibility of helping Governments to formulate and implement systems of regional co-operation at the level of specific branches or products. The tasks of the biennium will also include the study of specific new branches, in keeping with the guidelines provided by previous trends and studies.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

17.306 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

17.307 It is not possible to establish indicators for this subprogramme which will enable its precise impact to be assessed, but it is expected that it will

contribute substantially to the establishment of schemes and the execution of activities involving co-operation between industrial sectors and, thus, progress towards achieving a larger share of these sectors or products in world production.

### SUBPROGRAMME 3: INDUSTRIAL COMPLEMENTARITY IN CENTRAL AMERICA

#### (a) Objective

17.308 The objective of this subprogramme is to assist the Central American Governments in the formulation of policies to accelerate their industrial development, with special emphasis on the demarcation of areas of specialization and complementarity, and to identify and specify the possibilities of forming links between industries of the subregion and those of other Latin American countries.

#### (b) Problem addressed

17.309 Although mechanisms and measures for increasing the share of underdeveloped countries in the world trade in manufactures have been put forward at international forums, the share of the Central American countries has, so far, been very small. This is mainly due to the scant diversification of their industries and to the lack of adequate industrial competitiveness.

17.310 The process of economic integration begun in the 1960s - although it has contributed to the transformation of the economies of the region, as may be seen in the considerable progress made in their level of industrialization - has also emphasized, in the light of recent problems, the inadequacy of their co-ordinating machinery and a lack of complementarity in the development of the manufacturing sector.

17.311 Furthermore, because of the characteristics that the process of integration has taken on in practice (a preponderance of fiscal and tariff measures over programming), industrial growth appears to be losing its impetus; at the same time, it is suffering from problems of inadequate levels of productive efficiency.

17.312 To continue the process of industrialization, it will be necessary to look for new possibilities of growth in the sector, particularly in its more advanced phases, where the limited size of the markets may create serious obstacles for the exploitation of manufacturing possibilities involving the natural resources available in the region.

#### (c) Legislative authority

17.313 The legislative authority for this subprogramme derives from ECLA resolution 315 (XV).

#### (d) Strategy and output

##### (i) Situation at the end of 1979

17.314 At the end of 1979, previous research projects will permit a thorough knowledge of the industrial structure of the Central American region and that of other countries of Latin America. Against this background, industrial specialization and complementarity will be assessed.

(ii) Period 1980-1983

17.315 There will be a report addressed to the planning authorities of the Governments, referring to the prospects of a substantial incorporation of manufactures into Central American exports by means of stimuli to, and promotion of, the creation of new industries and the specialization and expansion of existing ones, on the basis of reciprocity and equity in distribution among the countries of the subregion.

17.316 A series of suggestions will be made to the Central American Common Market authorities on common policies and measures aimed at reaching agreements on industrial complementarity and commercial exchanges with other countries, particularly with neighbouring countries like Mexico, Venezuela and those of the Caribbean zone.

17.317 A series of monographs will appear on several branches of industry addressed to industrial policy-makers to provide them with information on the present situation of their countries and their development potential, and to help them to define and formulate the most appropriate intraregional complementarity agreements.

(e) Expected impact

17.318 No objective indicator of the impact can be stated, but it is expected that an indication of the possibilities and alternatives for the integral development of specific branches of industry through planned specialization and links with other countries and integration schemes will be available. In addition, a basis for sectoral strategies adjusted to realities, and in keeping with available resources and with the limitations of a technical and financial nature which condition the industrial development of the region, will have been formulated.

## PROGRAMME 7: ECONOMIC COMMISSION FOR WESTERN ASIA

### A. Organization

#### 1. Intergovernmental review

17.319 The work of the secretariat in this programme is reviewed by the Economic Commission for Western Asia, which meets every year. The Commission last met in April 1977. This plan has not been approved by ECWA but will be submitted to it at its fifth session in May 1978.

#### 2. Secretariat

17.320 The secretariat unit responsible for this programme is the joint ECWA/UNIDO Industry Division, in which there were eight Professional staff members as at 31 December 1977; one post was supported from extrabudgetary sources.

#### 3. Expected completions

17.321 The following programme elements, described in paragraph 10.18 of the proposed programme budget for the biennium 1978-1979, 13/ are expected to be completed:

(i) In 1978-1979

Programme elements 1.1, 1.2, 2.1, 2.2, 3.1 and 5.1;

(ii) In 1980-1981

None.

### B. Co-ordination

#### 1. Formal co-ordination within the secretariat

17.322 Subprogramme 1 on regional co-ordination in the industrial field will be planned and co-ordinated through an ECWA task force or working group on regional integration, which is to be established towards the end of the biennium 1978-1979. Programme elements related to the development of agro-industries will also be considered in the light of the Commission's activities on food security. The Division's contributions in this regard will be planned and co-ordinated through a working group on food security which is expected to be operational at the end of 1979. The Division's activities on rural industrialization will be planned and co-ordinated through a secretariat committee on rural development which, it is envisaged, will be set up in the period under review.

13/ Official Records of the General Assembly, Thirty-second Session, Supplement No. 6 (A/33/6 and Corr.1 and 2), vol. I.

## 2. Formal co-ordination within the United Nations system

17.323 As per the formal agreement covering the functioning of the joint ECWA/UNIDO Industry Division, all activities of this programme will be co-ordinated with UNIDO and/or jointly undertaken whenever possible.

## 3. Units with which significant joint activities are expected during the period 1980-1983

17.324 Apart from UNIDC, it is expected that significant joint activities will be developed with ILO and ECA in the implementation of subprogramme 3 concerning the development of industrial manpower.

### C. Allocation of resources to subprogrammes

17.325 The trend in the percentage allocation of resources to subprogrammes is expected to be approximately as shown in the following table:

#### Allocation of resources to subprogrammes

(Percentage)

| <u>Subprogramme</u>                                                                       | <u>1978-1979</u>            |                                     |       | <u>1980-1981</u>            |                                     |       | <u>1982-1983</u>            |                                     |       |
|-------------------------------------------------------------------------------------------|-----------------------------|-------------------------------------|-------|-----------------------------|-------------------------------------|-------|-----------------------------|-------------------------------------|-------|
|                                                                                           | Reg-<br>ular<br>bud-<br>get | Extra-<br>budget-<br>ary<br>sources | Total | Reg-<br>ular<br>bud-<br>get | Extra-<br>budget-<br>ary<br>sources | Total | Reg-<br>ular<br>bud-<br>get | Extra-<br>budget-<br>ary<br>sources | Total |
| 1. Regional co-ordination in the industrial field                                         | 14                          | 40                                  | 22    | 23                          | 34                                  | 29    | 24                          | 28                                  | 27    |
| 2. Development of selected industrial branches                                            | 29                          | 40                                  | 35    | 31                          | 22                                  | 26    | 29                          | 24                                  | 26    |
| 3. Development of industrial manpower                                                     | 14                          | -                                   | 8     | 15                          | 22                                  | 19    | 18                          | 24                                  | 21    |
| 4. Review and appraisal of industrial development, potential, planning and implementation | 43                          | 20                                  | 25    | 31                          | 22                                  | 26    | 29                          | 24                                  | 26    |
| Total                                                                                     | 100                         | 100                                 | 100   | 100                         | 100                                 | 100   | 100                         | 100                                 | 100   |

### D. Subprogramme narratives

#### SUBPROGRAMME 1: REGIONAL CO-ORDINATION IN THE INDUSTRIAL FIELD

##### (a) Objective

17.326 The objective of this subprogramme is to assist in developing concrete proposals for the co-ordination of industrialization efforts, including regional co-ordination of policies, strategies and plans, and a regional approach to industrial investment and production.

(b) Problem addressed

17.327 The industrial sectors of the countries of the ECWA region remain relatively small. The share of manufacturing (mostly light consumer industries) in the gross national product (GNP) of these countries ranges from 3 to 12 per cent. The situation is basically different from country to country.

17.328 The oil countries, namely, Saudi Arabia, Kuwait, Qatar, the United Arab Emirates and, to some extent, Bahrain and Oman, are characterized by substantial financial resources (due to sales of crude oil) and relative shortages of other known natural resources and manpower.

17.329 Although Iraq and, to a lesser extent, the Syrian Arab Republic are producers of crude oil, they fall, owing to their economic structure, more within the non-oil group of countries, which also includes Jordan and Lebanon. These four countries have in common a relatively diversified economic structure, with an established agricultural sector and a manufacturing sector whose impact on the economy is obvious. They also enjoy a relative advantage over the first group in terms of human resources and thus play the role of suppliers of manpower to the oil countries.

17.330. The third group of countries in the region, namely, the least developed countries, consists of Democratic Yemen and the Yemen Arab Republic, in which the manufacturing sector is insignificant.

17.331 It is essential to avoid wasteful and indiscriminate establishment of major industries on an individual national basis without regard to existing regional capacities and potential capabilities. Furthermore, the limitations of national markets and the lack of adequate infrastructure in many of the countries of the region call for close regional co-operation. Finally, due regard must be paid to the needs of the least developed countries, particularly in the channelling of financial resources to Democratic Yemen and the Yemen Arab Republic, and the development of their human resources. A regional approach to co-ordination might be conceived within the framework of the Arab world as a whole, the ECWA region being part of it, or on the basis of subregions.

17.332 Given the comparative advantages and disadvantages of the three groups of countries in the region, a regional approach would aim at promoting a degree of regional co-ordination of policies, strategies and plans, including investment and production. An alternative would be the promotion of partial regional co-operation in the form of joint ventures, a number of which are in operation or at the planning stage. Synchronization and harmonization and the flow of financial and human resources within the region would be an important part of a regional approach to co-ordination.

(c) Legislative authority

17.333 The legislative authority of this subprogramme derives from General Assembly resolution 3362 (S-VII), section IV, paragraph 1.

(d) Strategy and output

(i) Situation at the end of 1979

17.334. By the end of 1979, the research effort in the co-ordination of industrialization plans and programmes and the appraisal of joint projects will have improved the knowledge of the situation so as to contribute more efficiently to the planning and formulation of industrial development policies at the regional level. The types of industrial activity which could better be promoted through planned intercountry co-operation will have been identified, and the appropriate institutional infrastructure needed will have been outlined.

(ii) Biennium 1980-1981

17.335 The strategy during this period will focus on the development of specific approaches to the formulation of regional policies of industrial co-operation and the identification of possibilities for promoting co-operation in specific industries which take into account resource endowments and comparative advantages. Greater consistency and co-ordination among development plans will be studied and action proposals developed. Special attention will be given to the formulation stage of industrial plans and programmes, including the initiation of statistical programmes at the regional level to improve the computation and information base. Advisory services to Governments, as well as technical seminars for experts and officials concerned with industrial planning, will also be arranged. The output during this period will consist of studies and reports on selected aspects of regional co-ordination in the industrial field intended primarily for regional integration organizations and government departments.

(iii) Biennium 1982-1983

17.336 The efforts deployed in the previous biennium to identify intercountry industrial projects will be strengthened, with a view to enlarging the possibilities of industrial co-operation and the formulation of industrial loans and programmes at the regional and subregional levels. The participation of the countries of the region in industrial co-operation schemes and the setting up of a machinery for joint planning and policy-making on a regional scale would be studied and concrete measures proposed.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

17.337 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

17.338 It is expected that these activities will lead to the establishment and strengthening of regional machinery for co-ordination of industrialization policies and strategies and for the synchronization of industrial investment activities, along with the formulation of a number of regional and multinational industrial projects.

## SUBPROGRAMME 2: DEVELOPMENT OF SELECTED INDUSTRIAL BRANCHES

### (a) Objective

17.339 The objective of this subprogramme is to assist in identifying the techno-economic problems faced by selected branch industries in the countries of the region and to assess their prospects and needs for further development.

### (b) Problem addressed

17.340 The development of existing and new branch industries in the countries of the region requires rationalization and technological adaptation and innovation, as well as the establishment or expansion of the necessary support services and infrastructure. Lack of these impedes such development. This is especially true with regard to the establishment of basic industries (such as petrochemicals and basic metals) and to the development of integral industries (engineering, agro-industries and construction).

### (c) Legislative authority

17.341 The legislative authority for this subprogramme is derived from General Assembly resolution 3362 (S-VII), section IV, paragraph 1.

### (d) Strategy and output

#### (i) Situation at the end of 1979

17.342 A number of surveys on selected branches of industries are planned; these will include surveys of engineering and petrochemicals, with a view to identifying intercountry investment opportunities. Reports on these surveys, along with projections of future supply and demand, will be prepared for discussion at technical meetings which will bring together national experts, planners, international consultants and representatives of regional industrial and investment organizations. The findings and recommendations of the meetings will be circulated to all Governments and organizations concerned for follow-up action. In addition, short-term advisers services on industrial plan formulation, pre-investment studies and project formulation and evaluation and technology transfer will be made available at the request of Governments on an ad hoc basis.

#### (ii) Biennium 1980-1981

17.343 The major emphasis will be placed on setting up policy guidelines, criteria for optimal production and investment strategy for selected branch industries. At the same time, survey efforts will be continued, with a view to identifying intercountry investment opportunities in agro-industries, basic metals, building materials and other fields. Particular attention will be given to the transfer of technology in specific branches of industry.

17.344 Activities during the biennium will include studies and reports on the development of selected branch industries, intended primarily for regional organizations, regional financing institutions and technical government departments, and reports on transfer of technology in selected branches of industries.



(iii) Biennium 1982-1983

17.345 Emphasis will continue on formulating a programme for regional co-operation in selected branch industries and outlining the type of joint ventures and machinery needed for the purpose.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

17.346 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

17.347 No objective indicators are possible at this stage, but it is expected that a rational and co-ordinated approach to the development of those basic industries which are indispensable to the expansion of the industrial sector as a whole will be adopted in the region, that integral industries will be developed in such a way as to link the development of different but related sectors and that the expansion of manufacturing industries to meet local needs and for the export markets will be realized. Because of the limited local market in a number of the member countries, regional co-operation, as described under subprogramme 1, will be most essential.

SUBPROGRAMME 3: DEVELOPMENT OF INDUSTRIAL MANPOWER

(a) Objective

17.348 The objective of this subprogramme is to assist in promoting the development of industrial manpower, with special emphasis on the training of higher technical and managerial personnel and the promotion of local training capabilities within the region itself, and to train workers to facilitate the transfer, adaptation and indigenous development of industrial technology.

(b) Problem addressed

17.349 The accelerated drive for industrialization in the ECWA countries resulting from increased investment of oil revenues has exposed the need for qualified personnel to operate and manage the industrial enterprises, as well as to staff support services and institutions concerned with industrial information, repair and maintenance, project formulation and evaluation, industrial research and development, and consultancy and engineering design. Training and related institutions and appropriate measures for technology transfer are urgently needed in order to provide the region with indigenous expertise commensurate with the scope of industrial investments already undertaken or planned.

(c) Legislative authority

17.350 The legislative authority of this subprogramme derives from General Assembly resolution 3362 (S-VII), section IV, paragraph 1.

(d) Strategy and output

(i) Situation at the end of 1979

17.351 A survey of needed manpower and facilities for industry will be available. Future training needs for specific industries will be identified in the light of future development plans and programmes and relevant studies will be prepared.

(ii) Biennium 1980-1981

17.352 The objective of this subprogramme will be pursued through the identification of priority areas for the provision of training, the promotion of training activities in those areas and the strengthening of the requisite institutional machinery for the co-ordination of training on a regional basis. In the light of the findings of the 1978-1979 surveys and studies, consultations will be carried out with the Governments concerned on a plan of action for the promotion of a co-ordinated approach to training needs and placement of trainees within the region, including the establishment of appropriate intergovernmental machinery for this purpose. The output during the biennium will consist of studies and reports on selected aspects of manpower and skills development in the industrial sector (for technical departments, training institutions, regional organization).

(iii) Biennium 1982-1983

17.353 Seminars and in-plant training in the region in such subjects as project formulation and evaluation and industrial administration and management will be organized and the promotion of measures and institutional arrangements for the transfer of technology in industry will be undertaken.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

17.354 There are no activities of marginal usefulness under this subprogramme plan.

(e) Expected impact

17.355 It is expected that by the end of the medium-term plan period the region will have a plan of action at its disposal to provide training facilities and that regional machinery for co-ordinating such training will be effectively functioning.

SUBPROGRAMME 4: REVIEW AND APPRAISAL OF INDUSTRIAL DEVELOPMENT, POTENTIAL,  
PLANNING AND IMPLEMENTATION

(a) Objective

17.356 The objective of this subprogramme is to monitor, review and appraise industrial development, potential, and industrial planning and implementation in the region, with a view to identifying shortfalls and recommending adequate measures for their remedy.

(b) Problem addressed

17.357 There are three distinct characteristics of the ECWA oil-producing countries that impose a special imprint on the policies and strategies that the countries of the region may follow in the process of industrialization and are expected to have long-range implications. First, over the last decade, oil has been providing the major impetus, both directly and indirectly, to the pace of economic development. Second, it has contributed greatly to the saving capacity that is concentrated in the public sector, and this is bound to affect long-term development strategies, including those concerning industrial development. Third, there is a high and rising dependence of these economies on imports, that is facilitated by the increasing capacity to export oil. Because of the depletable nature of oil

resources for most of the countries of the region in the long run, rapid change in their economic structure is required to broaden the economic base. In view of the limited or insignificant resources other than oil, the burden on the manufacturing sector in the process of development will be particularly heavy.

17.358 The above characteristics impose on the planning and implementation new dimensions that do not usually exist in other developing countries. Planning calls for unprecedented sustained high rates of growth, even for developed economies. For example, a ratio of capital formation to GNP of some 30 to 40 per cent is usually envisaged in these countries' plans. Further, it is to be noted that although the greatest impact of these characteristics is felt by the oil-producing countries, positive and negative side effects have been proliferating in the non-oil countries of the ECWA region. There have been increasing transfers of public and private financial resources to the latter countries. The migration of skilled labour to the oil-producing countries has sometimes left the labour-exporting countries in short supply.

17.359 In a number of the ECWA countries, public sector industries constitute a large part of the industrial sector, whether resulting from national policies or from increased direct investment of public funds, usually from oil sources. The rapid increase in public investment has highlighted the weaknesses in the administrative machinery and management of public industrial enterprises. These public sector industries are, in one form or another, integrated within the Government administrative machinery which, in some cases, experiences problems relating to co-ordination, flexibility, and speed of decision-making necessary for the efficient running of enterprises.

(c) Legislative authority

17.360 The legislative authority for this subprogramme derives from General Assembly resolution 2626 (XXV), paragraphs 18, 19 and 20.

(d) Strategy and output

(i) Situation at the end of 1979

17.361 The knowledge of the problems and the growth prospects of the industrial sector in the region will have improved through the collection, analysis and dissemination of information on industrialization trends and an in-depth examination of policies, measures and strategies for industrial development at the country levels. The industrial growth potential of the countries through the year 2000 will have been assessed, with particular emphasis on development at the branch level.

(ii) Biennium 1980-1981

17.362 Work will be geared towards further study of the industrial growth potential in countries of the region so as to reach a more precise interpretation of the process of industrialization and its problems and prospects and thereby contribute more efficiently to the planning and formulation of industrial development policies. This will include in-depth studies of specific branches of industry and assistance to the countries in the development of industrial planning techniques and implementation machinery. Activities of this subprogramme will provide substantive background for review and appraisal of progress towards attaining the new international economic order for policy-makers and national planners.

(iii) Biennium 1982-1983

17.363 Efforts will continue towards improving the information base so as to maintain under constant surveillance the development of industry in the region and enable performance to be appraised. Efforts will also be made, through studies, to rationalize the employment of productive factors and to stimulate an efficient industrialization process.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

17.364 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

17.365 No objective indicator is possible at this stage, but it is expected that the monitoring and appraisal of the process of industrial development will serve a dual function. On the one hand, attention will be drawn to both the achievements and shortfalls, in respect of international, regional and national targets. On the other hand, it will serve as a vehicle for diagnosing main obstacles, both internal and external, to the realization of the stated goals and objectives, which, in turn, will assist in identifying the required remedial measures.

PROGRAMME 8: ECONOMIC AND SOCIAL COMMISSION FOR  
ASIA AND THE PACIFIC

A. Organization

1. Intergovernmental review

17.366 The work of the secretariat in this programme is reviewed by the Economic and Social Commission for Asia and the Pacific, which meets every year. The last meeting was in March 1978. This plan was approved by that body. Detailed substantive review of the work programme in this area is done by the Committee on Industry, Housing and Technology, which meets every year. The 1977 session of the Committee, however, was not held because the ESCAP Meeting of Ministers of Industry was held in November 1977. The last meeting of the Committee was August/September 1976.

2. Secretariat

17.367 The secretariat unit responsible for this programme is composed of two sections in the ESCAP/UNIDO Division of Industry, Housing and Technology, in which there were 20 Professional staff members as at 31 December 1977. Seven posts (including those of 3 regional advisers) were supported from extrabudgetary sources. The following sections of the Division were responsible for this programme as at 31 December 1977. For convenience of presentation, the post of the Division Chief is shown under this programme. It will be noted, however, that, in addition to this programme, the Division Chief is responsible for the programmes on environment, human settlements and science and technology.

| <u>Organizational unit</u>                                        | <u>Professional staff</u> |                               | <u>Total</u> |
|-------------------------------------------------------------------|---------------------------|-------------------------------|--------------|
|                                                                   | <u>Regular budget</u>     | <u>Extrabudgetary sources</u> |              |
| Division Chief                                                    | 1                         | -                             | 1            |
| Institutional Section (excluding the Environment Unit)            | 6                         | 5                             | 11           |
| Technological Section (excluding the Science and Technology Unit) | <u>6</u>                  | <u>2</u>                      | <u>8</u>     |
| Total                                                             | <u>13</u>                 | <u>7</u>                      | <u>20</u>    |

3. Divergencies between current administrative structure and proposed programme structure

17.368 No administrative reorganization is envisaged, but the following reorganization of subprogrammes has been effected in this plan.

17.369 In order to comply with the instructions on the minimum size of a subprogramme, subprogramme 2, on full utilization of industrial capacities in the medium-term plan for the period 1978-1981, is absorbed into subprogramme 1 on industrial planning and programming.

17.370 In view of the internal decision at ESCAP that interdivisional programmes, such as integrated rural development, will not be shown as independent programmes in this plan, subprogramme 3, on rural industrial projects, in the 1978-1981 medium-term plan, which was incorporated into subprogramme 10 of the programme on agriculture and rural development in the proposed programme budget for the biennium 1978-1979 <sup>14/</sup> has again been included in the programme on industrial development and absorbed into subprogramme 1, on industrial planning and programming.

#### 4. Expected completions

17.371 The following programme elements, described in paragraph 7.45 of the programme budget for the biennium 1978-1979, are expected to be completed:

(a) In 1978-1979

Subprogramme 1. Industrial planning and programming

- (iv) Studies on development of ferro-alloy plants, textiles, fibres and packing materials, and synthetic fibres;
- (vi) Expert group meeting on follow-up of the Asian Ministerial Meeting and preparations for the third United Nations development decade and the Third General Conference of UNIDO.

Subprogramme 2. Fuller utilization of industrial capacities

None.

Subprogramme 3. Industrial co-operation and transfer of technology

- (iv) Expert group meeting on regional and subregional co-operation among ferro-alloy plants;
- (v) Expert group meeting on electronic products;
- (ix) Assistance in the establishment of a regional pesticide development programme.

(b) In 1980-1981

Subprogramme 1. Industrial planning and programming

- (iii) Studies on improvement of public sector industrial efficiency;
- (vii) Workshops on promotion of industrial exports and diversification of exports, with special reference to food, textiles and footwear;

<sup>14/</sup> Ibid., vol. I, para. 7.25.

- (ix) Implementation of industrial surveys for the Pacific island countries and assistance for establishment of prime mover industry in the land-locked countries;
- (x) Training of operators, technicians, engineers and managers in machine-tool industries and foundry practices;
- (xii) Studies on applied technologies in selected basic industries;
- (xiii) Studies on interrelationships between capital and labour in medium and large-scale enterprises;
- (xiv) Studies on problems of technology transfer on a sectoral basis, with special reference to terms of transfer and their implications and promotion of exchanges of experience among developing countries;
- (xv) Assistance to member countries in formulating policies in the preparation and implementation of an international code of conduct on the transfer of technology and revision of patent system.

Subprogramme 2. Fuller utilization of industrial capacities

- (i) Workshops on fuller utilization of industrial capacities for industrial exports and diversification of exports, with special reference to food, textiles and footwear;
- (iii) Expert group meeting on subcontracting and relocation of industries;
- (vi) Technical assistance to selected countries for assessment and determination of industrial capacity utilization.

Subprogramme 3. Industrial co-operation and transfer of technology

- (ii) Top planners' consultation meeting for implementation of regional and subregional projects;
- (iii) Publication of a manual on consultancy and technical services within the region.

5. Other organizational matters

17.372 The following organizational aspects are being considered:

- (a) Servicing of the "club for co-operation" among developing member countries, which was established by the ESCAP Meeting of Ministers in November 1977;
- (b) Servicing of the Ad Hoc Group of Ministers on review of progress on new policy orientations.

17.373 The recommendations of the ESCAP Meeting of Ministers of Industry will be submitted to the Commission for approval in 1978. In order to implement those decisions, programme activities, as well as facilities for servicing the "club" and the group, will have to be substantially reorganized.

## B. Co-ordination

### 1. Formal co-ordination within the secretariat

17.374 The Division participates actively in the deliberations of interdivisional task forces appointed by the Executive Secretary for such multidisciplinary programmes of ESCAP as integrated rural development and external financial resource transfers.

### 2. Formal co-ordination within the United Nations system

17.375 The agreement with UNIDO, which came into effect in July 1975, continues. Redeployment of staff in the form of regional advisers, associate experts and assigned Professional staff from UNIDO to ESCAP has been taking place. The annual detailed work plan for the Joint Division continues to be drawn up by the Executive Secretary of ESCAP and the Executive Director of UNIDO. The work plan contains appropriate details of specific programmes, with corresponding data concerning assignment of staff resources, regional industrial advisers and other resource allocations, including bilateral contributions.

17.376 Formal agreements are also worked out with other organizations of the United Nations system, such as UNCTAD and FAO, in connexion with the implementation of specific projects, namely:

(a) The Regional Centre for Technology Transfer implementation programme provides for agreed input from UNCTAD and UNIDO;

(b) The Regional Network for Agricultural Machinery provides for agreed input from FAO and UNIDO.

### 3. Units with which significant joint activities are expected during the period 1980-1983

17.377 Investment: in organizing seminars and intergovernmental meetings, input pertaining to multinational activities will be supplied by the Joint CTC/ESCAP Unit on Transnational Corporations;

17.378 Rural development: input is provided to the ESCAP unit dealing with the integrated rural development programme.

## C. Allocation of resources to subprogrammes

17.379 The trend in the percentage allocation of resources to subprogrammes is expected to be approximately as shown in the following table.



Allocation of resources to subprogrammes

(Percentage)

| <u>Subprogramme</u>                                   | <u>1978-1979</u>            |                                     |       | <u>1980-1981</u>            |                                     |       | <u>1982-1983</u>            |                                     |       |
|-------------------------------------------------------|-----------------------------|-------------------------------------|-------|-----------------------------|-------------------------------------|-------|-----------------------------|-------------------------------------|-------|
|                                                       | Reg-<br>ular<br>bud-<br>get | Extra-<br>budget-<br>ary<br>sources | Total | Reg-<br>ular<br>bud-<br>get | Extra-<br>budget-<br>ary<br>sources | Total | Reg-<br>ular<br>bud-<br>get | Extra-<br>budget-<br>ary<br>sources | Total |
| 1. Industrial planning and programming                | 60                          | 60                                  | 60    | 62                          | 50                                  | 56    | 60                          | 60                                  | 60    |
| 2. Industrial co-operation and transfer of technology | 40                          | 40                                  | 40    | 38                          | 50                                  | 44    | 40                          | 40                                  | 40    |
| Total                                                 | 100                         | 100                                 | 100   | 100                         | 100                                 | 100   | 100                         | 100                                 | 100   |

D. Subprogramme narratives

SUBPROGRAMME 1: INDUSTRIAL PLANNING AND PROGRAMMING

(a) Objective

17.380 The objective of this subprogramme is to assist the ESCAP countries in increasing their pace of industrialization in order to achieve the target set by the Lima Declaration and reorienting industrial strategies and policies on the lines decided by the ESCAP Meeting of Ministers of Industry held in November 1977.

(b) Problem addressed

17.381 The problems are (i) the slow pace of industrial growth; (ii) uneven rates of growth among member countries, particularly among the least developed and land-locked countries; (iii) inadequate integration of industry with other productive sectors, particularly agriculture; (iv) concentration of industry in urban centres; (v) inadequate infrastructure for small-scale industries; (vi) insufficient technological capabilities and absence of suitable policies for technology development; (vii) lack of investment funds, both domestic and foreign; (viii) absence of appropriate product mix to cater to basic needs; and (ix) inadequacy of public sector enterprises.

(c) Legislative authority

17.382 The legislative authority for this subprogramme derives from decisions taken by the Commission at its thirty-fourth session in March 1978.

(d) Strategy and output

(i) Situation at the end of 1979

17.383 A meeting of eminent persons will formulate the framework and guidelines for studies related to the problems specified above. On the basis of this

framework, the experts will make detailed surveys of these problems and present them to the Ad Hoc Group of Ministers at the end of 1978. The Group of Ministers will issue its observations and conclusions to the Governments of member countries for their guidance.

(ii) Biennium 1980-1981

17.384 The activities generated by the ESCAP Meeting of Ministers of Industry in 1977 will be pursued on a continuing basis. The surveys undertaken would lead to the identification of specific problems at the national level related to strengthening linkages between industry and agriculture, developing small-scale dispersed industry through use of local resources and manpower, and strengthening self-reliance at the local level.

17.385 A specific problem will be the strengthening of planning at local levels by the establishment of appropriate administrative and political authorities at the local level. Determination, development and application of appropriate technology, training of local manpower, mobilization of local resources and problems pertaining to marketing will constitute other problems. In addition, new issues relating to standardization, quality control and the provision of infrastructure facilities in the form of appropriate fiscal and credit facilities will have to be tackled. The extent of investment in the rural areas will also increase, and there will be a need to develop new organizations for further improvement of services and industrial activities to strengthen the industrial base.

17.386 During this biennium, the secretariat will have to undertake special studies and surveys relating to the various problems listed above. Additionally, more technical assistance programmes will have to be initiated to support the increasing requirements of the countries in the implementation of their programmes. There will also be the need to allocate increasing resources to service the activities of the Ad Hoc Group of Ministers. It is expected that, during this biennium, meetings of ministers may have to be convened in order to undertake further reviews in respect of the implementation of the new policies decided upon during the Meeting of Ministers in 1977. Special attention will also have to be paid to the establishment of additional institutional facilities at the national level to take care of research and development at local levels designed to expand the resource base.

17.387 The horizontal linkages which are to be established in terms of the new policy orientations between the large-scale and the small-scale industries will also need the formulation of appropriate programmes in the public sector and the strengthening of capacities of the large industries to develop such linkages.

17.388 In view of the growing importance of the public sector industries, steps will be taken to improve efficiency in planning, management and marketing in that sector. As a result of the work carried out during 1978-1979, it is expected that selected agro-industrial complexes and growth centres would have to be set up during this biennium. Projects will have to be selected on the basis of national plans, and support provided by the secretariat, to strengthen the development of these activities.

17.389 The proposed Meeting of Ministers for the over-all review will also lead to the evaluation of progress of industrial growth in terms of the Lima target.

Through these activities, the secretariat expects to bring about greater industrial efficiency at the national level and the strengthening of the industrial base not only to meet the obstacles but to provide for a rapid rate of industrial growth during the latter half of the Third United Nations Development Decade.

(iii) Biennium 1982-1983

17.390 Though the strategies for implementing the decisions taken by the ESCAP Meeting of Ministers of Industry and the Group of Ministers would be pursued, as indicated above for the biennium 1980-1981, the basic emphasis during 1982 and 1983 will be a comprehensive evaluation and analysis of the progress achieved at the national and the regional levels in respect of the target set in the Lima Declaration. That review may require sectoral evaluations by experts and an over-all evaluation by the Group of Ministers. It is also expected that there will be an interregional comparative study on the progress of all developing countries towards the achievement of the Lima target. Such an interregional evaluation is expected to be undertaken on the basis of interregional expert group meetings on a sectoral basis.

17.391 The work being carried out towards the implementation of redeployment of industries would reach a stage of maturity during this biennium. Special consultative meetings and programmes for implementation of redeployment would have to be set up. This would be particularly relevant, in view of the fact that redeployment itself would have to be carried out at a substantially increased rate in order to meet the Lima target. The problems associated with redeployment and the strategies therefore in terms of resources and capabilities of the individual countries of the region would have to be carefully analysed. During this biennium, special attention will be paid to overcoming the existing unevenness of industrial growth among the countries of the region.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

17.392 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

17.393 The result of this subprogramme is expected to be:

(i) An increase in industrial output from the present 7 per cent to an average annual rate of 11 per cent;

(ii) Increased provision of basic goods to rural populations;

(iii) Increased employment opportunities and better distribution of incomes;

(iv) Improvement in the efficiency of the public sector and large-scale industries, with greater integration on a horizontal basis between those sectors and the small-scale industries;

(v) Improvement in technological capabilities and the investment climate in the ESCAP countries;

(vi) Structural changes leading to modernization of the agricultural sector and consequent development of a strong and viable small-scale industrial base.

## SUBPROGRAMME 2: INDUSTRIAL CO-OPERATION AND TRANSFER OF TECHNOLOGY

### (a) Objective

17.394 The objective of this subprogramme is to identify areas in which countries within the region could enter into agreements to set up joint manufacturing ventures, transfer of technology and know-how among themselves, and increase use of regional service facilities in industry.

### (b) Problem addressed

17.395 The problems are (i) lack of complementarity in the economies of member countries; (ii) inadequacy of domestic markets; (iii) over-dependence on imported technology and know-how; (iv) under-utilization of natural and human resources; and (v) shortage of capital.

### (c) Legislative authority

17.396 The legislative authority for this subprogramme derives from the decisions of the Commission at its thirty-third session in 1977.

### (d) Strategy and output

#### (i) Situation at the end of 1979

17.397 The ESCAP Meeting of Ministers of Industry decided to set up a "club for co-operation" among developing member countries. As a result of that decision, the secretariat will have identified specific projects in the least developed and land-locked countries which can be implemented with the assistance of the more advanced among the developing countries. These projects will have been presented to the meeting of the "club" in 1978-1979 and decisions taken with regard to their implementation. The completion of the industrial survey in the South Pacific also indicates further possibilities for promoting subregional co-operation.

#### (ii) Biennium 1980-1981

17.398 During this biennium, several activities for subregional and regional co-operation initiated since 1978 should have identified possibilities of implementing a number of specific programmes. There should also be more subregional groupings and an increase in the activities on regional co-operation at the sectoral level through technical co-operation among developing countries. The main emphasis will then be on the formulation of project details in order to evolve bankable projects and their implementation. Support by the ESCAP secretariat, through technical assistance and the establishment of the necessary institutions for project evaluations and negotiations among countries, will have to be increased.

17.399 The programmes for increasing self-reliance at the national level will have contributed to an increase in the size of national markets and to an increase

in the possibilities for exploration and utilization of resources within the region. These call for identification of specific areas of complementarities among the countries which need to be established in order to develop possibilities of regional co-operation on a sound and realistic basis. Attention will have to be paid during this biennium to evolving suitable mechanisms for intergovernmental negotiations for commercial, investment and clearing agreements and for implementation of joint ventures. These activities will necessitate increasing contact at the highest national levels, with ESCAP as the focal point.

17.400 The meeting of the "club", which would become a specific activity related to intraregional co-operation, particularly to assist the least developed countries, will have completed two sessions and identified a number of projects. The implementation of those projects will call for a number of activities to ensure their realization, such as detailed project formulation and programming for, and provision of, regular technical and financial assistance on an increased scale. In addition to the work of the "club", the activities being carried out by the secretariat on subregional surveys for industrial co-operation will have been completed. These will call for implementation of those programmes on an agreed basis among the participating countries. The strategy for the implementation of such programmes, including those concerning the South Pacific, will be to set up consultative meetings among the participating groups for purposes of formulating agreements on a multinational basis.

17.401 The rapid growth of industry and industrial capacities and the strengthening of regional self-reliance will call for special action to develop realistic interregional co-operation. Initial steps will be taken during this biennium to identify areas of possible co-operation on an interregional basis, with specific emphasis on sectoral development.

17.402 Development, application of and research in technology will assume increasing importance during this period. Substantial investments in subregional and regional projects through joint ventures will call for more sophisticated technology not only in industry itself but in transport and other service sectors to meet the demands of regional co-operation. The Regional Centre for Technology Transfer will, during this period, have to undertake major reviews of this programme of work. The ESCAP secretariat expects to use the Centre as the focus of the promotion of such development.

(iii) The biennium 1982-1983

17.403 The main emphasis during this period will be on:

- a. Development and establishment of joint ventures on a subregional and regional basis;
- b. Increasing and strengthening complementarities among the countries;
- c. Strengthening national and regional technological capabilities to meet all requirements, in both the basic and small industrial sectors;
- d. Evolution of mechanisms to facilitate negotiations and agreements in order to ensure the markets, standardization, quality, pricing, etc. which are required to implement joint ventures effectively.

17.404 One of the major objectives of the "club" would be to increase the pace of industrialization among the least developed countries in order to eliminate existing unevenness among various countries in the region. The strategy for this will be to increase investments and industrial ventures through regional co-operation, with special attention to the utilization of resources in the least developed countries and the development of human resources so that to meet their own requirements at the national level.

17.405 The directives of the Lima target envisage that regional co-operation will become one of the main vehicles for increasing the rate of industrialization. For that purpose, the ESCAP secretariat will give high priority to the development of complementarities within the region. In order to extend the scope for such complementarities, a basic programme for interregional and international co-operation will also be required. Special measures will be taken to initiate sectoral studies to identify international complementarities, with special emphasis on interregional co-operation. These will also take into account a better division of labour on an international basis.

17.406 With regard to transfer of technology, though the extent and scope of transfers within the region will have considerably increased, there will be a need for formulating policies at the national and regional levels to establish co-operative complementarities in technology development and transfer through the development of centres of specialization. This would be a natural corollary of developing production complementarities within the region. With increasing redeployment of industry, the level of technological sophistication will also considerably increase, and will call for enhanced technological co-operation at the interregional and international levels. New criteria will have to be developed for proper transfer of such technology to the region. This will be done through high-level intergovernmental meetings.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

17.407 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

17.408 As a result of these activities, it is expected that greater complementarity will have been developed among the developing countries of the region. There would be increased use of natural and human resources, as well as an increase in the exchange of technology among the developing member countries. All these would lead to greater self-reliance and greater institutionalization of the process of co-operation among the countries of the region.

## CHAPTER 18\*

### INTERNATIONAL TRADE

#### PROGRAMME 1: UNCTAD: MONEY, FINANCE AND DEVELOPMENT

##### A. Organization

##### 1. Intergovernmental Review

18.1 The work of the secretariat in this area is considered by the Committee on Invisibles and Financing related to Trade and by the Trade and Development Board. The last session of the Committee and the last regular session of the Board at which these subjects were considered were from 27 October to 7 November 1975 and 23 August to 2 September 1977 respectively. Moreover, the Trade and Development Board at its ministerial session, held from 6 to 10 March 1978, considered measures related to the external indebtedness of developing countries. A draft of this plan was discussed by a working party of the Trade and Development Board (TDB), which met from 28 March to 3 April 1978, and by the TDB at the second part of its seventeenth session, on 4 April 1978.

##### 2. Secretariat

18.2 The secretariat unit responsible for this programme is the Division for Money, Finance and Development, in which there were 31 Professional staff members as at 31 December 1977. None of the posts was supported from extrabudgetary sources. The Division had the following branches and units as at 31 December 1977:

| <u>Organizational unit</u>                | <u>Professional staff</u> |                                | <u>Total</u> |
|-------------------------------------------|---------------------------|--------------------------------|--------------|
|                                           | <u>Regular budget</u>     | <u>Extra-budgetary sources</u> |              |
| Office of the Director                    | 2                         | -                              | 2            |
| External Financing and Development Branch | 10                        | -                              | 10           |
| Trade Plans and Projections Branch        | 8                         | -                              | 8            |
| Interdependence Section                   | 3                         | -                              | 3            |
| Statistical Section <u>a/</u>             | 2                         | -                              | 2            |
| Data Processing Section <u>b/</u>         | 6                         | -                              | 6            |
| Total                                     | <u>31</u>                 | <u>-</u>                       | <u>31</u>    |

\* Previously issued under the symbol A/33/6 (Part 18) and Corr.1.

a/ This section services the whole of the UNCTAD secretariat.

b/ This section services the whole of the UNCTAD secretariat as well as the secretariat of the Economic Commission for Europe (ECE) and is operated jointly with ECE.

3. Divergencies between current administrative structure and proposed programme structure

18.3 The work of the Statistical Section and of the Data Processing Section constitutes a single subprogramme.

4. Expected completions and consequent reorganizations

(a) Expected completions

18.4 As a rule, the activities of this programme are of a continuing nature or closely linked to intergovernmental negotiations, the time-frame of which is dependent upon the successful completion of their different phases, including the required follow-up. Such negotiations concern, in particular, international measures to deal with the debt problem of developing countries, the establishment of an export credit facility, the improvement of the compensatory financing facility and the implementation of a private investment multilateral insurance scheme. Action on the following items of the programme elements described in paragraph 11 A.20 of the proposed programme budget for the biennium 1978-1979 1/ is expected to be completed:

(i) In 1978-1979

- a. Ninth special session of the Trade and Development Board (third part), at Ministerial level, on the debt problems of developing countries; (At the Ministerial part of its ninth special session, held from 6 to 10 March 1978, the Board adopted resolution 165 (S-IX) on debt and development problems of developing countries. This calls for follow-up by the UNCTAD secretariat, including two sessions of an intergovernmental group of experts, with a view to reporting to the tenth special session of the Board (prior to the fifth session of the Conference) on implementation of the provisions of resolution 165 (S-IX).)
- b. Intergovernmental Group of Experts on the Concepts of the Present Aid and Flow Targets (fourth session);
- c. Meeting of a group of high-level governmental experts on the effects of the world inflationary phenomenon on the development process pursuant to General Assembly resolution 32/175 of 19 December 1977;
- d. Meeting of a group of governmental experts on the interdependence of problems of trade, development finance and the international monetary system;
- e. Publication of the Handbook of International Trade and Development Statistics.

(ii) In 1980-1981

Action will depend on the schedule of meetings.

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1/ Official Records of the General Assembly, Thirty-second Session, Supplement No. 6 (A/32/6 and Corr.1 and 2), vol. II.



(b) Consequent reorganizations

18.5 This programme was reorganized in 1977 and no further reorganization is expected during this plan period.

5. Other organizational matters

18.6 The activities under the various subprogrammes are highly interdependent and mutually supporting. The analytical reports and studies made by this Division are the joint products of its various units.

B. Co-ordination

1. Formal co-ordination within the secretariat and within the United Nations system

18.7 The nature of activities is such that arrangements for co-ordination in the sense of formal agreements with other parts of the secretariat and United Nations systems are not necessary. However, informal arrangements are being made continuously so as to avoid duplication of effort. For instance, the work on projections is co-ordinated with similar work being done in the Department of International Economic and Social Affairs, regional commissions and specialized agencies. Similarly, in the entire area of external financing the Division co-ordinates its efforts with those of other competent bodies, such as IMF and the World Bank.

2. Units with which significant joint activities are expected during the period 1980-1983

18.8 The Division for Money, Finance and Development co-operates with the Division for Economic Co-operation among Developing Countries in matters relating to finance and monetary co-operation among developing countries (see programme VI). The Division pays special attention to the needs of the least developed, land-locked and island developing countries in its regular work programme, in particular in the areas of concessional assistance, debt problems and the mobilization of domestic resources. The Division co-operates with the Special Programme for Least Developed, Land-locked and Island Developing Countries in this area by providing statistical and research support.

C. Allocation of resources to subprogrammes

18.9 The trend in the percentage of allocation of resources to subprogrammes expected to be approximately as shown in the following table:

Allocation of resources to subprogrammes

(Percentage)

| Subprogramme                                                                                       | 1978-79        |                         |       | 1980-81        |                         |       | 1982-83        |                         |       |
|----------------------------------------------------------------------------------------------------|----------------|-------------------------|-------|----------------|-------------------------|-------|----------------|-------------------------|-------|
|                                                                                                    | Regular budget | Extra-budgetary sources | Total | Regular budget | Extra-budgetary sources | Total | Regular budget | Extra-budgetary sources | Total |
| 1. External financing and development                                                              | 31             | -                       | 31    | 31             | -                       | 31    | 29             | -                       | 29    |
| 2. Trade prospects and capital requirements                                                        | 28             | -                       | 28    | 27             | -                       | 27    | 27             | -                       | 27    |
| 3. Interdependence of problems of trade, development finance and the international monetary system | 13             | -                       | 13    | 12             | -                       | 12    | 12             | -                       | 12    |
| 4. Statistics and data processing services (Programme management)                                  | 8              | -                       | 8     | 8              | -                       | 8     | 8              | -                       | 8     |
| Total                                                                                              | 100            | -                       | 100   | 100            | -                       | 100   | 100            | -                       | 100   |

#### D. Subprogramme narratives

##### SUBPROGRAMME 1: EXTERNAL FINANCING AND DEVELOPMENT

###### (a) Objectives

18.10 The objectives of this subprogramme are as follows:

- (i) To alleviate the impact of the external debt of developing countries on their development process;
- (ii) To improve the volume and terms of net financial transfers to developing countries, to secure international agreement on adequate targets for such transfer of resources and to keep under continuing review the trends in these flows in relation to the targets set;
- (iii) To improve access of developing countries to private capital for investment financing and to provide them with expanded export opportunities through improved access to international finance markets for refinancing export credits;
- (iv) To help developing countries to achieve greater co-operation in financing and monetary matters;
- (v) To contribute to the continuing consideration of the reform of the world monetary system, paying particular attention to its role in the development process, including balance-of-payments financing facilities and compensatory financing.

###### (b) Problems addressed

18.11 World inflation and recession, a sharp decline in the terms of trade of a number of developing countries and the decline in real terms of financial assistance, which failed to meet internationally agreed targets, have led to large deficits in balances on current account of developing countries and dramatically increased their financing problems. In the absence of adequate concessional flows, these countries have had to rely increasingly upon private credits and to face rapid acceleration in their debt-service payments. The urgent and critical problem facing the international community is how to adjust policies so as to make the servicing of this debt and the achievement of an acceptable minimal growth rate in developing countries compatible.

18.12 In the longer term, the international community must also assist developing countries to realize the investments required for the continuation and acceleration of the development process, and towards this end, provide them with financial assistance adequate in volume and terms. In this respect, the development of the energy basis of these countries, which appears both as a factor and as an essential condition of the over-all development process, deserves special attention. Investments in energy will raise particular difficulties in view of the length of the maturation period and the size of the necessary investments and of the gradual exhaustion of petroleum resources.

18.13 The mobilization for development of resources of developing countries requires improved access of these countries to capital markets. Ways and means

to achieve such improved access need to be carefully analysed. Special consideration should be given to strengthening national facilities for investment guarantee and establishing a multilateral insurance agency.

18.14 In view of their own limited financing capacities, it is not easy for developing countries to offer export credit facilities, which are an essential element of competitiveness in export markets, unless they can refinance these credits on international finance markets on favourable terms. The establishment of a multilateral institution of respectable financial stature through which such refinancing could be channelled would greatly improve the export prospects of developing countries. Such a scheme would in particular facilitate exports of capital goods from developing countries to developing countries and consequently enhance opportunities for implementation of collective self-reliance.

18.15 The adequacy of the international monetary system and its consistency with international commitments have to be kept under constant scrutiny, since the system is an essential factor underlying the channelling of financial flows necessary to development. In this respect, it is particularly important to ensure that account is taken of the needs of developing countries for adequate balance-of-payments facilities, including compensatory financing, in discussions and negotiations on reform of the international monetary system.

(c) Legislative authority

18.16 Legislative authority for the subprogramme derives from the following United Nations Conference on Trade and Development resolutions: resolutions 55 (III), 2/ 56 (III), 2/ 57 (III), 2/ 59 (III), 2/ 60 (III), 2/ 61 (III), 2/ 75 (III), 2/ 84 (III), 2/ 94 (IV) and 98 (IV); Trade and Development Board resolutions 91 (XII), 2/ 103 (XIII), 106 (XIII), 114 (XIV), 122 (XIV), 125 (XIV), 132 (XV) and 150 (XVI); resolutions 5 (VI), 6 (VI), 11 (VII) and 12 (VII) of the Committee on Invisibles and Financing related to Trade; Economic and Social Council resolution 1630 (LI) 2/ of 30 July 1971; and General Assembly resolutions 31/174 of 21 December 1976, 32/175 and 32/193, both of 19 December 1977.

(d) Strategy and output

(i) Situation at the end of 1979

18.17 Trade and Development Board resolution 165 (S-IX) (see sect. A.4 (a) (i), para. 18.4 above) calls for a meeting of an intergovernmental group of experts to examine and identify features which could provide guidance in future operations relating to debt problems of interested developing countries. It was agreed (para. 4 of the resolution) that developed donor countries would seek to adopt measures for the adjustment of terms of past bilateral official development assistance or other equivalent measures. The Secretary-General of UNCTAD will report to the fifth session of the Conference on implementation of the provisions of the resolution.

18.18 On the basis of future capital needs of developing countries, which are the subject of continuous work in the Division for Money, Finance and Development (see subprogramme 2), targets for transfer of resources from developed to developing countries will have been set up within the context of preparations for

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2/ Mandate more than five years old.

a new international development strategy. The performance of developed countries will have been kept under constant review within the framework of this subprogramme. This will have been facilitated by clarification of and, it is to be hoped, international agreement on concepts of aid and flow targets, which appear necessary in view of the changing composition of financial flows to developing countries. Further examination of the potential increase in finance available for development that could result from disarmament will have been carried out.

18.19 The feasibility and desirability of an export credit guarantee facility will have been reviewed at the second part of the eighth session of the Committee on Invisibles and Financing related to Trade (May 1978), which is expected to provide guidance for formulation of concrete proposals for the establishment of such a scheme. Although it seems that there is good prospect for an early implementation of the scheme, there is no certainty that this will have occurred before the end of 1979.

18.20 Improvements in balance-of-payments facilities are also to be expected by 1979. In effect, the existing facilities have not been adequate so as to enable developing countries, facing international inflation and economic fluctuations, to avoid increasing reliance on private short-term credits for balance-of-payments financing, with a detrimental impact on development in view of the hard terms of such credits and uncertainty about their possible extension.

18.21 The world monetary system is subject to continuous and abrupt transformation, and its shape at the end of 1979 is unforeseeable. Developments in this field will have to be kept under constant review, and action taken according to circumstances. Under a UNDP project, the UNCTAD secretariat, within the context of this subprogramme, will have prepared an in-depth analysis of the balance-of-payments adjustment process in developing countries.

(ii) Bienniums 1980-1981 and 1982-1983

18.22 It should be stressed that activities under this subprogramme in the 1980-1983 period will fundamentally depend upon results achieved in 1978 and 1979, in particular at the fifth session of the Conference. However, whether or not an international agreement is reached on common norms or guidelines in debt reorganization, the level and structure of indebtedness of developing countries will have to be kept under constant review. Similarly, the adequacy for immediate and future development needs of the volume and nature of financial flows, with particular reference to the volume of grants and terms of loans, together with the conditions of access of developing countries to private capital markets (including possibly the establishment of a multilateral insurance scheme), will have to be kept under constant analysis. In this context, future investment requirements in the energy sector of developing countries will call for particular attention during the period under consideration, since, according to various projections, the end of this period will coincide with the beginning of a time of acute petroleum shortage, and since the shift from a petroleum-based energy system to a non-petroleum energy system is likely to require huge investments. In such an analysis, full consideration will have to be given to the role of energy in the development process.

18.23 Particular attention will also have to be given to performance of developed countries with respect to aid and flow targets of a new international

development strategy. This will have to be done in the framework of a comprehensive and global reporting system for financial flows, including flows among developing countries. Work will continue on the establishment of an export credit guarantee facility for conclusion of an international agreement, if such an agreement has not been reached by 1979, and for its practical implementation if such an agreement has been reached. As it appears unlikely that a fully satisfactory reform of the international monetary system will have taken place by the end of 1979, work in this field, including the questions of international liquidity and of a satisfactory adjustment process, will continue during the two biennia.

(iii) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

18.24 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

18.25 Several results are expected from activities under this subprogramme:

- (i) The adoption of measures to alleviate the debt problem of developing countries;
- (ii) The adoption of common norms or guidelines in future debt reorganization under which such a reorganization would limit the adverse impact of the debt problems on the development process of developing countries experiencing or likely to experience severe difficulties in debt servicing;
- (iii) The adoption and attainment of adequate targets for resource transfer to developing countries within the context of a new international development strategy;
- (iv) The establishment of multilateral balance-of-payments support facilities, including improvement in the compensatory financing facility;
- (v) The establishment of an export credit guarantee facility which would improve the over-all competitiveness of developing countries on export markets and thereby improve prospects for collective self-reliance;
- (vi) Arrangements for improved access to private capital by developing countries, including the establishment of a multilateral insurance scheme;
- (vii) The achievement of some progress towards an international monetary system more suited to the needs of developing countries and consistent with a new international economic order.

18.26 In addition, studies undertaken under this subprogramme are to provide guidance to developing countries in policy formulation through better knowledge and understanding of the network of financial flows and of the balance-of-payments adjustment process and through analysis of possibilities of enhancing the role of domestic resources in development.

## SUBPROGRAMME 2: TRADE PROSPECTS AND CAPITAL REQUIREMENTS

### (a) Objectives

18.27 The basic objective of this subprogramme is to provide empirical and analytical support for international deliberations and negotiations on policy measures relating to the roles of international trade and finance in the development process. More specifically, the objectives are:

- (i) To provide a basis for assessing the mutual consistency of various targets relating to growth in developing countries on the one hand and international targets or norms relating to capital flows and export earnings on the other, taking into consideration the special needs of the more disadvantaged countries;
- (ii) To help identify structural changes in the world economy necessary to achieve the development objectives of developing countries and a new international economic order;
- (iii) To examine the interrelationship between alternative strategies of development and international measures to support development;
- (iv) To keep under constant review recent developments and short-term prospects of the economies of developing countries with the aim of establishing a system to identify emerging problems in the external sector jeopardizing development targets and of promoting prompt international consideration of these global issues;
- (v) To provide backstopping to technical co-operation activities for the purposes of economic planning, particularly in the field of foreign trade and financing.

### (b) Problems addressed

18.28 The subprogramme addresses itself to the role of international trade and capital flows in economic development, particularly for developing countries and the subgroups among them. Quantitative methods are used to arrive at conclusions regarding trade and external financing required to attain desirable economic growth for individual countries and to evaluate the feasibility at the global level of various development strategies and the impact of trade and financial policies of interest to the international community.

### (c) Legislative authority

18.29 Legislative authority for the subprogramme derives from the following resolutions: United Nations Conference on Trade and Technology resolutions 47 (III), 2/ 57 (III), 2/ and 96 (IV); Trade and Development Board resolution 122 (XIV); decisions of the Committee on Invisibles and Financing related to Trade at its fifth session (TD/B/395, paras. 138 and 139) 2/ and General Assembly resolutions 2626 (XXV) 2/ of 24 October 1970, 2641 (XXV) 2/ of 19 November 1970, 3202 (S-VI) of 1 May 1974, 3362 (S-VII) of 16 September 1975 and 32/57 of 8 December 1977.

(d) Strategy and output

(i) Situation at the end of 1979

18.30 During 1978 and 1979, in addition to regular short-term forecasting activities, a major effort will have been undertaken to estimate the trade prospects and capital requirements of developing countries in the context of a new international development strategy. The activity concerned will include quantification of the implications of alternative development scenarios for the year 2000. For this purpose, a special subset of country models with global coverage will have been established, making it possible to study the effects on trade and financial flows of major structural changes in the economy of developing countries. In support of both the short-term forecasting and long-term projections, the country models and commodity models will have been improved by updating and revision and a few new country and commodity models will have been constructed. A technical assistance activity, expected to receive financial support from UNDP, will have been started to provide assistance in the planning and management of the external sector (trade, financial flows, debt, balance of payments) and to encourage the use of quantitative methods in evaluating the relationship between development in the external and internal sectors of the economy.

18.31 Attempts will have been made to quantify the impact of alternative assumptions regarding energy on the development of developing countries. Studies on mobilization of resources by developing countries will have been continued, putting emphasis on domestic measures aimed at increasing domestic saving and employment and at improving income distribution. Reports on the following three subjects will have been prepared periodically: trade prospects and capital requirements of developing countries; projections of the debt burden of developing countries; and mobilization of domestic resources for development.

(ii) Bienniums 1980-1981 and 1982-1983

18.32 Regular activities on short-term forecasting, projections of debt burden and mobilization of domestic resources for development will continue. The emphasis during 1978 and 1979 on long-term projections will, however, be replaced by greater efforts to improve and increase the number of individual country models. The models, which at present are most detailed with respect to the external sector, will be strengthened on other accounts, for example by distinguishing production sectors and by adding monetary, fiscal and employment sectors, etc. This activity is expected to benefit from intensified technical co-operation with national governmental bodies and research institutes in need of models for the economic planning of their countries. However, further work will also be done on studying scenarios for the year 2000. Certain aspects, such as increased trade among developing countries and a more efficient division of labour between developed and developing countries, may have to be analysed more thoroughly. In addition, the outcome of the fifth session of the Conference may imply new tasks for the subprogramme.

(iii) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

18.33 The emphasis placed by governing bodies on the elements of this subprogramme is such that it is not likely that any element will be considered of marginal usefulness in the near future.



(e) Expected impact

18.34 The subprogramme is expected to lead to the establishment of targets relating to capital flows and export earnings which are consistent with growth targets in a new international development strategy. Care will have to be taken to ensure that the particular problems and needs of the least developed, land-locked and island developing countries are adequately reflected in the norms adopted for a new international development strategy. By highlighting the balance-of-payments and trade prospects of developing countries, the subprogramme will provide useful information for discussions on international measures to support development. A more profound understanding of economic and financial relationships between countries will be reached by quantitative analysis in a globally consistent framework. This is of importance not only for providing better guidance to deliberations on development issues in UNCTAD bodies, but also for improving the quality and efficiency of the technical assistance element of the subprogramme. Co-operation with governmental bodies and research institutes in individual developing countries with responsibility for planning and projecting the external sector of the economy is expected to result in mutual benefits in terms of better foresight and more adequate analyses of the basic external and internal factors affecting the development process in the particular country concerned.

SUBPROGRAMME 3: INTERDEPENDENCE OF PROBLEMS OF TRADE, DEVELOPMENT FINANCE AND THE INTERNATIONAL MONETARY SYSTEM; REVIEW AND APPRAISAL OF POLICY RECOMMENDATIONS

(c) Objective

18.35 The objective of this subprogramme is to provide Governments with relevant analyses regarding potential interdependencies among policy actions undertaken in different economic sectors or regions, and in particular to determine:

- (i) The impact of particular economic phenomena in different sectors or regions of the world economy on the growth and development of the world economy as a whole and of its component parts;
- (ii) The extent of mutual consistency among policy proposals and actions in the areas of trade, money and finance in the light of world economic interdependence;
- (iii) The implications of world economic interdependence for the formulation of development strategies.

(b) Problem addressed

18.36 The interdependence of the world economy is such that policy objectives in one sector or region cannot be achieved without due consideration of policy actions taking place elsewhere. In particular, not only are the growth prospects of developing countries dependent upon economic conditions in industrialized countries, but also the economic performance of the developing countries has an impact on those conditions. The problem facing the international community is thus to determine those combinations of domestic and international policies which will take advantage of world economic interdependence rather than to continue with policies which tend to react against that interdependence.

(c) Legislative authority

18.37 Legislative authority for the subprogramme derives from United Nations Conference on Trade and Development resolutions 84 (III) 2/ and 90 (IV); and Trade and Development Board resolutions 95 (XII), 106 (XIII), 114 (XIV) and 144 (XVI).

(d) Strategy and output

18.38 Activities under this subprogramme will consist of elaborating a global analytical framework capable of determining the full impact of particular policy actions on the economic well-being of developed and developing countries. Emphasis will be given to the economic outlook, concentrating on the course of cyclical developments in the developed market-economy countries and the transmission of economic impulses among regions and sectors. At the same time, attention will be paid to the interdependence of international economic problems, as well as the impact of negotiations concerning these problems on international economic co-operation and, especially, on the trade and development of developing countries.

(i) Situation at the end of 1979

18.39 As called for by the General Assembly in resolution 32/175 of 19 December 1977, a report on the phenomenon of world inflation will have been prepared in 1978 by a group of high-level governmental experts, and the proposals of this group will have been submitted to the General Assembly at its thirty-third session (A/33/302). Documentation will have been prepared for a group of governmental experts on interdependence also meeting in 1978. It is expected that both of these expert groups will have provided significant inputs into the fifth session of UNCTAD. In particular, it is expected that world inflation in the context of a stagnating world economy will have become a major issue in 1979. At the same time, the global analytical framework currently under development will have played a major role in the elaboration of a new development strategy.

(ii) Bienniums 1980-1981 and 1982-1983

18.40 The strategy and output are expected to remain essentially unchanged, though shifts in emphasis may be required as a result of decisions taken at the fifth session of UNCTAD. Progress in meeting the goals of a new international development strategy will be monitored through continuing semi-annual reports on the world economic outlook, using the analytical results of the work on trade projections and capital requirements in conjunction with Project Link. 3/ Further progress will be made in elaborating the global analytical framework for assessing the impact of short-term policy actions on the path of development.

(iii) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

18.41 Recent decisions by the Trade and Development Board have emphasized the importance attached to this subprogramme, so that no elements can be considered likely to be of marginal usefulness.

3/ For a description of Project LINK see TD/B/C.3/134/Add.1.

(e) Expected impact

18.42 Activity of this subprogramme, which goes directly to the Trade and Development Board, is expected to lead to co-ordination of policies to deal with the problems of interdependence in international trade, money and finance. This subprogramme should also lead to adoption of international policies required to reduce the adverse impact of world inflation on the development process. Moreover, it will provide support to the other research activities of the programme.

SUBPROGRAMME 4: STATISTICS AND DATA PROCESSING SERVICES 4/

(a) Description of functions

18.43 This subprogramme provides the services necessary for the entire work programme of UNCTAD. Its output is provided by two separate units of the Division for Money, Finance and Development: the Data Processing Section and the Statistical Section. The Data Processing Section provides data maintenance and computer programming services, using advanced techniques, to all the divisions of UNCTAD, as well as the Economic Commission for Europe (ECE). The Statistical Section collects, processes and updates continuously the economic data relating to various countries and regions of the world, obtained from national and international sources.

18.44 The subprogramme provides comprehensive, systematic and up-to-date statistical series in the fields of trade flows; capital flows; national accounts; prices; and production, consumption and stocks of primary commodities. Statistical research is also undertaken to construct more comprehensive and accurate indices of import and export prices and of freight rates and to provide measures of the extent of fluctuations in and the diversification of exports of developing countries.

(b) Legislative authority 5/

18.45 The legislative authority for this subprogramme derives from United Nations Conference on Trade and Development recommendation A.IV.6. 6/

(c) Strategy and output

18.46 Since the output of this subprogramme constitutes an input into other programmes of UNCTAD, the workload is expected to increase during the plan period,

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4/ As this subprogramme is essentially of a supporting nature to all other programmes, the items of the plan on "objectives" and "problems addressed" have been replaced by a "description of functions". For the same reason the item "strategy and output" does not distinguish the various time-periods and an assessment of "expected impact" is not relevant. There are also no activities of marginal-usefulness.

5/ The work under this subprogramme derives also from resolutions of various UNCTAD bodies requesting the secretariat to undertake specific studies requiring statistical and data processing services.

6/ Mandate more than five years' old.

in line with the expected expansion of the analytical part of the work programme of UNCTAD as a whole. The Data Processing Section, which is operated jointly with ECE, provides systems analysis and programming services for all parts of the work programme of UNCTAD. It develops and maintains six systems which have been approved by the Interdepartmental Information Systems Board:

(i) Financing Related to Trade Information and Projections System

During the 1978-1979 biennium the content of the data bank will need to be doubled to include information which will permit analysis of the growing debt burden of developing countries.

(ii) System for Quantitative Policy Models of Commodities (OPM)

The number of commodities included in the system will be gradually enlarged until 1981 in order to enable more detailed analysis of the individual commodity markets, as requested in resolutions of the Conference and the Trade and Development Board.

(iii) UNCTAD Central Economic Data System (UCEDS)

This system will be expanded, commencing in 1978 and continuing beyond 1981, with the aim of providing more detailed and up-to-date information in the field of international trade and economic development. This expansion is also due to the fast increase in the flow of data received in machine-readable form from IMF, FAO, the World Bank, the United Nations Statistical Office, UNIDO, OECD, the Centre for Development Planning, Projections and Policies and also from Governments.

(iv) Information System on Imports and Barriers to Trade (IBT)

In 1978 new computer programmes will be developed to fulfil the requests for analysis emanating from the Special Committee on Preferences and other UNCTAD bodies. A major expansion of the system, commencing in 1978 and continuing beyond 1981, will add to the existing data base information on developing countries in support of the negotiations to establish a global system of economic co-operation among developing countries.

(v) Financial flows from OPEC to other developing countries

This programming system will be slightly improved, adding data on co-financing from non-OPEC sources to assist in the promotion and facilitation of capital flows among developing countries and will be maintained after 1981.

(vi) Application of electronic data processing to programme management

Assistance is provided in the day-to-day operations of various units of the UNCTAD secretariat, such as the Office of Administration, the Division for Conference Affairs and External Relations, the Office of Technical Co-operation and the Economic Reference Service, in support of the various programmes. It is expected that there will be further minor refinements and improvements during the period up to 1981.

18.47 The Statistical Section will carry out the following work:

- (i) A comprehensive set of statistical data relevant to the analysis of the problems of world trade and development for the use of UNCTAD, as well as government officials, university and other research workers on these subjects, will continue to be published in the Handbook of International Trade and Development Statistics, which is issued at the time of each session of the Conference, with an annual supplement in intervening years.
- (ii) The twice-yearly preparation of a Bulletin of Short-Term Economic Indicators is planned. It is aimed at presenting leading indicators of development and reproducing key data used in the preparation of the World Economic Outlook. In 1978-1979 the Section will be entrusted with a central collection and monitoring system of capital flows of the Organization of the Petroleum Exporting Countries (OPEC) in support of the project on the flow of financial resources to and from developing countries (see programme 6).

PROGRAMME 2: UNCTAD: COMMODITIES

A. Organization

1. Intergovernmental review

18.48 The work of the secretariat in this programme is considered by the Committee on Commodities and the Ad Hoc Intergovernmental Committee for the Integrated Programme for Commodities. A draft of this plan was discussed by a Working Party of the Trade and Development Board (TDB), which met from 28 March to 3 April 1978, and by TDB, at the second part of its seventeenth session, on 4 April 1978. 7/

2. Secretariat

18.49 The secretariat unit responsible for this programme is the Commodities Division, in which there were 41 Professional staff members as at 31 December 1977. None of the posts were supported from extrabudgetary sources. The Division had the following branches as at 31 December 1977:

| <u>Organizational unit</u>      | <u>Professional staff</u> |                               | <u>Total</u> |
|---------------------------------|---------------------------|-------------------------------|--------------|
|                                 | <u>Regular budget</u>     | <u>Extrabudgetary sources</u> |              |
| Office of the Director          | 8                         | -                             | 8            |
| General Studies Branch          | 8                         | -                             | 8            |
| Minerals and Metals Branch      | 7                         | -                             | 7            |
| Agricultural Commodities Branch | <u>18</u>                 | -                             | <u>18</u>    |
| Total                           | <u>41</u>                 | -                             | <u>41</u>    |

3. Divergencies between current administrative structure and proposed programme structure

18.50 As in the proposed programme budget for the biennium 1978-1979, the programme is presented under two main elements: (a) the Integrated Programme for Commodities and (b) continuing activities resulting from decisions and resolutions of the Conference, the Trade and Development Board and the Committee on Commodities. In order to facilitate secretariat work towards implementation of the Integrated Programme, which covers negotiation of a common fund and negotiations on a wide range of commodities within a specified time frame, and to which virtually all the staff resources of the Division are currently devoted, several task forces have been superimposed on the current administrative structure. There are presently four task forces covering the agricultural commodities included under the Integrated Programme, two covering mineral commodities and one covering the common fund. The latter is under the direct supervision of the Director.

7/ During the implementation of the Integrated Programme for Commodities, meetings of the Committee on Commodities have been held in abeyance. The Ad Hoc Committee meets at regular intervals, its most recent (fifth) session having been in March 1978.

#### 4. Expected completions and consequent reorganizations

##### (a) Expected completions

18.51 The time frame for the implementation of the Integrated Programme for Commodities, the main focus of UNCTAD's current work in this field, as set out in Conference resolution 93 (IV), calls for the completion of preparatory meetings and negotiations on a common fund and a wide range of individual commodities by the end of 1978. <sup>8/</sup> Following completion of the Integrated Programme, follow-up activities will include implementation of agreements negotiated, co-operation with newly established commodity bodies, and renegotiation of commodity agreements when required.

18.52 The completion of the Integrated Programme is dependent on decisions taken by Governments in the course of formal negotiations. Ongoing activities include work in the general area of international commodity policy. Completion or change in emphasis of work on any ongoing activities will depend on progress on intergovernmental implementation of the Integrated Programme and on decisions taken in the intergovernmental bodies referred to. <sup>9/</sup> As the Integrated Programme is implemented, in addition to related follow-up activities, more emphasis will gradually be placed on continuing activities on which work has been postponed, such as studies of marketing and distribution systems, relevant aspects of the problems of economic co-operation among developing countries and further development of aspects of international commodity policy not encompassed in the provisions of Council resolution 93 (IV).

##### (b) Consequent reorganizations

18.53 As the work of the task forces is completed, staff resources will revert to the branches to undertake work on continuing activities and follow-up to the Integrated Programme.

#### B. Co-ordination

##### 1. Formal co-ordination within the secretariat

18.54 There are no formal arrangements for co-ordination within the secretariat.

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<sup>8/</sup> In its decision 164 (S-IX) of 27 January 1978, the Trade and Development Board endorsed the view expressed by the Ad Hoc Intergovernmental Committee for the Integrated Programme for Commodities at its fourth session that the time-table for the convening of preparatory meetings could not be maintained. It requested the Ad Hoc Intergovernmental Committee to keep the matter under review, ensuring continuance of work under the Programme, and to make proposals in this respect to the Board at an appropriate time. At its fifth session, held in March 1978, the Ad Hoc Committee decided to undertake at its sixth session (July 1978) a comprehensive review of progress in the implementation of Conference resolution 93 (IV) so as to enable it, inter alia, to prepare the comprehensive report called for under para. 5 of Board decision 140 (XVI).

<sup>9/</sup> For the programme elements of the Integrated Programme for Commodities, see Official Records of the General Assembly, Thirty-second Session, Supplement No. 6 (A/32/6 and Corr.1 and 2), vol. II, para. 11A.26 (d) (i).

2. Formal co-ordination within the United Nations system

18.55 (See 3 below).

3. Units with which significant joint activities are expected during the period 1980-1983

18.56 In work towards the implementation of the Integrated Programme for Commodities, the UNCTAD secretariat is receiving active co-operation on agricultural commodities from the FAO secretariat. In order to co-ordinate the work of the two secretariats in this area, informal UNCTAD/FAO intersecretariat meetings are held twice yearly. UNCTAD receives the co-operation of intergovernmental commodity bodies concerned. There is active co-operation with the regional commissions of the United Nations in work towards implementation of the Integrated Programme for Commodities. This co-operation has been given new impetus through country studies in progress which aim at a comprehensive system of country data that would allow an assessment to be made more easily than hitherto of the impact, at country and regional levels, of commodity policies agreed to by Governments. These studies are being carried out in close consultation with the regional commissions.

C. Allocation of resources to subprogrammes

18.57 The trend in the percentage allocation of resources to subprogrammes is expected to be approximately as shown in the following table:

Allocation of resources to subprogrammes  
(Percentage)

| <u>Subprogramme</u>                     | <u>1978-1979</u>      |                                |              | <u>1980-1981 a/</u>   |                                |              | <u>1982-1983 a/</u>   |                                |              |
|-----------------------------------------|-----------------------|--------------------------------|--------------|-----------------------|--------------------------------|--------------|-----------------------|--------------------------------|--------------|
|                                         | <u>Regular budget</u> | <u>Extra-budgetary sources</u> | <u>Total</u> | <u>Regular budget</u> | <u>Extra-budgetary sources</u> | <u>Total</u> | <u>Regular budget</u> | <u>Extra-budgetary sources</u> | <u>Total</u> |
| 1. Integrated Programme for Commodities | 80                    | -                              | 80           |                       |                                |              |                       |                                |              |
| 2. Ongoing activities                   | 20                    | -                              | 20           |                       |                                |              |                       |                                |              |
| <b>Total</b>                            | <b>100</b>            | <b>-</b>                       | <b>100</b>   |                       |                                |              |                       |                                |              |

a/ Much of the work undertaken under subprogramme 2 is related to work under the Integrated Programme for Commodities. The future allocation of resources between the two subprogrammes will depend on the completion of and follow-up to the Integrated Programme.



## D. Subprogramme narratives

### SUBPROGRAMME 1: INTEGRATED PROGRAMME FOR COMMODITIES

#### (a) Objective

18.58 The objective of this subprogramme is, inter alia, to improve market structures in international trade in commodities of interest to developing countries, and, in particular, to achieve stable conditions in commodity trade at prices which are remunerative to producers and fair to consumers, through the negotiation of international commodity agreements or arrangements and the negotiation of a common fund.

#### (b) Problem addressed

18.59 Developing countries, on average, depend on exports of primary commodities for more than 70 per cent of their export earnings. For some countries dependence exceeds 90 per cent. Commodity markets are characteristically unstable, experiencing excessive fluctuations in demand, supply and prices. Consequently, developing countries face uncertainties regarding the level and stability of export earnings and thus uncertainties in their economic and social development. However, improvement of market structures involves efforts beyond the negotiation of international commodity agreements or arrangements. It also covers such important areas as diversification; research and development; improvement of competitiveness of natural products facing competition from synthetics and substitutes; marketing, distribution and transport systems; and exploration, exploitation and processing of particular products, especially minerals. Instability of commodity prices has been a problem for developed market-economy countries also, particularly through its impact on inflation and the business cycle. A major constraint in effecting international action to stabilize commodity markets has been the lack of immediately available funds to finance measures for market stabilization. The purpose of a common fund would be to remove this constraint which has, in the past, adversely affected the conduct of negotiations on individual commodities.

#### (c) Legislative authority

18.60 The legislative authority for this subprogramme derives from General Assembly resolution 3202 (S-VI) of 1 May 1974 and United Nations Conference on Trade and Development resolution 93 (IV).

#### (d) Strategy and output

##### (i) Situation at the end of 1979

18.61 The Integrated Programme for Commodities is a wide-ranging programme of intergovernmental negotiations with the aim of taking concrete international action, particularly in the form of the establishment of international commodity agreements or arrangements on a wide range of individual commodities and of a common fund. Conference resolution 93 (IV) calls for the completion of the Programme by the end of 1978. The actual outcome is, however, conditional on decisions of Governments regarding implementation of the Integrated Programme according to the provisions of Conference resolution 93 (IV). It is not, therefore,

possible to indicate firmly the output from this subprogramme according to the time sequence of the medium-term plan.

18.62 The input into the subprogramme includes various studies of a policy and technical nature, secretariat and intergovernmental expert group meetings, preparatory meetings and negotiating conferences. These meetings are scheduled in a flexible manner according to developments in the course of intergovernmental consideration during the process of implementation of the Integrated Programme. For instance, for 1978, some 50 weeks of meetings on individual commodities under the Integrated Programme have been provisionally scheduled, subject to review by the Ad Hoc Intergovernmental Committee for the Integrated Programme. It is anticipated that several meeting-weeks will be required for the resumption of the United Nations Negotiating Conference on a Common Fund. In addition, the Ad Hoc Intergovernmental Committee for the Integrated Programme, established by the Trade and Development Board in its decision 140 (XVI), pursuant to Conference resolution 93 (IV), for the purpose, inter alia, of co-ordinating the preparatory work and negotiations, meets at regular intervals. Among other things, the Ad Hoc Committee reviews progress in implementation of the Integrated Programme, on which the Secretary-General of UNCTAD submits regular reports.

(ii) Bienniums 1980-1981 and 1982-1983

18.63 As the Integrated Programme is completed, resources will be required for follow-up work on implementation of commodity agreements and a common fund, and for co-operation with international bodies established through the negotiation of commodity agreements or arrangements and the common fund.

(iii) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

18.64 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

18.65 The Integrated Programme for Commodities will serve to improve the stability of trading conditions for a wide range of commodities of export interest to developing countries at prices remunerative to producers and fair to consumers. The attainment of the objective of the Integrated Programme will represent a major contribution to the implementation of General Assembly resolution 3202 (S-VI) of 1 May 1974 on the Programme of Action for the Establishment of a New International Economic Order.

SUBPROGRAMME 2: ONGOING ACTIVITIES

(a) Objective

18.66 The objective of this subprogramme is the general development of international commodity policy, other than as provided under the Integrated Programme, for the purpose of establishing new structures in international trade; and of identifying problems and possible solutions to them, with the over-all aim of improving the conditions under which commodities are traded in order to ensure for developing countries a stable growth in their export earnings.

(b) Problem addressed

18.67 In addition to problems of price instability, developing countries face problems related to lack of information on commodity markets, foreign control of marketing and distribution systems for commodities exported by them, import barriers in consuming countries, undue dependence on markets in developed countries, and competition from substitutes for raw materials exported by them (including potential competition from mineral production from the sea-bed). Such problems are addressed by UNCTAD in its ongoing work on the development of international commodity policy.

(c) Legislative authority

18.68 Legislative authority for the subprogramme derives from the following resolutions: United Nations Conference on Trade and Development resolutions 16 (II), 10/ 51 (III), 10/ and 78 (III); 10/ Trade and Development Board resolutions 122 (XIV), 123 (XIV) and 124 (XIV); and General Assembly resolutions 3083 (XXVIII), 3202 (S-VI) and 3362 (S-VII).

(d) Strategy and output

(i) Situation at the end of 1979

18.69 Only minimum resources are currently devoted to work on this subprogramme because of the needs of the work under the Integrated Programme for Commodities. As the Integrated Programme is completed, resources will be reallocated. Limited resources are currently devoted to studies of marketing and distribution systems for commodities, further development of commodity trade information and preparation for and servicing of the Committee on Tungsten.

(ii) Bienniums 1980-1981 and 1982-1983

18.70 Various activities are necessary, in the form of studies, expert group meetings and intergovernmental meetings. The secretariat, in particular, will prepare studies on specific problems and their possible solutions and service various meetings in the areas of, inter alia, marketing and distribution systems, diversification of the export sector of the economies of developing countries, access to markets for exports of developing countries, improvement of and/or stabilization of prices of exports of developing countries, competition from synthetics and substitutes for natural products. The secretariat will also continue to carry out supporting work for the implementation of international agreements, such as those on cocoa, tin and sugar. Close liaison will need to be maintained with existing and future international commodity bodies and commodity councils, and UNCTAD will play a central role in the renegotiation of existing commodity agreements. Crucial to all work on international commodity policy is the provision of a continuous flow of accurate up-to-date information. A basic data bank is maintained and regular reviews of trade and prices are prepared as part of a continuous monitoring of trends and developments in commodity trade and prices.

18.71 Much of the work which would normally be undertaken under this subprogramme is currently subsumed in work under the Integrated Programme for Commodities, or

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10/ Mandate more than five years old.

else, in many instances, provides an input into work under the Integrated Programme. As the Integrated Programme is implemented greater emphasis will be given to activities under this subprogramme. It is not possible to indicate either specific activities which will be undertaken during the plan period or a time frame for them. Developments in commodity trade continually create new situations and problems that generate new needs for secretariat work and intergovernmental action. Therefore, the current and future allocation of resources will take into account the dynamics of the world commodity situation.

(iii) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

18.72 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

18.73 Activities in this subprogramme are expected to:

- (i) Promote over-all improvement in the conditions under which commodities are traded and improvement in the export earnings of developing countries and in their terms of trade;
- (ii) Contribute to the restructuring of international trade in commodities and, thereby, to the establishment of a new international economic order.

PROGRAMME 3: UNCTAD: MANUFACTURES AND SEMI-MANUFACTURES

A. Organization

1. Intergovernmental review

18.74 The work of the secretariat in this programme is considered by the Committee on Manufactures, which normally meets twice between sessions of the Conference, and by the Special Committee on Preferences, which meets annually. The last session of the Committee on Manufactures was from 4 to 8 July 1977 and that of the Special Committee on Preferences from 27 June to 1 July 1977. A draft of this plan was discussed by a Working Party of the Trade and Development Board (TDB), which met from 28 March to 3 April, and by TDB, at the second part of its seventeenth session, on 4 April 1978.

2. Secretariat

18.75 The secretariat unit responsible for this programme is the Manufactures Division. There were 21 Professional staff members as at 31 December 1977; one post was supported from extrabudgetary sources. The Division had the following sections as at 31 December 1977:

| <u>Organizational unit</u>                          | <u>Professional staff</u> |                               |              |
|-----------------------------------------------------|---------------------------|-------------------------------|--------------|
|                                                     | <u>Regular budget</u>     | <u>Extrabudgetary sources</u> | <u>Total</u> |
| Office of the Director                              | 3                         | 1                             | 4            |
| General Preferences and Tariffs Section             | 5                         | -                             | 5            |
| Non-Tariff Barriers Section                         | 3                         | -                             | 3            |
| Restrictive Business Practices Section              | 4                         | -                             | 4            |
| Current Trade and Quantitative Analysis Section     | 3                         | -                             | 3            |
| Export Policy, Country and Sectoral Studies Section | 2                         | -                             | 2            |
| <b>Total</b>                                        | <b>20</b>                 | <b>1</b>                      | <b>21</b>    |

3. Divergencies between current administrative structure and proposed programme structure

18.76 Subprogramme 4 (Industrial development and trade co-operation) includes the work of the Export Policy, Country and Sectoral Studies Section, as well as part of the work of the Current Trade and Quantitative Analysis Section. The remaining part of the latter section carries out activities of a more general nature in support of the whole programme. This divergency between the current administrative structure and the proposed programme structure presents no difficulty for programme formulation and implementation.

#### 4. Expected completions and consequent reorganizations

##### (a) Expected completions

18.77 Action on the following items of the programme elements described in paragraph 11A.28 in the proposed programme budget for the biennium 1978-1979 11/ is expected to be completed:

##### (i) In 1978-1979

- a. Support activities for the multilateral trade negotiations;
- b. Negotiation of multilaterally agreed equitable principles and rules for the control of restrictive business practices;
- c. A comprehensive review of the generalized system of preferences for consideration at the intergovernmental level;
- d. Studies on the trade aspects of the industrialization of developing countries for sectors under consideration in the UNIDO system of consultations.

##### (ii) In 1980-1981

- a. Completion for consideration at the intergovernmental level of a model law on restrictive business practices for developing countries;
- b. Continuation of studies under d above for other sectors covered by the UNIDO consultations.

##### (b) Consequent reorganizations

18.78 It is unlikely that all or a substantial part of tariff and non-tariff barriers affecting developing countries' exports will be removed as a result of the multilateral trade negotiations. Therefore work in UNCTAD on this aspect will have to continue with equal vigour. The successful negotiation of principles and rules for the control of restrictive business practices is only a first step towards the elimination of such practices, and increased efforts will be required to meet this goal. As the subprogrammes are all of a continuing nature, no organizational changes are contemplated.

#### B. Co-ordination

##### 1. Formal co-ordination within the secretariat

18.79 The UNCTAD secretariat has signed a collaboration agreement with the UNEP secretariat on trade barriers and restrictions resulting from environmental

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11/ Official Records of the General Assembly, Thirty-second Session, Supplement No. 6 (A/32/6 and Corr.1 and 2), vol. II.

policies. The studies prepared by the UNCTAD secretariat in this connexion are presented to the Committee on Manufactures for consideration under the relevant agenda item. There is an agreement of understanding with UNIDO calling for UNCTAD's participation in and substantial support to the UNIDO system of consultations. In addition, the secretariats of UNCTAD and UNIDO have agreed to suggest to the Industrial Development Board and to the Committee on Manufactures the establishment of a joint UNCTAD/UNIDO expert group on trade and trade-related aspects of industrial collaboration arrangements. This group would be convened in 1978-1979 and serviced by both organizations. Inter-secretariat co-operation would involve also follow-up action on the results of the expert group.

2. Formal co-ordination within the United Nations system

18.80 In accordance with Conference resolutions 76 (III), 12/ 82 (III) 12/ and 91 (IV), and resolution 6 (VI) of the Committee on Manufactures, UNCTAD reports and secretariat studies are transmitted to the Director-General of the General Agreement on Tariffs and Trade (GATT) for use by bodies of GATT in connexion with the multilateral trade negotiations.

3. Units with which significant joint activities are expected during the period 1980-1983

18.81 The Manufactures Division will contribute to the UNCTAD programme on economic co-operation among developing countries (programme 6), with particular reference to the establishment of a global system of trade preferences among developing countries. Close co-operation will continue with the Customs Co-operation Council on matters such as tariff reclassification and the International Convention on the Simplification and Harmonization of Customs Procedures and related matters, as well as participation in the work of the International Standardization Organization concerning standardization.

C. Allocation of resources to subprogrammes

18.82 The trend in the percentage allocation of resources to subprogrammes is expected to be approximately as shown in the following table:

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12/ Mandate more than 5 years old.

Allocation of resources to subprogrammes  
(Percentage) a/

| <u>Subprogramme</u>                                                                 | 1978-1979         |                                     |            | 1980-1981         |                                     |            | 1982-1983         |                                     |            |
|-------------------------------------------------------------------------------------|-------------------|-------------------------------------|------------|-------------------|-------------------------------------|------------|-------------------|-------------------------------------|------------|
|                                                                                     | Regular<br>budget | Extra-<br>budget-<br>ary<br>sources | Total      | Regular<br>budget | Extra-<br>budget-<br>ary<br>sources | Total      | Regular<br>budget | Extra-<br>budget-<br>ary<br>sources | Total      |
| 1. Tariff barriers                                                                  | 22                | -                                   | 22         | 21                | -                                   | 21         | 20                | -                                   | 20         |
| 2. Non-tariff barriers and related aspects                                          | 22                | -                                   | 22         | 25                | -                                   | 25         | 23                | -                                   | 23         |
| 3. Restrictive business practices, market structures and marketing and distribution | 22                | -                                   | 22         | 21                | -                                   | 21         | 23                | -                                   | 23         |
| 4. Industrial development and trade co-operation                                    | 23                | -                                   | 23         | 22                | -                                   | 22         | 24                | -                                   | 24         |
| (Programme management)                                                              | 11                | -                                   | 11         | 10                | -                                   | 10         | 10                | -                                   | 10         |
| <b>Total</b>                                                                        | <b>100</b>        | <b>-</b>                            | <b>100</b> | <b>100</b>        | <b>-</b>                            | <b>100</b> | <b>100</b>        | <b>-</b>                            | <b>100</b> |

a/ Components may not add to totals due to rounding.

D. Subprogramme narratives

SUBPROGRAMME 1: TARIFF BARRIERS

(a) Objectives

18.93 The objectives of this subprogramme are:

- (i) The liberalization and removal of tariff barriers in developed countries affecting the export trade of developing countries in manufactured and semi-manufactured products, including semi-processed and processed



agricultural products, taking particular account of the interests of the least developed countries. Preservation and maintenance of the liberalization achieved in this respect is essential.

- (ii) Assistance in the promotion and implementation of programmes of economic co-operation among developing countries at the subregional, regional and interregional levels in the tariff field.

(b) Problems addressed

(i) Exports of developing countries to developed countries

18.84 The tariff structure in developed countries, and in particular the escalation of tariffs with the degree of processing of a product, continues to inhibit the efforts of the developing countries to expand and diversify their exports of manufactured and semi-manufactured products to the markets of developed countries. With the implementation of the generalized system of preferences (GSP), the preference-giving countries have eliminated or reduced tariffs on most of the industrial products in Customs Co-operation Council Nomenclature (CCCN) chapters 25 to 99 and on selected agricultural products in CCCN chapters 1 to 24 originating in developing countries. A number of these developed countries have also, through special arrangements, extended preferential or more favourable tariff treatment to hand-made/handicraft products of developing countries. However, despite their positive impact, both the GSP and the special arrangements for hand-made/handicraft products fall short of the trade and development needs of developing countries and call therefore for further substantial improvement.

18.85 Tariff reductions by developed countries on a preferential basis among themselves, or on a most-favoured-nation basis, especially in the current multilateral trade negotiations in GATT, are bound to erode to a varying degree or even eliminate the preferential tariff margins enjoyed by developing countries under the GSP and reduce their advantages under the special arrangements. The products of export interest to developing countries which could be distinguished for tariff purposes from similar products made in developed countries are not generally identified and classified separately in the existing international trade classification system. Separate classification of those products would, from the technical point of view, facilitate the granting of special and more favourable tariff treatment by developed countries to such products.

(ii) Trade among developing countries

18.86 Tariff protection and tariff structures in developing countries can constitute an obstacle to the expansion and diversification of trade in manufactures and semi-manufactures among these countries. The need is therefore recognized for studying the liberalization of tariff measures, including the granting of preferential treatment to enhance the expansion of trade among developing countries. This would also require concomitant action by the developed countries and intergovernmental bodies dealing with tariff problems.

(c) Legislative authority

18.87 Legislative authority for this subprogramme derives from the following resolutions:

(i) Generalized system of preferences

United Nations Conference on Trade and Development resolutions 96 (IV), sections I, A and I, C, 91 (IV) and 21 (III); 12/ and agreed conclusions of the Special Committee on Preferences (annex to Board decision 75 (S-VI). 12/

(ii) Tariff reclassification

Conference resolution 96 (IV), section I, C, and resolution 7 (VII) of the Committee on Manufactures.

(iii) Tariff aspects of trade among developing countries

Conference resolution 92 (IV).

(d) Strategy and output

(i) Situation at the end of 1979

18.88 In conformity with the agreed conclusions of the Special Committee on Preferences, a comprehensive review will have been held in 1979 to determine, in the light of the objectives of Conference resolution 21 (III), 12/ the length of time the system should be continued beyond the initial period of 10 years. Technical assistance provided by the subprogramme in connexion with the GSP will have increased, due to the phasing out of UNDP/UNCTAD Technical Assistance Project INT/77/002 at the end of 1978. If the multilateral trade negotiations are completed as expected in 1978, the implications of the most-favoured-nation tariff concessions on the GSP, as well as on the tariff structures of developed countries, will also have been reviewed.

(ii) Bienniums 1980-1981 and 1982-1983

18.89 The activity on tariff liberalization is a continuing one, relating to the improvement and maintenance of the GSP and of the special arrangements on hand-made/handicraft products, as well as most-favoured-nation tariff concessions. Annual reviews of the operation and trade effects of the GSP will continue to be held at the intergovernmental level during the medium-term plan period 1980-1983. For these reviews studies and reports will be prepared on the changes and improvements in various GSP schemes, on their administration and their effects on exports of developing countries and on measures taken by developing countries to ensure better utilization of generalized preferences. These studies and reports will, as in the past, contain specific proposals and recommendations for improvement and maintenance of the GSP. Special arrangements on hand-made products and most-favoured-nation tariff liberalization will be reviewed biennially at the intergovernmental level. In line with the growing efforts of developing countries towards expansion of their mutual trade, the work in regard to the promotion of trade co-operation arrangements among developing countries in the tariff field is expected to increase.

(iii) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

18.90 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

18.91 The GSP is undoubtedly the single most important trade policy measure adopted since the Second World War by developed countries in favour of developing countries as a whole. It is expected that the preference-giving countries will continue to improve their respective schemes during the medium-term plan period 1980-1983. An agreement will likely be reached during the comprehensive review in 1979 on the period for which the GSP will be extended. It should be noted in this connexion that a consensus had already been reached at the fourth session of the Conference that the GSP should continue beyond the initial period of 10 years originally envisaged, without determining, however, for how long. It is also expected that the special arrangements on hand-made products will be improved or at least maintained. As regards trade in manufactures and semi-manufactures among developing countries, the activities under this subprogramme will contribute to the objectives and to making the expected impact defined in the programme on economic co-operation among developing countries (programme 6).

SUBPROGRAMME 2: NON-TARIFF BARRIERS AND RELATED ASPECTS

(a) Objectives

18.92 The objectives of this subprogramme are:

- (i) Progressive reduction or removal of non-tariff barriers and maintenance of the standstill on quantitative and related restrictions on trade, and improvement of government procurement policies, particularly in developed countries;
- (ii) Improvement of market access and furtherance of trade expansion opportunities in developed countries for developing countries through appropriate industrial readjustment, including adjustment assistance measures; promotion of trade and industrial collaboration arrangements in the context of trade liberalization;
- (iii) Facilitation of appropriate remedial action for reduction or removal of non-tariff barriers to trade stemming from environmental policies and assistance to developing countries to take advantage of trade expansion opportunities arising from comparative advantages in that area;
- (iv) Assistance in the promotion and implementation of programmes of economic co-operation of developing countries at the subregional, regional and interregional levels in the field of non-tariff barriers.

(b) Problems addressed

18.93 Non-tariff barriers to international trade inhibit the efforts of the developing countries to expand and diversify their exports of manufactured and semi-manufactured products. Progressive reduction or removal of these barriers would allow developing countries to increase their exports substantially. Protectionist pressures, however, impede the liberalization of non-tariff barriers and aim at the introduction or intensification of existing restrictions. Strict adherence to the agreed standstill on quantitative restrictions and related non-tariff measures is essential to avoid increasing protectionism. Liberalization of non-tariff barriers could be greatly facilitated by the development of

appropriate adjustment assistance policies in developed countries that would encourage domestic factors of production to move progressively away from lines of production in which they are less competitive internationally. At the same time, it is proposed to examine the response of developed countries to the shifts of comparative advantage in favour of developing countries, in particular to determine to what extent import barriers in developed countries increase as comparative advantage in certain sectors moves in favour of developing country exports. In this connexion, trade and industrial collaboration arrangements between developed and developing countries could serve the redeployment of industries to developing countries (see also subprogramme 4).

18.94 Environmental policies can lead to the imposition of measures which affect international trade. Trade-restricting measures might be imposed with a view, inter alia, to protecting domestic industries whose costs have increased as a result of environmental policies. In the short run, the major impact of environmental measures on trade in manufactures and semi-manufactures will probably consist in the creation of new tariff and non-tariff barriers. On a medium and long-term basis, however, there will be a much greater impact through the influence of policies on the location of polluting industries. In this regard, UNCTAD, in collaboration with UNEP, carries out on a global scale a joint project, which was initiated early in 1974. During the second phase of this project, studies on trade barriers and restrictions resulting from environmental policies will be prepared for the Committee on Manufactures.

(c) Legislative authority

18.95 Legislative authority for the subprogramme derives from the following resolutions:

(i) Non-tariff barriers, adjustment assistance measures

United Nations Conference on Trade and Development resolution 96 (IV), sections I, C, I, D and I, E, and resolutions 91 (IV), 72 (III), 12/ 76 (III) 12/ and 82 (III); 12/ and Committee on Manufactures decisions 10 (VII), 6 (VI), 1 (V) 12/ and 2 (III). 12/

(ii) Trade and related aspects of environmental policies

Conference resolution 47 (III) 12/ and subsequent actions of the Trade and Development Board and the Committee on Manufactures.

(iii) Non-tariff barriers and trade among developing countries

Conference resolution 92 (IV).

(d) Strategy and output

(i) Situation at the end of 1979

18.96 If the multilateral trade negotiations are completed in 1978, as expected, the implications of the agreed measures in the field of non-tariff barriers on the exports of developing countries will be reviewed. It is unlikely that all, or a substantial part, of such barriers will be removed, and therefore studies will need to be continued on them with a view to their further reduction and elimination.

A programme might be established setting priorities for the removal or alleviation of such barriers. In this connexion, attention will need to be given to measures which could facilitate the liberalization of non-tariff barriers, such as adjustment assistance measures and other measures promoting redeployment of industries. To this end, in addition to contributing to the continuous updating of the computerized Information System on Imports and Barriers to Trade (IBT) as in the past (see subprogramme 4 of programme 1), the subprogramme will need to assume this activity upon the phasing out of the UNDP/UNCTAD technical assistance project on the multilateral trade negotiations.

(ii) Bienniums 1980-1981 and 1982-1983

18.97 The work on liberalization of non-tariff barriers is of a continuing nature. The individual measures of the strategy for achieving the objectives of the subprogramme, and the resulting output, will largely depend on the world trading situation and its evolution over the plan period and on decisions taken in this field by Governments individually and collectively. There can, however, be no doubt that persistent and vigorous efforts will be required to fulfil the objective of effectively assisting in the further liberalization of non-tariff barriers adversely affecting the trade in manufactures and semi-manufactures of the developing countries.

(iii) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

18.98 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

18.99 It is impossible to give an objective, quantitative assessment of the impact of the subprogramme, but it is expected that the activities outlined above will result in the reduction and, in certain specific instances, the removal of non-tariff barrier obstacles to certain exports, particularly of the developing countries.

SUBPROGRAMME 3: RESTRICTIVE BUSINESS PRACTICES, MARKET STRUCTURES AND MARKETING AND DISTRIBUTION

(a) Objectives

18.100 The objectives of this subprogramme through action at the national, regional and international levels are: to eliminate or effectively deal with restrictive business practices, including those of transnational corporations, which adversely affect international trade, particularly that of developing countries, and the economic development of these countries; and to improve market structures and systems of marketing and distribution so as to strengthen the participation of developing countries in international trade.

(b) Problems addressed

18.101 The problems addressed in this subprogramme are:

- (i) Lack of agreement among Governments on means of controlling restrictive business practices and the need for international co-operation in this respect;

- (ii) Need to develop information for the effective control of restrictive business practices adversely affecting the trade and development of developing countries;
- (iii) Absence or inadequacy in developing countries of restrictive business practice legislation and lack of trained personnel in this area;
- (iv) Absence, insufficient development or limited control of marketing and distribution channels in developing countries for their exports and imports;
- (v) Absence of market power of enterprises of developing countries in world markets vis-à-vis enterprises of developed countries.

(c) Legislative authority

18.102 Legislative authority for the subprogramme derives from United Nations Conference on Trade and Development resolutions 96 (IV), section III, and 97 (IV); and Committee on Manufactures resolution 12 (VIII).

(d) Strategy and output

(i) Situation at the end of 1979

18.103 In its resolution 96 (IV), section III, the Conference called for negotiations with the objective of formulating a set of multilaterally agreed equitable principles and rules for the control of restrictive business practices; the devising of ways and means of improving the supply and exchange of information in respect of restrictive business practices adversely affecting the trade and development of developing countries; collection and dissemination of information on restrictive business practices generally by the UNCTAD secretariat and in close co-operation with the Centre on Transnational Corporations; the provision of technical assistance to developing countries, especially in the area of training; and the elaboration of a model law or laws on restrictive business practices in order to assist developing countries in devising appropriate legislation. To facilitate the achievement of these goals, the Conference established the Third Ad Hoc Group of Experts on Restrictive Business Practices, which held three sessions up to the end of 1977; two further sessions are currently scheduled for 1978 to enable it to complete its work. Moreover, the Trade and Development Board has noted the recommendation of the Committee on Manufactures in resolution 12 (VIII) that, in the light of the final report of the Group of Experts, it should take appropriate action concerning institutional arrangements with regard to the negotiations decided upon by the Conference at its fourth session. The outcome of such negotiations should be the adoption at the international level of the principles and rules referred to above. Subsequent to such adoption, follow-up action will have been initiated in the field of supply and exchange of information, in the form of studies on the experience in the implementation of legislation on restrictive business practices, especially in developing countries, and in the provision of technical assistance. Also, studies will have been carried out on a sectoral basis concerning market structures (nationally and internationally) and their impact on the imports and exports of developing countries. Policy reports on possible remedial action concerning market structures and marketing and distribution systems will have been submitted to the appropriate UNCTAD organs, such as the Conference and the Committee on Manufactures.

(ii) Bienniums 1980-1981 and 1982-1983

18.104 Following the adoption in 1978-1979 of principles and rules for the control of restrictive business practices, action in UNCTAD concerning the principles and rules would involve the fulfilment of the action called for at the international level and the monitoring of the action to be taken at the national and regional levels. Continuing efforts for establishing or improving multilateral procedures on the supply and exchange of information are likely to be required. Annual reports will continue to be made on developments in legislation in the area of restrictive business practices and its implementation. Further studies will be made on the experience acquired, especially in developing countries, in the implementation of restrictive business practice legislation and the problems arising in this context. Regarding technical co-operation, it is likely that activities such as seminars, field missions and support to regional and subregional efforts to control restrictive business practices will be developed. Further studies on a sectoral basis concerning market structures will be made, as well as further policy reports on possible remedial action. The draft model law on restrictive business practices for the developing countries which is likely to emerge from the work of the Third Ad Hoc Group of Experts referred to above will be considered by the Committee on Manufactures. Following its finalization, it will be used as an instrument of technical assistance to the developing countries.

(iii) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

18.105 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

18.106 The objectives established for this subprogramme are of a long-term nature and a step-by-step approach is required for their ultimate achievement. The action outlined above essentially constitutes the initial steps and, as noted, the outcome of each step is the subject of negotiations. Hence, it is not possible to predict with any accuracy when they will be concluded. This is particularly the case since the steps involve important changes in governmental policies. The action envisaged is likely to lead to improvements in international trade and, in particular, the trade and economic development of developing countries. It can be said with certainty that during the period 1978-1983 an increasing number of developing countries will introduce legislation on restrictive business practices and that a number of those already having legislation will amend it in order to make it more effective.

SUBPROGRAMME 4: INDUSTRIAL DEVELOPMENT AND TRADE CO-OPERATION

(a) Objective

18.107 The objective of this subprogramme is to assist in the elaboration of trade-related measures in developed and developing countries aimed at removing supply constraints in developing countries which inhibit their exports of manufactures and semi-manufactures and to contribute to the promotion of international co-operation for industrial development, restructuring and trade.

(b) Problems addressed

18.108 Governments of developing countries face difficulties in devising and

implementing export policies tailored to their specific requirements in such fields as industrial financing, direct export subsidies, subsidization of imports used by export industries, export credit facilities and export credit insurance, as well as remission of taxes and tariffs on imports. Given the close interrelationship between industrial development and trade, development of appropriate commercial policies and related measures in the field of manufactures, inter alia, is needed in support of the UNIDO system of consultations. In the perspective of the Lima target, sectoral studies will be undertaken in order to identify those sectors which are most promising for developing countries.

(c) Legislative authority

18.109 Legislative authority for this subprogramme derives from United Nations Conference on Trade and Development resolution 96 (IV), section II.

(d) Strategy and output

(i) Situation at the end of 1979

18.110 The activities under this subprogramme will have dealt with various issues connected with the supply side of manufactures, industrial collaboration arrangements and participation in the UNIDO system of consultations. In addition to annual reviews of trade in manufactures of developing countries, these activities will have included a number of studies leading to possible policy measures and other arrangements aimed at promoting international co-operation for industrial development, restructuring and trade. These studies will have covered such topics as the analysis of existing supply constraints hampering exports from developing countries, export policy and incentives, industrial financing and export credit insurance. The general studies will have been complemented by sectoral studies concentrating particularly on the trade aspects of the industrialization of developing countries. Those studies will also have provided the necessary substantive support for UNCTAD's participation in the UNIDO system of consultations. Some of these activities will have focused on the promotion of trade in manufactures and semi-manufactures among developing countries and on specific aspects of trade implications of the Lima target for the industrialization of developing countries. Substantive support to technical co-operation activities and training programmes in the export incentives field on a national, regional or interregional basis, especially in the areas of export finance, export credit insurance and international subcontracting, will have formed another important element of this subprogramme; at the regional level the project of establishing an export credit insurance scheme for the ESCAP region will have been given support.

(ii) Bienniums 1980-1981 and 1982-1983

18.111 The work outlined above is essentially of a continuing nature and will therefore extend over the whole period of the medium-term plan, with emphasis on export policies in the context of subregional, regional and interregional co-operation arrangements. Since it is expected that the UNIDO system of consultations will continue beyond 1980, studies on the trade aspects of the industrialization of developing countries will be undertaken for those sectors which will be under consideration by the system. Also, the proposed joint UNCTAD/UNIDO expert group on trade and trade-related aspects of industrial collaboration arrangements (see para. 18.101 above), likely to meet in 1978, is expected to give rise to follow-up work.



(iii) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

18.112 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

18.113 The objectives established for this subprogramme are of a long-term nature. It is expected that the activities under the subprogramme will progressively reduce the difficulties that Governments of developing countries face in devising and implementing export policies which promote their industrialization in such areas as export incentives, industrial financing and export credit insurance. With regard to the industrial sectors taken up by the UNIDO system of consultations, the relevant activities under the subprogramme are expected to contribute to the development of commercial policies and related measures that would support the creation of new industrial facilities in developing countries included in their development programmes pursuant to proposals made in these consultations.

PROGRAMME 4: UNCTAD: SHIPPING, PORTS AND MULTIMODAL TRANSPORT

A. Organization

1. Intergovernmental review

18.114 The work of the secretariat in this programme is considered by the Committee on Shipping, which meets twice between sessions of the Conference. The last meeting of this Committee was from 12 to 22 April 1977. At present, work on international multimodal transport (see subprogramme 3 below) is considered directly by the Trade and Development Board which met most recently in August/September 1977. A draft of this plan was discussed by a Working Party of the Trade and Development Board (TDB), which met from 28 March to 3 April 1978, and by TDB at the second part of its seventeenth session, on 4 April 1978. UNCTAD activities in this entire area have been reviewed by the Committee for Programme and Co-ordination and approved by the Economic and Social Council in its resolution 2098 (LXIII) of 3 August 1977.

2. Secretariat

18.115 The secretariat unit responsible for this programme is the Shipping Division. There were 20 Professional staff members as at 31 December 1977; one post was supported from extrabudgetary sources. The Division had the following sections or units as at 31 December 1977:

| <u>Organizational unit</u>                                 | <u>Professional staff</u> |                               | <u>Total</u> |
|------------------------------------------------------------|---------------------------|-------------------------------|--------------|
|                                                            | <u>Regular budget</u>     | <u>Extrabudgetary sources</u> |              |
| Office of the Director                                     | 3                         | -                             | 3            |
| Shipping Section                                           | 5                         | -                             | 5            |
| Ports Section                                              | 4                         | -                             | 4            |
| Multimodal Transport and Technological Development Section | 4                         | -                             | 4            |
| Maritime Legislation Section                               | 3                         | -                             | 3            |
| Operations Unit                                            | -                         | 1                             | 1            |
| Total                                                      | 19                        | 1                             | 20           |

3. Expected completions

18.116 Action on the following items of the programme elements referred to in paragraph 11A.30 (d) in the proposed programme budget for the biennium 1978-1979 13/ is expected to be completed:

13/ Official Records of the General Assembly, Thirty-second Session, Supplement No. 6 (A/32/6 and Corr.1 and 2), vol. II.

(a) In 1978-1979:

- (i) Effectiveness of consultation machinery;
- (ii) Improvements in methods of ship finance by developing countries;
- (iii) Maritime transportation of manganese ore, jute, phosphates and tobacco; 14/
- (iv) Examination of measures designed to increase the participation of fleets of developing countries in the dry and liquid bulk sector;
- (v) Handbook on port development;
- (vi) Pilot study on the distribution of benefits accruing from port improvements;
- (vii) Causes of port cost increases and their impact on the trade of developing countries;
- (viii) Studies on the desirability and practicability of an international instrument on container standards for international multimodal transport;
- (ix) Draft convention on international multimodal transport;
- (x) Marine insurance.

(b) In 1980-1981:

- (i) Harmonization of shipping policies (selected aspects);
- (ii) Further research on specific subjects relating to the development of the merchant marines and ports of developing countries;
- (iii) Review of alternative transport means and technological development;
- (iv) Further studies on charter parties in order to assess better the impact of existing policies on developing countries;
- (v) Preparation of the Conference of Plenipotentiaries on a Convention on International Multimodal Transport;
- (vi) Shipping implications of transnational corporations;
- (vii) Studies on the balance of interests between shippers and liner conferences.

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14/ In the period 1974-1977 reports on the maritime transportation of iron ore, manganese ore and cotton were prepared.

## B. Co-ordination

### 1. Formal co-ordination within the secretariat

18.117 Co-ordination is effected with the Centre on Transnational Corporations and the Department of International Economic and Social Affairs.

### 2. Formal co-ordination within the United Nations system

18.118 Co-ordination with other United Nations bodies takes place through the Administrative Committee on Co-ordination (ACC), including its Sub-Committee on Marine Affairs. Co-ordination is ensured with the regional commissions on matters of common interest. UNCTAD activities in this area have been reviewed by the Committee for Programme and Co-ordination (CPC). (See Economic and Social Council resolution 2098 (LXIII) of 3 August 1977.)

### 3. Units with which significant joint activities are expected during the period 1980-1983

18.119 Co-ordination will take place with the Inter-Governmental Maritime Consultative Organization (IMCO) and the regional commissions.

## C. Allocation of resources to subprogrammes

18.120 The trend in the percentage allocation of resources to subprogrammes is expected to be approximately as shown in the following table:

Allocation of resources to subprogrammes  
(Percentages)

| <u>Subprogramme</u>                                            | <u>1978-1979</u>       |                                     |            | <u>1980-1981</u>       |                                     |            | <u>1982-1983</u>       |                                     |            |
|----------------------------------------------------------------|------------------------|-------------------------------------|------------|------------------------|-------------------------------------|------------|------------------------|-------------------------------------|------------|
|                                                                | Regu-<br>lar<br>budget | Extra-<br>budget-<br>ary<br>sources | Total      | Regu-<br>lar<br>budget | Extra-<br>budget-<br>ary<br>sources | Total      | Regu-<br>lar<br>budget | Extra-<br>budget-<br>ary<br>sources | Total      |
| 1. Shipping policy                                             | 28                     | 30                                  | 28         | 28                     | 30                                  | 28         | 28                     | 30                                  | 28         |
| 2. Port development                                            | 24                     | 40                                  | 25         | 23                     | 30                                  | 24         | 26                     | 30                                  | 26         |
| 3. Multimodal<br>transport and<br>technological<br>development | 23                     | 10                                  | 22         | 23                     | 30                                  | 23         | 23                     | 30                                  | 23         |
| 4. Maritime<br>legislation<br>(Programme<br>management)        | 17                     | 20                                  | 17         | 18                     | 10                                  | 17         | 15                     | 10                                  | 15         |
|                                                                | 8                      | -                                   | 8          | 8                      | -                                   | 8          | 8                      | -                                   | 8          |
| <b>Total</b>                                                   | <b>100</b>             | <b>100</b>                          | <b>100</b> | <b>100</b>             | <b>100</b>                          | <b>100</b> | <b>100</b>             | <b>100</b>                          | <b>100</b> |

## D. Subprogramme narratives

### SUBPROGRAMME 1: SHIPPING POLICY

#### (a) Objective

18.121 The objective of this subprogramme is to assist Governments in their activities aimed at the development of shipping consistent with their trade needs, especially on the trade routes of developing countries. It refers to the formulation of shipping policies at the national level and to improved harmonization of intergovernmental policy at the global level.

#### (b) Problems addressed

18.122 The expansion and changing structure of world trade necessitates the development of adequate transport links and in particular the development of efficient and cheap maritime transport. This form of transport remains the major means of carrying world trade. Merchant marines owned by developing countries account for only 7 per cent of the world fleet tonnage. Most of the developing countries, therefore, are buyers of shipping services and need assistance in the strengthening and effective operation of their shippers to counter often powerful foreign carriers. This embraces, inter alia, the establishment of shippers' organizations and the use of consultation machinery. The imbalance between the market power of liner conferences and shippers needs to be redressed as well. Other problems addressed concern the promotion of the development of national merchant marines by facilitating the acquisition of ships by developing countries, the establishment of joint shipping ventures and the improvement of the competitive position of national fleets. National shipping policies of Governments need to be harmonized at the international level in order to permit a more orderly organization of the world shipping market and to promote economic co-operation among countries in the field of maritime transport.

#### (c) Legislative authority

18.123 The legislative authority for the subprogramme derives from General Assembly resolutions 2626 (XXV) 15/ of 24 October 1970 (para. 53 of the International Development Strategy) and 3202 (S-VI) of 1 May 1974, section I.4; and Committee on Shipping resolutions 22 (VI), 25 (VII), 26 (VII), 28 (VIII) and 32 (VIII).

#### (d) Strategy and output

##### (i) Situation at the end of 1979

18.124 The research work and supportive documentation will have covered, inter alia, the following subjects: relationship between exporters and importers in consultations and negotiations with liner conferences; assessment of methods of financing ship acquisitions by developing countries; economic consequences of the existence of open registries and of open register fleets on world shipping, especially that of developing countries; promotion in shipping; and examination of measures designed to increase the participation of fleets of developing countries in world shipping, particularly in the liquid bulk sectors.

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15/ Mandate more than five years old.

(ii) Bienniums 1980-1981 and 1982-1983

18.125 The Review of Maritime Transport will continue to be issued annually. This document highlights, inter alia, problems regarding freight rates, adequacy of shipping services and trends in ship prices. Selected problems concerning policy issues in the field of shipping and ports are also analysed, including their impact on balance of payments and total transport costs. The studies on the development of the merchant marines of developing countries will include guidelines on choice of ships, choice of trades and measures of assistance, including technical assistance at the national level. There will be a continuation of the studies on the management and organization of shipping enterprises in order to enable them to provide the most effective shipping services. Further research will be done on technological developments in world shipping and their adaptation to the needs of developing countries. A report on transnational corporations in the shipping industry will be prepared in co-operation with the Centre on Transnational Corporations. The subprogramme will include the provision of training courses or seminars on selected problems on shipping management and shipping economics. Reports and documentation to be prepared for the intergovernmental meetings in this period will depend on the decisions of the ninth session of the Committee on Shipping and of the Conference at its fifth session.

(iii) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

18.126 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

18.127 No quantitative indicators of the impact of this subprogramme are possible (although some tentative indications are given below), but it is expected that a number of developing countries will benefit considerably, in particular from the activities which may be classified under the following two headings:

(i) expansion of national merchant marines; and (ii) development of shippers' organizations, commodity groupings and shipping investigation units. It is expected that activities under the first heading will contribute significantly to increasing the participation of developing countries in world shipping to over 10 per cent of world tonnage by 1983. This will involve, inter alia, the formulation of national shipping policies, a restructuring of the existing institutional framework with respect to shipping, improvement of ship financing methods and procedures, the development of maritime training institutes and programmes, etc. Activities under the second heading are expected to assist developing countries in acquiring a considerably larger measure of control of - and in many cases a reduction in - their costs of maritime transport. It is expected that new organizations of this type will be established in a number of other countries in addition to those operating effectively in 23 developing countries. Both types of activity are expected to contribute considerably to easing the balance-of-payments situation of the developing countries concerned through reducing the outflow of foreign exchange on account of shipping.

## SUBPROGRAMME 2: PORT DEVELOPMENT

### (a) Objective

18.128 The objective of this subprogramme is to assist Governments, in particular those of developing countries, in establishing effective operations and management systems at their ports. Work is also carried out in the area of port development.

### (b) Problems addressed

18.129 Port services adequate to meet the needs of a country's national or transit trade are a very important element in the total transport chain. The costs of these services constitute an important part of total transport costs. Therefore, continuing efforts must be made at the international, national and local levels to reduce these costs and ensure that port services are adequate to meet increasing trade requirements. Most port investments involve large capital outlays which impose heavy financial burdens on developing countries. Therefore, ways must be found to alleviate the burden. One way would be to use measures other than investment for expansion of port capacity. Another would be to adapt types of port technology to the stage of development of the developing country concerned. With respect to port congestion, a number of ad hoc measures could be employed in order to minimize this phenomenon and thereby bring direct benefits to port users and port authorities.

### (c) Legislative authority

18.130 Legislative authority for the subprogramme derives from resolutions and decisions of the Committee on Shipping: 22 (VI), 24 (VII), 27 (VII) and 30 (VIII) and General Assembly resolution 2626 (XXV) 15/ of 24 October 1970 (para. 53 of the International Development Strategy).

### (d) Strategy and output

#### (i) Situation at the end of 1979

18.131 The work programme comprises three elements: research, technical assistance and training. Complementary to the existing research reports, such as those on Berth Throughput, Port Pricing and Port Investment Appraisal, a new report is being prepared on Port Development. This report will assist port managers and help in the implementation of technical assistance projects. Also, it could constitute the basis for specialized training seminars and workshops. A pilot study on benefits accruing from port improvements should be completed within this period. The main objective of this report is to suggest ways in which these benefits could be shared among ports, users and suppliers of shipping services. Important action, which commenced in 1976, concerns assistance in combating port congestion, in particular through fielding task forces to ports suffering from congestion (see para. 18.134 (e) below).

#### (ii) Bienniums 1980-1981 and 1982-1983

18.132 The Review of Maritime Transport will continue to cover major trends in port development. The research on the impact of technological developments in shipping and ports will also be continued. A new research subject concerning the organization of a port authority and in particular the role of the Research and

Development Unit and the Operational Research Unit will be studied. The increasing importance of substantive support for technical co-operation in response to requests from developing countries in the field of port management and port development may necessitate expansion of this activity. It is expected that training courses on specialized subjects will continue to be organized, partly from extrabudgetary resources.

(iii) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

18.133 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

18.134 Port charges, cargo-handling costs and the cost of ships' time in port represent about 5, 25 and 35 per cent respectively of liner freight rates to and from developing countries. In other words, almost two thirds of the shipping costs initially borne by the shipowner are actually incurred in ports and this excludes those port handling and storage charges borne directly by the shipper. Increased port efficiency is thus an important key to lowering or at least maintaining transportation costs necessary for the stimulation of world trade. The direct costs of one specific problem - that of port congestion in some ports - probably amounted to at least \$5,000 million in 1976 alone and most of this was borne by consumers and producers in the developing countries concerned. 16/

18.135 It is difficult to quantify the impact of this subprogramme. Indeed, most of the impact is expected to come from concerted action at the international and national levels as well as complementary technical co-operation activities financed from trust funds. For example, it is expected that UNCTAD will field port congestion task forces in about 10 developing countries in 1977-1978 and that levels of congestion will be significantly reduced as a result of the measures recommended. The corresponding benefits resulting from the reduction or removal of freight surcharges and the elimination of demurrage payments can reasonably be expected to be measured in tens, if not hundreds, of millions of dollars per annum.

SUBPROGRAMME 3: MULTIMODAL TRANSPORT AND TECHNOLOGICAL DEVELOPMENT

(a) Objective

18.136 The objective of this subprogramme is to assist Governments, in particular those of developing countries, in the formulation of policies in connexion with the expansion of multimodal transport and the development of modern transport technologies. A major task within this subprogramme is the preparation of a draft convention on international multimodal transport.

(b) Problems addressed

18.137 The interdependence of different modes of transport has become more and more apparent, in particular in connexion with the use of modern transport technologies such as palletization, containerization and new types of services by sea, such as Roll-on/Roll-off (Ro-ro) and Lighter-aboard-ship (LASH). Harmonization of the transport policies of Governments in this field, in particular

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16/ See the report of the Group of Experts on Port Congestion (TD/B/C.4/152).



through the preparation of the draft convention on international multimodal transport, is an important task. Another important problem is the examination of the economic aspects of new transport technologies with respect to the trade between developed and developing countries. Since capital-intensive and labour-saving transport technologies create difficulties for many developing countries, especially the least developed among them, studies have to be undertaken to determine how best these technologies could be adapted to the requirements of their trade. In addition, the economic aspects, of the standardization of containers and of the feasibility of an international instrument on this subject have to be examined and assessed.

(c) Legislative authority

18.138 Legislative authority for the subprogramme derives from Economic and Social Council resolution 2098 (LXIII) of 3 August 1977 and Council decisions 6 (LVI) and 219 (LXII) of 14 May 1974 and 5 May 1977 respectively; Trade and Development Board decisions 96 (XII) and 157 (XVII); and decisions of the fourth session of the Intergovernmental Preparatory Group on a convention on international multimodal transport.

(d) Strategy and output

(i) Situation at the end of 1979

18.139 It is expected that the Intergovernmental Preparatory Group on a convention on international multimodal transport will complete its work so that a conference of plenipotentiaries could be held in 1979 or 1980. In this connexion supporting documentation will be prepared as requested. At the fourth session of the Intergovernmental Preparatory Group, the secretariat was requested, inter alia, to prepare a paper on consultations and to update an earlier report on the economic impact of containerization in developing countries. With regard to container standards, an analytical report will have been prepared in order to permit the Ad Hoc Intergovernmental Group on Container Standards for International Multimodal Transport to determine the practicability and desirability of an international agreement on container standards. In view of the importance of the freight forwarders in organizing the transport operations in which more than one mode of transport is involved, a report on the role of freight forwarders in developing countries will also have been prepared.

(ii) Bienniums 1980-1981 and 1982-1983

18.140 The direction of work within this subprogramme after 1980 at the international level is based on the assumption that the convention on international multimodal transport will have been adopted and that there will be a growing need for technical co-operation in this respect. As a follow-up to this convention, advice and assistance to developing countries regarding its implementation is envisaged. It is also assumed that further work will be needed on the harmonization of policies with regard to container standards. Further research and assistance will be carried out on national policies in respect of containerization. Containerization contributes to rationalization of transport but necessitates considerable investments in ports, ships and inland transport facilities. It thus has an impact on total transport costs (sea, air and land) and on the balance of payments. Further research on problems of the unitization of cargo in multimodal transport is envisaged, in co-operation with other relevant

agencies of the United Nations system, taking into account the needs of the trade concerned and the stage of development of the trading partners. In view of the increasing interest of developing countries in technical co-operation in the field of multimodal transport, guidelines on multimodal transport options will be prepared. Reports and documentation to be prepared for intergovernmental meetings will depend on the decisions of the Trade and Development Board and of the Conference.

(iii) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

18.141 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

18.142 It is expected that the main result of the follow-up actions by UNCTAD in the field of multimodal transport, as indicated above, will be the introduction in international trade of the unified and universally acceptable rules and procedures which will be included in the convention on international multimodal transport. These rules and procedures will serve the needs of trade and development of all countries. They will include safeguards for the interests of the developing countries, which otherwise would have to protect themselves by unilateral action. The long-term impact of the convention and of follow-up action in UNCTAD should be measured in terms of (i) an acceleration of the movement of goods in international trade and a faster turnround of means of transport involved, and (ii) a reduction in total transport costs. As a follow-up, technical co-operation projects aiming at the development of multimodal transport operations and at the implementation of the convention on international multimodal transport are envisaged.

18.143 The harmonization of the transport policies of Governments in the field of standardization of containers for international multimodal transport, as well as the economic studies of the conditions justifying the use of different methods of cargo unitization, are expected to facilitate the introduction of advanced and modern transport technologies in an increasing number of developing countries and, through the improvement of transport services, to contribute to the expansion of trade. The work on standardization of containers undertaken by UNCTAD will contribute to the development, in accordance with their needs, of developing countries, which are not covered by present procedures.

SUBPROGRAMME 4: MARITIME LEGISLATION

(a) Objective

18.144 The objective of this subprogramme is to assist Governments and service intergovernmental meetings on legal matters related to maritime transport and multimodal transport.

(b) Problems addressed

18.145 In the field of maritime transport the changing needs of world sea-borne trade and shipping require adaptation or revision of existing legislation. Moreover, new trends in the field of international transport bring out issues which have to be considered within a legal framework. These issues relate especially to

multimodal transport. In consequence, assistance needs to be given to Governments, especially those of the developing countries, to enable them to understand and apply the practices under the legal régimes.

(c) Legislative authority

18.146 Legislative authority for the subprogramme derives from Trade and Development Board resolution 96 (XII); decisions of the Working Group on International Shipping Legislation; decisions of the Intergovernmental Preparatory Group on a convention on international multimodal transport; and Committee on Shipping resolution 22 (VI).

(d) Strategy and output

(i) Situation at the end of 1979

18.147 At present the work within this subprogramme concerns all legal matters relating to the preparation of the convention on international multimodal transport (see subprogramme 3) and the preparation of a comprehensive study on marine (hull and cargo) insurance. The reports requested by the fourth session of the Intergovernmental Preparatory Group on a convention on international multimodal transport concern: liability and insurance (complementary issues); final clauses of the draft convention; rules of procedure of the conference of plenipotentiaries; conflicts of laws/conventions; and general average and multimodal transport. The study which is being prepared for consideration by the sixth session of the Working Group on International Shipping Legislation, scheduled for January 1979, concerns marine (cargo and hull) insurance. Depending on the Working Group's decisions, further work on the subject may be required.

(ii) Bienniums 1980-1981 and 1982-1983

18.148 In accordance with the programme of work adopted by the Working Group on International Shipping Legislation, the next two subjects to be considered by the Group will concern general average and an international instrument on shipping matters. Preparations for the seventh and eighth sessions of the Working Group on International Shipping Legislation will go beyond 1979, since the Working Group considers one subject at each session and meets every two years. The preparation of supporting documentation for the conference of plenipotentiaries on a convention on international multimodal transport may be needed, if such a conference is to be held in 1980. Should agreement be reached on the preparation of an international instrument on container standards, substantive legal documentation would be needed. Assistance to Governments in the development of their national policy is envisaged through advice on the implementation of international conventions adopted within UNCTAD and on the preparation of model rules for joint ventures in maritime transport. Also, in order to promote economic co-operation among developing countries in the field of shipping, assistance would have to be given to these countries at the regional, subregional and national levels. This would entail the preparation of model rules for shippers' councils, port associations and joint shipping ventures.

(iii) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

18.149 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

18.150 Although the expected impact of this subprogramme cannot be formulated in terms of indicators, results should be clearly perceptible. The subprogramme concerns primarily the working out of the legal framework which would reflect, inter alia, restructuring of economic relations in the field of maritime and multimodal transport. For example, the convention on multimodal transport under preparation at present is designed to harmonize the transport policies of Governments and simultaneously safeguard the interests of national enterprises of developing countries, as well as to ensure that the liability régime is based on a balance of interests between shippers, multimodal transport operators and carriers. As a result of the research which is being or will be carried out on marine insurance, general average, charter parties, and an international instrument on shipping policies in accordance with the long-term programme, action is expected to be undertaken by Governments in each of these areas.

PROGRAMME 5: UNCTAD: TRANSFER OF TECHNOLOGY

A. Organization

1. Intergovernmental' review

18.151 The work of the secretariat in this programme is considered by the Committee on Transfer of Technology, which normally meets twice between sessions of the Conference and which last met in November 1975. A draft of this plan was discussed by a Working Party at the Trade and Development Board (TDB), which met from 28 March to 3 April 1978, and by TDB at the second part of its seventeenth session, on 4 April 1978.

2. Secretariat

18.152 The secretariat unit responsible for this programme is the Transfer of Technology Division, in which there were 16 Professional staff members as at 31 December 1977; none of the posts was supported from extrabudgetary sources. The Division had the following sections and units as at 31 December 1977:

| <u>Organizational unit</u>      | <u>Professional staff</u> |                               | <u>Total</u> |
|---------------------------------|---------------------------|-------------------------------|--------------|
|                                 | <u>Regular budget</u>     | <u>Extrabudgetary sources</u> |              |
| Office of the Director          | 2                         | -                             | 2            |
| General Studies Section         | 3                         | -                             | 3            |
| Science and Technology Unit     | 1                         | -                             | 1            |
| Technology and Environment Unit | 1                         | -                             | 1            |
| Legal Policies Section          | 3                         | -                             | 3            |
| Advisory Service                | 6                         | -                             | 6            |
| Total                           | <u>16</u>                 | <u>-</u>                      | <u>16</u>    |

3. Divergencies between current administrative structure and proposed programme structure

18.153 The structure of the proposed programme consists of three subprogrammes described in section C below (para. 18.158), as compared with the current administrative structure shown above.

#### 4. Expected completions

18.154 Action on the following items of the programme elements described in paragraph 11A.32 (d) in the proposed programme budget for the biennium 1978-1979 17/ is expected to be completed:

(a) In 1978-1979:

- (i) Element (ii): The current joint UNCTAD/UNEP project on technology and its interrelationship with environmental and developmental problems;
- (ii) Element (iii) (a): The adoption of an international code of conduct on transfer of technology, in collaboration with the regional commissions, especially ECA;
- (iii) Element (iii) (b): UNCTAD supporting work for the revision of the Paris Convention on the Protection of Industrial Property;
- (iv) Element (iv) (c): The preparation for the United Nations Conference on Science and Technology for Development;
- (v) Element (v): Training courses for Central America, French-speaking African countries, and CARICOM countries; ad hoc on-the-spot training courses in a number of countries setting up national centres on transfer of technology; and two or three seminars for policy makers on the transfer and development of technology in the pharmaceutical, food and machinery sectors;
- (vi) A number of studies completed for consideration by the Committee on Transfer of Technology (e.g. preliminary studies on specific industrial sectors and a handbook on the transfer of technology).

(b) In 1980-1981, as regards programme elements (iii) (a) and (b) and (iv) (c), follow-up will be required, as explained in the description of subprogrammes below. Because of the continuing nature of most of the activities, no firm indication can be given at this stage on the other elements, except that further studies will need to be carried out for consideration by the Committee on Transfer of Technology. Likewise, completion is expected of some of the technical co-operation projects (element (v)) in the form of training courses, seminars and assistance for the establishment of national, regional and sectoral centres on transfer of technology.

#### B. Co-ordination

##### 1. Formal co-ordination within the secretariat

18.155 Formal arrangements for co-ordination consist of the following:

- (a) agreement between the secretariats of UNCTAD and UNIDO on their approaches to specific problems in transfer and development of technology and agreement to hold

frequent consultations on over-all co-ordination; (b) joint project with UNEP on the transfer of technology and interrelated environmental problems, financing of which is largely by UNEP, although UNCTAD has contributed the equivalent of one full-time staff member to direct the programme of work; (c) co-operation between the UNCTAD secretariat and the Department of International Economic and Social Affairs concerning the outflow of trained personnel from the developing countries, which involves joint financial participation in the expenses entailed by the preparation of the relevant studies; and (d) an agreement between the UNCTAD secretariat and the new secretariat of the United Nations Conference on Science and Technology for Development concerning co-operation in the preparatory process of the Conference.

2. Formal co-ordination within the United Nations system

18.156 The establishment of regional centres on the transfer and development of technology entails formal co-ordination between UNCTAD, UNIDO, UNESCO and FAO, on the one hand, and the United Nations regional commissions and other bodies, on the other. It also involves a division of labour based on each organization's specific field of competence. Through an interagency joint task force, UNCTAD, UNIDO, WHO and the United Nations Action Programme for Economic Co-operation (UNAPEC) <sup>18/</sup> co-ordinate their respective activities in the pharmaceutical sector. Co-ordination exists between UNCTAD, the Department of Technical Co-operation for Development of the Secretariat and WIPO in accordance with various resolutions defining their respective competence.

3. Units with which significant joint activities are expected during the period 1980-1983

18.157 Continued co-operation with UNEP in the carrying out of joint projects is expected. Other agreements will continue in force.

C. Allocation of resources to subprogrammes

18.158 The trend in the percentage allocation of resources to subprogrammes is expected to be approximately as shown in the following table:

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<sup>18/</sup> UNAPEC is a programme adopted by the Foreign Ministers of Non-Aligned Countries meeting at Georgetown, Guyana, in August 1972. It is financed through the United Nations Office of Technical Co-operation by voluntary funds.

Allocation of resources to subprogrammes a/

(Percentage)

| <u>Subprogramme</u>                                         | 1978-1979                       |                                               |              | 1980-1981                       |                                               |              | 1982-1983                       |                                               |              |
|-------------------------------------------------------------|---------------------------------|-----------------------------------------------|--------------|---------------------------------|-----------------------------------------------|--------------|---------------------------------|-----------------------------------------------|--------------|
|                                                             | <u>Regu-<br/>lar<br/>budget</u> | <u>Extra-<br/>budget-<br/>ary<br/>sources</u> | <u>Total</u> | <u>Regu-<br/>lar<br/>budget</u> | <u>Extra-<br/>budget-<br/>ary<br/>sources</u> | <u>Total</u> | <u>Regu-<br/>lar<br/>budget</u> | <u>Extra-<br/>budget-<br/>ary<br/>sources</u> | <u>Total</u> |
| 1. National and international legislation                   | 29                              | -                                             | 29           | 25                              | -                                             | 25           | 25                              | -                                             | 25           |
| 2. Formulation and implementation of technology policies b/ | 27                              | -                                             | 27           | 30                              | -                                             | 30           | 30                              | -                                             | 30           |
| 3. Advisory services                                        | 39                              | -                                             | 39           | 40                              | -                                             | 40           | 40                              | -                                             | 40           |
| (Programme management)                                      | 5                               | -                                             | 5            | 5                               | -                                             | 5            | 5                               | -                                             | 5            |
| <b>Total</b>                                                | <b>100</b>                      | <b>-</b>                                      | <b>100</b>   | <b>100</b>                      | <b>-</b>                                      | <b>100</b>   | <b>100</b>                      | <b>-</b>                                      | <b>100</b>   |

a/ The allocation of resources corresponds to total input in the various subprogrammes irrespective of the administrative structure which appears in sect. A (para 18.152) above.

b/ Subprogramme 2 includes specific activities 5.1, 5.2 and 5.4 described in the work programme of UNCTAD for 1976-1977 and 1978-1979 (TD/B/643/Add.1).

D. Subprogramme narratives

SUBPROGRAMME 1: NATIONAL AND INTERNATIONAL LEGISLATION

(a) Objectives

18.159 The objectives of this subprogramme are the following:

- (i) The preparation, negotiation and implementation of an international code of conduct on the transfer of technology;
- (ii) The formulation of national laws, regulations and policies on the transfer and development of technology;
- (iii) The revision of the industrial property system, at both the international and the national level, with regard to the economic, commercial and developmental aspects of the system.



(b) Problems addressed

18.160 The terms and conditions of transfer of technology transactions are currently decided by the supplier on the basis of major interests in markets and profits. Thus, contracts usually contain restrictive practice clauses, the effects of which impose heavy exchange burdens, as well as limitations on markets, on availability and utilization of the acquired technology, and on the development of national technological capabilities. Such effects are particularly burdensome for developing countries and their enterprises. The international industrial property system, which protects the rights of technology suppliers, does not generally address itself to the protection of the public interest, particularly that of developing countries. No international standards exist that would redress the unequal bargaining position between the supplier and the acquirer of technology, nor are there standards that would protect the public interests of developing countries into which the technology is brought. Moreover, with some recent exceptions, neither the current laws and policies on industrial property nor the existing institutional mechanisms of developing countries respond to their essential needs and development objectives.

(c) Legislative authority

18.161 Legislative authority for this subprogramme derives from General Assembly resolutions 2821 (XXVI) 19/ of 16 December 1971, 3202 (S-VI) of 1 May 1974 and 3362 (S-VII) of 16 September 1975; United Nations Conference on Trade and Development resolutions 87 (IV), 88 (IV) and 89 (IV); Trade and Development Board resolution 74 (X); 19/ and resolutions adopted by the Committee on Transfer of Technology at its first session.

(d) Strategy and output

(i) Situation at the end of 1979

18.162 Work on the international code of conduct for the transfer of technology has advanced to a point where the prospect of its being adopted in some form at the United Nations Conference on an International Code of Conduct on the Transfer of Technology, scheduled to take place from 16 October to 10 November 1978, 20/ can be viewed with a degree of measured optimism. Similarly, it may be anticipated that the revision of the Paris Convention for the Protection of Industrial Property will be adopted by a Conference of Plenipotentiaries scheduled to meet, under the auspices of WIPO, in 1979. Until then, the work related to the national and regional policies will be directed primarily to the pertinent aspects of these two instruments.

(ii) Bienniums 1980-1981 and 1982-1983

18.163 The activities during this period will much depend on the possible adoption and content of the international code of conduct on the transfer of technology and

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19/ Mandate more than five years old.

20/ The Conference took place in Geneva under the auspices of UNCTAD.

of the revision of the Paris Convention, as well as on the outcome of the second session of the Committee on Transfer of Technology and of the fifth session of the United Nations Conference on Trade and Development.

18.164 Once the code of conduct, which will be universally applicable to all countries, is adopted, its follow-up will require the provision of the necessary support for its implementation and possible review. Work will need to be continued in the field of industrial property and related matters, with analytical studies on subjects of special concern to developing countries, such as the role of trade-mark protection in vital sectors of the economy. At the national and regional levels, work will concentrate on studies designed to assist developing countries wishing to formulate national policies, and on legislative measures to promote the transfer of technology on fair and reasonable terms. As required, UNCTAD will provide assistance to the African Regional Centre for Technology. Detailed analysis of the experience of developing countries in their implementation of legal policies in this field will also be included. This work will provide a background for governmental (including regional) decision making regarding the establishment of institutions capable of dealing with the whole range of legal issues concerning the transfer and development of technology. Consultations will be held, based on requests by Governments, to discuss modalities for the implementation of the conclusions and proposals of these studies. Preliminary work is under way on the formulation of alternative provisions for the various types of transfer of technology arrangements and agreements. Further work will be carried out on this subject by possible formulation of model laws and contract provisions consistent with economic development requirements of developing countries. The ultimate goal is to put together provisions that can be adapted for use, particularly in specific transfer of technology agreements to which developing countries or their enterprises are parties. Analytical, policy-oriented studies will be made on the legal instrumentalities to promote the development of national technological capabilities in developing countries. 21/

(iii) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

18.165 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

18.166 The short-term impact of this subprogramme's activity will be the adoption of an international code of conduct on the transfer of technology and the revision of the Paris Convention. In addition, the list will grow of countries which have passed laws and created legal institutions to deal with technology transfer and the industrial property system. The longer-term and less measurable results are expected to be a change in the accepted standards of behaviour in the transfer of technology and a strengthening of the negotiating position of developing countries seeking to acquire technology.

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21/ The work under this subprogramme will also support activities under the two other subprogrammes.

## SUBPROGRAMME 2: FORMULATION AND IMPLEMENTATION OF TECHNOLOGY POLICIES

### (a) Objective

18.167 The objective of this subprogramme is to contribute towards the strengthening of national technological and scientific capacity and to promote the formulation and implementation of technology policies designed to contribute in an integrated fashion to the achievement of the economic, social and environmental objectives of developing countries.

### (b) Problems addressed

18.168 The transfer, application and development of technology in the various sectors of the economies of developing countries under present conditions are not contributing adequately to the creation of a strong national technological capacity or satisfying the basic needs of the population within the limits of their natural resources and environments. As reverse transfer of technology, the outflow of trained personnel from developing to developed countries prolongs their technological dependence. At the heart of these problems is the lack of co-ordinated and comprehensive policies towards technology within the framework of development planning.

### (c) Legislative authority

18.169 Legislative authority for this subprogramme derives from United Nations Conference on Trade and Development resolutions 39 (III) and 87 (IV); Trade and Development Board resolution 117 (XIV); Committee on Transfer of Technology resolution 2 (I); and General Assembly resolutions 3362 (S-VII) and 32/192 of 16 September 1975 and 19 December 1977 respectively.

### (d) Strategy and output

#### (i) Situation at the end of 1979

18.170 Progress will have been achieved with regard to exploratory studies on: specific sectors such as pharmaceuticals, food processing, fertilizers, electronics, energy, iron and steel, capital goods and petrochemicals; consulting engineering and designing services; certain aspects of technology and interrelated environmental problems; technology planning; impact of standardization and quality control on the transfer of technology in developing countries; transfer of technology in the public sector; reverse transfer of technology; and transfer of technology from the socialist countries of Eastern Europe to developing countries. However, most of these subjects would require follow-up in the form of in-depth studies focused on specific issues identified in the exploratory or preliminary phases.

#### (ii) Bienniums 1980-1981 and 1982-1983

18.171 The work on different sectors will continue, with further emphasis on in-depth studies of specific issues and on formulation of specific policies to

strengthen the capabilities of developing countries in these sectors, including the establishment of subregional, regional and interregional centres by the developing countries in critical sectors of particular interest to these countries (see also subprogramme 3). The work on technology planning will continue, culminating in publication of a handbook on technology planning. It is expected that this work will also include the formulation of appropriate technology policies within the context of rural development and the environment, with particular emphasis on basic needs. There will be further work on the impact of standardization and quality control on transfer and development of technology and on the study of transfer of technology in the public sector.

18.172 The work on reverse transfer of technology will continue, in accordance with the agreed conclusions and recommendations of the Group of Governmental Experts on Reverse Transfer of Technology, with emphasis on the examination of: the experiences and policies of individual countries to and from which flows of skilled manpower take place; possible modalities for co-operation at the national, regional and international levels; and the feasibility of various proposals made hitherto regarding co-operative exchange of skills among developing countries. Furthermore, in the light of decisions of the Committee on Transfer of Technology at its second session, and of the co-ordination decisions of the United Nations system, appropriate arrangements will be made, including the possible convening of a group of experts, on the examination of the feasibility of measuring human resource flows and procedures for the practical application of a methodology for international resource flow accounting. It is expected that the in-depth studies which would lead to identifying a set of policy recommendations will continue, based on the results of the second session of the Committee on Transfer of Technology and the thirty-third session of the General Assembly.

18.173 UNCTAD will help in implementing any decisions taken by the United Nations Conference on Science and Technology for Development (1979) in the field of strengthening the technological capability of developing countries, particularly by assisting them to prepare and fulfil their plans for development and application of science and technology and to establish and improve the necessary infrastructure at the national and regional levels.

(iii) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

18.174 There are no activities of marginal usefulness in this subprogramme plan.

(a) Expected impact

18.175 There is no simple objective indicator of the impact of the sum total of activities that come under this subprogramme in terms of the extent of technological progress or of the degree to which it will have been diffused among the majority of the population. Nevertheless, it is expected that this work will contribute, as in the past, to reinforcing the trend towards unpackaging of technology - that is, securing a greater selectivity in the acquisition of its various components, and a more sophisticated and informed perspective among firms and Governments in developing countries in negotiating the transfer of technology and planning for the self-reliant development of their technological capacities. Improved knowledge of the structure and behaviour of the market for technology, arising in part from the work on individual sectors, together with progress in the formulation of soundly based technology policies and in the establishment of

adequate institutions (transfer and development of technology centres, etc.) to deal with it, will also help to reveal the possibilities for greater utilization of national innovative resources within developing countries and the opportunities for co-operation between them. As a partial indicator of the possible impact in one sector, the secretariat has estimated that through the adoption of a policy of greater national and collective self-reliance in the pharmaceutical sector a foreign-exchange savings of the order of \$1 billion per annum could be realized by developing countries during the 1980-1983 period.

18.176 It is also expected that an increasing number of countries will have begun to incorporate social and environmental objectives in the formulation and implementation of technology policies, so as to make technology and its benefits more widely accessible to their populations as a whole while conserving their natural resources. As regards the reverse transfer of technology, it is expected that adequate policies will have begun to be implemented in order to offset the losses to developing countries arising from the outflow of skilled personnel to developed countries and in order to ensure that a movement of such personnel will be to a much greater extent between developing countries themselves.

### SUBPROGRAMME 3: ADVISORY SERVICES

#### (a) Objective

18.177 The objective of this subprogramme is to advise Governments on the formulation and implementation of policies for the transfer and development of technology, including institutional arrangements.

#### (b) Problems addressed

18.178 The following problems are addressed by the Advisory Service with respect to Governments:

- (i) Insufficiently integrated national technology plans and policies and absence of effective means for their implementation;
- (ii) Lack of knowledge of bargaining techniques, of means of analysing technology agreements, etc.;
- (iii) Insufficient trained personnel for the foregoing purposes;
- (iv) The need to set up national centres, or other integrated institutional arrangements, for the transfer and development of technology and, as a complement to national institutions, subregional and regional centres for the transfer and development of technology.

#### (c) Legislative authority

18.179 Legislative authority for the subprogramme derives from United Nations Conference on Trade and Development resolutions 39 (III) and 87 (IV) and resolution 2 (I) of the Committee on Transfer and Technology.

(d) Strategy and output

(i) Situation at the end of 1979

18.180 Preparatory missions on the establishment of integrated policies and institutions for the transfer and development of technology will have been carried out in some 15 to 20 countries, and in more than half of these countries follow-up activities will have been undertaken on specific problems encountered by Governments in implementing the recommendations of the preparatory missions. These activities include co-operation with the personnel of these countries in studies on the transfer and development of technology in critical sectors. There will have been extensive assistance provided to the four regional centres currently being established in the ESCAP region, western Asia, Africa and Latin America. A number of training activities will also have been undertaken.

(ii) Bienniums 1980-1981 and 1982-1983

18.181 The activities are essentially of a continuing nature. In the main, they consist of assistance to developing countries in the establishment of national, subregional and regional centres on transfer of technology across the board or for specific sectors; the organization of co-ordinated training programmes and seminars; and advisory services on the preparation and implementation of national technology policies and plans as well as related matters (e.g., techno-economic, legal, commercial and developmental aspects of technology arrangements). During this period, preparatory country missions and subsequent follow-up activities will continue at a level of five to six a year in each category, with increasing emphasis on sectoral policy analysis and establishment of appropriate institutional structures in a widening range of sectors. Training activities will continue in the categories described above, with increasing emphasis on sectoral problems and problem solving.

(iii) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

18.182 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

18.183 Some 50 developing countries are expected to have established national centres or other integrated institutional arrangements for the transfer and development of technology, and a major impact will have been made on training the staff required for this purpose. The four regional centres will be functioning institutions extending their activities on a subregional basis and interlinked with national centres. Centres dealing with specific sectors of critical importance to developing countries will have been established, inter alia, for pharmaceuticals, food processing, machinery, energy, fertilizers and agricultural chemicals. Some 20 countries can be expected to have established effective technology planning machinery.

PROGRAMME 6: UNCTAD: ECONOMIC CO-OPERATION AMONG DEVELOPING COUNTRIES

A. Organization

1. Intergovernmental review

18.184 The work of the secretariat in this programme is reviewed by the Committee on Economic Co-operation among Developing Countries, established in 1976, which meets twice in regular session between sessions of the Conference. This plan is based on a work programme established by that Committee at its first session, held in two parts from 7 to 8 February and from 2 to 9 May 1977, and endorsed by the Trade and Development Board at the first part of its seventeenth session. A draft of this plan was discussed by a Working Party of the Trade and Development Board (TDB), which met from 28 March to 3 April 1978, and by TDB at the second part of its seventeenth session, on 4 April 1978,

2. Secretariat

18.185 The secretariat unit responsible for this programme is the Division for Economic Co-operation among Developing Countries. There were 14 Professional staff members as at 31 December 1977, one of whom was supported from extrabudgetary sources. The Division has no sections or other administrative units.

3. Expected completions

18.186 Action on the following items of the programme elements described in paragraph 11A.35 (d) of the proposed programme budget for the biennium 1978-1979 22/ and in resolution 1 (I) of the Committee on Economic Co-operation among Developing Countries is expected to be completed:

- (a) In 1978-1979:
- (i) Study on the conceptual and analytical aspects of a global system of trade preferences among developing countries;
  - (ii) Organization of a comprehensive data bank on OPEC financial flows to other developing countries and multilateral institutions;
  - (iii) Report on OPEC financial co-operation policies and institutions;
  - (iv) Manual for the evaluation of multinational projects in the developing countries;
  - (v) Multisectoral inventory of intercountry investment projects in the Arab region;
  - (vi) Ad hoc meetings in connexion with activities described below under the three subprogrammes.

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22/ Official Records of the General Assembly, Thirty-second Session, Supplement No. 6 (A/32/6 and Corr.1 and 2), vol. II.

(b) In 1980-1981

18.187 During this period the activities under this programme are expected to continue and expand as a result of preparatory work and progress achieved during the previous biennium, which will consequently call for substantial secretariat support and assistance. The completion of any activity during this period will also depend on negotiations among the Governments of developing countries concerned and subregional, regional and interregional groupings.

## B. Co-ordination

### 1. Formal co-ordination within the secretariat

18.188 Because of the cross-sectoral nature of the programme and the need to maintain an integrated approach to economic co-operation among developing countries, arrangements have been made within the UNCTAD secretariat to allocate activities among its divisions and other units in line with their respective substantive responsibilities and to ensure close co-ordination among them. In addition to its own specific responsibilities in this area, the Division for Economic Co-operation among Developing Countries acts as the focal point for the entire programme. Thus, activities concerning the establishment of multinational marketing enterprises, State trading, joint import procurement, a global system of trade preferences among developing countries, and the establishment of multinational production enterprises will be carried out jointly with the Commodities and Manufactures Divisions as appropriate. Moreover, the Manufactures Division will be responsible for activities involving export incentives in developing countries, including matters of export credit insurance. Activities involving monetary and financial co-operation will be undertaken jointly with the Division for Money, Finance and Development. The latter Division will be responsible for the activities related to the establishment of subregional, regional and interregional export credit and export credit guarantee schemes. Similarly, the Transfer of Technology Division will be responsible for co-operation among developing countries in the transfer and development of technology. The activities concerning transit and transportation problems of developing land-locked and island developing countries will be carried out by the Special Programme for the Least Developed, Land-locked and Island Developing Countries. The Special Programme on Insurance will be responsible for the activities related to regional and subregional insurance and reinsurance schemes among developing countries. In general, the Division for Economic Co-operation among Developing Countries will draw heavily on the other UNCTAD divisions to ensure the most efficient use of available resources.

### 2. Formal co-ordination within the United Nations system

18.189 The terms of reference of the Committee on Economic Co-operation among Developing Countries, as stated in Trade and Development Board decision 161 (XVII), require it to "take into account the relevant work of the other competent organs of the United Nations, the specialized agencies and other international bodies, noting the desirability of avoiding duplication and overlapping of activities". Furthermore, the Preparatory Committee of the Administrative Committee on Co-ordination (ACC) approved the recommendations of the Ad Hoc Inter-Agency Meeting on Economic Co-operation among Developing Countries, held at Geneva from 25 to 27 July 1977, regarding the establishment of an Inter-Agency Group on



Economic Co-operation among Developing Countries, in which UNCTAD would act as the focal point to maintain continuity of work. In this connexion the UNCTAD secretariat was charged with the preparation of a cross-organizational programme analysis on economic co-operation among developing countries which the Inter-Agency Group on Economic Co-operation among Developing Countries analysed and adopted at its first two sessions, on 9 and 10 March and on 19 April 1978 and then submitted for the consideration of the Committee for Programme and Co-ordination. In addition, UNCTAD was made responsible for the preparation of the report on economic co-operation among developing countries submitted by the Secretary-General to the General Assembly (A/32/312 and Add.1).

3. Units with which significant joint activities are expected during the period 1980-1985

18.190 In its resolution 1 (I), paragraph 5, the Committee on Economic Co-operation among Developing Countries requested the Secretary-General of UNCTAD to carry out a number of studies in consultation and, where appropriate, co-ordination with the relevant bodies of the United Nations system and international organizations of the developing countries in order to ensure a harmonious implementation of the work programme on economic co-operation among developing countries. Joint activities are expected with other organizations of the United Nations system, in particular with UNIDO, UNDP, ICAO, GATT, the World Bank and IMF. Close working relationships, already initiated, will be necessary with regional and subregional organizations and institutions dealing with economic co-operation and integration among developing countries. Within the United Nations system this holds in particular for the regional commissions, given their enhanced role in the restructuring of the economic and social sectors approved by the General Assembly at its thirty-second session and the interlocking activities of UNCTAD and the commissions in the context of the measures 23/ adopted at the Conference on Economic Co-operation among Developing Countries, held in Mexico City from 13 to 22 September 1976. In turn, this will call for more systematic and effective consultations, involving more travel of staff.

C. Allocation of resources to subprogrammes

18.191 The trend in the percentage allocation of resources to subprogrammes is expected to be approximately as shown in the following table: .

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23/ For the decisions and summary of proceedings, see A/C.2/31/7.

Allocation of resources to subprogrammes  
(Percentage)

| Subprogramme                                       | 1978-1979      |                         |       | 1980-1981      |                         |       | 1982-1983      |                         |       |
|----------------------------------------------------|----------------|-------------------------|-------|----------------|-------------------------|-------|----------------|-------------------------|-------|
|                                                    | Regular budget | Extra-budgetary sources | Total | Regular budget | Extra-budgetary sources | Total | Regular budget | Extra-budgetary sources | Total |
| 1. Trade co-operation among developing countries   | 40             | -                       | 37    | 40             | -                       | 38    | 40             | -                       | 38    |
| 2. Economic integration among developing countries | 35             | 50                      | 36    | 30             | 50                      | 31    | 25             | 50                      | 26    |
| 3. Other modalities of economic co-operation       | 25             | 50                      | 27    | 30             | 50                      | 31    | 35             | 50                      | 36    |
| Total                                              | 100            | 100                     | 100   | 100            | 100                     | 100   | 100            | 100                     | 100   |

## D. Subprogramme narratives

### SUBPROGRAMME 1: TRADE CO-OPERATION AMONG DEVELOPING COUNTRIES

#### (a) Objective

18.192 The objective of this subprogramme is to assist in promoting trade co-operation among developing countries, in improving their trading position and in reducing their dependence vis-à-vis developed countries.

#### (b) Problems addressed

18.193 The subprogramme addresses itself to the following issues: (i) preparatory activities, including supporting activities, for intergovernmental trade prenegotiations and negotiations for the establishment of a global system of trade preferences among developing countries; (ii) establishment and reinforcement of multinational marketing enterprises, identification and promotion of new enterprises and support and assistance to existing ones; (iii) promotion of co-operation among State-trading organizations in such fields as imports of products of common interest, joint export promotion and marketing activities and promotion of mutual trade through long-term purchase and supply commitments; and (iv) identification and promotion of joint import procurement policies and related institutional arrangements.

18.194 The establishment of a global system of trade preferences among developing countries will require that a number of complex issues be solved, such as relaxation of tariff and non-tariff barriers to trade; compatibility of interregional with subregional and regional schemes of trade preferences, etc. Intensified work will be required to reconcile widely varying situations and to create a well functioning trade stimulation mechanism, supported by an improved system of payments arrangements (see also subprogramme 3). Developing countries are highly dependent on export proceeds from a relatively limited number of products, which are often subject to substantial price variations in world markets. The creation of multinational marketing enterprises will facilitate efficient marketing by developing countries and thus contribute to a more orderly development process. The State-trading process offers developing countries wide opportunities for commercial promotion through harmonization of buying and selling operations. Such problems as differing legislation and administrative procedures, varied demand and supply patterns for different products and an absence of suitable links among State-trading organizations in developing countries will need to be settled in creating the proposed system.

#### (c) Legislative authority

18.195 Legislative authority for the subprogramme derives from the following: United Nations Conference on Trade and Development resolutions 48 (III) 24/ and 92 (IV); resolution 1 (I), paragraphs 2 (a) (i), (ii) and (iii), of the Committee on Economic Co-operation among Developing Countries; and decision 161 (XVII) of the Trade and Development Board (477th meeting, 2 September 1977) endorsing the work programme adopted by the Committee on Economic Co-operation among Developing Countries.

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24/ Mandate more than five years old.

(d) Strategy and output

(i) Situation at the end of 1979

18.196 The study on the conceptual and analytical aspects of the report on a global system of trade preferences will have already been carried out and it is expected that the Group of 77 will have entered an advanced stage of the prenegotiation process leading to the formulation of a global system. Within the framework of the information system on imports and barriers to trade (IBT), an expansion of data collection on tariff and non-tariff barriers, as well as on statistics regarding trade flows among developing countries, will have taken place as from 1978. Studies and operational activities concerning the establishment and promotion of multinational marketing enterprises should have been substantially advanced and, in consultation with the appropriate machinery of the Group of Seventy-Seven, measures will have been taken on follow-up action on the basis of the work done by the UNCTAD secretariat. Promotional and other assistance will have been provided to existing multinational marketing enterprises. Studies and prenegotiations on State-trading among developing countries and joint import procurement policies and instruments should be at an advanced stage. Meetings of State-trading enterprises are envisaged during this period to decide on concrete follow-up action.

(ii) Bienniums 1980-1981 and 1982-1983

18.197 Activities related to the global system of trade preferences will enter into a second stage requiring support for new negotiations among developing countries. Such support will involve the identification of new series of products suitable for negotiations and of trade barriers affecting these products; case studies for selected commodities and manufactures offering a particular trade potential; an analysis of the implications of various negotiating formulae and proposals for specific country and product situations. For this purpose a number of negotiating meetings is readily foreseeable. The results of the initial rounds would be the basis for a new set of negotiations in order to extend and deepen the results already achieved. Substantial secretariat assistance will be required during the intensive negotiating phases up to the conclusion of the initial rounds of negotiations, as well as for the implementation of the agreements and for the dynamics of the negotiation process in the future, which by its very nature will be a continuing, long-term operation.

18.198 Assistance will continue to be provided to multinational marketing enterprises already established by the developing countries. Promotional assistance will also be provided in the establishment of new multinational enterprises. This type of operational work will be based on new in-depth studies.

18.199 Following the completion of studies and related activities on State-trading and joint import procurement and the recommendations of the State-trading enterprises, follow-up action will be required for the creation of mechanisms through which State-trading enterprises may activate their reciprocal trading operations, for the establishment of multinational purchasing agencies specialized in particular products, and for assistance at the interregional level with a view to helping State-trading enterprises overcome market and other limitations on their operations and carry out joint actions.

(iii) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

18.200 All activities within this subprogramme will be undertaken in priority areas set out in resolution 1 (I) of the Committee on Economic Co-operation among Developing Countries, which substantially endorsed the decisions and recommendations of the Mexico City programme of economic co-operation among developing countries 25/ in UNCTAD's fields of competence. Therefore, no marginal activities are foreseen.

(e) Expected impact

18.201 A successful conclusion of negotiations on trade preferences among developing countries should lead to a substantial expansion of their mutual trade and stimulate their industrial and agricultural production. It should also contribute to the satisfaction of their basic needs through collective self-reliance and to an increase in their purchasing power. In the longer run it should also stimulate productive investment in the developing countries, geared to their own structure of demand. Growing participation of the developing countries is expected in the processing, distribution and marketing of a large proportion of their export trade, as is a substantial increase in their foreign exchange earnings on invisible account; expanded co-operation and co-ordination in the export trade of their basic commodities; and, finally, increased co-operation among themselves in the commercial, technological and financial fields as a result of possible increased investment and joint ventures in the related productive activities. Through the promotion of co-operation among State-trading organizations and the adoption of joint import procurement policies, it is expected that the utilization of trade channels directly or indirectly controlled by the public sector will contribute to a significant expansion of trade among developing countries and to an improvement of the bargaining position of these countries vis-à-vis the developed countries.

SUBPROGRAMME 2: ECONOMIC INTEGRATION AMONG DEVELOPING COUNTRIES

(a) Objective

18.202 The objective of this subprogramme is to assist subregional and regional economic integration groupings of developing countries to (i) overcome a number of obstacles of diverse nature encountered in the implementation of their respective programmes; (ii) propose ways and means of expanding the scope of these programmes to include additional economic sectors where appropriate and increase the number of participating countries; and (iii) create interregional links among these schemes.

(b) Problems addressed

18.203 A number of economic integration programmes operating at the subregional and regional levels have been initiated by the developing countries. They involve so far more than 70 such countries. Their main objective has been to lower existing obstacles to the movement of goods, services and factors of production, as well as actively to promote economic co-operation in all fields. However,

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25/ For the decisions and summary of proceedings, see A/C.2/31/7.

a great number of obstacles of an economic, institutional, legal, technical and political nature have been encountered in the implementation of these programmes, which require the continuous support of their secretariats and of other international organizations (primarily the United Nations international and financial institutions).

(c) Legislative authority

18.204 Legislative authority for the subprogramme derived from United Nations Conference on Trade and Development resolutions 48 (III) and 92 (IV) and resolution 1 (I) of the Committee on Economic Co-operation among Developing Countries (para. 2 (b) (i)); and decision 161 (XVII) of the Trade and Development Board (477th meeting, 2 September 1977) endorsing the work programme adopted by the Committee on Economic Co-operation among Developing Countries.

(d) Strategy and output

18.205 The subprogramme includes the following activities: (i) strengthening of subregional and regional economic integration groupings and establishment of interregional links among them through assistance to and co-operation among their secretariats as a prerequisite for action by Governments; (ii) research, collection, dissemination and exchange of information and experience in the field of economic integration; and (iii) preparation, in co-operation with the respective secretariats, of detailed multinational projects of interest to regional and subregional integration groupings, to be submitted for consideration to the Committee on Economic Co-operation among Developing Countries.

(i) Situation at the end of 1979

18.206 A Working Party on Economic Co-operation among Developing Countries will have been convened in April 1978, <sup>26/</sup> at which secretariats of subregional and regional economic groupings will have met with a view to providing guidelines for this subprogramme in connexion with the strengthening of subregional and regional integration groupings of developing countries. In conformity with a recommendation of the Conference on Economic Co-operation, this meeting will have drawn up guidelines for: (i) measures of support of concomitant action at the interregional level to be implemented by the developing countries as a whole; (ii) establishment of links among such groupings; (iii) facilitating the participation of countries that are at present outside such schemes; and (iv) consideration of a possible mechanism or consultative body, whichever is appropriate, to co-ordinate and promote their activities with regard to the above-mentioned areas. On the basis of recommendations contained in the report of the Working Party (TD/B/702), which will be submitted to the Trade and Development Board at the first part of its eighteenth session, it is expected that by 1979, over and above the ongoing technical co-operation projects being implemented by the UNCTAD secretariat in this field, a number of related programmes on economic co-operation among developing countries will be well under way in accordance with the new guidelines.

18.207 Activities concerning research, collection, dissemination and exchange of information and experience in this field will be essentially action oriented, seeking practical solutions to specific problems which may arise in the process of

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<sup>26/</sup> See A/33/367, annex, paras. 2-4, and "Report of the Working Party on Trade Expansion and Regional Economic Integration among Developing Countries" (TD/B/702).

economic integration and which are of common interest to the majority of existing groupings. By the end of 1979 these activities will have covered:

(a) methodology for cost/benefit evaluation of the integration process and identification of possible compensatory measures; (b) role of transnational corporations in the context of economic integration among developing countries; (c) policies of global, regional and subregional financial institutions with respect to economic integration among developing countries; and (d) analysis of trade among member countries of regional and subregional groupings. By the end of 1979 the identification and preparation of specific multinational projects should have led to the stage of implementation.

(ii) Bienniums 1980-1981 and 1982-1983

18.208 It is expected that a substantial part of the resources of the Division for Economic Co-operation among Developing Countries will continue to be directed to substantive support for technical co-operation to strengthen subregional and regional economic integration groupings of developing countries. Indeed, together with subregional and regional economic co-operation schemes, these schemes constitute a basic institutional network for the implementation of the Mexico City programme of economic co-operation. <sup>27/</sup> It is expected that work deriving from meetings such as the Working Party mentioned under paragraph 18.206 above will be well advanced, and a number of intergovernmental meetings are also likely to have taken place by then, including negotiating conferences on specific areas of co-operation at the interregional level, particularly in the commercial, industrial and financial fields. Considerable intensification of all these activities is expected to take place as the programme develops, with the emergence of interregional arrangements supplementary to the present subregional and regional schemes.

(iii) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

18.209 All activities in this subprogramme will be undertaken in priority areas set out in resolution 1 (I) of the Committee on Economic Co-operation among Developing Countries, which substantially endorsed the decisions and recommendations of the Mexico City programme of economic co-operation among developing countries <sup>27/</sup> in UNCTAD fields of competence. Therefore, no marginal activities are foreseen.

(e) Expected impact

18.210 Economic integration and co-operation schemes have had a considerable impact on the volume of trade and on the development of the developing countries belonging to such groupings. Thus, as a result of the intensification and expansion of these schemes and programmes and of the number of countries involved, a major restructuring of the economies of the participating countries may evolve, together with a relatively faster growth of trade among them.

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<sup>27/</sup> For the decisions and summary of proceedings, see A/C.2/31/7.

### SUBPROGRAMME 3: OTHER MODALITIES OF ECONOMIC CO-OPERATION

#### (a) Objective

18.211 The objective of this subprogramme is to contribute, through intensified research and technical support activities, to the efforts of developing countries to strengthen their co-operation in the field of production and in monetary and financial matters at the subregional, regional and interregional levels.

#### (b) Problems addressed

18.212 Taking into account the priorities set out in resolution 1 (I) of the Committee on Economic Co-operation among Developing Countries, this subprogramme addresses itself more particularly to the following issues: (i) strengthening and improvement of existing clearing and payments arrangements and promotion of new ones at the subregional, regional and interregional levels and establishment of links among them; (ii) promotion and facilitation of capital flows among developing countries; (iii) establishment of multinational production enterprises; and (iv) assessment of viable multinational projects in the developing countries.

18.213 Links among developing countries in regard to payments and clearings arrangements are generally weak, especially at the interregional level. However, the existence of suitable mechanisms of this sort is vital to effective trade promotion and to other aspects of their economic co-operation, including the establishment of a global system of trade preferences. Institutional links covering the whole range of these complex issues will therefore have to be established. Reciprocal financing among developing countries offers a great potential which is only just beginning to yield results. The creation of suitable mechanisms to promote, channel and strengthen these financial flows will require intensive work in the financial and related fields. There is a noticeable lack of co-ordination among developing countries in regard to co-operation in production and, as a consequence, their situation in world markets is not always as favourable as it might be. The creation of multinational production enterprises will require very intensive and complex work, covering varying fields of endeavour, if satisfactory conditions of production and export are to be achieved for developing countries.

#### (c) Legislative authority

18.214 Legislative authority for this subprogramme derives from United Nations Conference on Trade and Development resolutions 48 (III) 28/ and 92 (IV), resolution 1 (I) of the Committee on Economic Co-operation among Developing Countries (paras. 2 (b) and (c)); and decision 161 (XVII) of the Trade and Development Board (477th meeting, 2 September 1977) endorsing the work programme adopted by the Committee.

#### (d) Strategy and output

##### (i) Situation at the end of 1979

18.215 By the end of 1979 a series of studies and supporting activities in the field of monetary co-operation should have been considerably advanced, covering: (i) accession to clearing and payments arrangements of new members in the same



region and/or other regions; (ii) broadening the volume and scope of transactions channelled through the clearing arrangements; (iii) raising the ceiling of mutual credits; (iv) lengthening the settlement period; (v) balance-of-payments supports; (vi) partial pooling of reserves; (vii) co-ordination of exchange rate policies; and (viii) harmonization of policies in international monetary forums. A co-ordination committee on clearing and payments arrangements among developing countries is expected to have been created as a result of the meeting of the Working Group on Multilateral Payments and Clearing Arrangements among Developing Countries, held at Caracas in July 1977. Consequently, there will be considerable scope for the promotion and establishment of links at the regional and interregional levels among such arrangements. It is also expected that the UNCTAD secretariat will have been requested to provide technical support to the proposed co-ordination committee.

18.216 The examination of measures to promote capital flows to and among developing countries will have progressed. By the end of 1979, the UNCTAD secretariat will have produced three major reports on OPEC financial co-operation policies and institutions, and a comprehensive data bank on OPEC financial flows to other developing countries and multilateral institutions will have been established. The first series of studies concerning the identification, promotion and development of multinational production enterprises among developing countries will have been completed. Proposals should be at the pre-feasibility and feasibility stage, giving rise to consultations among multilateral financial institutions and subregional and regional secretariats to consider such proposals and decide on follow-up action. The preparation of a manual for the evaluation of multinational projects in developing countries should have been completed, as well as a multisectoral inventory of intercountry investment projects in the Arab region. Similar activities will have been undertaken for other regions.

(ii) Bienniums 1980-1981 and 1982-1983

18.217 Assistance will continue to be provided to existing clearing and payments arrangements and for the establishment of new ones. General and specific studies initiated during the 1978-1979 biennium will continue as necessary. Following the establishment of the co-ordination committee referred to in paragraph 18.215 above, the UNCTAD secretariat will most likely be requested: (i) to assist in the preparation of an interregional payments arrangement or of a payments union scheme and of a mechanism for the possible establishment of common liquidity units, and (ii) to continue supporting efforts to establish monetary reserve pools or reserve banks at the regional level. It can also be expected that activities will be initiated concerning possible links between payments arrangements of developing countries and the payments system of the socialist countries of Eastern Europe.

18.218 The periodic review of financial flows among developing countries will continue to be carried out, as will the study of capital markets and of institutions and policies of donor developing countries. Activities concerning the identification, promotion and development of multinational production enterprises should continue and be expanded, as an increasing number of products come under consideration and as follow-up action is decided on concrete proposals by multilateral financial institutions and subregional and regional secretariats. It is also expected that this work will lead to the implementation of specific projects. Multinational projects identified and prepared in the Arab region should be at the pre-investment and investment phase and it can be expected that multinational project inventories will be ready for other regions.

(iii) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

18.219 All activities within this subprogramme will be undertaken in priority areas set out in resolution 1 (I) of the Committee on Economic Co-operation among Developing Countries, which substantially endorsed the decisions and recommendations of the Mexico City programme of economic co-operation among developing countries <sup>29/</sup> in UNCTAD's fields of competence. Therefore, no marginal activities are foreseen.

(e) Expected impact

18.220 Through increased co-operation in production, as well as in the monetary and financial fields, at the subregional, regional and interregional levels, it is expected that a better utilization of productive resources in the developing countries may be brought about, together with an expansion of current and capital transactions (including invisibles) among themselves.

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<sup>29/</sup> For the decisions and summary of proceedings, see A/C.2/31/7.

PROGRAMME 7: UNCTAD: TRADE AMONG COUNTRIES HAVING DIFFERENT  
ECONOMIC AND SOCIAL SYSTEMS

A. Organization

1. Intergovernmental review

18.221 The work of the secretariat in this programme is considered by the Trade and Development Board, which meets annually and establishes at its regular sessions a sessional committee to study problems in this area. The last session was from 24 August to 2 September 1977. A draft of this plan was discussed by a Working Party of the Trade and Development Board (TDB), which met from 28 March to 3 April 1978, and by TDB at the second part of its seventeenth session, on 4 April 1978.

2. Secretariat

18.222 The secretariat unit responsible for this programme is the Division for Trade with Socialist Countries. There were eight Professional staff members as at 31 December 1977: none of the posts was supported from extrabudgetary sources. The Division had no sections or other organizational units as at 31 December 1977.

3. Expected completions

18.223 The activities under this programme are essentially of a continuing nature. Action on the following items of the programme elements described in paragraph 11A.38 (d) of the proposed programme budget for the biennium 1978-1979 30/ is, however, expected to be completed:

(a) In 1978-1979: Annual reviews for 1978 and 1979 of trends and policies in trade among countries having different economic and social systems, providing information on the latest developments in trade between socialist countries and developed market-economy countries and between socialist countries and developing countries, supplemented by a statistical review; consultations with developing countries, socialist countries of Eastern Europe and United Nations regional commissions and preparation of an interregional UNCTAD/UNDP project of technical assistance on the development of trade between developing countries and socialist countries of Eastern Europe; preparation, in close co-operation with ECLA, of various country studies, followed by a comprehensive study on "Economic relations between Latin American countries and countries members of CMEA" in the framework of the joint UNCTAD/ECLA technical assistance project (RLA/76/013); preliminary identification of possible areas of co-operation through exchange of information on planning between the State Planning Commission of the USSR (GOSPLAN) and the Board of the Cartagena Agreement within the framework of a technical assistance project (RLA/75/086).

(b) In 1980-1981: In the main, activities referred to in the proposed programme budget for 1978-1979 will be continued.

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30/ Official Records of the General Assembly, Thirty-second Session, Supplement No. 6 (A/32/6 and Corr.1 and 2), vol. II.

## B. Co-ordination

### 1. Formal co-ordination within the secretariat

18.224 There are no formal arrangements for co-ordination within the secretariat.

### 2. Formal co-ordination within the United Nations system

18.225 There are no formal arrangements for co-ordination within the United Nations system.

### 3. Units with which significant joint activities are expected during the period 1980-1983

18.226 Co-ordination is expected with the Economic Commission for Europe on East-West trade and with the other regional commissions on issues relating to trade with socialist countries of Eastern Europe, as well as with UNIDO on problems related to industrial co-operation with socialist countries.

## C. Allocation of resources to subprogrammes

18.227 There is only one subprogramme.

## D. Subprogramme narrative

SUBPROGRAMME: TRADE AMONG COUNTRIES HAVING DIFFERENT ECONOMIC AND SOCIAL SYSTEMS

### (a) Objective

18.228. The objective of the subprogramme is to expand trade among countries having different economic and social systems, in particular between developing countries and socialist countries of Eastern Europe, on a stable and long-term basis through the promotion of interrelated policies within a comprehensive approach covering various forms of trade and economic co-operation. Such co-operation would take on new forms, including multilateral ones, and should lead to complementary economic structures between interested countries.

### (b) Problems addressed

18.229 Trade and economic co-operation of socialist countries of Eastern Europe with both developing countries and developed market-economy countries are expanding rapidly. At the same time, there are still unused opportunities, especially for further development of a mutually beneficial international division of labour. Measures are needed which are conducive to long-term and stable relationships between countries participating in East-West trade (i.e., between developed market-economy countries and socialist countries) including measures conducive to the improvement of commodity structure, attainment of an equilibrium in trade and elimination of existing obstacles to this trade. Experience in East-West trade could contribute to the expansion of trade and economic co-operation between developing countries and socialist countries of Eastern Europe. Active participation of developing countries in the implementation of tripartite projects could also contribute to the expansion of this trade and economic co-operation.

Sustained expansion of trade between developing countries and socialist countries of Eastern Europe could be promoted through the conclusion of medium-term and long-term agreements and the diversification of the geographical pattern of trade and its commodity structure. Intergovernmental arrangements on trade-creating industrial specialization and co-operation should also be encouraged. Attention needs to be given to specific problems of various developing regions in their trade with socialist countries of Eastern Europe. Promotion of better knowledge of each other's policies and of trade opportunities for countries from both groups is also necessary.

18.230 A number of new forms of co-operation have emerged in recent years in trade among countries having different economic and social systems. Of particular interest are: multilateral trade and payments arrangements, including tripartite industrial co-operation and co-operation concerning trade with third countries; co-operation between the CMEA and developing countries, in particular possibilities of co-operation with multilateral schemes of the CMEA member countries; expansion of trade and economic relations through co-operation in planning; co-operation by socialist countries of Eastern Europe with interested developing countries with a view to assisting them in reaching a comprehensive solution of major economic tasks and joining efforts in resolving these tasks.

(c) Legislative authority

18.231 Legislative authority for the subprogramme derives from United Nations Conference on Trade and Development resolutions 15 (II), 31/ 53 (III) 31/ and 95 (IV); Trade and Development Board agreed conclusions 99 (XIII) and 112 (XIV) and decisions 138 (XVI) and 139 (XVI).

(d) Strategy and output

(i) Situation at the end of 1979

18.232 Periodic reviews of trends and policies, and studies covering specific problems of trade, in particular new forms of co-operation, are submitted annually to the Trade and Development Board, which establishes a sessional committee to consider questions relating to this programme. The problems involved require in-depth research and analytical work designed to facilitate the formulation by UNCTAD intergovernmental bodies of recommendations on policies to be pursued by Governments. Solutions of practical issues connected with the implementation of the existing intergovernmental trade agreements and co-operation arrangements, as well as identification of additional trade opportunities, are expected to be further promoted by interested countries through more intensive use of the UNCTAD machinery for bilateral and multilateral consultations, with support from the UNCTAD secretariat.

18.233 Activities will have been undertaken to collect relevant information, analyse existing practices and carry out research on new forms of co-operation. Specific activities (study tours, seminars, etc.) will have been organized, as part of the technical co-operation provided by the secretariat, with a view to

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31/ Mandate more than 5 years old.

promoting better knowledge of trade policies and opportunities through training, dissemination of information and establishment of direct contacts between officials and business representatives of interested countries. Various country studies, followed by a comprehensive study on economic relations between Latin American countries and countries members of CMEA, will have been prepared in close co-operation with the ECLA secretariat, and assistance given to the Board of the Cartagena Agreement concerning an exchange of information on planning with the State Planning Commission of the USSR (see under para. 18.223 (a) above), as well as to interested economic organizations and payments unions of developing countries in establishing direct business relations with their counterparts in the socialist countries of Eastern Europe. Activities will have been continued on the basis of analyses of the latest developments in East-West trade and economic relations, with a view to suggesting measures for solving the problems addressed, such as improvement of commodity structure, attainment of an equilibrium in trade and elimination of existing obstacles. At the same time, possibilities to use the experience in East-West trade for expanding trade and economic co-operation between developing countries and socialist countries of Eastern Europe will be studied, as will the participation of developing countries in co-operation schemes such as tripartite projects and trade involving third countries.

(ii) Bienniums 1980-1981 and 1982-1983

18.234 Since the mandate given to the Secretary-General of UNCTAD in this field is of a continuing nature, the main activities of the previous biennium under this subprogramme will be pursued. They will include, in particular, research and analytical work, dissemination of relevant information, preparation of background material and manuals, substantive and organizational assistance to member countries in their bilateral and multilateral consultations within the UNCTAD consultative machinery, substantive support to technical co-operation activities and related work. Particular attention will be given to activities aimed at summarizing existing practices, analysing accumulated experience and promoting the joint search by the parties involved for mutually agreed arrangements introducing new forms of co-operation.

(iii) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

18.235 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

18.236 It may be expected that the activities under this subprogramme will contribute to the gradual attainment of the objective of the programme, in particular promotion of long-term stable and balanced trade of socialist countries of Eastern Europe with both developing countries and developed market-economy countries and of comprehensive co-operation leading to complementary economic structures between interested countries. Trade would expand and its geographical pattern and commodity structure diversify, involving, inter alia, increased exports of manufacturers from developing countries to socialist countries. An increasing number of developing countries should enlarge their trade relations with the socialist countries, covering not only commercial transactions but also more sophisticated new forms, such as industrial, scientific and technical

co-operation. Co-operation mechanisms at the governmental and enterprise/ organization level would be further improved. New forms of co-operation would lead to intensified co-operation not only between interested countries but also between their regional and subregional organizations, as well as contribute to intensifying co-operation with respect to common projects in third countries, including tripartite industrial co-operation.

PROGRAMME 8: UNCTAD: LEAST DEVELOPED, LAND-LOCKED  
AND ISLAND DEVELOPING COUNTRIES

A. Organization

1. Intergovernmental review

18.237 The work of the secretariat in this programme is considered by the Trade and Development Board, which meets in regular session every year. Activities related to the least developed countries are also reviewed by the Intergovernmental Group on the Least Developed Countries, which last met in July 1975. A second session of the Intergovernmental Group is scheduled for July 1978. A draft of this plan was discussed by a Working Party of the Trade and Development Board (TDB), which met from 28 March to 3 April 1978, and by TDB at the second part of its seventeenth session, on 4 April 1978.

2. Secretariat

18.238 The secretariat unit responsible for this programme is the Special Programme for Least Developed, Land-locked and Island Developing Countries. There were six Professional posts as at 31 December 1977, none of which was supported from extrabudgetary sources.

3. Expected completions

18.239 The programme elements described in paragraph 11A.41(d) of the proposed programme budget for the biennium 1978-1979 32/ are of a continuing nature. Action on the following items of these programme elements is expected to be completed:

(a) In 1978-1979:

- (i) Preparation of documentation for the following meetings: second session of the Intergovernmental Group on the Least Developed Countries; second meeting of Multilateral and Bilateral Financial and Technical Assistance Institutions with Representatives of the Least Developed Countries; and ad hoc group of experts on improved methods of expanding the exports of the least developed countries and possibilities for more efficient procurement of their imports. Follow-up of the recommendations of the group will also be necessary;
- (ii) Preparation of reviews of progress in the implementation of special measures and specific actions on behalf of least developed, land-locked and island developing countries for the Economic and Social Council and the General Assembly and for the Trade and Development Board and the fifth session of UNCTAD;



- (iii) Preparation of other detailed studies of the type called for in paragraph 37 (b) of Conference resolution 98 (IV), including in-depth study of the circumstances of individual least developed countries;
  - (iv) Preparation of studies of the requirements, special measures and other elements of an improved strategy to assist the least developed countries to accelerate their progress in the context of a new international development strategy for the 1980s;
  - (v) Preparation of comprehensive analyses of transit-transport costs on several major transit routes serving land-locked developing countries, a report on the results of which will be presented to the Trade and Development Board;
  - (vi) Follow-up of the report recommendations of the Group of Experts on Feeder and Inter-island Services by Air or Sea for Developing Island Countries (TD/B/687);
  - (vii) Establishment of advisory services, particularly to assist the least developed countries in the planning and policies of their external economic sectors;
  - (viii) Substantive support for technical co-operation to help offset the geographical handicaps of land-locked and island developing countries.
- (b) In 1980-1981:
- (i) Preparation of documentation for the following meetings: Intergovernmental Group on the Least Developed Countries (third session); Third Meeting of Multilateral and Bilateral Financial and Technical Assistance Institutions with Representatives of the Least Developed Countries; and other ad hoc groups of experts related to the Special Programme.
  - (ii) Preparation of further reviews and studies referred to under (a)(ii)-(v) above, as well as follow-up action on specific recommendations;
  - (iii) Strengthening of the advisory services required under (a)(vii) above and further support for technical assistance to help offset the geographical handicaps of land-locked and island developing countries.

## B. Co-ordination

### 1. Formal co-ordination within the secretariat

18.240 The organization of activities in this area involves virtually all UNCTAD divisions. In addition to its specific activities, the Special Programme endeavours to keep the problems in this area under active consideration by other divisions in the pursuit of their respective work programmes.

### 2. Formal co-ordination within the United Nations system

18.241 Questions relating to least developed countries are considered by ACC subsidiary bodies. An ad hoc interagency meeting on least developed countries

is to be convened at the end of 1978 or in 1979, and UNCTAD will act as the focal point for the substantive preparation of the meeting.

3. Units with which significant joint activities are expected during the period 1980-1983

18.242 There is collaboration with UNDP in the management of the Special Fund for Land-locked Developing Countries.

C. Allocation of resources to subprogrammes

18.243 There is only one subprogramme.

D. Subprogramme narrative

SUBPROGRAMME: LEAST DEVELOPED, LAND-LOCKED AND ISLAND DEVELOPING COUNTRIES

(a) Objective

18.244 The objective of this subprogramme is to assist the least developed countries through the promotion of special measures to overcome the critical obstacles facing their trade and development and to assist the land-locked and island developing countries through specific actions to offset the geographical disadvantages hindering their trade and development.

(b) Problems addressed

18.245 With respect to the least developed countries, the following targets are envisaged: expansion of the flow of assistance; more favourable terms and conditions, criteria and procedures for financial and technical assistance; expansion of exports; more efficient procurement of imports; development of appropriate special measures in the fields of financial flows and commercial policy and in other areas of UNCTAD's competence. With respect to land-locked developing countries, the following targets are envisaged: reduction of transit costs, improvement of physical facilities for the transit trade, including management and maintenance as well as requirements for new facilities; and simplification of transit rules and procedures. With respect to island developing countries, improvement in transport and transshipment facilities is envisaged.

(c) Legislative authority

18.246 Legislative authority for this subprogramme derives from United Nations Conference on Trade and Development resolutions 11 (II), 33/ 24 (II), 33/ 62 (III), 33/ 63 (III), 33/ and 98 (IV); and Trade and Development Board resolutions 101 (XIII), 108 (XIV) and 109 (XIV).

(d) Strategy and output

(i) Situation at the end of 1979

18.247 The meetings and studies mentioned in paragraph 18.239 above will have

33/ Mandate more than five years old.

taken place or been completed by the end of 1979. The recommendations of these meetings and the outcome of the studies will be available to Governments, international organizations and other interested parties for follow-up action. The basic problems addressed by the Special Programme are structural in nature, and progress in overcoming these structural handicaps has been painfully slow. Future progress will require greatly expanded efforts by the international community in support of the growing efforts of the least developed and the geographically disadvantaged countries themselves. By the end of 1979 much will have been done to clarify the nature of the handicaps facing the least developed countries, as well as to identify the practical steps which might lower the transit and transport costs of the geographically disadvantaged countries. Thus, the time will be ripe for an expanded and strengthened programme of special measures which can accelerate the progress of these disadvantaged countries during the 1980s.

(ii) Bienniums 1980-1981 and 1982-1983

18.248 The activities during these biennia will be greatly influenced by the outcome of the fifth session of the Conference. In any event, relevant background documentation will need to be prepared for the further sessions of the bodies mentioned in section A.3 (b), paragraph 18.239 above, which are expected to be held. Further policy studies aimed at making existing special measures for the least developed countries more effective or at devising additional special measures will need to be pursued, including in-depth studies of individual least developed countries. Research on specific actions to help offset the handicaps of the geographically disadvantaged countries will continue. Advisory services and other technical co-operation programmes at the interregional, regional and country levels will need to be strengthened, in keeping with the growing capacity of the least developed and other disadvantaged countries to use such services effectively, and also to help implement the recommendations of UNCTAD intergovernmental meetings or expert groups, as well as new special measures. Planning studies of transit-transport costs facing particular land-locked developing countries will be followed, in close co-operation with their transit neighbours, by projects to implement the recommended improvements.

(iii) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

18.249 There are no activities of marginal usefulness under this subprogramme plan.

(e) Expected impact

18.250 With respect to the least developed countries the following results are expected: expansion of technical and financial assistance and of the capacity to utilize it; improvement of assistance policies to meet the needs of these countries, such as liberal terms and conditions, flexible criteria for assistance, improvements in the administration and management of assistance, provision of assistance on a predictable, continuous and increasingly reliable basis, and speeding up of disbursements; strengthening of institutions and policies for the expansion of exports and the reduction in the cost of imports; and improvement of policy measures of special benefit to the least developed countries. With respect to land-locked developing countries, reduction in the real costs of their access to and from the sea and to world markets is expected. With respect to island developing countries, improved conditions and lower costs of access to world markets for remote island developing countries are expected.

## PROGRAMME 9: UNCTAD: INSURANCE

### A. Organization

#### 1. Intergovernmental review

18.251 The work of the secretariat in this programme is considered by the Committee on Invisibles and Financing related to Trade, which normally meets twice between any two sessions of the Conference, and whose last session at which insurance was considered was in December 1977. A draft of this plan was discussed by a Working Party of the Trade and Development Board (TDB), which met from 28 March to 3 April 1978, and by TDB at the second part of its seventeenth session, on 4 April 1978.

#### 2. Secretariat

18.252 The secretariat unit responsible for this programme is the Special Programme on Insurance. There were four Professional staff members as at 31 December 1977; none of the posts was supported from extrabudgetary sources.

#### 3. Expected completions

18.253 Action on the following items of the programme elements described in paragraphs 11A.43 and 11A.44 of the proposed programme budget for the biennium 1978-1979 34/ is expected to be completed:

##### (a) In 1978-1979:

- (i) Studies for consideration by the Committee on Invisibles and Financing related to Trade on: agricultural insurance, loss prevention in fire and marine insurance, regional mechanisms for larger risk retention in developing countries, and biennial review of insurance - 1977-1978;
- (ii) Activities aimed at setting up a series of regional institutes providing professional insurance education.

##### (b) In 1980-1981:

- (i) Studies for consideration by the Committee on Invisibles and Financing related to Trade on: marine hull and aviation insurance, life insurance, schemes for cover of losses from natural catastrophes, and biennial review of insurance - 1979-1980;
- (ii) Activities aimed at setting up regional insurance schemes for special and catastrophic risks.

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34/ Official Records of the General Assembly, Thirty-second Session, Supplement No. 6 (A/32/6 and Corr.1 and 2), vol. II.

## B. Co-ordination

### 1. Formal co-ordination within the secretariat

18.254 There are no formal arrangements for co-ordination within the secretariat.

### 2. Formal co-ordination within the United Nations system

18.255 There are no formal arrangements for co-ordination within the United Nations system.

### 3. Units with which significant joint activities are expected during the period 1980-1983

18.256 Co-operation will be effected with the regional commissions in setting up regional insurance schemes and institutions, and with the Centre on Transnational Corporations in the preparation of studies on activities of transnational corporations in the insurance sector.

## C. Allocation of resources to subprogrammes

18.257 There is only one subprogramme.

## D. Subprogramme narrative

SUBPROGRAMME: INSURANCE

### (a) Objective

18.258 The objective of this subprogramme is to enable the domestic insurance markets of developing countries to provide cover locally for the bulk of their insurance needs, where appropriate by promoting regional self-reliance in insurance and reinsurance, as well as to secure international co-operation on optimal terms and conditions for the developing countries.

### (b) Problem addressed

18.259 Economic development generates a rapidly growing need for insurance services, resulting, when these services are purchased abroad, in a high outflow of foreign currency. The obvious solution to this problem is the establishment in each of the developing countries of a sound and efficient national insurance market able to cover locally the bulk of the insurance operations generated by the economic activities of the country. However, as demand for insurance grows and evolves towards more complex insurance covers with higher risk exposures, it is essential that the local insurance markets undergo a constant process of adjustment, including a frequent revision of the extent and terms of their co-operation with the international insurance and reinsurance centres. Consequently, the Programme's activities must also be continually adapted to correspond to these new emerging problems.

(c) Legislative authority

18.260 The basic resolutions for this subprogramme are: United Nations Conference on Trade and Development resolution 42 (III), 35/ and resolutions 7 (VI), 9 (VII), 10 (VII), 13 (VIII) and 14 (VIII) of the Committee on Invisibles and Financing related to Trade.

(d) Strategy and output

(i) Situation at the end of 1979

18.261 On the basis of studies prepared, the specific problems of insurance statistics, insurance legislation and supervision, reinsurance, marine cargo insurance, insurance of large risks, co-operative insurance, agricultural insurance, and loss prevention in fire and marine insurance will have been dealt with by the end of 1979. Activities related to setting up regional institutes providing professional insurance education are also expected to have been concluded.

(ii) Bienniums 1980-1981 and 1982-1983

18.262 Research in 1980-1981 will continue and studies will be prepared to cover other areas of insurance, such as life insurance, marine hull insurance and economic co-operation among developing countries in insurance and reinsurance. Efforts will be made to establish regional insurance schemes for special and catastrophic risks. Training seminars and other regional meetings aimed at implementation of the agreed policies on the aforementioned insurance and reinsurance topics will also continue to be conducted. Similar activities will have to continue in 1982-1983 in areas where new insurance and reinsurance problems emerge at national, regional and international levels.

(iii) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

18.263 There are no activities of marginal usefulness under this subprogramme plan.

(e) Expected impact

18.264 The activities of the Special Programme on Insurance are essentially geared to mobilize all unutilized insurance resources available in developing countries and to increase the self-reliance in those countries, as stipulated in the Programme of Action on the Establishment of a New International Economic Order (General Assembly resolution 3202 (S-VI) of 1 May 1974). It is expected that the result will be a decrease in the amounts of foreign exchange spent on buying insurance and reinsurance from abroad, in better employment opportunities, in more adequate protection of domestic economic and social interests and in diversification of economic activities.

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35/ Mandate more than five years old.

PROGRAMME 10: UNCTAD: TRADE FACILITATION

A. Organization

1. Intergovernmental review

18.265 The work of the secretariat in this programme is reviewed only by the Working Party of the Trade and Development Board (TDB) on the Programme Budget and the Medium-Term Plan. A draft of this plan was discussed by the Working Party, which met from 28 March to 3 April 1978, and by TDB at the second part of its seventeenth session, on 4 April 1978.

2. Secretariat

18.266 The secretariat unit responsible for this programme is the Trade Facilitation Programme. There were four Professional staff members as at 31 December 1977; two of the posts were supported from extrabudgetary sources.

3. Expected completions

18.267 Action on the following items of the programme elements described in paragraph 11A.46 (c) of the proposed programme budget for the biennium 1978-1979 36/ is expected to be completed:

(a) In 1978-1979: it is expected that the first part of an over-all action plan for the systematic reduction of trade formalities, including export, import and transit formalities, will have been completed in the form of basic intergovernmental agreements on a methodology for data transmission, including a completed study and proposals on sets of data elements and syntax rules, to substitute paper documentation in trade. A Trade Facilitation Manual will have been published towards the end of 1978. As regards technical co-operation, which accounts for more than half of the resources of the Special Programme on Trade Facilitation (FALPRO), it is expected that facilitation measures recommended by FALPRO will have reached the stage of implementation in 10 to 12 developing countries, that FALPRO will have been active in another 30 to 40 developing countries and that these countries will have included at least 20 least developed, land-locked or island developing countries.

(b) In 1980-1981: the implementation of new methods for data communication will be pursued, as will technical assistance to developing countries. No formal date of completion can be forecast at the moment. The Manual referred to above will be under continual updating.

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36/ Official Records of the General Assembly, Thirty-second Session, Supplement No. 6 (A/32/6 and Corr.1 and 2), vol. II.

## B. Co-ordination

### 1. Formal co-ordination within the secretariat

18.268 Formal co-ordination is organized with the regional commissions, that with the ECE in practice amounting to a joint function.

### 2. Formal co-ordination within the United Nations system

18.269 On particular facilitation issues there are joint projects with FAO, GATT, the World Bank, IMCO, ITU and UPU.

### 3. Units with which significant joint activities are expected during the period 1980-1983

18.270 Joint activities are expected with the regional commissions and IMCO.

## C. Allocation of resources to subprogrammes

18.271 There is only one subprogramme.

## D. Subprogramme narrative

SUBPROGRAMME: TRADE FACILITATION

### (a) Objective

18.272 The objective of this subprogramme is the abolition, whenever possible, or simplification and harmonization of formal administrative requirements and related procedures and documents imposed on the flow of goods in trade, through remedial measures at the national and international levels in the context of a global trade facilitation programme. Besides the harmonization of procedures and standardization of documents, these measures include the development of new data processing and data communication methods suitable for use in developing, as well as more developed, countries. The programme ensures global application of facilitation measures through co-ordination between and dissemination among the various national and international bodies involved in facilitation work. Particular attention is given to the facilitation problems of least developed, land-locked and island developing countries.

### (b) Problem addressed

18.273 Excessive formal requirements, complicated procedures and unwieldy paper work constitute an impediment in trade which is estimated to represent a cost factor of up to 10 per cent of the total value of external trade. The delays caused by the need to comply with procedures and paper work add considerably to the total cost of international trade and transport and contribute to the congestion of ports and airports. As costly as procedures and paper work might be to developed countries, to developing countries they constitute a serious obstacle to the expansion of trade and sometimes discourage potential exporters from engaging in external trade at all. For land-locked countries, in particular, unsuitable transit procedures can cause delays and additional costs that prevent products from being competitive in the world market.



(c) Legislative authority

18.274 The report of the Economic and Social Council on its forty-seventh session 37/ is the legislative authority for this subprogramme. Because of the cross-sectoral function of the programme, legislative authority for a number of specific activities has been given through various other UNCTAD programmes.

(d) Strategy and output

(i) Situation at the end of 1979

18.275 As regards research and technical development, basic intergovernmental agreements are expected to have been achieved; as regards advisory services, implementation can be expected in 10 to 12 developing countries, and substantial progress will have been achieved in another 10 to 12. Facilitation measures are expected to be introduced in least developed, land-locked and island developing countries through facilitation projects under the Special Programme for Least Developed, Land-locked and Island Developing Countries in co-operation with FALPRO.

(ii) Bienniums 1980-1981 and 1982-1983

18.276 The major thrust of the programme is expected to be the work on implementation of basic agreements on new methods for data communication, the refinement of these methods and the planning of further facilitation measures. Advisory services will focus on implementation of trade facilitation measures in the developing countries where work has commenced before the biennium, and on initiation of such work in other countries. Towards the end of the period some developing countries might be ready for a second generation of more sophisticated measures.

(iii) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

18.277 There are no activities of marginal usefulness under this subprogramme plan.

(e) Expected impact

18.278 It is expected that activities under this subprogramme will result in the adoption and implementation of a number of recommendations on trade facilitation measures at the international level; and in the introduction, in a number of developing countries, of reforms aiming at increasing their ability to participate in international trade by lowering their costs and reducing practical difficulties connected with trade procedures and documentation.

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37/ Ibid., Twenty-fourth Session, Supplement No. 3 (A/7603 and Corr.1), para. 166.

PROGRAMME 11: ECA: INTERNATIONAL TRADE

A. Organization

1. Intergovernmental review

18.279 The work of the secretariat in this programme is reviewed by the Conference of Ministers, the Executive Committee and the Technical Committee of Experts. Both the Conference and the Technical Committee meet once every two years. The last meeting of the Conference was in February/March 1977. This plan has not been approved by this body.

2. Secretariat

18.280 The secretariat unit responsible for this programme is the International Trade and Finance Division. There were 24 Professional staff members as at 31 December 1977; 9 of the posts were supported from extrabudgetary sources. The Division had the following sections and units as at 31 December 1977:

| Organizational unit                                    | Professional staff |                        | Total |
|--------------------------------------------------------|--------------------|------------------------|-------|
|                                                        | Regular budget     | Extrabudgetary sources |       |
| Office of the Chief                                    | 1                  | -                      | 1     |
| Intra-African Trade and Finance                        | 3                  | 5                      | 8     |
| Trade and Financial Relations with the Developed World | 5                  | 1                      | 6     |
| Trade and Financial Relations with the Third World     | 3                  | -                      | 3     |
| Africa Trade Centre                                    | 3                  | 2                      | 5     |
| - ECA/CTNC Joint Unit on Transnational Corporations    | -                  | 1                      | 1     |
| Total                                                  | 15                 | 9                      | 24    |

3. Expected completions

18.281 The following programme elements described in paragraphs 9.26 to 9.28 in the proposed programme budget for the biennium 1978-1979 38/ are expected to be completed:

38/ Ibid., Thirty-second Session, Supplement No. 6 (A/32/6 and Corr.1 and 2), vol. I.

(a) 1978-1979

- 1.1 (i) and (ii),
- 1.2 (i), (ii), (iii), (iv), (v) and (vi),
- 1.3 (i) and (ii),
- 2.1 and 2.2;

(b) 1980-1981

- 1.1 (i) and (ii),
- 1.2 (i), (ii), (iii) and (vi),
- 1.4 (i) and (ii),
- 2.1 and 2.2.

B. Co-ordination

1. Formal co-ordination within the secretariat

18.282 Formal co-ordination is effected through the Policy and Programme Co-ordination Office, the Inter-divisional Committee on Least Developed Countries, and the Inter-divisional Committee on ECA Participation in Trade Fairs.

2. Formal co-ordination within the United Nations system

(a) UNCTAD/GATT International Trade Centre (ITC)

18.283 With a view to establishing effective co-operation and co-ordination between the two organizations in the field of trade promotion in the member countries of ECA, ITC and ECA have agreed to co-ordinate their activities in order to avoid duplication and to give optimum effect to their endeavours in the region, and to co-operate in the implementation of training events.

(b) Centre on Transnational Corporations (CTNC)

18.284 An agreement was signed between ECA and the Centre on Transnational Corporations, establishing the Centre/ECA Joint Unit on Transnational Corporations. Within the over-all programme of work adopted by the Commission on Transnational Corporations and the Economic and Social Council, the Joint Unit is the focal point for the activities of the Centre on Transnational Corporations in Africa, especially in the fields of research, information and liaison with the Governments of the region.

3. Units with which significant joint activities are expected during the period 1980-1983

18.285 Significant joint activities are expected with the following:

(a) ECA/UNIDO Industry Division; ECA/FAO Agriculture Division; Transport, Communications and Tourism Division; Statistics Division; Socio-economic Research and Planning Division; Economic Co-operation Office; Policy and Programme Co-ordination Office; Natural Resources Division; and Public Administration, Management and Manpower Division, all of ECA;

(b) UNCTAD for the purpose of consultations on studies of common interest, for joint advisory missions in the fields of trade and financial and monetary co-operation in Africa, and to organize joint meetings on matters of interest to ECA member States;

(c) International Monetary Fund concerning studies, inter alia, on clearing and payments systems and related units of account to facilitate payments and clearing operations;

(d) International Bank for Reconstruction and Development on studies, inter alia, on the establishment of development and mining banks and an aid system in Africa. It will be noted that ECA assists in the preparation of the annual meeting of the IMF/IBRD Working Group of African Governors, which takes place prior to the annual meetings of the World Bank Group.

### C. Allocation of resources to subprogrammes

18.286 The trend in the percentage allocation of resources to subprogrammes is expected to be approximately as shown in the following table:



## D. Subprogramme narratives

### SUBPROGRAMME 1: INTRA-AFRICAN TRADE AND FINANCE

#### (a) Objective

18.287 The objective of this subprogramme is to assist African countries in designing, adopting and implementing policies and measures aimed at fostering their co-operation in the trade, financial and monetary fields and in developing appropriate skills therein.

#### (b) Problem addressed

18.288 Owing to well-known historical reasons, the developed market economy countries account for more than 75 per cent of Africa's total trade, while intra-African trade currently represents only about 4 per cent thereof. In recent years there has doubtless been a general recognition of the urgent need in the African region to expand intra-African trade substantially at subregional, multinational and regional levels with a view in particular to lessening dependence on trade with developed market economies, with its attendant problems, and promoting a greater measure of self-reliance and economic co-operation. However, it has become quite clear that only determined and sustained efforts by African countries themselves will assist in overcoming the various obstacles that stand in the way of such an expansion, not the least of which are tariff and non-tariff barriers, lack of adequate trade information, deficiencies in transport and communications links, lack of adequate and worth-while institutional arrangements, including payments and other financial and monetary arrangements as well as trained personnel.

#### (c) Legislative authority

18.289 The legislative authority for the subprogramme derives from Economic Commission for Africa resolutions 30 (III), 87 (V), 131 (VII), 262 (XII), 300 (XIII), 322 (XIII) and 327 (XIII), and General Assembly resolution 3202 (S-VI) of 1 May 1974.

#### (d) Strategy and output

##### (i) Situation at the end of 1979

18.290 Studies are expected to be completed on trade liberalization possibilities and appropriate trade and payments institutional arrangements to facilitate intra-African trade negotiations at subregional levels within the framework of the various Multinational Programming and Operation Centres (MULPOCs) and in specific products including meat, edible fats and oils and beverages. A number of studies including those relating to the establishment of a regional payments system, the strengthening of existing subregional ones and the establishment of multinational mining and industrial investment banks, subregional development banks and an intra-African development aid system will have started. The studies are intended for senior policy makers and government technicians. A ministerial meeting of the Lusaka MULPOC to establish a preferential trade area will have been held; and both ministers and officials of the countries covered by the Gisenyi, Yaoundé, Tangiers

and Niamey MULPOCs will have met to consider appropriate institutional arrangements and measures aimed at expanding trade between them. Multinational/regional workshops, including major African importing and exporting countries or countries with a potential for exports represented by government officials as well as by business institutions, will have been held to promote intra-African trade in a number of products, among them meat, edible fats and oils and beverages. Supporting papers containing specific proposals will have been prepared prior to each meeting. Workshops will also have been organized to consider the findings and recommendations of studies relating to the establishment of agricultural commodity exchanges and metal exchanges.

(ii) Biennium 1980-1981

18.291 Strategy consists of undertaking studies in problem areas, organizing and servicing some 11 meetings, including five intra-African trade negotiation meetings at subregional, multinational and regional levels; organizing two symposia in conjunction with African trade fairs as well as training courses and seminars; disseminating information on intra-African trade possibilities and opportunities; and providing advisory services to countries in the region. Multinational/regional workshops, including major African importing and exporting countries or countries with a potential for exports represented by government officials as well as by business institutions, will also be held to promote intra-African trade in sugar, leather and some industrial raw materials. Workshops of purchasing officers of public utilities will also be convened to assist them in identifying and exploiting intra-African trade possibilities.

18.292 Output will consist of:

a. Studies and draft agreements on institutional arrangements for trade liberalization between the countries covered by the various MULPOCs and on intra-African trade promotion in specific products; studies on the strengthening of the agricultural commodity exchanges and the metal exchanges as a follow-up to the establishment of these exchanges; studies on the development of an effective system of market research and product identification for intra-African trade, on intra-African trade in raw materials for basic industries, on problems of transit trade with special reference to land-locked and semi-land-locked countries, on identification of barriers and obstacles to intra-African trade (including those arising from "triangular trade") as well as of measures for removing them; studies aimed at helping African countries to create and support multinational associations oriented towards the promotion of intra-African trade as well as studies aimed at establishing export credit insurance and export credit financing schemes; studies designed to monitor and co-ordinate the implementation of trade, economic co-operation, agreements and institutional arrangements on the establishment of an African Common Market; studies on an African regional payments system and on the creation and development of new subregional payments and clearing institutions within the framework of financial and monetary co-operation among African countries; studies on the establishment of multinational mining and industrial investment banks initiated from the standpoint of inter-African monetary and financial co-operation; and studies on the review of the international monetary and financial situation and assessment of its implications for African countries;

b. Collection and dissemination of information on intra-African trade possibilities and opportunities and publication of trade directories.

c. Meetings of the following groups: customs experts on transit trade; managers and heads of clearing and payments systems in the region; a working group on the establishment of multinational mining and industrial investment banks, the Intergovernmental Committee of Experts of Trade and Development and the Conference of Ministers of Commerce of OAU to consider the recommendations of the studies undertaken; the Association of African Central Banks; the Working Group of African Governors of the IMF/IBRD; the African Re-insurance Corporation; and a meeting on the promoting, strengthening, establishment and development of subregional institutes for training and research in international business and public finance;

d. Symposia on intrasubregional and intraregional trade for middle-level and senior trade executives on subregional and all-Africa bases in conjunction with African trade fairs and a regional symposium on national procurement and supplies policies and intra-African trade, and meetings of the African Procurement and Supplies Association;

e. Training courses and seminars on intra-African trade techniques, marketing and export promotion in the techniques and modalities of bilateral and regional trade negotiations among African countries; multinational/regional workshops on intra-African trade, including major African importing and exporting countries or countries with a potential for exports represented by government officials as well as business institutions, and workshops for purchasing officers from public utilities;

f. Advisory services and missions on the following topics: identification of barriers and obstacles to intra-African trade and measures for removing them; the creation, support and strengthening of multilateral associations and trade, clearing and payments institutions; the establishment of export credit insurance and export credit financing schemes and manpower development in the fields of trade, financial and monetary co-operation.

(iii) Biennium 1982-1983

18.293 The strategy will consist of: undertaking studies in critical problem areas; organizing and servicing some 10 meetings including six intra-African trade negotiation meetings at subregional, multinational and regional levels; organizing two symposia in conjunction with African trade fairs as well as training courses and seminars; disseminating information on intra-African trade possibilities and opportunities; convening multinational/regional workshops, including major African importing and exporting countries or countries with a potential for exports represented by government officials as well as by business institutions on intra-African trade, and workshops for purchasing officers from public utilities; and providing advisory services to countries in the region.

18.294 Output will consist of:

a. Studies on the following topics: intra-African trade in raw materials for basic industries; problems of transit trade, with special reference to land-locked and semi-land-locked countries; identification of barriers and obstacles to intra-African trade, including those arising from "triangular trade" and of measures for removing them, the goal being the creation and support of multinational associations oriented towards the promotion of intra-African trade as well as the establishment of export credit insurance and export credit



financing schemes; the strengthening of African agricultural commodity exchanges and metal exchanges; the establishment of an all-African association of agricultural commodity producers; the establishment of an African trade fairs organization; the harmonization of customs nomenclature in Africa at the subregional and regional levels; the updating of African trade directories at the subregional and regional levels; the monitoring and co-ordination of the implementation of trade, economic co-operation agreements and institutional arrangements; the establishment of an African common market; the strengthening of African subregional and regional clearing and payments systems; the establishment of multinational mining and industrial investment banks; the development and adoption of a standard monetary unit or units of account for clearing and payments purposes; a review of the international monetary and financial situation and assessment of its implications for African countries; other studies on the establishment of an African association of commercial banks, and the establishment and development of African subregional and regional institutes for research, planning and training in management and international marketing;

b. Collection and dissemination of information on intra-African trade possibilities and opportunities and publication of trade directories;

c. Meetings of the following groups and discussions on the following topics: customs experts on transit trade; the establishment of an African trade fairs organization; the harmonization of African customs nomenclatures; the Association of African Central Banks; African governors of IMF/IBRD; the managers and heads of African multinational clearing and payments institutions; the establishment of multinational mining and industrial investment banks of the African Re-insurance Corporation; African subregional and regional institutes for research, planning and training in management and international marketing; and the OAU Intergovernmental Committee of Experts on Trade and Development and the Conference of Ministers of Commerce to consider the recommendations of the studies undertaken;

d. Training courses and workshops for representatives of purchasing departments of public utilities with a view to assisting them in identifying and exploiting intra-African trade possibilities (in collaboration with the Public Administration Management and Manpower Division of ECA and in connexion with the Project 9.506.26 (i)); multinational/regional workshops on intra-African trade including major importing and exporting countries or countries with a potential for export represented by government officials as well as by business institutions; workshops for purchasing officers from public utilities; and advisory services to countries in the region;

e. Symposia on intrasubregional and intraregional trade for middle level and senior trade executives at the subregional and regional levels in conjunction with African trade fairs;

f. Advisory services and missions on the identification of barriers and obstacles to intra-African trade and measures for removing them; on the creation, support and strengthening of subregional and regional trade promotion and preferential areas as well as financial, monetary and clearing and payments institutions; on establishment of export credit insurance and export credit financing schemes; and on manpower development in the fields of trade, financial and monetary co-operation.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

18.295 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

18.296 No objective indications of the impact of this programme are possible, but it is expected that the implementation of the strategy will lead to substantial liberalization and expansion of intra-African trade. This is likely to occur at the intrasubregional level, where the establishment of preferential trade areas and other arrangements is expected to open up new trade opportunities between the countries covered by the various MULPOCs, and at the intersubregional level, where direct trade negotiations on specific products should take place. A number of obstacles to trade, such as lack of adequate information, tariff and non-tariff barriers, and lack of adequate payment arrangements, are expected to be, if not overcome, at least substantially alleviated in the process.

SUBPROGRAMME 2: TRADE WITH NON-AFRICAN COUNTRIES

(a) Objectives

18.297 The objective of this subprogramme is to assist African countries in improving significantly the conditions under which their trade with developed market economy countries takes place and in expanding their trade with other developing regions and socialist countries.

(b) Problems addressed

18.298 Africa's trade with the developed market economy countries gives rise to two main series of problems. The first arises from the sheer preponderance of these countries' share of Africa's external trade, i.e. to the extent that this entails a marked degree of dependence on exports to and imports from this particular group of countries which accounted respectively for 83.9 per cent and 79.9 per cent in 1976, and conversely from a lack or insufficiency of trading relations with other developing regions and countries with centrally planned economies. The second series of problems stems from the very conditions under which trade with developed market economy countries continues to take place, i.e. the less than remunerative level, with a few exceptions, of the unit prices of African commodity exports, the lack of stability thereof, the tariff and non-tariff barriers imposed on these exports, especially at the semi-processed and processed stages, the high prices of imports coming from this category of countries, etc. To assist in tackling these problems, it is essential not only that studies and advisory and training activities be undertaken, but also that assistance be given to member States in harmonizing their stands thereon at the regional level.

(c) Legislative authority

18.299 Legislative authority for this subprogramme derives from General Assembly resolutions 3202 (S-VI) and 3362 (S-VII) of 1 May 1974 and 16 September 1975; Economic Commission for Africa resolutions 260 (XII), 292 (XIII) and 325 (XII), the Colombo Action Programme for Economic Co-operation, 39/ the report of the

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39/ See A/31/197, annex III.

(d) Strategy and output

(i) Situation at the end of 1979

18.300 A major part of the subprogramme elements will have been implemented by the end of 1979 in respect of studies relating to commodities, trade preferences, joint procurement and export promotion, restructuring of trade institutional arrangements, improvement of trading conditions with developed market economy countries, and trade expansion with non-traditional trading partners, such as the other developing regions and socialist countries. Work concerning multilateral trade negotiations is expected to have been completed by the end of 1979 since those negotiations themselves are expected to come to a close by the end of 1978. Advisory missions, seminars, meetings and expert working groups will have been convened to assist member States in monitoring, strengthening and co-ordinating the implementation of trade and economic agreements and institutional arrangements. A project on the systematic dissemination of information on trade with non-African countries and the establishment of a regional trade intelligence service, with a view in particular to the identification of the most advantageous sources of imports, is expected in 1979. Studies prepared under the subprogramme are intended for senior policy makers and government technicians.

(ii) Biennium 1980-1981

18.301 The main elements of this subprogramme will consist of: studies intended to assist in improving the conditions under which Africa's trade with the developed market economy countries takes place, and to assist in expanding trade with other developing regions and countries with centrally planned economies; working groups, seminars and conferences with a view to assisting member States in deepening their understanding of the issues involved and harmonizing their views thereon; and advisory assistance to member States in the elaboration and implementation of related policies and measures.

18.302 Studies to be undertaken will relate to the establishment of joint import procurement policies and joint pooling of key imports; the development of integrated commodity policies including exploitation, exploration, production, processing, and trade policies; the development of trade with socialist countries; a biennial review of progress in intergovernmental collective action in the field of international trade; the establishment of an African association of State trade organizations; the identification of barriers and obstacles to improvement and expansion of trade relations with other developing countries and measures for removing them; the establishment of multinational import and export enterprises; and the establishment of a trade information and joint market research system among developing countries.

18.303 Seminars and working groups will deal with the establishment of joint import procurement policies and joint pooling of key imports; the development of integrated commodity policies including exploitation, exploration, production, processing and trade policies; Africa's trade with socialist countries; and

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40/ See A/C.2/31/7, part one.

in-service training programmes in trade promotion, marketing and export promotion. In addition, meetings of the African Group will be held in conjunction with the Trade and Development Board of UNCTAD, with institutions set up within the framework of the Lomé Convention, with meetings of the Group of Seventy-seven to be convened within the framework of the implementation of the Mexico programme of action on economic co-operation among developing countries, and with UNCTAD's Committee on Economic Co-operation among developing countries.

18.304 Assistance to countries and territories will include advisory services and missions in the establishment of multinational import and export enterprises; the development of personnel in the field of trade; the creation of regional and subregional training institutions offering programmes in international trade negotiations, international marketing, export promotion and documentation; and the monitoring and co-ordinating of the implementation of trade and economic co-operation agreements and institutional arrangements.

(iii) Biennium 1982-1983

18.305 The main elements of this subprogramme will consist of: studies intended to assist in improving the conditions under which Africa's trade with the developed market economy countries takes place, and to assist in expanding trade with other developing regions and countries with centrally planned economies; working groups, seminars and conferences with a view to assisting member States in deepening their understanding of the issues involved and harmonizing their views thereon; and advisory assistance to member States in the elaboration and implementation of related policies and measures.

18.306 Studies will deal with possibilities of joint import procurement and joint pooling of key imports; the establishment of multinational import and export enterprises; the development of integrated commodity policies including exploitation, exploration, production, processing and trade policies; the identification of barriers and obstacles to improvement and expansion of trade relations with other developing countries and measures for removing them; and African trade with socialist countries.

18.307 Seminars and working groups will deal with the following topics: African trade with socialist countries; the development of integrated commodity policies including exploitation, exploration, production, processing and trade policies; in-service training of trade promotion officers; and trade promotion regarding Africa's trade with other developing regions. In addition, African ministerial meetings will be organized in conjunction with the Trade and Development Board, and expert group meetings of the Group of Seventy-seven will also be held to examine issues relating to financial and monetary co-operation among developing countries.

18.308 Assistance to countries and territories will include advisory services and missions in the establishment of multinational import and export enterprises and assistance in the establishment of State trading organizations; the development of personnel in the field of trade; the creation of regional and subregional training institutions offering programmes in international trade negotiations, international marketing, export promotion and documentation; and monitoring and co-ordinating the implementation of trade and economic co-operation agreements and institutional arrangements.

- (iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

18.309 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

18.310 Successful implementation of this strategy should lead to:

- (i) A better understanding by member States of the issues involved and the various implications for them of restructuring Africa's trade with developed market economy countries and of expanding trade relations with other developing regions and countries with centrally planned economies;
- (ii) Harmonization of African positions on the above-mentioned issues as a preliminary step to participation in international negotiations and consultations thereon;
- (iii) Development of national, subregional and regional capabilities and skills to engage in international negotiations on these issues and safeguard African interests therein;
- (iv) Adoption of policy decisions in the form of bilateral, subregional and international agreements to bring substantial improvements in trade with developed market economy countries and expand trade with other developing regions and countries with a centrally planned economy.

SUBPROGRAMME 3: INTERNATIONAL FINANCIAL AND MONETARY POLICIES

(a) Objectives

18.311 This subprogramme aims at assisting member States in reviewing and monitoring the international monetary and financial situation and assessing its implications for them, and in optimizing their financial and monetary relations with the developed world and other developing regions.

(b) Problem addressed

18.312 Over the last few years, in particular since the breakdown of the Bretton Woods agreements, the international financial and monetary situation has been characterized by a series of developments that have had and continue to have far-reaching implications for the trade and development of African countries. It is also quite clear that the international monetary reform exercise which took place recently has left a number of problems of fundamental importance to African countries unsolved. At the same time, African countries have been facing severe debt problems with the result that debt servicing accounts for 30 per cent of the export earnings of some of them. In the face of these problems stemming principally from trade and financial relations with the developed world, there is a growing awareness of the need, not only to optimize these relations but also to strengthen financial co-operation with other third world countries within the spirit of collective self-reliance among developing regions.

(c) Legislative authority

18.313 Legislative authority for this subprogramme derives from Economic Commission for Africa resolutions 30 (III), 41/ 87 (V) 41/ and 324 (XIII); General Assembly resolutions 3202 (S-VI) of 1 May 1974 and 3362 (S-VII) of 16 September 1975; the Colombo Action Programme for Economic Co-operation; 42/ the report of the Mexico Conference on Economic Co-operation among Developing Countries; 43/ and the Declaration and Programme of Action on Afro-Arab Co-operation.

(d) Strategy and output

(i) Situation at the end of 1979

18.314 The international monetary and financial situation will have been reviewed with a view to assessing its implications for African countries and its impact on their economies. Studies, intended for senior policy makers and government technicians, on financial and monetary co-operation between Africa and two other developing regions, including possible linkages of clearing arrangements, will have been undertaken. Stock is also expected to have been taken of progress accomplished in intergovernmental collective action in the financial and monetary fields. Seminars and meetings will have been held to deepen member States' understanding of the issues involved and to assist them in defining African positions thereon.

(ii) Biennium 1980-1981

18.315 Strategy will consist of keeping under constant review the international monetary and financial situation facing African countries and assisting member States in developing and strengthening financial and monetary co-operation with other developing countries and in safeguarding their interests therein. Meetings will also be organized to assist member States in harmonizing their stands on the current international financial and monetary situation and on financial and monetary co-operation with other developing countries.

18.316 Output will consist of a review of the international monetary and financial situation including debt problems and assessment of its implications for African countries; studies on monetary and financial co-operation among developing countries, including interregional payment arrangements, and on monetary and financial co-operation among developing countries, including the creation of interregional monetary units; meetings of the Association of African Central Banks and its subregional committees, of African Governors of IMF/IBRD, of the Centre for African Monetary Studies, of intergovernmental experts to harmonize African stands on clearing and payment arrangements with other developing regions, and of the Group of 77's expert group to examine issues relating to financial and monetary co-operation among developing countries.

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41/ Mandate more than five years old.

42/ See A/31/197, annex III.

43/ See A/C.2/31/7, part one.

(iii) Biennium 1982-1983

18.317 Strategy will consist of keeping under constant review the international monetary and financial situation facing African countries and assisting member States in developing and strengthening financial and monetary co-operation with other developing countries and in safeguarding their interests therein. Meetings will also be organized to assist member States in harmonizing their stands on the current international financial and monetary situation and on financial and monetary co-operation with other developing countries.

18.318 Activity will include a review of the international monetary and financial situation including debt problems and assessment of its implications for African countries; studies on monetary and financial co-operation among developing countries, including interregional payment arrangements, and on monetary and financial co-operation among developing countries, including the creation of interregional monetary units; meetings of the Association of African Central Banks and its subregional committees, of African Governors of IMF/IBRD, of the Centre for African Monetary Studies, of intergovernmental experts to harmonize African stands on clearing and payment arrangements with other developing regions, and of the expert group of the Group of 77 to examine issues relating to financial and monetary co-operation among developing countries.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and legislation requiring them

18.319 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

18.320 The strategy is expected to assist member States in deepening their understanding of the international financial and monetary situation against which African development efforts are being undertaken and of the possible repercussions thereof on their economies, and in devising national, subregional and regional policies aimed at safeguarding their interests; in identifying and assessing possibilities of co-operation between Africa and other developing regions in the financial and monetary field and in adopting subregional or regional policies aimed at concretizing this co-operation in the form of interregional arrangements between African countries on the one hand, and Latin American and Arab countries on the other.

PROGRAMME 12: ECE: INTERNATIONAL TRADE

A. Organization

1. Intergovernmental review

18.321 The work of the secretariat in this programme is reviewed by the ECE Committee on the Development of Trade which meets every year. The last meeting was held from 28 November to 2 December 1977. This plan has not been approved formally by this body, but reflects in general terms the programme of work for 1978-1982, adopted by the Committee at its last session.

2. Secretariat

18.322 The secretariat unit responsible for this programme is a section of the Trade and Technology Division involving the work of eight Professional staff members as at 31 December 1977, none of whose posts was supported from extrabudgetary sources. The Division had no specific units as at 31 December 1977.

3. Expected completions

18.323 The following programme elements described in paragraph 6.24 of the proposed programme budget for the biennium 1978-1979 44/ are expected to be completed:

(a) In 1978-1979: 1.2, Review of the effects of structural changes in the economy of the ECE countries on the composition and geographical pattern of trade; 1.6, Co-operation with the Senior Economic Advisers to ECE Governments on the over-all economic perspective for the ECE region to 1990; 1.8, Study of the possibilities of creating a multilateral system of notification of laws and regulations concerning foreign trade and changes therein; 3.5, Elaboration of a guide for drawing up international contracts between parties associated for the purpose of executing a specific project; 4.1, Facilitation of international trade procedures (several recommendations on action in this field are to be issued and a trade facilitation manual is to be published in 1979 as a loose-leaf publication to be continuously kept up to date); 4.3, Examination of trade aspects of international standardization and certification procedures (a recommendation on guidelines for certification is expected during this period); and 4.4, Preparation of a manual on licensing procedures and related aspects of technology transfer.

(b) In 1980-1981: 1.4, Review of developments in subregional economic groupings affecting intraregional trade; 4.1, Facilitation of trade procedures (several recommendations are expected during the period); 4.3, Examination of trade aspects of international standardization and certification procedures (several recommendations are expected during the period); and 5.4, Study of the potential scope and methods of closer commercial and industrial co-operation among the economically developing member countries of ECE as well as between these countries and the other ECE countries and non-member Mediterranean countries.

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44/ Official Records of the General Assembly, Thirty-second Session, Supplement No. 6 (A/32/6 and Corr.1 and 2), vol. I.



## B. Co-ordination

### 1. Formal co-ordination within the secretariat

18.324 Co-ordination is maintained with UNCTAD and the other regional commissions.

### 2. Formal co-ordination within the United Nations system

18.325 The ECE Committee on the Development of Trade reports to the Economic Commission for Europe, which in turn reports to the Economic and Social Council.

### 3. Units with which significant joint activities are expected during the period 1980-1983

18.326 During the period 1980-1983 it is expected that significant joint activities will be carried out with all ECE Principal Subsidiary Bodies, particularly with the Senior Economic Advisers and Senior Advisers on Science and Technology; the Economic Commission for Latin America; and the United Nations Conference on Trade and Development.

## C. Allocation of resources to subprogrammes

18.327 The trend in the percentage allocation of resources to subprogrammes is expected to be approximately as shown in the following table:

Allocation of resources to subprogrammes  
(Percentage)

| Subprogramme                                                                                       | 1978-1979      |                         | 1980-1981      |                         | 1982-1983      |                         |
|----------------------------------------------------------------------------------------------------|----------------|-------------------------|----------------|-------------------------|----------------|-------------------------|
|                                                                                                    | Regular budget | Extra-budgetary sources | Regular budget | Extra-budgetary sources | Regular budget | Extra-budgetary sources |
| 1. Trade trends, policies and problems in the ECE region                                           | 25             | 25                      | 25             | 25                      | 25             | 25                      |
| 2. Removal of obstacles to intraregional trade and trade promotion and diversification             | 20             | 20                      | 20             | 20                      | 20             | 20                      |
| 3. Industrial co-operation                                                                         | 25             | 25                      | 25             | 25                      | 25             | 25                      |
| 4. Improvement of international trade procedures and practices                                     | 20             | 20                      | 20             | 20                      | 20             | 20                      |
| 5. Trade problems of the ECE member countries which are developing from the economic point of view | 10             | 10                      | 10             | 10                      | 10             | 10                      |
| Total                                                                                              | 100            | 100                     | 100            | 100                     | 100            | 100                     |

#### D. Subprogramme narratives

##### SUBPROGRAMME 1: TRADE TRENDS, POLICIES AND PROBLEMS IN THE ECE REGION

###### (a) Objective

18.328 The objective of this subprogramme is to provide a framework for reviewing recent and prospective trade trends, policies and problems in the ECE region with a view to exchanging information and experience useful to the ECE Governments in formulating their economic and trade policies.

###### (b) Problems addressed

13.329 As a result of economic interdependence of ECE countries, fluctuations in their trade may be harmful for their external and internal equilibrium and may sometimes induce Governments to resort to safeguard measures reducing trade opportunities. In the longer run it is necessary to adapt the economies of ECE countries to changing external economic conditions; this also makes it desirable to undertake periodic exchanges of information on trade trends, policies and problems.

###### (c) Legislative authority

18.330 All activities in this subprogramme are based on decisions by the Committee on the Development of Trade (ECE/TRADE/126) endorsed by the Economic Commission for Europe at its annual session in resolution 1 (XXXII). Some modifications in the Committee's programme of work, agreed at its twenty-sixth session (ECE/TRADE/128), will be submitted for the Commission's approval at its thirty-third session.

###### (d) Strategy and output

###### (i) Situation at the end of 1979

18.331 By the end of 1979 several continuing projects will have been pursued. Two major studies, respectively on programme elements 1.2 (Review of the effects of structural changes in the economy of ECE countries on the composition and geographical pattern of trade) and 1.6 (Co-operation with the Senior Economic Advisers to ECE Governments on the over-all economic perspective for the ECE region to 1990) as well as another study undertaken within the programme element 1.5 (Review of interregional trade with special reference to the expansion of trade with the developing countries) will have been completed. New studies will have been undertaken in other programme elements. Some ad hoc expert meetings will have been held.

###### (ii) Biennium 1980-1981

18.332 Continuing projects on review of trade trends and interregional trade will be pursued. Studies under programme elements 1.4 (Review of developments in subregional economic groupings affecting intraregional trade) and 1.8 (Study of the possibilities of creating a multilateral system of notification of laws and regulations concerning foreign trade and changes therein) will be completed. New studies within the programme element 1.5 (Review of interregional trade with special reference to the expansion of trade with the developing countries) will be undertaken. Some ad hoc meetings of experts will be held.

(iii) Biennium 1982-1983

18.333 Continuing projects are expected to be pursued along similar lines as during the period ending in 1981. Ad hoc projects cannot be planned at this moment.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

18.334 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

18.335 It is expected that implementation of the programme will provide necessary background and material for ECE Governments in formulating their economic and trade policies.

SUBPROGRAMME 2: REMOVAL OF OBSTACLES TO INTRAREGIONAL TRADE AND TRADE PROMOTION AND DIVERSIFICATION

(a) Objective

18.336 The objective of this subprogramme is to assist ECE Governments in elaborating measures for the reduction or progressive elimination of all kinds of obstacles to the development of intraregional trade and trade promotion and diversification.

(b) Problems addressed

18.337 Identification of the obstacles to the development of intraregional trade is the first condition of their reduction or progressive elimination. Promotion and diversification of trade are also necessary in order to increase East-West trade flows.

(c) Legislative authority

18.338 All projects of this subprogramme are based on decisions by the Committee on the Development of Trade (ECE/TRADE/126) endorsed by the Economic Commission for Europe at its annual session in resolution 1 (XXXII). Some modifications in the Committee's programme of work, agreed at its twenty-sixth session (ECE/TRADE/128), will be submitted for the Commission's approval at its thirty-third session.

(d) Strategy and output

(i) Situation at the end of 1979

18.339 All continuing projects and particularly a project concerning maintenance of the inventory of all kinds of obstacles to trade will have been pursued until the end of 1979. An ad hoc meeting of experts on problems connected with obstacles to trade as well as a seminar on marketing will have been held.

(ii) Biennium 1980-1981

18.340 All continuing projects on removal of obstacles and trade promotion will be pursued during this period with some intensification of work under projects concerning the transfer of economic and commercial information. Another seminar on marketing will be held and its results will be published by the secretariat.

(iii) Biennium 1982-1983

18.341 All continuing projects will be pursued during this period. Ad hoc meetings of experts, seminars and specific studies cannot yet be planned exactly. It can be expected, however, that there will be further intensification of work on the improvement of transfer of economic and commercial information. Elaboration of practical proposals and recommendations aiming at the reduction of progressive elimination of obstacles to trade can also be expected.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

18.342 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

18.343 Identification of all kinds of obstacles to trade will assist ECE Governments in elaborating measures aiming at their removal which, in turn, will strengthen trade relations in the ECE region. Co-operation in the field of marketing and better transfer of economic and commercial information will contribute to the promotion and diversification of intraregional trade.

SUBPROGRAMME 3: INDUSTRIAL CO-OPERATION

(a) Objective

18.344 The objective of this subprogramme is to assist ECE Governments in elaborating measures aimed at developing industrial co-operation and thus at promoting and diversifying intraregional trade.

(b) Problems addressed

18.345 Intraregional trade should be promoted and diversified in order to ensure its steady development. One of the main means of achieving this is the development of industrial co-operation and the undertaking of certain large-scale investment projects of common interest related to energy resources, raw material utilization and transport between countries with different economic and social systems. Opportunities for such co-operation are not, however, fully utilized because of existing obstacles such as insufficient flow of information, lack of pre-feasibility studies and inadequacy of procedures and practices.

(c) Legislative authority

346 All projects of this subprogramme are based on decisions by the Committee on the Development of Trade (ECE/TRADE/126) endorsed by the Economic Commission for Europe at its annual session in resolution 1 (XXXII). Some modifications in the Committee's programme of work, agreed at its twenty-sixth session (ECE/TRADE/128), will be submitted for the Commission's approval at its thirty-third session.

(d) Strategy and output

(i) Situation at the end of 1979

18.347 By the end of 1979 continuing projects on short- and long-term trends and prospects, as well as on collection and dissemination of information, will have

been pursued. Updating of the "Analytical report on industrial co-operation among ECE countries" and the "Guide for drawing up industrial contracts between parties.. associated for the purpose of executing a specific project" will have been completed.

(ii) Biennium 1980-1981

18.348 All continuing projects will be pursued during this period. Elaboration of country manuals on legal and economic framework for industrial co-operation will be undertaken. A major study on financing aspects of industrial co-operation will be completed. It may be expected that a new ad hoc meeting of experts will be convened. Elaboration of practical proposals and recommendations aimed at promoting industrial co-operation can be expected as well.

(iii) Biennium 1982-1983

18.349 All continuing projects will be pursued during this period. It can be expected, however, that work aiming at improving the dissemination of information on opportunities and framework for industrial co-operation will be intensified.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

18.350 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

18.351 Intensified exchange of information on existing opportunities and problems as well as elaboration of practical proposals and recommendations will contribute to the development of industrial co-operation in the ECE region.

SUBPROGRAMME 4: IMPROVEMENT OF INTERNATIONAL TRADE PROCEDURES AND PRACTICES

(a) Objective

18.352 The objective of this subprogramme is to promote the development of trade through elaboration of standards and procedures.

(b) Problems addressed

18.353 Facilitation of international trade procedures: approximately 100 forms must be filled in for each transaction to move goods in international trade and to secure payment. This poses a major impediment to such trade.

18.354 Publication of guides and manuals: the conclusion of contracts of sale in East-West trade as well as contracts for licensing and/or industrial co-operation may present special problems due to differences in the economic and social systems in the countries of the parties to the contract. Guides and manuals published under the auspices of ECE address these problems and indicate solutions that can be recommended.

18.355 Certification arrangements: arrangements for the mutual acceptance of certificates of conformity are presently limited to bilateral agreements or arrangements between countries belonging to the same regional economic grouping.

Testing and certification are already major non-tariff barriers to international trade and must be addressed by working out intergovernmental agreements accepted as widely as possible.

(c) Legislative authority

18.356 The Committee on the Development of Trade reviews its programme of work annually. Work area 5 of the programme enumerates the projects relevant for this subprogramme. (See ECE/TRADE/128, annex, projects 15.1.1 to 5.) The Working Party on Facilitation of International Trade Procedures also reviews its programme of work annually; there are some 60 projects described in document TRADE/WP.4/R.38.

(d) Strategy and output

(i) Situation at the end of 1979

18.357 Facilitation of international trade procedures: the Working Party on Facilitation of International Trade Procedures issued seven recommendations by the end of 1977. In 1978 and 1979 it is expected that the Working Party will issue some six further recommendations. A trade facilitation manual will be issued in 1979.

18.358 Publication of guides and manuals: the Group of Experts on Contract Practices in Industry is currently working on a guide on drawing up contracts for consortia to be issued in 1978. The manual will be published in 1979.

18.359 Certification arrangements: this is a new project agreed to in 1976 by the Committee on the Development of Trade taking into account the relevant passages in the Final Act of CSCE. In 1977 the Committee studied the matter on the basis of a note by the secretariat describing existing arrangements.

(ii) Biennium 1980-1981

18.360 Facilitation of international trade procedures: the programme of work for trade facilitation is being reviewed making use of the systems analysis method. Concrete problems addressed in 1980-1981 are therefore difficult to identify at present; the work for trade facilitation, i.e. on data requirements and documentation and on automatic data processing, will continue.

18.361 Publication of guides and manuals: The Committee on the Development of Trade is expected to continue to give attention to projects on preparation of guides and manuals. The Group of Experts may study the methodology of applying the (1976) Guide on Drawing up Contracts for Industrial Co-operation.

18.362 Certification arrangements: it is at present not possible to describe the activities that might be requested by the Committee on the Development of Trade, which could range from requests for studies to instructions for setting up concrete arrangements.

(iii) Biennium 1982-1983

18.363 Strategy and output will be as described under (ii) above for the 1980-1981 biennium.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

18.364 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

18.365 Facilitation of international trade procedures: new data requirements imposed on participants in international trade for reasons of trade policy, or for use in connexion with transport, transit or customs conventions will continue to be aligned with the basic international (ECE) standard agreed in 1963 and formally recommended in 1972. This will allow the use of office machines for the automatic production of all trade documents for the same transaction on the basis of a master document, thus reducing the cost of paper work by as much as 70 per cent for small and medium-sized enterprises. An internationally agreed standard for trade data interchange will be available making possible further important reductions in the cost of international trade transactions for enterprises and authorities using computerized procedures.

18.366 Publication of guides and manuals: availability of information published in guides and manuals contributes to the knowledge needed for entering into and conducting East-West trade. The material is also used for teaching purposes.

18.367 Certification arrangements: agreements between Governments concerning mutual acceptance of tests bring many advantages such as reduced overhead costs for international trade through the speeding up of import procedures and less paper work; increased competition resulting in lower prices for products traded internationally; and abolition of a non-tariff barrier.

SUBPROGRAMME 5: TRADE PROBLEMS OF THE ECE MEMBER COUNTRIES WHICH ARE DEVELOPING FROM THE ECONOMIC POINT OF VIEW

(a) Objective

18.368 The objective of this subprogramme is to identify the trade problems and contribute to the trade expansion of the ECE member countries which are developing from the economic point of view.

(b) Problem addressed

18.369 These countries encounter special difficulties in their trade, particularly in promotion of their exports, and are not as well equipped as those of the rest of the region to solve these difficulties.

(c) Legislative authority

18.370 All projects of this subprogramme are based on decisions by the Committee on the Development of Trade (ECE/TRADE/126) endorsed by the Economic Commission for Europe at its annual session in resolution 1 (XXXII). Some modifications in the Committee's programme of work, agreed at its twenty-sixth session (ECE/TRADE/128), will be submitted for the Commission's approval at its thirty-third session.



(d) Strategy and output

(i) Situation at the end of 1979

18.371 Three continuing projects contained in this subprogramme will have been pursued: 5.1, Review of intraregional trade with special reference to the expansion of trade with the member countries of ECE that are developing from the economic point of view; 5.2, Identification and examination of trade problems specific to the member countries of ECE which are developing from the economic point of view and consideration of action in respect of identified problems; and 5.3, Measures to improve trade promotion efforts of the member countries of ECE which are developing from the economic point of view. A study on the economic consequences of temporary migration will have been completed.

(ii) Biennium 1980-1981

18.372 Continuing projects will be pursued. A study on the potential scope and methods of closer commercial and industrial co-operation among the member countries of ECE which are developing from the economic point of view as well as between these countries and other ECE countries and non-member Mediterranean countries will be completed.

(iii) Biennium 1982-1983

18.373 Continuing projects are expected to be pursued along similar lines as during the period ending in 1981. Specific studies cannot yet be planned.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

18.374 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

18.375 No quantitative indicators of the impact of this subprogramme are possible. It is expected, however, that the implementation of this subprogramme will contribute to the identification and to the solution of specific trade problems of the ECE countries which are developing from the economic point of view.

PROGRAMME 13: ECLA: INTERNATIONAL TRADE

A. Organization

1. Intergovernmental review

18.376 The work of the secretariat in this programme is reviewed by the Economic Commission for Latin America (ECLA), which meets every two years. The last session was in April/May 1977. This plan has not been approved by this body.

2. Secretariat

18.377 The secretariat unit responsible for this programme is the International Trade and Development Division, in which there were 22 Professional staff members as at 31 December 1977; three posts were supported from extrabudgetary sources.

3. Expected completions

18.378 The following programme elements described in paragraph 8.36 of the proposed programme budget for the biennium 1978-1979 44/ are expected to be completed:

(a) In 1978-1979:

- (i) Subprogramme 1: Meetings and other activities connected with the progress of the negotiations about the new international economic order.
- (ii) Subprogramme 2: Study and meeting on Latin America economic integration.
- (iii) Subprogramme 3: Studies and meetings about foreign debt, regional and international financial co-operation, and management of reserves.
- (iv) Subprogramme 4: Study on economic relations with Europe. Study and meeting on economic relations with the member countries of the Council for Mutual Economic Assistance.
- (v) Subprogramme 5: Studies and reports on Caribbean trade.

(b) In 1980-1981: Specific studies and meetings to be finally defined, in accordance with the needs of the negotiations on the new international economic order, after completion of studies to be finished in 1978-1979. A study and meeting about relations between Latin America and Japan will be finished during this period also.

## B. Co-ordination

### 1. Formal co-ordination within the secretariat

18.379 This is effected through the normal channel of the Programme Office of the Executive Secretariat.

### 2. Formal co-ordination within the United Nations system

18.380 Formal co-ordination will be effected with the United Nations Conference on Trade and Development, the regional commissions, the International Bank for Reconstruction and Development, the International Monetary Fund and the Department of International Economic and Social Affairs of the Secretariat (Centre for Development Planning, Projections and Policies).

### 3. Units with which significant joint activities are expected during the period 1980-1983

18.381 Significant joint activities are expected with UNCTAD, the regional commissions, IBRD and IMF.

## C. Allocation of resources to subprogrammes

18.382 The trend in the percentage allocation of resources to subprogrammes is expected to be approximately as shown in the following table:

ALLOCATION OF RESOURCES TO SUBPROGRAMMES  
(Percentage)

| Subprogramme                                                           | 1978-1979      |                         |       | 1980-1981      |                         |       | 1982-1983      |                         |       |
|------------------------------------------------------------------------|----------------|-------------------------|-------|----------------|-------------------------|-------|----------------|-------------------------|-------|
|                                                                        | Regular budget | Extra-budgetary sources | Total | Regular budget | Extra-budgetary sources | Total | Regular budget | Extra-budgetary sources | Total |
| 1. Latin America and the new international economic order              | 27             | -                       | 22    | 37             | -                       | 31    | 28             | -                       | 23    |
| 2. Latin America's economic relations with the main areas of the world | 22             | -                       | 18    | 19             | -                       | 15    | 19             | -                       | 15    |
| 3. Monetary and financial system                                       | 9              | 50                      | 15    | 9              | 44                      | 15    | 9              | 44                      | 15    |
| 4. Economic integration and co-operation among developing countries    | 42             | 50                      | 45    | 35             | 56                      | 39    | 44             | 56                      | 47    |
| Total                                                                  | 100            | 100                     | 100   | 100            | 100                     | 100   | 100            | 100                     | 100   |

D. Subprogramme narratives

SUBPROGRAMME 1: LATIN AMERICA AND THE NEW INTERNATIONAL ECONOMIC ORDER

(a) Objective

18.383 The objective of this subprogramme is to analyse the trends of the international economy, the transformations in the international economic order and the modifications in the internal economic policies of the countries of Latin America, and to draw conclusions and establish criteria for action.

(b) Problem addressed

18.384 The important changes taking place in the world economy and in the international economic system, in the role played in them by the Latin American countries, and in the external policies of the latter, make it vital to provide these countries with technical background material on the implications of these events and the possible courses of action.

(c) Legislative authority

18.385 Legislative authority for the subprogramme derives from the International Development Strategy: General Assembly resolution 2626 (XXV) of 24 October 1970; resolutions on the new international economic order: General Assembly resolutions 3201 (S-VI), 3202 (S-VI) and 3281 (XXIX) of 1 May 1974 and 12 December 1974 respectively; ECLA resolutions 370 (XVII), 368 (XVII), 369 (XVII) and 381 (XVII); and section III of the Chaguaramas Appraisal.

(d) Strategy and corresponding output

(i) Period 1980-1983

18.386 Using a short- or long-term approach, depending on the case, steps will be taken to: (a) analyse the changes taking place in the international economy from the regional point of view; (b) analyse the transformations in the economy and the external relations of Latin America and possible alternative modifications in the international economic order; (c) review more specifically, according to requirements, the trade in manufactures and basic products and the aspects of technological relations with the exterior; and (d) analyse external trade policy strategies and instruments of the Latin American countries. In addition to the diagnosis, an analysis will be made of the main policy options which the countries of the region could follow in these areas in order to obtain useful criteria for action.

(ii) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

18.387 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

18.388 Using these analyses, the countries of the region should receive specific and useful criteria for formulating strategies and policies in these areas, and for improving their participation in international forums and negotiations.

SUBPROGRAMME 2: LATIN AMERICA'S ECONOMIC RELATIONS WITH THE MAIN AREAS OF THE WORLD

(a) Objective

18.389 The objective of this subprogramme is to examine specifically and in some detail Latin America's relations with some of the most important areas, both of the market economies and of the centrally planned economies, and to obtain useful elements for identifying new forms of co-operation with such areas and improving those forms already in use.

(b) Problem addressed

18.390 The problems and possibilities of Latin American co-operation with each of the main areas have special features which require a specific review of each case in order to reach conclusions of real use for action.

(c) Legislative authority

18.391 Legislative authority for the subprogramme derives from resolutions on the new international economic order: General Assembly resolutions 3201 (S-VI), 3202 (S-VI) and 3281 (XXIX) of 1 May 1974 and 12 December 1974 respectively; and ECLA resolutions 368 (XVII) and 370 (XVII).

(d) Strategy and corresponding output

(i) Period 1980-1983

18.392 The relations of Latin American countries with certain selected areas will be analysed in the fields of trade (exports and imports), technology, private investment and financing, taking into account the requirements resulting from the increasing advance of Latin American countries into a stage of semi-industrialization. The division of labour and Latin America's specialization with regard to each of these areas will receive priority. The trends and problems of these relations, their prospects and possible new forms of co-operation which are more in consonance with the present stage of development of the Latin American countries will be reviewed. Account will be taken of the cases of those countries which are at different stages of development.

(ii) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

18.393 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

18.394 It will be possible to obtain from these analyses criteria which will assist the Governments of the region in planning suitable policies and actions with regard to these relations and in improving the negotiation of changes in their relations with each of them.

SUBPROGRAMME 3: MONETARY AND FINANCIAL SYSTEM

(a) Objective

18.395 The objective of this subprogramme is to analyse the problems of the external financing of Latin America and the effects of the foreseeable evolution of the international financial situation, including possible reforms in the monetary system, and to analyse possible machinery and policies which will assist the countries in dealing with the limitations of the monetary system as regards readjustment and the generation of liquid currency.

(b) Problem addressed

18.396 In very general terms, the problems of the developing countries in connexion with the monetary system or the international financial system are of

similar types. The different regions, however, and Latin America in particular, have specific characteristics which condition the type of co-operation policies and methods considered most suitable. In the case of Latin America, the level of development that the region has achieved, its contacts with the international financial markets, and the efforts already made towards integration and co-operation, regionally and subregionally, should be taken into consideration in any realistic definition of suitable policies. The participation of the Latin American countries in the forums where these matters are negotiated requires adequate technical support in order to complement the backing which these countries receive from the international agencies.

(c) Legislative authority

18.397 Legislative authority for this subprogramme derives from resolutions on the new international economic order: General Assembly resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974 and 3281 of 12 December 1974; and ECLA resolutions 364 (XVII) and 370 (XVII).

(d) Strategy and corresponding output

(i) Period 1980-1983

18.398 Work will continue on the analysis of the regional and international co-operation systems, the latter from the Latin American viewpoint. The possible consequences of the changes taking place in official and private financial flows will be reviewed. An endeavour will be made to identify and review new methods and instruments to reinforce short- and long-term external financial resources, bearing in mind both the common features of these and other developing countries and their special requirements. A review will be made of policies and instruments for improving regional financial co-operation both in connexion with medium- and long-term capital flows and with the promotion of area trade.

(ii) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

18.399 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

18.400 The analyses carried out will be of use to the Governments of the region in evaluating the impact of external events on their economies and in making a better choice of policy alternatives as regards external financing.

SUBPROGRAMME 4: ECONOMIC INTEGRATION AND CO-OPERATION AMONG DEVELOPING COUNTRIES

(a) Objective

18.401 The objective of this subprogramme is to review the progress and problems of economic co-operation, especially at the regional and subregional levels, and to analyse new forms of expanding and amplifying this co-operation.

(b) Problem addressed

18.402 Although they have made progress, the integration processes in Latin America have encountered problems and limitations which have slowed their advance.

New modes of co-operation, not originally provided for in the formal integration systems, have also appeared. ECLA has recently increased the attention given to these topics. A systematic effort must be devoted to them, and they must be studied in greater detail and depth, if a useful and action-oriented contribution in this sphere is to be made.

(c) Legislative authority

18.403 Legislative authority for this subprogramme derives from resolutions on the new international economic order: General Assembly resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974 and 3281 of 12 December 1974; and ECLA resolutions 364 (XVII) and 370 (XVII).

(d) Strategy and corresponding output

(i) Bienniums 1980-1981 and 1982-1983

18.404 A review will be made of co-operation within Latin America and of co-operation between the countries of the region and other developing areas. In the latter connexion, a review of relations with Africa has already begun, and this line of activity will be pursued. Notwithstanding, the greatest effort will be devoted to reviewing co-operation at the regional and subregional levels in Latin America. The experiences of the formal integration processes of the region will be reviewed, as will possible forms of overcoming obstacles to them and giving them a new impulse. Experiences with regard to new parallel forms of co-operation in the areas of trade, industry, infrastructure, technology and financing will also be reviewed.

(ii) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

18.405 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

18.406 By combining research and technical and governmental meetings, criteria should be provided which are of use to Governments for orienting their action in these areas; integration will once again be included in the group of topics considered to be of top priority for development, bringing about specific action designed to make the best use of the potential for co-operation between countries.



PROGRAMME 14: ECWA: INTERNATIONAL TRADE AND DEVELOPMENT

A. Organization

1. Intergovernmental review

18.407 The work of the secretariat in this programme is reviewed by the Commission which meets every year. The last meeting was held in April 1977. This plan has not been approved by this body, but was submitted to its fifth session in May 1978.

2. Secretariat

18.408 The secretariat unit responsible for this programme is the Development Planning Division in which as at 31 December 1977, one Professional staff member was assigned to the International Trade and Development Programme.

3. Expected completions

18.409 The following programme elements described in paragraph 10.20 of the proposed programme budget for the biennium 1978-1979 44/ are expected to be completed:

(a) In 1978-1979:

1.1 (limited in scope), 2.2 and 3.1;

(b) In 1980-1981:

2.1 and 3.2.

4. Other organizational matters

18.410 Programme formulation and implementation can be rendered more effective if individual programmes are identified within sections/units of the Division.

B. Co-ordination

1. Formal co-ordination within the secretariat

18.411 Programme elements dealing with trade integration will be planned and co-ordinated through the ECWA task force or working group on regional integration which is expected to be functioning towards the end of the 1978-1979 biennium. In addition, the programme will participate in the Commission's activities on food security with appropriate contributions on the trade aspects of food security in the ECWA region.

2. Formal co-ordination with the United Nations system

18.412 Within their respective secretariats, UNCTAD and ECWA have established focal points for co-operation on matters of common interest.

3. Units with which significant joint activities are expected during the period 1980-1983

18.413 There are no units with which significant joint activities are expected.

C. Allocation of resources to subprogrammes

18.414 The trend in the percentage allocation of resources to the subprogrammes is expected to be approximately as shown in the following table:

Allocation of resources to subprogrammes  
(Percentage)

| Subprogramme a/                                           | 1978-1979      |                               | 1980-1981      |                               | 1982-1983      |                               |
|-----------------------------------------------------------|----------------|-------------------------------|----------------|-------------------------------|----------------|-------------------------------|
|                                                           | Regular budget | Extra-budgetary sources Total | Regular budget | Extra-budgetary sources Total | Regular budget | Extra-budgetary sources Total |
| Trade expansion and diversification                       | -              | -                             | 100            | 100                           | 100            | 100                           |
| (1) Assistance in expanding and diversifying export trade | 12             | 50                            | 30             | -                             | -              | -                             |
| (2) Intraregional trade                                   | 44             | -                             | 26             | -                             | -              | -                             |
| (3) Trade and payments policies                           | 44             | 50                            | 44             | -                             | -              | -                             |
| Total                                                     | 100            | 100                           | 100            | 100                           | 100            | 100                           |

a/ (1) to (3) denote the three subprogrammes appearing in para. 10.20 of the programme budget for the biennium 1978-1979. 44/ These subprogrammes will be amalgamated into one subprogramme during the medium-term plan period.

## D. Subprogramme narratives

### SUBPROGRAMME: TRADE EXPANSION AND DIVERSIFICATION

#### (a) Objective

18.415 The objective of this subprogramme is to assist member countries in formulating appropriate policies for expanding and diversifying their trade.

#### (b) Problems addressed

18.416 Foreign trade plays a crucial role in the economies of the region, both as a generator of income and as a source of inputs and consumption goods. Given world trade trends, diversification towards manufactures seems to be a prerequisite for a more rapid expansion of exports and a lessening of the region's vulnerability which stems from over-reliance on one or a few primary commodities. Efforts at export diversification require introducing new products and raising the degree of processing embodied in traditional exports. This will require not only widening the production base but also overcoming problems of marketing and market access.

18.417 In addition to the high commodity concentration, the trade of the region shows a marked degree of geographical dependence in favour of the developed market economies. Thus, intraregional trade continues to occupy a modest place in the region's aggregate trade and its potential remains largely unexploited. Also, the potential for expanding and diversifying trade with other developing countries and regions, and with the socialist countries, has not been sufficiently explored.

18.418 National policies relating to this sector have generally remained fragmented and of an ad hoc nature. Planning efforts have achieved little in terms of integrating the external sector in national plans, as this sector has been treated generally as a residual item in the planning exercise. Thus, there is considerable scope to rationalize over-all trade and payments policies of member countries, with a view to allowing the external sector to make a more effective contribution to the development process. The need for appropriate trade and payments policies is particularly felt in the least developed member countries, where the role of the external sector is of prime importance for their development efforts. Inadequate import procurement policies, and excessive formalities and complicated procedures handicap the flow of trade and increase its cost.

#### (c) Legislative authority

18.419 Legislative authority for this subprogramme derives from Economic and Social Council resolution 2124 (LXIII) of 4 August 1977, paragraph 4; and General Assembly resolutions 3177 (XXVIII) of 17 December 1973, paragraph 1; 3202 (S-VI) of 1 May 1974, section I, paragraph 3; 3214 (XXIX) of 6 November 1974, paragraph 2; 3241 (XXIX) of 29 November 1974, paragraph 3; 3362 (S-VII) of 16 September 1975, section I, paragraphs 1, 2, 11, 13 and section VI, paragraph 1; and 3442 (XXX) of 9 December 1975, paragraph 4.

#### (d) Strategy and output

##### (i) Situation at the end of 1979

18.420 Three studies will have been completed: liberalization of non-tariff barriers; trade expansion and economic integration; and trade and payments policies of ECWA countries. The completion of these studies will provide the

policy makers and government technicians, as well as regional and international organizations and institutions, with better insights into the issues involved and the policy actions required. They will also provide the basis for the secretariat's further activities in these fields. The study on trade expansion and economic integration will form the main position paper for a meeting of senior policy makers and specialists on problems and issues of trade expansion, regional co-operation and integration to be held in 1980.

(ii) Biennium 1980-1981

18.421 The attainment of the objective of the International Trade and Development Programme will be pursued by assisting member countries to adopt measures to increase the share of manufactured and semi-manufactured goods in total exports, to promote interregional and intraregional trade and co-operation, and export trade with other regions, and to rationalize trade and payments policies, particularly in the least developed member countries.

18.422 The implementation of this strategy will involve:

a. Research and studies on: (i) means of promoting regional co-operation and integration and the expansion of intraregional trade, including the possibility of setting up a payments scheme (primarily intended for member Governments and concerned regional and international organizations and institutions); (ii) import procurement policies and procedures (primarily intended for member Governments); (iii) trade and payments problems of the least developed member countries and the formulation of appropriate policies (primarily intended for concerned Governments and regional and international organizations and institutions); (iv) the potential and prospects of expanding trade with other developing countries and regions and with the socialist countries (primarily intended for member Governments); and (v) changes in the purchasing power of exports and terms of trade and factors affecting them (primarily intended for member Governments);

b. Collection and dissemination of basic information on the trade and payments situation in member countries (primarily intended for use of member Governments and the secretariat);

c. Provision of advisory services in the field of trade and payments;

d. Organization of meetings on major issues to help design appropriate policies: e.g. seminars on issues and problems of intraregional trade, economic co-operation and integration (primarily intended for senior policy makers and concerned international and regional organizations and institutions).

(iii) Biennium 1982-1983

18.423 The strategy and output envisaged will, in many respects, be an extension of those of the preceding biennium. Emphasis will continue to be placed on the expansion and diversification of exports, promotion of regional co-operation and integration, expansion of trade and development of the least developed member countries, and promotion of trade with other developing countries and regions and with the socialist countries. In addition, consideration will be given to impediments to the expansion of trade inherent in domestic policies and conditions in member countries and major trading partners; the impact of EEC and other regional groupings on export prospects and integration efforts in the region;

the implications of alternative export and import policies for foreign exchange earnings, employment and growth, and the simplification and harmonization of trade formalities and procedures. As in the preceding biennium, the output will consist of research and studies, identification of technical assistance needs, provision of advisory services and training, and meetings.

- (iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

18.424 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

18.425 No objective indicators are possible at this stage under this subprogramme. It is, however, expected that the strategy and outputs outlined will have the following impact with respect to the problem areas addressed:

- (i) Expansion and diversification of exports: the analysis of the main problems and issues involved and their policy implications is expected to assist member States, regional and international organizations and institutions concerned in evolving appropriate policies and technical assistance and training programmes, thereby making a significant contribution towards attaining the objective of faster export growth and more balanced export structures in the countries of the region.
- (ii) Intraregional trade and regional co-operation and integration: the strategy and activities planned are expected to assist in identification of obstacles and promotion of a better understanding of the issues involved, and in the suggestion of alternative and workable approaches to these issues.
- (iii) Trade with other developing countries and regions and with the socialist countries: the strategy and output are expected to assist in the identification of the obstacles to the expansion of trade flows, assessment of the potential for trade, proposal of policies and measures to expand trade, and assessment of technical assistance and training needs.
- (iv) Trade and payments policies: the assessment and examination of the problems involved are expected to establish guidelines aimed at improving the ability of countries in the region to formulate more coherent and comprehensive trade and payments policies; better integration of the external sector in the over-all planning process; and a better understanding of the trade and payments problems of the least developed member countries, leading to the formulation of appropriate technical assistance, training and aid policies.
- (v) Import procurement, and trade formalities and procedures: under this subject the strategy and output are expected to assist in rationalizing import procurement policies at the country, subregional and regional levels, and in simplifying and standardizing trade formalities and procedures.

PROGRAMME 15: ESCAP: INTERNATIONAL TRADE

A. Organization

1. Intergovernmental review

18.426 The work of the secretariat in this programme is reviewed by the Commission which meets every year. The last meeting was held in March 1978. This plan was approved by that body. Substantive review in detail of the work programme in this area is done by the Committee on Trade which meets every year. The last meeting was in January 1978.

2. Secretariat

18.427 The secretariat unit responsible for this programme is the International Trade Division. There were 33 Professional staff members as at 31 December 1977; of the posts, 21, including one regional adviser, were supported from extrabudgetary sources. The Division had the following units as at 31 December 1977:

| <u>Organizational unit</u>                                   | <u>Professional staff</u> |                                | <u>Total</u> |
|--------------------------------------------------------------|---------------------------|--------------------------------|--------------|
|                                                              | <u>Regular budget</u>     | <u>Extra-budgetary sources</u> |              |
| Office of the Division Chief                                 | 7                         | 10                             | 17           |
| ESCAP Trade Promotion Centre (TPC)                           | 4                         | 10                             | 14           |
| Least developed, land-locked and developing island countries | 1                         | 1                              | 2            |
| Total                                                        | <u>12</u>                 | <u>21</u>                      | <u>33</u>    |

As from 1 January 1978, however, three staff members (two regular budget and one regional adviser) were redeployed from the Development Planning Division to the International Trade Division to be responsible for subprogramme 3, on raw materials and commodities in the programme on international trade

3. Expected completions

18.428 The programme elements described in paragraph 7.51 of the proposed programme budget for the biennium 1978-1979 44/ are of a continuing nature. Termination or completion of these activities is not anticipated.

## B. Co-ordination

### 1. Formal co-ordination within the secretariat

18.429 The Division is taking part in interdivisional task forces for such multidisciplinary Commission programmes as raw materials and commodities and rural development. The portion on raw materials and commodities is reflected in subprogramme 3, and that on rural development is reflected as programme elements under subprogramme 2.

### 2. Formal co-ordination within the United Nations system

18.430 Formal co-ordination within the United Nations system consists of the following arrangements:

(a) UNCTAD: As a rule, all matters pertaining to the activities of UNCTAD are to be referred to the International Trade Division, which is the focal co-ordinative point in the secretariat;

(b) UNCTAD/GATT International Trade Centre (ITC): A formal agreement has been concluded between ITC and the ESCAP Trade Promotion Centre (TPC). ITC has assigned 4 Professional staff as a counterpart to the 4 Professional established posts assigned by TPC.

### 3. Units with which significant joint activities are expected during the period 1980-1983

18.431 Significant joint activities are expected with the following:

Subprogramme 1: with the UNCTAD Division of Economic Co-operation among Developing Countries; subprogramme 2: with the UNCTAD/GATT International Trade Centre; subprogramme 3: with the UNCTAD Division for Commodities and the FAO Division of Commodities and Trade; subprogramme 4: with the Office of Legal Affairs, International Trade Law Branch and the UNCTAD Programme on Facilitation of Trade Procedure and Documentation (FALPRO) Unit (Special Unit for Insurance); and subprogramme 5: with the UNCTAD Special Programme for Least Developed, Land-locked and Island Countries.

## C. Allocation of resources to subprogrammes

18.432 The trend in the percentage allocation of resources to subprogrammes is expected to be approximately as shown in the following table:



Allocation of resources to subprogrammes  
(Percentage)

| <u>Subprogramme</u>                                                                                        | 1978-1979      |                                         | 1980-81        |                                         | 1982-1983      |                                         |
|------------------------------------------------------------------------------------------------------------|----------------|-----------------------------------------|----------------|-----------------------------------------|----------------|-----------------------------------------|
|                                                                                                            | Regular budget | Extra-<br>budgetary<br>sources<br>Total | Regular budget | Extra-<br>budgetary<br>sources<br>Total | Regular budget | Extra-<br>budgetary<br>sources<br>Total |
| 1. Trade expansion and monetary co-operation                                                               | 26             | 31 29                                   | 25             | 30 25                                   | 25             | 30 25                                   |
| 2. Trade promotion and development                                                                         | 30             | 24 26                                   | 30             | 25 25                                   | 30             | 25 25                                   |
| 3. Raw materials and commodities                                                                           | 19             | 21 20                                   | 20             | 20 20                                   | 20             | 20 20                                   |
| 4. Measures for the facilitation of international trade flow and co-operation in insurance and reinsurance | 3              | 2 3                                     | 5              | 5 5                                     | 5              | 5 5                                     |
| 5. Least developed, land-locked and island countries                                                       | 22             | 22 22                                   | 20             | 20 25                                   | 20             | 20 25                                   |
| Total                                                                                                      | 100            | 100 100                                 | 100            | 100 100                                 | 100            | 100 100                                 |

## D. Subprogramme narratives

### SUBPROGRAMME 1: TRADE EXPANSION AND MONETARY CO-OPERATION

#### (a) Objective

18.433 The objective of this subprogramme is to continue to assist the developing countries of the region in furthering trade expansion and monetary co-operation.

#### (b) Problems addressed

18.434 One of the most serious and protracted recessions of the post-war period, coupled with world-wide inflationary trends and severe unemployment in the industrialized countries, has had damaging effects on the foreign trade of most of the developing countries of the ESCAP region; the prospects for the immediate future do not seem encouraging. These countries, faced with more severe trade and payments deficits in the next few years, will find their efforts at economic growth seriously impaired. While in the short run some of the developing countries may be able to have recourse to external financial assistance, in the long run all developing countries should be assisted to meet the situation by increasing their export earnings.

18.435 Further measures are therefore called for which would enable developing countries to expand and develop their trade, improve their productive capacities and productivity and increase their export earnings. With this end in view, ESCAP will intensify its efforts in promoting trade co-operation among States at subregional, regional and interregional levels. Since the reduction or removal of trade barriers by themselves may not lead to an expansion of trade without appropriate financial arrangements, attention will also be devoted to the promotion of monetary co-operation through such means as clearing and payments arrangements and reserve pooling.

#### (c) Legislative authority

18.436 Legislative authority for this subprogramme derives from the Kabul Declaration on Asian Economic and Development Co-operation adopted by the Council of Ministers for Asian Economic Co-operation, 1970; and the thirty-fourth session of the Economic and Social Commission for Asia and the Pacific, 1978.

#### (d) Strategy and output

##### (i) Situation at the end of 1979

18.437 By the end of 1979, it is expected that more developing countries of the region will have joined the Bangkok Agreement <sup>45/</sup> and the Asian Clearing Union. Afghanistan and Nepal have shown interest in joining the Bangkok Agreement, and bilateral negotiations between the member countries of the Agreement and Afghanistan have started. Rounds of negotiations among the members of the Agreement on liberalization of tariffs and relaxation of non-tariff barriers are also expected to take place during this period. Following on the adoption of a blueprint for

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<sup>45/</sup> First Agreement on Trade Negotiations among Developing Member Countries of the Economic and Social Commission for Asia and the Pacific, 1975.

trade expansion and co-operation in the ESCAP region by the Ministers of Trade at their meeting in 1978, it may be necessary to convene various ad hoc expert group meetings in order to formulate proposals for implementing the elements of the blueprint. It is expected that by the end of 1979, member countries will have decided to establish an Asian reserve bank.

(ii) Biennium 1980-1981

18.438 As the activities under the Bangkok Agreement increase, it may be expected that Governments will undertake increasing responsibilities to ensure the successful implementation of the Agreement, and that a number of agreements and protocols among the members will materialize in this two-year period. Furthermore, during this period, action to implement the various elements of the blueprint for trade expansion and co-operation in the ESCAP region would be initiated and implemented. Work will also continue on the mechanisms and modalities for linking up the Asian Clearing Union with clearing and payments arrangements within the ESCAP region e.g. the Association of South-East Asian Nations (ASEAN) and with developing regions outside the ESCAP region. Technical assistance will be rendered to interested Governments in setting up the Asian reserve bank and in conducting its operations.

(iii) Biennium 1982-1983

18.439 The output during this biennium is expected to be maintained as in the preceding one, with further developments in the field of industrial complementation, monetary co-operation and joint ventures among the developing countries of the ESCAP region.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

18.440 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

18.441 The anticipated output of the programme would be a positive step towards the realization of the objectives laid down by the Council of Ministers for Asian Economic Co-operation and the Ministers of Trade in the field of intraregional trade expansion and monetary co-operation among the developing countries of Asia and the Pacific. As a whole, the project is tangible proof of the determination of the developing countries of the ESCAP region to strengthen collective self-reliance and economic co-operation, thereby making a significant contribution towards attaining the objectives of the new international economic order.

SUBPROGRAMME 2: TRADE PROMOTION AND DEVELOPMENT

(a) Objective

18.442 The objective of this subprogramme is to assist developing countries in intensifying their export promotion efforts and trade development.

(b) Problems addressed

18.443 The above objective is set out in response to the wishes of developing ESCAP countries to develop or strengthen their over-all trade promotion activities

as a means of supplementing other efforts to expand trade. Trade promotion is a comparatively new concept and involves a complex process of planning and operation of various specialized interrelated activities. Many developing countries in the region are faced with the acute problems of acquiring an adequate trade information base, trained personnel, marketing techniques and product development and adaptation, etc. The objective on which the subprogramme is based thus devotes special attention to the problems and priority needs of countries by helping them in their efforts to build a sound and efficient infrastructure essential for the implementation of a successful trade promotion and development programme. Priority is also given in the subprogramme to assisting the least developed countries of the region, including land-locked and developing island countries, both individually and collectively. These activities, which are undertaken by the ESCAP Trade Promotion Centre, are also geared to supporting ESCAP priority areas, such as regional trade monetary co-operation (e.g. market research in support of the Bangkok Agreement) and the integrated programme on rural development.

(c) Legislative authority

18.444 Legislative authority for the subprogramme derives from Economic and Social Commission for Asia and the Pacific resolution 91 (XXIV); and the thirty-fourth session of the Commission, 1978.

(d) Strategy and output

18.445 The activities under this subprogramme are carried out by the Trade Promotion Centre (TPC) which was established within the International Trade Division in 1968 at the request of the ESCAP member countries, in accordance with Commission resolution 91 (XXIV). Its main objectives are: (i) to be a centre of initiative and action of the United Nations Export Promotion Programme in promoting the development and expansion of trade of the countries in the region; and (ii) to function as a servicing institution for the needs of the member countries in improving their trade promotion personnel, machinery, techniques and procedures, including trade information and documentation and market and product development.

(i) Situation at the end of 1979

18.446 At present, the assistance provided by TPC to the developing ESCAP countries is organized in terms of areas of functional services in trade information and advisory services, professional development, market/product development, and trade advisory services and other activities as may be required. As these services represent basic functions which are essential to the effective work of TPC in support of developing member countries, no significant changes in the different areas of activities of TPC are envisaged by the end of 1979.

(ii) Biennium 1980-1981

18.447 It is expected that these services will continue during the period of the medium-term plan, 1980-1983, although variations in emphasis and in the type of specific activities to be pursued within each area will undergo changes, depending on the needs and requirements of the member countries at that time. Within the broad basis of such functional services, assistance will be continued by providing advisory services to member countries in the establishment and strengthening of national trade information services in specialized and technical areas such as trade classification systems, sources of trade information/acquisition procedures,

storage and retrieval systems, abstracting, equipment, exporters' register and commodity index, etc. Established in November 1976, the Trade Information Service, through the support of extrabudgetary funding expected to continue until the middle of 1978, is now engaged in assistance and advice on the establishment, strengthening and improvement of national trade information centres and in collecting, classifying, storing and retrieving trade-related information, including dissemination of trade information to countries and organizations. It also has an inquiry-reply service.

18.448 Training of national personnel in different substantive areas on trade promotion will continue to play a vital part and will be provided through the convening of training courses, seminars and workshops on a wide range of subjects according to the needs of individual countries and groups of countries. In this regard, TPC will provide technical input and participate in the intercountry and in-country training events organized in co-operation with Governments and/or other international organizations, as well as with the ASEAN training programme in export promotion. Studies and publications on subjects of specific interest to developing ESCAP countries will be undertaken. Technical support related to market/product development activities as part of the over-all contribution of TPC to the commodity communities will be followed up. Work on market research in support of the Bangkok Agreement will be continued and intensified on the basis of the identified needs of the countries participating, including those intending to participate in the Agreement. On request, consultancy and advisory missions on product development and marketing research techniques will be provided to developing countries in the region.

(iii) Biennium 1982-1983

18.449 The work programme of TPC is undertaken on the basis of requests from developing member countries of ESCAP, and the specific activities for the biennium 1982-1983 will therefore depend primarily on the extent to which progress is made in the strengthening and operation of their national trade promotion organizations, their individual needs and requirements, and problems of common interest to them in the field of trade development and promotion.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

18.450 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

18.451 The benefits to be derived by developing ESCAP countries from the strategy outlined above will go a long way towards strengthening their efforts in establishing a viable and effective mechanism to develop and promote trade, by enlarging their capacity and increasing the number of qualified personnel so as to provide better service to the local business community.

### SUBPROGRAMME 3: RAW MATERIALS AND COMMODITIES

#### (a) Objective

18.452 The objective of this subprogramme is to serve member countries and commodity organizations in the region in their efforts to modernize their raw materials and commodities industries, covering activities in production, processing, manufacturing, shipping and marketing, for the benefit of the countries concerned, particularly for the benefit of the farmers in the rural sector of the economy.

#### (b) Problems addressed

18.453 The instability of prices of raw materials and commodities in the world market affects the developing countries most, owing to their high dependency on exporting these items. The lack of an effective commodity policy, both domestic and international, for such commodities has also exposed the developing producer countries to even greater vulnerability. The various measures proposed for the stabilization of prices of commodities and export earnings, such as international buffer stocking and export-earning insurance schemes, have been successful only in a few instances. The need for the application of appropriate marketing techniques for the promotion and development of trade for such commodities as well as the extension of the scope of domestic application of such commodities to semi-finished or finished products is also stressed.

#### (c) Legislative authority

18.454 Legislative authority for the subprogramme derives from the thirty-fourth session of the Economic and Social Commission for Asia and the Pacific, 1978.

#### (d) Strategy and output

##### (i) Situation at the end of 1979

18.455 Assistance will have been provided in establishing various commodity communities and strengthening their activities. Regional seminars and expert group meetings in support of the integrated programme on commodities will have been held in close co-operation with UNCTAD. Follow-up activities to the ministerial meeting on trade co-operation for Asia and the Pacific (scheduled for 1978) relating to commodities will have been undertaken. Assistance will also have been rendered in the context of the multilateral trade negotiations.

##### (ii) Biennium 1980-1981

18.456 Further technical assistance will be provided to the commodity communities in close co-operation with the UNCTAD/GATT International Trade Centre (ITC) in the field of trade promotion and export marketing, and assistance within the framework of the Common Fund will be provided to member countries in formulating commodity policies and the consequent international commodity agreements in the regional context.

##### (iii) Biennium 1982-1983

18.457 The activities of the previous biennium will be continued and intensified.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

18.458 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

18.459 The activities which are to be carried out in close co-operation with the commodity communities, member countries and other organizations will further contribute to the stabilization of commodity prices and the promotion of trade of such items, thus increasing the export earnings of the developing producer countries.

SUBPROGRAMME 4: MEASURES FOR THE FACILITATION OF INTERNATIONAL TRADE FLOW AND CO-OPERATION IN INSURANCE AND REINSURANCE

(a) Objective

18.460 The objective of this subprogramme is to develop suitable technical measures for the facilitation of the flow of international trade and to increase co-operation in the field of insurance and reinsurance, especially among developing countries of the region, in order to achieve further expanded trade for development.

(b) Problems addressed

18.461 The uncertainty and unpredictability caused by complicated customs procedures and formalities, the different legal requirements in each country, and lengthy and excess trade documentation procedures are all sources of considerable discouragement and a financial burden for the prospective individual trader. The inefficiency in customs procedures and trade documentation and the lack of suitable common legal measures form constant impediments to the smooth flow of trade. However, due to the homogeneous character of international transactions, these inconveniences can be solved to a considerable extent through the adoption and promotion of appropriate measures for trade facilitation with the co-operation of member countries at the regional level.

18.462 The insurance and reinsurance fields are still in the growing stage in most developing countries of the region. While the growth of trade in the region has been conspicuous in the last few years, much of the insurance and reinsurance business is ceded to companies outside the region, which results in an outflow of a considerable amount of foreign exchange from the countries in the region. These situations could be overcome by increased co-operation, particularly among the developing countries of the region, in strengthening their insurance markets and management as well.

(c) Legislative authority

18.463 Legislative authority for the subprogramme derives from the thirty-fourth session of the Economic and Social Commission for Asia and the Pacific, 1978.

(d) Strategy and output

(i) Situation at the end of 1979

18.464 With the close co-operation of the Customs Co-operations Council (CCC) and relevant bodies, the sixth session of the Working Party on Customs Administration will have been convened and related follow-up work (e.g. adoption of suitable instruments to rationalize and harmonize customs procedures and formalities, increased co-operation in customs administration) will have been undertaken. Within the framework of the FALPRO of UNCTAD, and in close co-operation with UNCTAD, assistance to member countries through advisory services, workshops and seminars will have been carried out and national facilitation bodies established in several developing countries. In the field of international trade law in close co-operation with UNCITRAL, ECE, UNCTAD, ICC (International Chamber of Commerce) and other bodies, efforts will have been made to formulate model contracts and general conditions for commodities and other suitable international instruments and to facilitate the adherence by the member countries of the region thereto. The Asian Reinsurance Corporation will have been established and commenced operations.

(ii) Biennium 1980-1981

18.465 Further work will be carried out in the field of customs, including the convening of the Working Party on Customs Administration and related follow-up activities. Increased co-operation is expected in customs administration through constant exchange of information, professional training programmes, etc. The efforts to simplify and standardize trade documentation will be continued through increased assistance to member countries. New technological measures, such as the application of the automatic data processing system, will also be taken up. The work relating to the progressive unification and harmonization of international trade law will be intensified. Assistance to member countries in order to facilitate their accession to the various instruments, which will by then be formulated, will be intensified. Various forms of co-operation, including technical assistance for the strengthening of the operation of the Asian Reinsurance Corporation and professional training programmes, will take place in the field of insurance and reinsurance.

(iii) Biennium 1982-1983

18.466 The general direction of the strategies and output will remain basically unchanged.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

18.467 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

18.468 The impact expected is the application of a more rational system of customs procedures and administration, including the adoption of a common nomenclature and valuation rules; improved physical infrastructure, etc.; the wide use of the aligned system of trade documentation and the introduction of an



automatic data-processing system in international trade procedures; the unification and harmonization of international trade law; and the expansion and development of the insurance and reinsurance business in the region.

SUBPROGRAMME 5: LEAST DEVELOPED, LAND-LOCKED AND ISLAND COUNTRIES

(a) Objective

18.469 The objective of this subprogramme is to assist the least developed among the developing countries in enhancing their absorptive capacity in their over-all economic development; to assist the developing land-locked countries in overcoming transit trade and transport problems arising from their unfavourable geographical situation; and to assist the developing island countries in the South Pacific area in the development of trade as well as of transport and communications, including shipping.

(b) Problems addressed

18.470 Most of the least developed countries in the region are either land-locked or island countries which suffer from special problems because of their unfavourable geographical situation and low level of development, in addition to the more common impediments to over-all development faced by the developing countries as a whole. The United Nations system has recognized the special problems of those countries and has adopted special measures to alleviate them, including the establishment of a special fund.

18.471 According to a recent study, the least developed countries in general experienced a deteriorating economic position in the period 1970-1976. Not only have they been adjudged to be at the bottom of the scale in terms of their present level of development, but they have shown a growth rate considerably lower than that of other developing countries. In the period 1970-1976 the least developed countries had an average annual growth rate in real per capita product of only 0.4 per cent, whereas the average annual growth rate for all developing countries was 3.6 per cent in the same period. Thus, unless increased and special attention is given to those countries, the expectation of the International Development Strategy for the Second United Nations Development Decade in the case of those countries will remain unfulfilled.

(c) Legislative authority

18.472 Legislative authority for this subprogramme derives from Economic and Social Commission for Asia and the Pacific resolutions 114 (XXVII), paragraph 1, and 169 (XXXII), paragraph 1; from the thirty-fourth session of the Commission, 1978; and from General Assembly resolution 3362 (S-VII) of 16 September 1975, section I, paragraph 11.

(d) Strategy and output

(i) Situation at the end of 1979

18.473 The preparation of an action plan for the development of infrastructure and related facilities in the promotion of trade of the least developed, land-locked and island countries is expected to have reached an advanced stage, with the establishment of a special fund.

(ii) Biennium 1980-1981

18.474 Assistance will be provided to the least developed, land-locked and developing island countries in improving their infrastructure, including administrative and planning schemes, in the formulation and implementation of agricultural and industrial policies, plans and programmes, and in the development and promotion of foreign trade. Studies will be undertaken on major economic problems of these countries, and necessary measures will be formulated to increase their export and import capabilities. Training programmes will be developed in various fields, including export promotion and management, social welfare, community development, co-operatives, local government and youth welfare.

18.475 Surveys of existing transit facilities and procedures will be carried out in co-operation with the transit countries for the purpose of evolving plans for their improvement/expansion. Assistance will be provided for evolving co-operation arrangements between these countries in this regard. Studies will be undertaken on the potential of air transport as a method of trade expansion of the land-locked countries as well as exploration of intermodal means of transport and alternative air and surface routes. From time to time, expert study groups on specific subjects of special interest to the least developed land-locked and island countries will be organized apart from the Special Body on Land-locked Countries, which is scheduled to meet as often as necessary. The fourth meeting of the Special Body was held in October 1977, and the fifth is expected to be organized in 1979.

18.476 Assistance will be provided to the developing island countries in the Pacific region in building up their physical and administrative infrastructure. Studies will be carried out in the fields of shipping and ocean freight rates and commodities of specific interest to the developing island countries. A professional development programme will be organized for the least developed, land-locked and island countries in improving the professional skills of personnel engaged in the field of trade promotion and management.

18.477 During this period, the activities are expected to continue. However, in accordance with the recommendations of the ministerial conference on co-operation in trade for Asia and the Pacific to be held in 1978 and also in view of the decisions and recommendations to be made by UNCTAD at its fifth session in 1979, it is likely that the secretariat's activities relating to the least developed, land-locked and developing island countries will be further intensified.

(iii) Biennium 1982-1983

18.478 Based on the outcome of the sixth meeting of the Special Body on Land-locked Countries to be held in 1981 and also in view of the activities which will have been accomplished during the 1980-1981 biennium, it is envisaged that suitable activities in the field of trade, transit and related matters will be developed for the 1982-1983 biennium, taking into account the changing needs and requirements of the countries concerned.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

18.479 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

18.480 The specific activities proposed for the least developed, land-locked and developing island countries relate to their minimum requirements as identified by the various meetings of the Commission and the subsidiary committees. Considerable emphasis is placed on the need for action in regard to those countries in such areas as trade promotion and development, facilitation of transit trade procedures and formalities, improvement of transport and communications, tourism and allied subjects. The activities in these fields will help these countries in their efforts to attain the goals and objectives set out in the International Development Strategy on the one hand and the Declaration on the Establishment of a New International Economic Order (General Assembly resolution 3201 (S-VI) of 1 May 1974), on the other.

## CHAPTER 19\*

### NATURAL RESOURCES AND ENERGY

#### PROGRAMME 1: DEPARTMENT OF TECHNICAL CO-OPERATION FOR DEVELOPMENT

##### A. Organization

##### 1. Intergovernmental review

19.1 The work of the Secretariat in this programme is reviewed by the Committee on Natural Resources which meets every two years. The last meeting was held in May 1977. This plan has not been approved by this body.

##### 2. Secretariat

19.2 The Secretariat unit responsible for this programme is the Centre for Natural Resources, Energy and Transport. There were 62 Professional staff members as at 1 July 1978, of whom 34 were supported from extrabudgetary sources:

| <u>Organizational unit</u>                                             | <u>Professional staff</u> |                               | <u>Total</u> |
|------------------------------------------------------------------------|---------------------------|-------------------------------|--------------|
|                                                                        | <u>Regular budget</u>     | <u>Extrabudgetary sources</u> |              |
| Director's Office (including Remote Sensing Unit and Reference Centre) | 7                         | -                             | 7            |
| Energy and Mineral Development Branch                                  | 10                        | 22                            | 32           |
| Water Resources Branch                                                 | 3                         | 9                             | 12           |
| Transport and Cartography Branch                                       | 8                         | 3                             | 11           |
| Total                                                                  | 28                        | 34                            | 62           |

The figures above exclude the two Professionals of the Transport Section who have been transferred to the Department of International Economic and Social Affairs. The remaining staff in the Department of Technical Co-operation for Development concerned with transport are expected to be phased out with the decentralization of technical co-operation activities in this field pending the decision of the thirty-third session of the General Assembly.

19.3 In view of the restructuring of the economic and social sectors, the programme will be implemented by the Centre for Natural Resources, Energy and Transport, which is now part of the new Department of Technical Co-operation for Development, in co-operation with the Department of International Economic and Social Affairs. Those aspects of the over-all natural resources programme dealing with the analysis of global economic implications of resources policies and the function of substantive co-ordination will be the primary responsibility of the Department of International Economic and Social Affairs. Those elements of the

\* Previously issued under the symbol A/33/6 (Part 19).

over-all natural resources programme concerned with sectoral research oriented to the assessment of problems and approaches to energy, mineral and water resources development and management, the support of technical co-operation activities and the provision of technical assistance, and the facilitation of international co-operation in resources development, including co-operation among developing countries, will be the primary responsibility of the Department of Technical Co-operation for Development. Bearing in mind the need to ensure coherent and effective implementation of the programme, close co-operative arrangements between the two new Departments will have to be established.

### 3. Expected completions and consequent reorganization

#### (a) Expected completions

19.4 The following programme elements described in paragraphs 5A.23 to 5A.25 of the proposed programme budget for the biennium 1978-1979 <sup>1/</sup> are expected to be completed in 1978-1979:

- 1.7 Report on definitions and terminology for reserves, production and consumption in the field of mineral resources;
- 1.8 Study on prospects for natural gas as a primary energy source;
- 2.9 Criteria and guidelines for efficient water allocation and utilization based on water pricing and effluent charges;
- 3.2 Study on prospects for development of hydroelectric generating stations and power transmission across frontiers of contiguous developing countries;
- 4.3 Review of coal prospects;
- 4.4 New concepts and approaches to petroleum exploration including trends in exploration agreements;
- 4.5 Ground-water resources in developing countries;
- 5.6 Second United Nations Regional Cartographic Conference for the Americas.

#### (b) Consequent reorganization

19.5 The persons freed by the completion of these programme elements will be engaged initially in intensified activities in the energy field. In this connexion, the programme will concentrate its efforts to a greater degree on rural energy supply and the problems posed by the transition to alternative energy sources. It will also direct increasing attention to providing advisory services to requesting Governments in strengthening their national energy planning capabilities. In addition, it is expected that a certain redeployment of staff would take place in order to permit the analysis of problems relating to energy and the world economy, which would be undertaken by the Department of International Economic and Social Affairs. Manpower will be redirected to substantive co-ordination of the system's activities in the field of water resources, which

<sup>1/</sup> Official Records of the General Assembly, Thirty-second Session, Supplement No. 6 (A/32/6 and Corr.1 and 2), vol. I.

will be the primary responsibility of the Department of International Economic and Social Affairs, and to the follow-up of the recommendations of the United Nations Water Conference <sup>2/</sup> the modalities of which will be determined by the special session of the Committee on Natural Resources to be convened in January 1979. In cartography, greater emphasis will be placed on thematic mapping and remote sensing, and consultations will be undertaken with the Economic and Social Commission for Asia and the Pacific and the Economic Commission for Latin America to determine the feasibility of decentralizing responsibility for the convening of regional cartographic conferences during the plan period. In addition to these changes in orientation, the programme will accommodate additional requests of legislative bodies which cannot be foreseen at present.

## B. Co-ordination

### 1. Formal co-ordination within the Secretariat

19.6 In implementing its medium-term plan and the programme budget for 1980-1981 to be developed, the Centre will work closely with the Department of International Economic and Social Affairs, the United Nations Conference on Trade and Development (UNCTAD), the United Nations Industrial Development Organization (UNIDO) and the Centre on Transnational Corporations on certain aspects of energy and minerals and with the Division of Outer Space Affairs on remote sensing.

### 2. Formal co-ordination within the United Nations system

19.7 Formal co-ordination will be effected in the following areas with the following units:

(a) Water: the Food and Agriculture Organization of the United Nations (FAO), the World Health Organization (WHO), the World Meteorological Organization (WMO), the United Nations Environment Programme (UNEP), the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the regional commissions;

(b) Energy: UNESCO, the International Atomic Energy Agency (IAEA), UNEP, the United Nations Institute for Training and Research (UNITAR), FAO, the World Bank and the regional commissions;

(c) Minerals: the World Bank, the United Nations Development Programme (UNDP) and the regional commissions;

(d) Cartography: FAO, ESCAP, ECA (remote sensing); ESCAP, ECLA (regional cartographic conferences); ECWA (assistance as appropriate in establishment of regional cartographic unit).

### 3. Units with which significant joint activities are expected during the period 1980-1983

19.8 During the 1978-1979 biennium the Centre will have co-operated closely with the International Atomic Energy Agency in organizing a training seminar on energy planning. It is expected that such co-operative arrangements will be continued during the 1980-1983 plan period. In addition, the programme is co-operating with UNEP in the establishment of several pilot projects for the application of

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<sup>2/</sup> Held at Mar del Plata, Argentina from 14 to 25 March 1977.

renewable energy technologies to meet the energy requirements of rural villages. Similarly, continuation of this type of co-operation is expected to continue with UNEP in the fields of energy and water. Should the Economic and Social Council decide to convene a United Nations conference on new and renewable sources of energy in 1981, the Centre would expect the full co-operation of the Department of International Economic and Social Affairs and the other organizations and agencies concerned of the United Nations system in organizing the preparations. During the plan period, organization of a number of joint activities is expected in co-operation with the respective regional commissions concerning various aspects of resources sector development.

C. Allocation of resources to subprogrammes

19.9 The trend in the percentage allocation of resources to subprogrammes is expected to be approximately as shown in the following table:

## D. Subprogramme narratives

### SUBPROGRAMME 1: ENERGY

#### (a) Objectives

19.10 The objectives of this subprogramme are: (i) to assist Governments in the analysis of alternative energy strategies and factors affecting the development of energy resources in support of technical co-operation activities; (ii) to assist Governments, particularly those of developing countries, in the development and management of energy resources within the context of permanent sovereignty over natural resources; and (iii) to facilitate international co-operation, particularly technical co-operation among developing countries, in broadening the energy resource base in developing countries.

#### (b) Problems addressed

19.11 Over the last few years, it has become clear that the world has entered a period in which an international economy dependent on petroleum must gradually shift its reliance to alternative, new and renewable sources of energy in order to ensure the availability of adequate energy supplies to meet future requirements. In view of the long lead times required for the development of energy resources, actions taken during the 1980-1983 period to intensify development of the conventional and non-conventional energy resource base will affect the future availability of energy to meet the requirements for sustained economic growth.

19.12 The programme will attempt to assist Governments, particularly those of developing countries, in analysing investment requirements for development of energy resources and will generate analytical information regarding the future prospects for specific energy sources such as natural gas, coal, hydropower and petroleum as well as for new and renewable sources. Information thus gained will assist in the decision-making process concerning investment in the energy sector at the national level and will support United Nations technical co-operation programmes in the field. Recognizing the difficult situation of those developing countries which are deficient in energy, particular attention will be devoted to the development of their indigenous energy resources. Promotion of concrete international co-operation to assist developing countries in energy will, therefore, be a priority goal of the 1980-1983 period. Through the programme's technical co-operation activities and associated sectoral research support, such problems as the following will be addressed: needs of developing countries in energy exploration, strengthening of local institutions and skills, development of appropriate legislation and formulation of viable exploration and development agreements, improvement of energy planning capabilities, transfer and adaptation of technology and means of improving the efficiency of energy use. Since the majority of the population of developing countries resides in rural areas, meeting rural energy requirements, including the use of non-conventional and non-commercial sources of energy, will be a further concern. The programme will examine the possibilities for facilitating intensified co-operation between developed and developing countries in energy resources development, and seek to act on such measures. Mechanisms for enabling developing countries to share in the emerging fruits of research and development in the developed countries will also be reviewed during the plan period. At the same time, opportunities in energy development for economic and technical co-operation among developing countries will be



identified and support given to concrete activities. Strategies will be comparatively assessed for meeting national requirements and determining the appropriate "energy mix", e.g., large-scale versus small-scale, centralized or decentralized approaches. Finally, energy development will have to take place with due regard to safeguarding the environment, and these considerations will be taken into full account in the provision of sectoral and substantive support for technical co-operation activities.

(c) Legislative authority

19.13 Legislative authority for this subprogramme derives from Economic and Social Council resolutions 1761 B (LIV) of 18 May 1973, 1954 (LIX) of 25 July 1975, 2014 (LXI) of 3 August 1976, and 2118 (LXIII), 2119 (LXIII), and 2120 (LXIII), all of 4 August 1977; and General Assembly resolutions 3201 (S-VI) of 1 May 1974, 3362 (S-VII) of 16 September 1975, 3442 (XXX) of 9 December 1975, 3461 (XXX) of 11 December 1975, 32/174 and 32/176, both of 19 December 1977.

(d) Strategy and output

(i) Situation at the end of 1979

19.14 By the end of 1979, a study, based on two expert groups' meetings, will have been completed on the experience to date in energy planning in developing countries. World coal development and utilization will have been examined in conjunction with the Department of International Economic and Social Affairs through the convening of the interregional symposium on world coal prospects, in Poland in 1979. At its sixth regular session, the Committee on Natural Resources will, *inter alia*, have reviewed natural gas prospects, particularly those of developing countries. At the same time, assuming that the Economic and Social Council decides at its second regular session of 1978 to convene a United Nations conference on new and renewable energy sources in 1981, preliminary preparations will be under way. Developing countries will have been assisted in the planning and development of their energy sectors, as requested, through the programme's substantive support for technical co-operation activities. Rural energy demonstration centre projects in Senegal, Sri Lanka and Mexico will have been supported by the Department in co-operation with UNEP.

(ii) Biennium 1980-1981

19.15 In co-operation with the Department of International Economic and Social Affairs the programme will continue to analyse trends in the supply, demand and reserves for major energy sources. It will also undertake short-, medium- and long-term assessments of the economic and technological prospects for selected new and renewable sources of energy. A United Nations conference on new and renewable sources of energy in the early 1980s (if decided by the Economic and Social Council at its second regular session of 1978) would be convened in co-operation with the Department of International Economic and Social Affairs, the regional commissions and the organizations and agencies concerned of the United Nations system. Analyses of economic and technological developments in the energy field of particular interest to developing countries will be prepared periodically in support of the programme's technical co-operation activities and for dissemination to Governments.

19.16 Major programme efforts during the biennium will be directed to the provision

of substantive support for technical co-operation activities requested by Governments. This will involve, inter alia, the organization of national energy surveys; the assessment of the development potential of specific known energy resources (e.g. petroleum, geothermal, hydropower); strengthening national capabilities in energy planning; the development of national energy institutions; providing assistance in energy legislation and exploration and development agreements; and training of local personnel. The programme will also seek to facilitate the transfer of conventional and non-conventional energy technologies to developing countries, upon request, through the support of national and regional pilot projects, the latter in co-operation with the regional commissions concerned. The programme will continue its co-operation with UNEP in the establishment of rural energy centres in selected developing countries in Asia, Africa and Latin America. The Department will also provide, as appropriate, technical support for rural energy components of interagency projects in the context of the Administrative Committee on Co-ordination programme on integrated rural development. Efforts to promote technical co-operation among developing countries in various aspects of energy development, such as joint hydropower schemes, refinery construction and use, will be continued. International and interregional seminars and symposia will be organized in co-operation with the Department of International Economic and Social Affairs, as appropriate, drawing upon the experience gained through the international Symposium on State Petroleum Enterprises in Developing Countries held at Vienna in March 1978, and the interregional symposium on world coal prospects, to be held in Poland in 1979. At the same time, the programme will investigate and promote means of greater co-operation between the developed and developing countries with regard to joint research and development activities of interest to developing countries, pilot projects involving the transfer and adaptation of energy technology and training. The General Assembly, the Economic and Social Council, the Committee on Natural Resources and other relevant intergovernmental bodies will be serviced by the programme in its areas of responsibility in the energy sector.

(iii) Biennium 1982-1983

19.17 The activities envisaged for the 1980-1981 biennium will be continued during this period.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

19.18 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

19.19 Analytical information required for sound policy formulation and investment decision making in energy resources development will be provided. The programme will also establish a substantive framework through which viable technical co-operation projects can be identified and effectively supported. Through such support, whether in exploration, institution building, legislation, planning or technology, the programme will contribute to strengthening the capabilities of developing countries for developing their indigenous energy resources and for managing effectively their energy sectors.

## SUBPROGRAMME 2: MINERALS

### (a) Objective

19.20 The objective of the subprogramme is to assist Member States, particularly developing countries, in the development of their mineral resources within the context of permanent sovereignty over natural resources.

### (b) Problems addressed

19.21 In view of the long lead times and heavy investment required for mineral resources development, decision making regarding mineral sector development must be founded on the best possible information regarding future prospects for the major minerals. The programme will, therefore, address this need through the preparation of comprehensive analyses of the future prospects for the reserves, the supply and demand of specific mineral commodities, taking into account the potential implications of recycling and substitution, and provide inputs for the analysis of global trends to be undertaken by the Department of International Economic and Social Affairs. Recognizing the important role of exploration in future minerals supply, concrete measures to intensify exploration in developing countries will be examined and means of improving the distribution of investment and requisite finance for minerals development in developing countries will be explored. Special attention will be devoted to the implications of mining legislation and legal agreements entered into by producing countries which affect the flow of investment for exploration activities and capacity expansion in developing countries. At the same time, the programme will examine developments in technology that could enhance the economic exploitation of known deposits.

### (c) Legislative authority

19.22 Legislative authority for this subprogramme derives from Economic and Social Council resolutions 1761 B (LIV) of 18 May 1973, 1954 (LIX) of 25 July 1975, and 2014 (LXI) of 3 August 1976; and General Assembly resolutions 3201 (S-VI) of 1 May 1974, 3362 (S-VII) of 16 September 1975, and 32/176 of 19 December 1977.

### (d) Strategy and output

#### (i) Situation at the end of 1979

19.23 Comprehensive studies of the future prospects for nickel and chromium respectively will have been examined by the Committee on Natural Resources at its sixth session. A major study assisted by an intergovernmental group of experts on the financial requirements of developing countries over the next 10 to 15 years for natural resources exploration will have been considered by the General Assembly at its thirty-third session. The programme will have supported extensive technical co-operation activities in mineral exploration and development.

#### (ii) Biennium 1980-1981

19.24 Ten-to-fifteen year analyses of trends in the supply, demand and reserves of selected non-ferrous metals will be prepared as indicated by the Committee on Natural Resources. These studies will, inter alia, indicate the investment requirements and prospects for selected minerals and metals on the basis of which assessments can be made of the merits of potential mineral development schemes.

Factors affecting the location of mineral-processing facilities in developing countries and trends in this field will be examined in greater depth in support of United Nations technical assistance activities. Technical management will be provided to the United Nations Revolving Fund for Natural Resources Exploration for mineral resources projects in developing countries. Technical co-operation activities will include the provision of assistance in the establishment or strengthening of geological surveys, technical laboratories and training institutions, the transfer and application of exploration and exploitation technology, mining legislation, mineral exploration and development agreements, et al. Analyses of the environmental effects of mining projects in developing countries will be prepared and projects supported, at the request of Governments, for the reclamation of productive soil displaced by mining. Technical co-operation among developing countries in minerals development will be encouraged through interregional seminars and symposia on selected issues. At the same time, regional projects will be supported in close co-operation with the regional commissions. Information on technical and economic developments in the mining sector will be disseminated to Governments.

(iii) Biennium 1982-1983

19.25 The activities undertaken during the 1980-1981 biennium will be continued.

(iv) Activities in the strategy that are considered to be of marginal usefulness and the legislation requiring them

19.26 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

19.27 The programme will generate the types of analyses of trends in selected minerals which are essential for investment decision making in mineral development. Knowledge of these trends will enhance the capacity of the United Nations technical co-operation programme and Governments to pursue appropriate courses of action in the development of their mineral resources. Through its technical co-operation activities, the programme will directly assist Governments in meeting the requirements of their economies through the mineral resources sector.

SUBPROGRAMME 3: WATER RESOURCES

(a) Objective 1 - Water resources management and administration

19.28 The first objective of this subprogramme is to assist Governments of developing countries in the development of appropriate water resources management methods and the strengthening of the required administrative and institutional structure.

(b) Problems addressed

19.29 As stated in paragraph 41 of the Mar del Plata Action Plan, "increased attention should be paid to the integrated planning of water management. Integrated policies and legislative and administrative guidelines are needed so as to ensure a good adaptation of resources to needs and reduce, if necessary, the risk of serious supply shortages and ecological damage, to ensure public acceptance of planned water schemes and to ensure their financing. Particular consideration should

be given not only to the cost-effectiveness of planned water schemes, but also to ensuring optimal social benefits of water resources use, as well as to the protection of human health and the environment as a whole. Attention should also be paid to the shift from single-purpose to multipurpose water resources development as the degree of development of water resources and water use in river basins increases, with a view, inter alia, to optimizing the investments for planned water-use schemes. In particular, the construction of new works should be preceded by a detailed study of the agricultural, industrial, municipal and hydropower needs of the area concerned". 3/

(c) Legislative authority

19.30 In addition to the guidelines for action in the development of natural resources approved by the Economic and Social Council in resolution 1673 B (LII) of 2 June 1972 and 2121 (LXIII) of 4 August 1977, and General Assembly resolution 32/158 of 19 December 1977 endorsing the recommendations of the United Nations Water Conference, the Mar del Plata Action Plan contains recommendations which serve as legislative authority for this part of the subprogramme, in particular sections B, C, D and E.

(d) Strategy and output

19.31 On the basis of the results obtained from information acquired in co-operation with UNEP, the relevant specialized agencies and the regional commissions concerning national and regional activities, the Secretariat, under this subprogramme, will aim at providing concepts and methods for planning, management, legislation and administration through studies and publications disseminated through various media, as well as through symposia and seminars. Assistance will be continued in setting up infrastructures for water management and administration and in developing modern water codes compatible with the economic and social objectives of the countries concerned.

(i) Situation at the end of 1979

19.32 By the end of 1979, studies on criteria and guidelines for efficient water utilization and on water pricing and effluent charges will have been completed. In connexion with the latter activity, a seminar on the subject may have been convened in the course of that year. With these activities, the Department's involvement in this area should have been essentially completed and further activities decentralized to the regional commissions. A study on the effectiveness of selected legislative approaches for efficient water use will also have been undertaken as a complement to the above-mentioned activities. As far as water management in water crises is concerned, the Department will have completed its activities concerning flood loss management, and activities concerning water management under drought conditions should have been initiated in co-operation with UNEP.

(ii) Biennium 1980-1981

19.33 The Department's activities under this objective will be focused on assisting Governments at their request in the implementation of guidelines contained in the Mar del Plata Action Plan. The continuous monitoring of governmental assistance needs will require the attention of the regional commissions and of the Department of Technical Co-operation for Development, in close co-operation with the Department

3/ Report of the United Nations Water Conference (United Nations publication, Sales No. E.77.II.A.12), chap. I.

of International Economic and Social Affairs in its co-ordination function. Because of the strong interaction between management measures for water development and utilization and the environment, a close working relationship with UNEP will be maintained. Assistance to requesting Governments will be provided in: (a) the formulation of national water policy, including both the quantitative and qualitative aspects of water management; (b) development and integration of master plans for water within the framework of national planning objectives; and (c) development of appropriate institutional arrangements, including the integration of economic and legal instruments.

(iii) Biennium 1982-1983

19.34 Continuous attention will be given to the areas previously outlined, and the Department is expected to endeavour to increase its activities concerning the flow of assistance to developing countries for water resources development and utilization.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

19.35 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

19.36 It is expected that activities under this subprogramme will enable the developing countries to develop and manage their water resources more effectively.

(f) Objective 2 - Co-operation among developing countries

19.37 The second objective of the subprogramme is to promote economic and technical co-operation among developing countries.

(g) Problems addressed

19.38 Paragraph 90 of the Plan of Action states that "it is necessary for States to co-operate in the case of shared water resources in recognition of the growing economic, environmental and physical interdependencies across international frontiers. Such co-operation, in accordance with the Charter of the United Nations and principles of international law, must be exercised on the basis of equality, sovereignty and territorial integrity of all States, and taking due account of the principle expressed, inter alia, in principle 21 of the Declaration of the United Nations Conference on the Human Environment". 3/

19.39 In addition, paragraph 99 of the Plan of Action states that "the promotion of technical co-operation among developing countries will supplement, upgrade and give a new dimension to the traditional forms of bilateral and multilateral development co-operation to help the developing countries achieve greater intrinsic self-reliance. The development of water resources in developing countries provides a promising area where technical co-operation among developing countries can be achieved. Many developing countries have expertise and capacity which they can share with other developing countries. Alternate appropriate technologies have been developed and many developing countries have reached the stage of self-reliance in water resource development to enable them to apply the more appropriate techniques

using the latest know-how and promote better understanding among the countries concerned. This can be adapted to the needs of other developing countries by means of technical co-operation among developing countries". 3/

(h) Legislative authority

19.40 Legislative authority for this part of the subprogramme derives from General Assembly resolutions 3201 (S-VI) of 1 May 1974, 3362 (S-VII) of 16 September 1975, and 3461 (XXX) of 11 December 1975; United Nations Water Conference resolution VI "Technical co-operation among developing countries in the water sector"; United Nations Water Conference resolution VII, "River commissions"; and Economic and Social Council resolution 2121 (LXIII) of 4 August 1977. The legislative authority may be further strengthened by recommendations stemming from the United Nations Conference on Technical Co-operation among Developing Countries.

(i) Strategy and output

(i) Situation at the end of 1979

19.41 The United Nations Conference on Technical Co-operation among Developing Countries, to be held in Buenos Aires, Argentina, from 30 August to 12 September 1978, will have provided a more detailed basis for action to be taken in this domain. Pursuant to United Nations Water Conference resolution VIII, preparations for the first meeting of international river organizations are expected to be under way by 1979.

(ii) Biennium 1980-1981

19.42 Following the Conference on Technical Co-operation among Developing Countries, work will be focused on the implementation of recommendations relevant to water resources development, utilization and management. It is expected that, in co-operation with the regional commissions and with the support of UNDP and UNEP, a number of pilot projects will be initiated in order to assist Governments in identifying opportunities for technical co-operation and in bringing these opportunities to fruition.

(iii) Biennium 1982-1983

19.43 Additional projects will be envisaged among developing countries to identify opportunities for co-operation and to assist Governments in taking action. On the basis of the results of such projects, as well as others undertaken by developing countries themselves, or with the assistance of other organizations, the Department will seek to disseminate information on the experiences acquired.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

19.44 There are no activities of marginal usefulness in this subprogramme.

(j) Expected impact

19.45 In accordance with the recommendation of the Water Conference, the meetings of international river organizations would disseminate solutions to problems and

knowledge about opportunities for co-operation in the development of shared water resources. Activities in the area of technical co-operation will endeavour to serve as a catalyst for intergovernmental action. Studies on financing possibilities are expected to increase the flow of financial resources available for water resources development.

(k) Objective 3 - Broadening the water resources base

19.46 The third objective of this subprogramme consists in assisting Governments of developing countries to identify and evaluate their water resources, as well as to evaluate the technological means at their disposal to develop these resources.

(l) Problems addressed

19.47 With increases in population, in economic activity and with an improvement in the standard of living in developing countries, the demand for water will continue to expand rapidly. Unquestionably, such a situation calls for increasing efficiency in the conjunctive use and development of surface and ground water and more effective conservation measures. The exploration and development of water resources is closely related to the question of technology. On the one hand, efforts are required to ensure the utilization of appropriate technologies best suited to specific conditions in developing countries. On the other hand, however, it is also necessary for developing countries to have access to modern technology for exploration and development, such as remote sensing and non-conventional sources of water supply.

(m) Legislative authority

19.48 The broad legislative authority for this part of the subprogramme is to be found in the Guidelines for Action in the Development of Natural Resources, approved by the Economic and Social Council in resolution 1673 B (LII) of 2 June 1972 and through the Mar del Plata Action Plan, and Economic and Social Council resolution 2121 (LXIII) of 4 August 1977.

(n) Strategy and output

(i) Situation at the end of 1979

19.49 Reports on ground-water resources in developing countries of the Middle East, Asia and the Pacific are scheduled for completion in 1979. These reports will conclude a series of such studies covering different areas. Further follow-up action, if and as required, could be undertaken by the regional commissions. At the present time, the Department is entrusted with the execution of 33 large-scale projects concerning ground-water exploration and development and surface water development.

(ii) Biennium 1980-1981

19.50 As in the past, the Department will continue to execute projects concerning exploration and development of ground-water resources, as well as surface water development projects. At the same time, reports will be prepared in order to disseminate information on the water resources development potential in developing countries. In addition, the remote sensing facilities established within the Centre for Natural Resources, Energy and Transport will continue to assist developing



countries in the interpretation of remote sensing data concerning the availability and quality of water resources. Studies and reports will be prepared concerning such technological developments as new exploration and drilling methods and breakthroughs in non-conventional sources of supply.

(iii) Biennium 1982-1983

19.51 The approach to the second biennium will essentially be the same as in the first biennium.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

19.52 There are no activities of marginal usefulness in this subprogramme plan.

(o) Expected impact

19.53 It is expected that activities implemented in support of this objective will continue to make an important contribution to developing countries in the development of their water resources.

SUBPROGRAMME 4: SURVEYING, MAPPING AND INTERNATIONAL CO-OPERATION IN CARTOGRAPHY

(a) Objective

19.54 The objective of this subprogramme is to assist Governments, particularly those of developing countries, in the application of the latest surveying and mapping techniques as tools for planning economic and social development and in strengthening or establishing national cartographic, cadastral and hydrographic services.

(b) Problems addressed

19.55 Adequate maps and charts are an indispensable public service and a vital instrument required for efficient planning and successful implementation of numerous economic and social development projects. Topographic and bathymetric base maps are needed prior to exploration and exploitation of mineral and other natural resources; they are continually used as a base for statistical and administrative data, and are essential for planned urban development. In addition, they provide an economically viable aid in land use and in the assessment of governmental income from land (cadastral surveying); their assistance to land, air and sea transportation is likewise evident (aeronautical and hydrographic charting). In spite of the importance of surveying and mapping as a planning tool, many developing countries still do not fully appreciate their significance or the factors involved. There is also a lack of technical personnel, training facilities, modern equipment and maintenance facilities and, above all, a lack of knowledge in new fields such as the use of satellites for geodesy and remote sensing, and the new mapping production techniques. Remote sensing, from aircraft or space platforms, is providing both new techniques and an invaluable thematic mapping capability, particularly in the fields of resources inventory and environmental monitoring. At the international level, co-operation is needed for greater efficiency in the preparation of regional maps.

(c) Legislative authority

19.56 United Nations participation in cartographic activities commenced in 1948,

following the adoption by the Economic and Social Council of resolution 131 (VI) of 19 February 1949, in which it addressed itself to the need for a co-ordinated programme of international co-operation in cartography. Other important Council resolutions are 261 B (IX) of 27 July 1949 and 476 B (XV) of 6 April 1953 concerning the transfer of the Central Bureau of the International Map of the World on the Millionth Scale to the United Nations and the appropriate steps to be taken to further the completion of this world map series. In resolutions 715 A (XXVII) of 23 April 1959 and 814 (XXXI) of 27 April 1961 dealing with international co-operation in cartography, the Council requested the Secretary-General to establish a central clearing-house for geographic names and assigned it specific functions; it also invited Governments of countries interested and experienced in this field to make available, at the Secretary-General's request and at their own expense, consultants to serve on working groups (United Nations Group of Experts on Geographical Names). In addition to these resolutions on which the basic general programme of international co-operation in cartography has been elaborated, the present 1980-1983 plan is guided specifically by Council resolution 2049 (LXII) of 5 May 1977 requesting the Secretary-General to convene the ninth United Nations Regional Cartographic Conference for Asia and the Pacific in New Zealand in February 1980. On the basis of previous Council resolutions it can be forecast that a third United Nations Regional Cartographic Conference for the Americas and a fourth United Nations Conference on the Standardization of Geographical Names will be convened in 1982 and also a tenth United Nations Regional Cartographic Conference for Asia and the Pacific in 1983.

(d) Strategy and output

(i) Situation at the end of 1979

19.57 Activities undertaken will foster a better understanding of cartography as a planning tool, promote the exchange of technical knowledge and experience, disseminate information on new technological developments, and provide support for technical co-operation activities. Specifically, the International Map of the World on the Millionth Scale will have been prepared. World Cartography will have been published in 1979. A study on the status of cadastral surveying and mapping will have been completed. The second United Nations Regional Cartographic Conference for the Americas will have been convened in Mexico City and the eighth session of the United Nations Group of Experts on Geographic Names will have met. In addition to these activities, preparations for the ninth United Nations Regional Cartographic Conference for Asia and the Pacific will be under way in close co-operation with ESCAP.

(ii) Biennium 1980-1981

19.58 It is expected that the ninth United Nations Regional Cartographic Conference for Asia and the Pacific will be held in New Zealand in 1980, organized by ESCAP with the support of Headquarters. In addition, the ninth session of the United Nations Group of Experts on Geographical Names will be held in New York in 1981. The International Map of the World on the Millionth Scale (IMW) will be compiled and published annually for 1980 and 1981. The World Cartography bulletin will be prepared for each of the years of the biennium. The Department, through the recently established remote sensing unit within the Centre for Natural Resources, Energy and Transport, will strengthen its capabilities in the domain of remote sensing in order to assist Governments in the interpretation of imagery obtained through the use of this technology. Close co-operation will be sought with the

regional commissions concerned and possible joint activities in remote sensing will be identified and considered. Similarly, thematic mapping will be an activity of intensified interest with a number of reports to be prepared and seminars to be convened. An active programme of direct support for technical co-operation activities geared to the strengthening of national capabilities in cartography and the use of remote sensing will be continued. The possibility of entrusting primary responsibility for the organization of regional cartographic conferences to the appropriate regional commissions will be explored in close consultation with the respective secretariats of the commissions concerned.

(iii) Biennium 1982-1983

19.59 The third United Nations Regional Cartographic Conference for the Americas should be convened in 1982. The tenth United Nations Regional Cartographic Conference for Asia and the Pacific should be convened by ESCAP with the support of Headquarters in 1983. The fourth United Nations Conference on the Standardization of Geographical Names will be convened in Iran during 1982. The Conference is expected to provide technical guidance for Governments in the standardization of geographical names and the standardization of the various transliteration systems essential not only to the advancement of world cartography but to international co-operation in all fields.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

19.60 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

19.61 It is expected that actions and measures outlined above will result in the strengthening of the technical capacity of national cartographic and hydrographic services; it is also expected that they will improve communications between cartographic management and the higher levels of national administration for the purpose of stimulating appreciation of the usefulness of mapping and charting, a more efficient local regional approach to the subject, and an intensification of international co-operation and standardization.

PROGRAMME 2: DEPARTMENT OF INTERNATIONAL ECONOMIC  
AND SOCIAL AFFAIRS

A. Organization

1. Intergovernmental review

19.62 The work of the Secretariat in this programme is reviewed by the Committee on Natural Resources which meets every two years. The last session was held in May 1977 and the next is planned for June 1979. This plan has not been approved by that body.

2. Secretariat

19.63 Three Secretariat units, as yet unnamed, are responsible for this programme, and comprise a total of eight Professional staff members as at 1 July 1978, none of the posts is supported from extrabudgetary sources.

| <u>Organizational unit</u> | <u>Professional staff</u> |                               | <u>Total</u> |
|----------------------------|---------------------------|-------------------------------|--------------|
|                            | <u>Regular budget</u>     | <u>Extrabudgetary sources</u> |              |
| Unit on energy             | 4                         | -                             | 4            |
| Unit on minerals           | 2                         | -                             | 2            |
| Unit on water resources    | 2                         | -                             | 2            |
| Total                      | <u>8</u>                  | <u>-</u>                      | <u>8</u>     |

A description of the allocation of responsibility following restructuring is to be found in paragraph 19.3 in programme 1 above.

3. Expected completions

19.64 It is not possible at this stage to state precisely which of the programme elements described in paragraphs 5A.23 to 5A.25 in the proposed programme budget for the biennium 1978-1979 <sup>4/</sup> will be completed, in view of the uncertainties due to the restructuring of the economic and social sectors of the United Nations system.

<sup>4/</sup> Official Records of the General Assembly, Thirty-second Session, Supplement No. 6 (A/32/6 and Corr.1 and 2), vol. I.

## B. Co-ordination

### 1. Formal co-ordination within the Secretariat

19.65 The three units responsible for implementing macro-economic and global activities under this programme will co-ordinate their work closely with and draw upon related sectoral activities undertaken in the field of natural resources by the Centre for Natural Resources, Energy and Transport (CNRET) of the Department of Technical Co-operation for Development within the framework of the respective terms of reference of the two Departments. In the case of those activities for which the involvement of both Departments is warranted or appropriate, a pragmatic approach to a division of responsibility and to co-ordination will be adopted. Formal arrangements for co-ordination with other Secretariat entities such as UNCTAD, UNIDO and the regional commissions will be established as required.

### 2. Formal co-ordination within the United Nations system

19.66 In the field of water resources, regular contacts will be maintained with all United Nations organizations involved, within the framework of the Administrative Committee on Co-ordination, namely, UNDP, UNIDO, the United Nations Children's Fund (UNICEF), UNEP, the World Food Programme (WFP), the World Food Council (WFC), the International Labour Organisation (ILO), FAO, UNESCO, WHO, WMO, IAEA, and the World Bank, as well as with the regional commissions. In the fields of energy and minerals, formal arrangements for co-ordination with other organizations in the United Nations system will be established as required.

### 3. Units with which significant joint activities are expected in the period 1980-1983

19.67 During the plan period, close co-operative links will be developed in connexion with various energy activities with the following: UNCTAD, UNIDO, UNEP, UNITAR, FAO, the World Bank, IAEA and the Centre on Transnational Corporations. It is also expected that a number of activities will be organized in co-operation with the regional commissions. Should the Economic and Social Council decide to convene a United Nations conference on new and renewable sources of energy in 1981, co-operation in the preparation and convening of the Conference would be extended to the Centre for Natural Resources, Energy and Transport (CNRET) of the Department of Technical Co-operation for Development. In the field of minerals, organization of significant joint activities is expected with the Ocean Economics and Technology Office of the Department of International Economic and Social Affairs and CNRET of the Department of Technical Co-operation for Development. In the field of water, co-operation will be maintained with CNRET and with the organizations of the United Nations system servicing the third special session and regular sessions of the Committee on Natural Resources. Moreover, an interagency reporting mechanism will be established which will enable the Department to review the programmes and activities of the United Nations system and of Governments, geared to the implementation of the recommendations of the United Nations Water Conference. Approaches for joint planning and programming will be established and development of a number of joint projects is expected in co-operation with the five regional commissions. Co-operation with the same units will also be established, as appropriate, in undertaking research and analyses on the relationship of the water sector to the world economy.

C. Allocation of resources to subprogrammes

19.68 The trend in the percentage allocation of resources to subprogrammes is expected to be approximately as shown in the following table:

Allocation of resources to subprogrammes  
(Percentage)

| Subprogramme       | <u>1978-1979</u> |                         |       | <u>1980-1981</u> |                         |       | <u>1982-1983</u> |                         |       |
|--------------------|------------------|-------------------------|-------|------------------|-------------------------|-------|------------------|-------------------------|-------|
|                    | Regular budget   | Extra-budgetary sources | Total | Regular budget   | Extra-budgetary sources | Total | Regular budget   | Extra-budgetary sources | Total |
| 1. Energy          | 50               | -                       | 50    | 50               | -                       | 50    | 50               | -                       | 50    |
| 2. Minerals        | 25               | -                       | 25    | 25               | -                       | 25    | 25               | -                       | 25    |
| 3. Water resources | 25               | -                       | 25    | 25               | -                       | 25    | 25               | -                       | 25    |
| Total              | 100              | -                       | 100   | 100              | -                       | 100   | 100              | -                       | 100   |

D. Subprogramme narratives

SUBPROGRAMME 1: ENERGY

(a) Objective

19.69 The objective of this subprogramme is to review the world energy situation with a view to identifying the interrelationships between energy and the performance of the world economy; to assist in the formulation and implementation of international policies and strategies in the energy sector; and to analyse trends and prospects in the world energy situation with a view to identifying and proposing alternate solutions to emerging issues and problems requiring intergovernmental action and negotiations.

(b) Problem addressed

19.70 The events of the mid-1970s marked the beginning of a period during which the economics of energy development and use underwent a major transformation, dictating the need for international co-operation to meet the growing energy requirements of the international community. Recognizing the role of energy in the evolution of an interdependent world economy, the relationship of energy to economic performance requires considerable attention. In this connexion, the implications of global energy requirements for world economic growth require examination, with particular reference to energy demand and supply and to energy financing and investment requirements. In addition, efforts are required to develop a better understanding of the economic costs/benefits that may accrue from improved energy utilization and to identify and assess alternative approaches and

strategies to world economic development through the effective use of energy inputs.

(c) Legislative authority

19.71 Legislative authority for this subprogramme derives from General Assembly resolutions 3201 (S-VI) of 1 May 1974, 3362 (S-VII) of 16 September 1975, and 32/174 of 19 December 1977; and Economic and Social Council resolutions 1761 B (LIV) of 18 May 1973, 1954 (LIX) of 25 July 1975, 2014 (LXI) of 3 August 1976, and 2120 (LXIII) of 4 August 1977.

(d) Strategy and output

(i) Situation at the end of 1979

19.72 The economic effects of the supply, demand and cost position of energy will have been analysed in the context of the preparation of the World Economic Survey for 1978 and 1979, respectively. An overview of the world energy situation specifically will have been prepared for the consideration of the Committee on Natural Resources in 1979 and preliminary drafts of the appropriate energy contributions for an International Development Strategy for the 1980s should have been prepared in preparation for the special session of the General Assembly in 1980. Selective analyses will have been prepared as required on the world energy economy and the relationship of energy to economic performance including, inter alia, energy development and utilization, as well as the relationship between energy and the balance of payments and the investment requirements of the energy sector; and on energy issues requiring intergovernmental action and co-operation.

(ii) Biennium 1980-1981

19.73 The Department will continue to examine and assess world energy prospects in connexion with its work on medium- and long-term development strategies. Studies will be initiated on alternative energy strategies and possibly less energy-intensive approaches to economic development. The selective analyses undertaken in 1979 will be continued in the biennium, as required.

(iii) Biennium 1982-1983

19.74 The Department will continue its periodic assessments of the world energy economy in the context of long-term energy supply and demand trends. Work will be intensified on appropriate strategies for energy use to promote economic development and analysis of long-term energy supply/demand trends and perspectives will be continued. The impact of the world energy situation will be examined in the context of the World Economic Survey for these years. An assessment of the progress and problems of the world energy situation will be prepared in 1983.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

19.75 There are no activities of marginal usefulness in this subprogramme plan

(e) Expected impact

19.76 The subprogramme is expected to assist in clarifying the relationships between energy and world economic performance, in identifying the major problems and issues requiring action at the international level, and in assisting in appropriate negotiations. It is also expected to provide a framework for structuring and implementing United Nations activities designed to identify energy issues and problems on a continuing basis and to contribute to their solution.

SUBPROGRAMME 2: MINERALS

(a) Objective

19.77 The objective of the subprogramme is to analyse trends in the field of minerals in relation to the world economy and to contribute to the formulation of international strategies and policies.

(b) Problem addressed

19.78 Adequacy of mineral supplies, the effects of mining on the economy, and mineral prices and the issues of their stabilization are of central importance to the functioning of the international economy. The subprogramme will examine the policy implications of these issues, taking into account the potential of sea-bed mineral resources, and drawing particularly upon the work in the minerals field that will be undertaken by UNCTAD in the context of its integrated programme for commodities, by the World Bank on questions relating to financing and lending practices, by the Department of Technical Co-operation for Development and upon relevant activities of the regional commissions.

(c) Legislative authority

19.79 Legislative authority for this subprogramme derives from General Assembly resolutions 3201 (S-VI) of 1 May 1974 and 3362 (S-VII) of 16 September 1975; and Economic and Social Council resolutions 1761 B (LIV) of 18 May 1973, 1954 (LIX) of 25 July 1975 and 2014 (LXI) of 3 August 1976.

(d) Strategy and output

(i) Situation at the end of 1979

19.80 By the end of 1979, the Committee on Natural Resources will have reviewed a study on the economic and social effects of mining in developing countries and an analysis of the world minerals situation. The economic implications of the prevailing mineral situation will have been elaborated in the context of the preparation of the World Economic Survey for 1979. To the extent that it may be requested, the Department of International Economic and Social Affairs, in conjunction with the Department of Technical Co-operation for Development, will have provided analyses to the General Assembly and the Economic and Social Council and other United Nations intergovernmental and expert bodies on economic issues relating to the world minerals situation.

(ii) Biennium 1980-1981

19.81 Analyses concerning the relationship of the mining industry to economic



development will be continued. These analyses and others concerning the adequacy of mineral supplies, and mineral prices and their stabilization will be submitted, as required, to the General Assembly, the Economic and Social Council and other United Nations intergovernmental and expert bodies. The macro-economic effects of world mining trends, including pricing and stabilization, will be identified and assessed in the World Economic Survey prepared for 1980 and 1981. Efforts will also be made to promote co-ordination in the minerals sector among the organizations concerned of the United Nations system in relation to the objectives of the present subprogramme and to those of the other organizations.

(iii) Biennium 1982-1983

19.82 The activities undertaken during the 1980-1981 biennium are expected to continue during this period.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

19.83 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

19.84 The subprogramme is expected to assist in ensuring that mineral problems are fully taken into account in the preparation of international policies and strategies and to strengthen the co-ordination of the activities of the United Nations system in the minerals field, thereby minimizing duplication or overlapping of work and utilizing existing expertise and resources effectively.

SUBPROGRAMME 3: WATER RESOURCES

(a) Objective

19.85 The objective of the subprogramme is to review progress in the implementation by Governments and the United Nations system of the Plan of Action adopted by the United Nations Water Conference and report thereon to appropriate intergovernmental bodies; to undertake research and analyses on the relationship of the water sector to the world economy; and to promote system-wide co-ordination and, as appropriate, joint planning in the field of water resources.

(b) Problem addressed

19.86 The United Nations Water Conference addressed a series of issues of global import reflected in the recommendations which are embodied in the Plan of Action. <sup>5/</sup> These fall under such major headings as: policy, planning and management; environment, health and pollution control; natural hazards; and regional co-operation in the development of shared water resources. Periodic review of the implementation of the Plan of Action by Governments and organizations in the United Nations system is necessary to ensure that appropriate action is being taken at the international level within the United Nations system

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<sup>5/</sup> Report of the United Nations Water Conference (United Nations publication, Sales No. E.77.II.A.12), chap. I.

to assist national and regional efforts and that effective co-ordination is maintained. Particularly in consequence of the Plan of Action, co-ordination in the water sector has assumed greater importance, and in selected areas joint planning and programming would be desirable. Also, in order to improve projections and develop appropriate international strategies in the water sector, further analysis of the interrelationships between water and the world economy is required.

(c) Legislative authority

19.87 The legislative authority for this subprogramme is derived from General Assembly resolution 32/158 of 19 December 1977.

(d) Strategy and output

19.88 The Department of International Economic and Social Affairs will have a major co-ordinating responsibility in the water resources area. Moreover, it will undertake interdisciplinary research on the relationship between the water sector and the world economy. Together with the regional commissions and the relevant organizations within the United Nations system, it will review progress being made in the implementation of the Plan of Action adopted by the United Nations Water Conference and report thereon on a regular basis to the appropriate intergovernmental bodies. The Department will also provide assistance for the co-ordination of water-related activities and promote the development of intersecretariat planning and programming activities within the United Nations system.

(i) Situation at the end of 1979

19.89 In order to review progress being made in the implementation of the Mar del Plata Action Plan, regular reporting mechanisms will have been established with the organizations of the United Nations system and a systematic analysis of information received will have been initiated. Similarly, information obtained from Governments will have been classified and reviewed. Regular reporting to intergovernmental bodies on progress made in the implementation of the Plan of Action and on further actions required will have been initiated. The Department will act as the secretariat for interagency meetings dealing with co-ordination and with the associated issues stemming from the recommendations of the United Nations Water Conference. With respect to studies at the global level, a number of activities will have been initiated involving analyses of the relationship between the water sector and the world economy. These will be conducted in close association with the Department of Technical Co-operation for Development.

(ii) Biennium 1980-1981

19.90 This biennium will be characterized by an expansion and consolidation of the above activities and by an increasing participation in departmental planning activities geared to promoting the objectives of a new international economic order.

(iii) Biennium 1982-1983

19.91 The nature of the activities for this biennium is expected to remain the same while allowing for a gradual expansion of activities and of resources needed to increase the responsiveness of the subprogramme to newly emerging needs.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

19.92 There are no activities of marginal usefulness under this subprogramme plan.

(e) Expected impact

19.93 In accordance with the recommendations contained in the Plan of Action, it is expected that the implementation of this subprogramme will increase the capability of the United Nations system as a whole in the field of water resources.

PROGRAMME 3: ECONOMIC COMMISSION FOR AFRICA

A. Organization

1. Intergovernmental review

19.94 The work of the Secretariat in this programme is reviewed by the Technical Committee of Experts, the Executive Committee and the Conference of Ministers. The Technical Committee and the Conference of Ministers meet every two years and the last meetings took place in February/March 1977. The Executive Committee meets at least once a year and the last meeting took place in October 1977. This plan has not been approved by these bodies.

2. Secretariat

19.95 The secretariat unit responsible for this programme is the Natural Resources Division in which there were 23 Professional staff members as at 31 December 1977; 7 of the posts were supported from extrabudgetary sources. Sixteen of these staff members, including the Chief, were responsible for the Natural Resources Programme; 5 of the posts were supported from extrabudgetary sources. The Division had the following units as at 31 December 1977.

| <u>Organizational unit</u>     | <u>Professional staff</u> |                                | <u>Total</u> |
|--------------------------------|---------------------------|--------------------------------|--------------|
|                                | <u>Regular budget a/</u>  | <u>Extra-budgetary sources</u> |              |
| Office of the Chief            | 1                         | -                              | 1            |
| Mineral Resources              | 3                         | -                              | 3            |
| Water resources                | 3                         | 1                              | 4            |
| Energy                         | 2                         | 2                              | 4            |
| Cartography and Remote Sensing | 2                         | 2                              | 4            |
| Human Environment              | 1                         | -                              | 1            |
| Resources of the Sea           | <u>b/</u>                 | <u>b/</u>                      | <u>b/</u>    |
| Science and Technology         | 4                         | 2                              | 6            |
|                                | <u>—</u>                  | <u>—</u>                       | <u>—</u>     |
| Total                          | 16                        | 7                              | 23           |
|                                | <u>—</u>                  | <u>—</u>                       | <u>—</u>     |

a/ Established posts as per staffing table.

b/ See para. 19.98 below.

### 3. Expected completion and consequent reorganization

#### (a) Expected completions

19.96 The following programme elements described in paragraph 9.33 of the proposed programme budget for the biennium 1978-1979 6/ are expected to be completed:

- (i) In 1978-1979: 1.3, 1.9, 2.1, 4.3 and 4.5;
- (ii) In 1980-1981: 1.2, 1.4, 1.6, 1.7, 2.2, 2.3, 2.5, 2.6, 2.7, 2.8 and 4.2.

#### (b) Consequent reorganization

19.97 No significant administrative organization is expected to result in the 1980-1983 period as a result of the above completions.

19.98 It is hoped that by 1979 the Resources of the Sea Unit will be basically manned so as to carry out its work programme.

### B. Co-ordination

#### 1. Formal co-ordination within the secretariat

19.99 Formal co-ordination within the secretariat is carried out by the Policy and Programme Co-ordination Office, Interdivisional Committee on Integrated Rural Development and Interdivisional Committee on Least Developed Countries.

#### 2. Formal co-ordination within the United Nations system

19.100 Co-ordination within the United Nations system is carried out through the Committee on Natural Resources, the ACC Sub-Committee on Water Resources and the ACC Sub-Committee on Outer Space Activities.

#### 3. Units with which significant joint activities are expected during the period 1980-1983

19.101 Joint activities are expected with the following units: Socio-Economic Research and Planning Division; joint ECA/UNIDO Industry Division; joint ECA/FAO Agriculture Division; International Trade and Finance Division; Social Development Division; Transport, Communications and Tourism Division; Public Administration, Management and Manpower Division; Cabinet Office of the Executive Secretary; United Nations Department of Technical Co-operation for Development (Centre for Natural Resources and Energy) and Department of International Economic and Social Affairs, UNESCO; WMO; ECWA; ECLA; ECE; ESCAP; UNIDO; IAEA; IMCO; and UNEP.

### C. Allocation of resources to subprogrammes

19.102 The trend in the percentage allocation of resources to subprogrammes is expected to be approximately as shown in the following table:

6/ Official Records of the General Assembly, Thirty-second Session, Supplement No. 6 (A/32/6 and Corr.1 and 2), vol. I.

Allocation of resources to subprogrammes

(Percentage)

| Subprogramme                      | 1978-1979              |                         |       | 1980-1981      |                         |       | 1982-1983      |                         |       |
|-----------------------------------|------------------------|-------------------------|-------|----------------|-------------------------|-------|----------------|-------------------------|-------|
|                                   | Regular budget sources | Extra-budgetary sources | Total | Regular budget | Extra-budgetary sources | Total | Regular budget | Extra-budgetary sources | Total |
| 1. Mineral resources              | 25                     | 25                      | 25    | 25             | 33                      | 29    | 25             | 33                      | 29    |
| 2. Water resources                | 25                     | 13                      | 19    | 25             | 17                      | 21    | 25             | 17                      | 21    |
| 3. Energy                         | 17                     | 37                      | 27    | 17             | 25                      | 21    | 17             | 25                      | 21    |
| 4. Cartography and remote sensing | 17                     | 25                      | 21    | 17             | 17                      | 17    | 17             | 17                      | 17    |
| 5. Resources of the sea           | 16                     | -                       | 8     | 16             | 10                      | 12    | 16             | 10                      | 12    |
| Total                             | 100                    | 100                     | 100   | 100            | 100                     | 100   | 100            | 100                     | 100   |

## D. Subprogramme narratives

### SUBPROGRAMME 1: MINERAL RESOURCES

#### (a) Objective

19.103 The objective of this subprogramme is to facilitate the optimum development of the region's mineral wealth for the furtherance of economic and social development of the countries, securing full sovereignty of the countries over their mineral resources and promoting increased utilization in local industries.

#### (b) Problem addressed

19.104 In the majority of African countries the knowledge of the existing mineral resources is far from adequate and the national programmes of research and survey are not correlated at the subregional and regional levels. Furthermore, exploitation of mineral resources has not been fully integrated into economic development policies for the promotion of industrialization based on these resources. African mineral resources are generally exploited by foreign-based companies and exported with little local processing. Mining legislation does not always serve the national interest nor does it take into account the latest technical developments. The acquisition of mining and mineral-processing technology is slow in most African countries and many Governments are unable to ensure adequate machinery in the public sector of the extractive industry. Many countries face shortages of qualified personnel and depend on overseas institutions for research, specialized laboratory services and feasibility studies; there is strong demand by African geologists and mining engineers to be well informed and to have increased professional contacts and exchange of experience.

#### (c) Legislative authority

19.105 Legislative authority for this subprogramme derives from General Assembly resolutions 3016 (XXVII) of 18 December 1972, paragraphs 1-6; 3201 (S-VI) of 1 May 1974, paragraph 4; and 3202 (S-VI) of 1 May 1974, sections I (1), III, IV, V, VII and VIII; and Economic Commission for Africa resolutions 223 (X), 238 (XI), 256 (XII), paragraph 1, subparagraphs (a) to (j); and resolution 261 (XII), paragraphs 1-3.

#### (d) Strategy and output

##### (i) Situation at the end of 1979

19.106 By the end of 1979, the activities mentioned in paragraph 9.33 of the proposed programme budget for the biennium 1978-1979 6/ will have yielded the following results:

- a. An advisory group in the fields of economic geology, mining and mineral processing and legislation will have been established;
- b. A critical appraisal of existing machinery and infrastructure dealing with mineral resources within the African countries will be submitted for consideration by member States together with concrete recommendations to strengthen their efficiency;

- c. The East African Mineral Resources Development Centre will be operational;
- d. Preparatory activity for establishing multinational mineral resources development centres in Central and West African subregions will be completed;
- e. The first Regional Conference on the Development and Utilization of Mineral Resources in Africa will have defined a common strategy and guidelines for regional co-operation;
- f. A seminar and study tour for African mining engineers on new methods and techniques in mineral extraction will have been held;
- g. Studies on selected mineral raw materials of importance for the development of basic metals and chemical industries will be continued in co-operation with the Industry Division.

(ii) Biennium 1980-1981

19.107 During the biennium 1980-1981, activities will be directed to obtaining at the regional and country levels an adequate knowledge of the mineral resources potential, to strengthening capabilities of Governments to deal effectively with the geological, technological and economic problems in the development and utilization of their mineral resources and to promoting multinational co-operation among the member States with a view to harmonizing their policies, especially in the domains of mining laws and trade. Assistance will be given in the establishment and subsequent operation of multinational institutions for on-the-job training, specialized services and research work designed to supplement national facilities for mineral development in the East, Central and West African subregions. A survey of existing mining legislation in African countries and proposals for a model mining code will be completed; and a mineral distribution map of Africa will be published. A seminar and study tour on modern methods and techniques in mineral processing will also be organized for African specialists. Following a request by geologists from 20 African countries, annual meetings on recent developments in mineral exploration will be convened for African geologists in co-operation with ECWA, UNESCO and the Centre for Natural Resources, Energy and Transport of the Department of Technical Co-operation for Development. Studies on mineral raw materials for basic industries will be carried out in order to determine the feasibility of local processing and marketing.

(iii) Biennium 1982-1983

19.108 There will be no change in the strategy during the biennium 1982-1983, but emphasis will be given to integrating geological and mining projects into general economic development projects and to consolidating the achievements of the previous period. Continuous support will be given to the multinational centres already established. New centres will be set up in the northern and possibly the southern subregions. A second regional conference on the development and utilization of mineral resources will be held. Annual subregional meetings of experts in geology and mining will be organized to exchange experience and to strengthen co-operation.



- (iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

19.109 No activities of marginal usefulness are included in this subprogramme plan.

(e) Expected Impact

19.110 The establishment of multinational mineral resources development centres and of a strong advisory team will assist the countries in the implementation of their priority programmes. The inventory of existing and potential mineral resources and the publication of the mineral distribution map of Africa will provide a better knowledge at the national, subregional and regional levels of mineral resources, leading to improved co-operation in their exploitation and utilization and in the harmonization of the mineral development policies of the member States. The outcome of this subprogramme will also facilitate the successful implementation of a related project in the industrial development and trade sectors.

SUBPROGRAMME 2: WATER RESOURCES

(a) Objective

19.111 The objective of this subprogramme is to promote the development and conservation of the region's water resources so as to lead to optimum economic and social progress.

(b) Problems addressed

19.112 Most African countries do not have adequate knowledge of their water resources endowment. There are a number of reasons for this situation. In large parts of the region neither the hydrometeorological and hydrometric networks nor the networks for recording ground-water level fluctuations and quality are adequate. Furthermore, the shortage of drilling, pumping and laboratory equipment and of arrangements for the collection, processing and retrieval of data are crucial short-comings. Although the volume of trained manpower in the region has considerably increased in the past few years, most of the countries still depend mainly on overseas services for research and feasibility studies. In many African countries, the effectiveness of the organizational structure that exists to deal with the various aspects of water development is not adequate and co-ordination even at the national level is very often insufficient.

(c) Legislative authority

19.113 Legislative authority for this subprogramme derives from General Assembly resolutions 1401 (XIV) of 21 November 1959, subparagraphs (a) to (d) 7/ and 2386 (XXIII) of 19 November 1968, paragraphs 1 and 2; 7/ Economic Commission for Africa resolution 308 (XIII), paragraphs 1, 2 and 3; and resolutions of the United Nations Water Conference.

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7/ Mandate more than five years old.

(d) Strategy and output

(i) Situation at the end of 1979

19.114 Studies of underground water resources will have been carried out in selected areas of the region. Assistance will also have been given to member States in setting up hydrological and hydrometeorological networks and in the preparation of hydrological and hydrogeological maps. Advisory services will have been made available to assist in drawing up national master plans for water resources; and a regional African water conference as a follow-up to the Mar del Plata Conference will have defined a strategy for the promotion of water development in the course of the next decade.

(ii) Biennium 1980-1981

19.115 The work programme for the biennium 1980-1981 will address itself to the problems of the lack of adequate knowledge, due largely to inadequacies in observational networks. It will focus attention on the problems faced by a large majority of the African population that do not have access to reasonably safe water supplies and particularly to the problems of drought-affected areas, and will emphasize approaches that lead to effective planning, policy making and legislation. Self-sufficiency through co-operation in lake and river basin development will be strengthened. Assistance and advisory services will be provided to member States in various aspects of water resources development, particularly in:

(a) Assessment of water availability (both surface and underground), use and demand, paying particular attention to the establishment of observational networks and establishment of laboratories for comprehensive water analysis in its application to various uses. Encouragement will be given to the establishment of data banks and in the development of integrated national data systems;

(b) Preparation of long- and medium-term plans and specific water-supply projects to take community water supplies and waste water disposals;

(c) Formulation of a comprehensive programme for the development of water resources in drought affected areas in Africa. Assistance will also be given in drawing up a programme for flood control and hydrological forecasting;

(d) Review of institutional arrangements at the national, subregional and regional levels to determine their adequacy in dealing with problems of planning, policy-making and legislation and to improve them;

(e) Manpower surveys leading to the establishment of subregional institutes for training, specialized services and research;

(f) Subregional and regional co-operation in water resources development and utilization, particularly in strengthening existing institutions and in the creation of new ones in order to stimulate the integrated development of river and lake basins shared by more than one State.

(iii) Biennium 1982-1983

19.116 The above-mentioned advisory services and assistance will continue to be provided. As a result of the knowledge of ground-water resources gained at the

national, subregional and regional levels during the previous biennium, the preparation of a hydrogeological map of Africa will have been started. Another regional water conference and annual subregional meetings of experts in water development will be held to exchange experience and to strengthen co-operation.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

19.117 No activities of marginal usefulness are involved in this subprogramme plan.

(e) Expected impact

19.118 By the end of 1983, a better knowledge of water resources availability will have been acquired. A higher percentage of the population will have obtained safe water within reasonable access, and will also have some waste-water disposal system. Technological capacities will have been improved and better information on research and development will have been acquired. Using a better data base, some development projects will have been formulated both to serve general economic and social progress as well as to abate drought and flood disasters. A major degree of progress will have been achieved in formulating water policies and legislation. There will have been a significant increase in trained manpower.

SUBPROGRAMME 3: ENERGY

(a) Objective

19.119 The objective of this subprogramme is to encourage exploration, systematic planning and optimum development of all energy resources in Africa; to promote development of rural electrification; to stimulate development of non-conventional and new sources of energy and to establish multinational co-operation in the exploitation and use of energy resources in Africa; and to co-ordinate development policies of those resources.

(b) Problems addressed

19.120 Many of the African countries have not as yet undertaken a systematic and comprehensive survey and inventory of their energy resources, which is an important step in laying down the foundation for the formulation of policies and plans for the development and utilization of indigenous resources. As a consequence, they still suffer from the lack of co-ordinated energy development policies and the lack of an ability to forecast energy needs, production and import requirements. Well over 70 per cent of Africa's population is in the rural areas, where the supply of energy is far from adequate. From this state of affairs arises an urgent need for an appraisal of energy requirements, the supply situation, and readily available energy resources on the one hand, and for an appraisal of institutional requirements for the development and supply of energy in the rural areas on the other. For many African countries, the level of development of generating capacity, and power systems generally, is still at an initial stage. Generally, plants are often underutilized, possibly because many of them do not form part of an interconnected system. Skilled manpower in the field of energy resources exploitation and use is still inadequate. Also, the rising costs of imported energy and interruptions in the supply raise severe problems in African economies,

which may be ameliorated by increased exploration and utilization of non-conventional and new sources of energy to supplement or even to replace some of the existing conventional sources of energy. Above all, co-operation is needed among member States in the development and rational utilization of their energy resources on a multinational basis, securing at the same time sovereignty over their own energy resources.

(c) Legislative authority

19.121 Legislative authority for this subprogramme derives from General Assembly resolutions 3016 (XXVII) of 18 December 1972, paragraphs 4-6; 3171 (XXVIII) of 17 December 1973, paragraphs 1-7; 3177 (XXVIII) of 17 December 1973, paragraphs 2-5; 3241 (XXIX) of 29 November 1974, paragraph 3; Economic Commission for Africa resolutions 13 (VII), 7/ paragraphs 1-2; 43 (IV), 7/ paragraphs 1-4; 113 (VI), 7/ paragraphs 1-3; 143 (VII), 7/ paragraphs 1-4; 223 (X), 7/ 225 (X), 7/ paragraphs 1-4; 305 (XIII), paragraphs 1-4; 309 (XIII), paragraphs 1-3; 314 (XIII), paragraphs 1-7; and 318 (XIII), paragraphs 1-3; and Revised Framework of Principles for the Implementation of the New International Economic Order in Africa (E/CN.14/ECO/90/Rev.3).

(d) Strategy and output

(i) Situation at the end of 1979

19.122 Assistance will have been given to member States in the following areas: formulation of integrated energy policies; evaluation, development, exploitation and use of energy resources in Africa; forecasting of demand for electricity; standardization and formulation of appropriate standards for African countries; manufacturing on a multinational basis of electrical equipment; the small-scale production, distribution and expansion of use of electrical energy in rural areas; and interconnexion of neighbouring countries' grids. An inventory of energy resources will have been carried out and the Energy Resources Atlas of Africa will be ready for distribution. Regular updating of maps on primary energy and electric energy in Africa will have been carried out. A survey of existing facilities and future needs in Africa for education, training and research in the field of fuels science and technology with special reference to petroleum and petroleum derivatives will have been accomplished, and assistance will have been given for the establishment of institutions for training of personnel at all levels in the field of electricity. Studies on the interconnexion of grids will also have been started, and a study dealing with multipurpose development of international waterways and the preparation of a model convention in this field will have been completed. A comprehensive programme of assistance to Governments in the field of non-conventional sources of energy will be under implementation. Moreover, a project on utilization of solar energy in Africa on a large scale will have been started. In this context, two seminars on solar energy in Africa will have been held; solar energy centres in Africa will have been reinforced; installation of observation and measurement stations on solar energy radiation in Africa will have been started and training of Africans in the field of solar energy will have been initiated. Also, a regional institution on solar energy in Africa will have been established. In this connexion, three demonstration centres for solar, wind and biogas equipment will have been established and a feasibility study on the establishment of a manufacturing demonstration centre and the possibility of marketing solar energy equipment in Africa will have been prepared; also, an exhibition showing solar energy equipment will have been organized; the establishment of standing committees for energy in all African subregions, as well

as of a regional energy committee, will have been initiated; and a study on direct and diffuse repartition of solar energy in Africa will have been started.

(ii) Biennium 1980-1981

19.123 In order to enable member States to draw up an exhaustive inventory of their energy resources and to study the optimum conditions for the exploitation, transmission, distribution and use of these energy resources; in order to enable them to assess the various categories of future requirements for consumers and projects in the energy field; in order to co-ordinate these and related activities; and in order to assist States in the formulation of energy policies and programmes, the following activities will be undertaken:

(a) Standing committees for energy in all African economic subregions, as well as a regional energy committee, will be established;

(b) A study to lay down the basis for the establishment of an African petroleum organization will be carried out;

(c) The establishment of an African Institute for Fuels Science and Technology with special reference to petroleum and petroleum derivatives will be initiated;

(d) The Second African Conference on Hydrocarbons will be held;

(e) The collection and dissemination of energy information will continue together with a periodic updating of the energy resources inventory and of the Energy Resources Atlas of Africa;

(f) The preparation for the third African Meeting on Energy will start;

(g) Studies on the interconnexion of national networks will continue;

(h) A study on the organizational and operational aspects of electrical energy development will be carried out;

(i) A survey of technical, social and economic factors affecting the development of energy supply and use in rural areas will be carried out;

(j) A study on geological correlations of sedimentary basins in Africa will be undertaken;

(k) Activities concerning the development of non-conventional sources of energy will be considerably expanded. A project on the promotion of the utilization of solar energy in Africa, started in 1978, will be under implementation. In this connexion, installation of equipment to measure solar radiation will be undertaken; eight new solar energy centres in Africa will be established, and two seminars on solar energy will be held. In addition to solar energy, wind and biogas will be given priority consideration;

(l) A preliminary study for the establishment of an African Institute of Nuclear Physics will be undertaken;

(m) The study on repartition of solar energy in Africa, started in 1979, will be finished;

(n) A study of conditions for setting up an African Energy Bank will be carried out;

(o) Co-operation will also be extended to United Nations Headquarters, as resources available to the Commission permit, in the preparation and convening in 1981 of a United Nations conference on new and renewable sources of energy, if approved by the Economic and Social Council at its second regular session, 1978.

(iii) Biennium 1982-1983

19.124 When all African subregions have established their standing committees for energy and a regional committee on energy is in full operation, assistance will continue to be provided for the rational exploitation and utilization of energy resources in the framework of an integrated continental energy policy. Assistance will continue to be offered in the field of training. In order to achieve a more complete utilization of the existing generating plants in Africa, technical and economic studies on interconnexion of the national networks of African countries on a multinational, subregional or regional basis will continue. Emphasis will be given, within the framework of integrated rural development, to the utilization of non-conventional sources of energy. In order to ameliorate the existing energy situation in Africa and to supplement or replace some of the conventional sources of energy, a project on utilization of solar energy in Africa, started in 1978 and continued during the biennium 1980-1981, will continue to be implemented. In this context, two new solar energy centres will be established and two annual seminars on solar energy will be held; observation and measurement stations for solar energy radiation will be established. The implementation of this project, as well as the existence of two demonstration centres for solar, wind and biogas energy utilization will play a significant role in the development of non-conventional sources of energy in Africa.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

19.125 No activities of marginal usefulness are involved in this subprogramme plan.

(e) Expected impact

19.126 With the establishment of subregional standing committees on energy, member States will be able to assess the various categories of future requirements for both consumers and projects in the energy field. They will be able to study the optimum conditions for the exploitation, transmission, distribution and use of energy from various sources and to define the legal and institutional framework for co-operation. Their activities will be co-ordinated by the established Regional Committee on Energy, which will assist them in formulating energy policies and programmes at the all-African level and in securing full sovereignty over their energy resources. The institutions in existence for training in the field of electricity, hydrocarbons and non-conventional sources of energy will cover at least 75 per cent of the requirements for technicians and other skilled manpower in these fields. The creation of an African petroleum organization will facilitate closer co-operation among member States, whether petroleum producers or non-producers, and will facilitate the elaboration of common policies regarding prices of petroleum and a regular supply of petroleum products for at least 80 per cent of their actual needs. Studies on the interconnexion of

electrical networks will facilitate a more complete utilization of the existing generating plants in Africa. Through the utilization of non-conventional sources of energy, the energy balance of member States will be improved by at least 50 per cent. The implementation of the solar energy project will have a major impact, especially on the development of rural areas in Africa.

#### SUBPROGRAMME 4: CARTOGRAPHY AND REMOTE SENSING

##### (a) Objective

19.127 The objective of this subprogramme is: (a) to give assistance and advice to countries of the region in the provision of national cartographic services with the capability to carry out tasks essential for development strategies, the development of existing regional or subregional centres for training and/or services in surveying and/or remote sensing, and the establishment of new specialized subregional or regional centres; (b) to complete the cartographic inventory for Africa, including geodesy, geophysics and topical mapping, to publish this inventory in a series of indexed maps of the continent, thus identifying the cartographic work that remains to be done, to analyse the existing material in order to determine the methods and specifications adopted by the different countries and to recommend an optimum set of specifications for future work; and (c) to establish the African Remote Sensing Council which will operate satellite receiving stations and remote sensing training and user assistance centres, and facilitate the use of remote sensing data and techniques for resource analysis and management.

##### (b) Problems addressed

19.128 Many projects continue to be carried out in Africa by foreign organizations and companies. However, the records existing in Africa are often incomplete or dispersed in unpublished or unindexed reports and several surveys lack a unified framework and do not follow common specifications. Similarly, the absence of institutions in Africa for managing African satellite receiving stations leaves Africa without the capability to get basic remote sensing data in proper time. These short-comings have affected the usefulness of existing material, hindered the planning of national and regional development schemes, led to unnecessary repetitions of expensive surveys and reduced the return from modern cartographic and remote sensing techniques. Also, estimations of the required manpower and, hence, the type and size of the institutions needed to provide it, continue to be conjectural. Training at centres outside the continent is not geared to managerial or production activities within the context of actual African problems. Furthermore, a high percentage of trainees do not return to their countries.

##### (c) Legislative authority

19.129 Legislative authority for this subprogramme derives from General Assembly resolutions 2221 (XXI) of 19 December 1966, paragraph 3; 2386 (XXIII) of 19 November 1968, paragraphs 1 and 2; 2915 (XXVII) of 9 November 1972, paragraphs 10 and 28; 3016 (XXVII) of 18 December 1972, paragraphs 1, 5 and 6; 3182 (XXVIII) of 18 December 1973, paragraphs 11 and 17; 3388 (XXX) of 18 November 1975, paragraphs 6, 7, 8, 10, 12 and 14; and Economic Commission for Africa resolutions 143 (VII), paragraphs 1-4; 164 (VIII), paragraphs 1, 2, 3 and 5; 238 (XI), paragraph 40 (1), (iii) and (iv); 280 (XI), paragraphs 2, 3 and 4; 288 (XII), paragraphs 2, 3 and 6; and 313 (XIII), paragraphs 1-5; and resolutions of the first, second and third United Nations Regional Cartographic Conferences for Africa.

(d) Strategy and output

(i) Situation at the end of 1979

19.130 By the end of 1979, 50 per cent of the cartographic inventory will have been completed, covering Algeria, Benin, the Congo, Equatorial Guinea, Ethiopia, Gabon, the Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Liberia, Mali, Mauritania, Morocco, the Niger, Nigeria, Senegal, Sierra Leone, Somalia, Togo, Tunisia, the United Republic of Cameroon, the Upper Volta, Zaire and the Sahara. The fourth Regional Cartographic Conference for Africa will have been convened. Active participation is also foreseen in subregional, regional and international conferences and seminars on cartographic topics, in particular the meetings of the African Association of Cartography, the Commission for Geodesy in Africa, the International Union of Geodesy and Geophysics and the meetings dealing with the application of remote sensing to cartography. Two of the five training centres in remote sensing will be in operation and two others will be in the process of being established. One African remote sensing receiving station will be in operation. Another will be in the process of being installed. About 25 per cent of the basic training needs in remote sensing application specialists at national levels will have been met. Over 20 participating countries will have resource analysis programmes using remote sensing. The African Remote Sensing Council will have become operational. A number of seminars for decision makers and/or data users will have been held. Training programmes for 40 national co-ordinators and up to 100 application specialists will have been carried out. The redocumentation of the holdings in the Map Documentation and Reference Centre at ECA will have been completed and a second edition of the catalogue published. The first edition of the Energy Resources Atlas for Africa will have been published.

(ii) Biennium 1980-1981

19.131 The work programme for the biennium 1980-1981 will concern itself with improving the knowledge base of cartographic work that has been carried out in Africa, so that member States can decide individually and collectively what needs to be done to fill the gaps; and the countries will be assisted in becoming increasingly self-sufficient in the provision of training and specialized services in cartography as well as remote sensing. The cartographic inventory for Africa will be completed, the index maps published and the full report on the work ready for scrutiny by experts from member States and international bodies. The regional training and services centres will be assisted in becoming fully operational. A reassessment of manpower requirements will be made and four to six meetings dealing with cartography and remote sensing will be held. Total Africanization of the satellite receiving stations and remote sensing training centres will be carried out through the expansion of training at existing centres and also within the framework of technical co-operation among developing countries. Efforts will be directed towards making the fifth training and user assistance centre fully operational. Assistance will be provided in completing the installation of the second receiving station and in setting up a third one.

(iii) Biennium 1982-1983

19.132 As a result of work carried out in the biennium 1980-1981, specialized areas where manpower development requires new regional training institutions and/or expansion of existing ones will have been identified. Multinational programmes of geodetic, geophysical and topical mapping will be launched to fill gaps



disclosed by the cartographic inventory completed in the previous period. Efforts will continue toward the achievement of co-ordination of procedures at the remote sensing receiving stations and the training centres. Support will be given to convening one seminar on remote sensing, dealing with advanced topics. The Fifth United Nations Regional Cartographic Conference for Africa will also be convened.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

19.133 No activities of marginal usefulness are involved in this subprogramme plan.

(e) Expected impact

19.134 Africa will have a ready and up-to-date inventory of existing cartographic data, a clear picture of what remains to be done and the appropriate specifications for carrying it out. Training facilities at all technical levels will have been set up in Africa, thus effectively reducing dependence on training institutions abroad. Regional cartographic centres will have been developed to serve projects requiring advanced technologies. The need for national remote sensing co-ordinators will be entirely met. Fifty per cent of the needs for African resources analysts and managers trained in the use of remote sensing will be covered. Remote sensing procedures will be part of operational resource management practices in 35 per cent of the countries.

SUBPROGRAMME 5: RESOURCES OF THE SEA

(a) Objective

19.135 The objective of this subprogramme is to promote the increased participation of the member States in the recovery, development and concentration of marine resources, including those of coastal areas, in order to contribute to economic and social development.

(b) Problem addressed

19.136 The existence of important mineral resources such as petroleum, metallic ores and industrial minerals, as well as biological and other possibilities (e.g., energy) within the oceans and seas surrounding the African continent, has been demonstrated. With few exceptions, there seems to be a great lack of awareness in Africa of the growing importance of having national and multinational policies for the development of marine resources. Very few countries in Africa have adequate capabilities, either in manpower or institutions, in marine science and technology.

(c) Legislative authority

19.137 Legislative authority for this subprogramme derives from General Assembly resolutions 2626 (XXV) of 24 October 1970, paragraphs 73-78; and 2692 (XXV) of 11 December 1970, paragraphs 3-8; and Economic Commission for Africa resolutions 34 (III), 143 (VII) and 238 (XI).

(d) Strategy and output

(i) Situation at the end of 1979

19.138 A special unit dealing with resources of the sea will have been established. Assessment of priorities in member States regarding marine resources will have been carried out and preparatory assistance will have been given to member States bordering the Indian Ocean and the Red Sea in formulating and implementing subregional offshore exploration programmes and establishing machinery for co-ordinating programmes and activities.

(ii) Biennium 1980-1981

19.139 The work programme in the biennium 1980-1981 will seek to lay a firm foundation for co-operative arrangements aimed at harmonizing policies, programmes and legislation and, in co-operation with the Science and Technology Unit, to assist in the establishment of institutions for training, research, and the provision of services. Co-ordinating machinery to harmonize the policies and programmes of member States will be established for the Atlantic Ocean, the Red Sea, the Indian Ocean and the Mediterranean Sea. In co-operation with the Science and Technology Unit, assistance will be given to member States in establishing centres for marine science and technology, and a review of national marine legislation will be prepared and submitted to African experts for discussion in a special working meeting. Symposia and meetings of experts will also be convened to analyse the results of offshore exploration along the African coast and to propose a programme of studies and experiments on the utilization of renewable sources of ocean energy.

(iii) Biennium 1982-1983

19.140 Meetings of the Joint Co-ordinating Offshore Prospecting Committees will be organized for each major area; and feasibility studies on the exploitation of known marine resources will be undertaken. Meetings of experts to discuss co-operation among the member States will also be organized.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

19.141 No activities of marginal usefulness are involved in this subprogramme plan.

(e) Expected impact

19.142 By the end of 1983 the African member States will have gained a better knowledge of the marine resources of the seas and oceans adjacent to the continent. They will have become aware of the legal and technological aspects of the utilization of these resources and through appropriate co-ordinating machinery will have been enabled to co-operate in their exploitation.

## PROGRAMME 4: ECONOMIC COMMISSION FOR EUROPE

### A. Organization

#### 1. Intergovernmental review

19.143 The work of the secretariat in this programme is reviewed by the following committees which meet annually: Committees on Gas, Coal, Electric Power, Water Problems and Timber. The last meetings were held during 1977. This plan has not been approved by these bodies.

#### 2. Secretariat

19.144 The secretariat units responsible for this programme are the Energy Division; the Environment and Human Settlements Division (Water Problems); and the Timber Division, in which there were 15 Professional staff members as at 31 December 1977, none of the posts was supported from extrabudgetary sources.

#### 3. Expected completions

19.145 The following programme elements described in paragraph 6.27 of the proposed programme budget for the biennium 1978-1979 8/ are expected to be completed:

(a) In 1978-1979: Gas: 2.1 (i); 2.3 (ii), (vii) and (x). Coal: 3.3 (vi) and (viii); Electric Power: 4.2 (iii), (v), (vii), (viii), (ix) and (xii). 4.3 (i), (ii) and (iii); Water problems: 5.2; 5.3; 5.4; 5.8; 5.9; 5.11; 5.12; Timber: 6.5; 6.9; 6.10; and 6.11;

(b) In 1980-1981: Gas: 2.3 (iii), (iv) and (x); Electric Power: 4.2 (iv), (vi) and (x).

### B. Co-ordination

#### 1. Formal co-ordination within the secretariat

19.146 Co-ordination will be maintained with the principal subsidiary bodies of ECE and with the Department of Technical Co-operation for Development (Centre for Natural Resources, Energy and Transport) and the Department of International Economic and Social Affairs, both of the Secretariat.

#### 2. Formal co-ordination within the United Nations system

19.147 Co-ordination of projects on water problems will be maintained with UNEP and on timber problems with FAO.

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8/ Official Records of the General Assembly, Thirty-second Session, Supplement No. 6 (A/32/6 and Corr.1 and 2), vol. I.

3. Unit with which significant joint activities are expected during the period 1980-1983

19.148 Significant joint activities are expected with UNEP and FAO.

C. Allocation of resources to subprogrammes

19.149 The trend in the percentage allocation of resources to subprogrammes is expected to be approximately as shown in the following table:

Allocation of resources to subprogrammes

(Percentage)

| Subprogramme               | 1978-1979      |                         |       | 1980-1981      |                         |       | 1982-1983      |                         |       |
|----------------------------|----------------|-------------------------|-------|----------------|-------------------------|-------|----------------|-------------------------|-------|
|                            | Regular budget | Extra-budgetary sources | Total | Regular budget | Extra-budgetary sources | Total | Regular budget | Extra-budgetary sources | Total |
| 1. General energy problems | 12.5           | -                       | 12.5  | 12.5           | -                       | 12.5  | 12.5           | -                       | 12.5  |
| 2. Gas                     | 12.5           | -                       | 12.5  | 12.5           | -                       | 12.5  | 12.5           | -                       | 12.5  |
| 3. Coal                    | 12.5           | -                       | 12.5  | 12.5           | -                       | 12.5  | 12.5           | -                       | 12.5  |
| 4. Electric power          | 12.5           | -                       | 12.5  | 12.5           | -                       | 12.5  | 12.5           | -                       | 12.5  |
| 5. Water problems          | 25.0           | -                       | 25.0  | 25.0           | -                       | 25.0  | 25.0           | -                       | 25.0  |
| 6. Timber                  | 25.0           | -                       | 25.0  | 25.0           | -                       | 25.0  | 25.0           | -                       | 25.0  |
| Total                      | 100            | -                       | 100   | 100            | -                       | 100   | 100            | -                       | 100   |

D. Subprogramme narratives

SUBPROGRAMME 1: GENERAL ENERGY PROBLEMS

(a) Objective

19.150 The objective of this subprogramme is to assist Governments in the exchange of information, views and experience on economic, technical and research problems in order to facilitate the rational development of the energy economies in the ECE region through international co-operation.

(b) Problem addressed

19.151 Recent changes in the world energy market and future energy prospects have underlined the existence of imbalances between energy resources and energy demand levels and patterns, which are likely to pose difficulties for meeting energy

demands. New opportunities have emerged which call for a vigorous and joint development effort. International co-operation would thus play an important role in bridging resource and demand problems, speeding up research and development, sharing costs and risks, and enhancing trade and co-operation opportunities.

(c) Legislative authority

19.152 Legislative authority for this subprogramme derives from the programme of work for 1977-1982 adopted by the Economic Commission for Europe in April 1977, Commission resolution 1 (XXXII).

(d) Strategy and output

(i) Situation at the end of 1979

19.153 At the end of 1979, a basic study on the new issues affecting the energy economy of the ECE region in the medium and long terms will be completed with suggestions for follow-up action in the medium-term plan period. Preparatory work will have been completed for a number of technical seminars and the framework established for further studies.

(ii) Biennium 1980-1981

19.154 Emphasis will be placed on studies and seminars on energy policies, particularly as they affect supply and demand. Perspective studies on energy balances will be carried out, as well as further studies on conservation, investment and potential co-operation within the region. Seminars will be held on a number of technical topics such as combined production of electric power and heat, coal gasification and liquefaction, and models for policy-making in the energy sector. Co-operation will also be extended to United Nations Headquarters, as resources available to the Commission permit, in the preparation and convening in 1981 of a United Nations conference on new and renewable sources of energy, if approved by the Economic and Social Council at its second regular session of 1978.

(iii) Biennium 1982-1983

19.155 During the next several years, the programme will develop along the lines agreed upon, with anticipated intensification of international co-operation on energy projects of common interest, as well as a continued programme of studies and seminars.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

19.156 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

19.157 It is expected that by 1983 the process of co-ordination of national energy policies and of joint developments in selected trade, industrial co-operation and research and development fields will show the first beneficial results in terms of increased security of supply, sharing of costs and risks, higher efficiency of energy use, speedier transfer of technology, improved demand management and improved international analysis in the energy field.

SUBPROGRAMME 2: GAS

(a) Objective

19.158 The objective of this subprogramme is to assist Governments in promoting development of the gas industry and in facilitating international co-operation in this field.

(b) Problem addressed

19.159 Recent changes in the world energy situation and future energy prospects have underlined the need for intensified intergovernmental co-operation to meet energy problems. The extent to which energy requirements are satisfied will determine in large measure the future economic prospects for the region. The new energy situation has a considerable impact on the gas industry, which will play an important role in the energy economy of the ECE countries. There is a growing recognition by States members of ECE of the need to strengthen their co-operation, especially with respect to exploration, exploitation, transport, storage, distribution and use of gas, and increased trade in natural gas.

(c) Legislative authority

19.160 Legislative authority for this subprogramme derives from Economic Commission for Europe resolution 1 (XXXII) and the programme of work for 1977-1981 adopted by the Committee on Gas in 1977.

(d) Strategy and output

(i) Situation at the end of 1979

19.161 At the end of 1979 the activities related to gas listed in paragraph 19.145 above will have been completed. It is nevertheless expected that the Committee on Gas, at its annual sessions to be held in 1978 and 1979, will include in its programme of work new projects in the following areas: medium- and long-term prospects; selected economic and technological problems; environmental problems; and efficiency and conservation.

(ii) Biennium 1980-1981

19.162 Studies, seminars, symposia or ad hoc meetings on the following subjects are envisaged: new problems of off-shore technology and sea pipelines; exploration for gas fields in the ECE region; various aspects of substitute natural gas (SNG) and the possibility of hydrogen use by the gas industry; exploitation of natural gas fields, stimulation and enhanced recovery techniques; and investments and financing requirements of the gas industry. The preparation of studies on some continuing projects should also be emphasized. These include: analysis of the gas situation and prospects for natural gas markets in the ECE region; developments and prospects for intraregional trade in gas; selected economic and technological problems; improvement of statistical information; and information on investments.

(iii) Biennium 1982-1983

19.163 New studies and seminars in the areas mentioned above will be undertaken.

- (iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

19.164 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

19.165 It is expected that by 1983 the efforts to discover new natural gas resources and increased and better exploitation and trade in natural gas will improve natural gas availability, and the gas industry will continue to meet the demand for gas fuels.

SUBPROGRAMME 3: COAL

(a) Objective

19.166 The objective of this subprogramme is to assist Governments in exchanging information, views and experience on selected economic, technological and research problems in the field of coal in order to facilitate the rational development of the coal industry in the ECE region and particularly to promote trade and joint research.

(b) Problem addressed

19.167 Recent changes in the world energy situation and future energy prospects have enhanced the role of coal, and new production plans are being developed. There is a growing recognition by States members of ECE that intensified co-operation could enhance the rational use of coal.

(c) Legislative authority

19.168 Legislative authority for this subprogramme derives from Economic Commission for Europe resolution 1 (XXXII) and the programme of work for 1977-1982 adopted by the Coal Committee in September 1977.

(d) Strategy and output

(i) Situation at the end of 1979

19.169 In addition to completing the activities related to coal listed in paragraph 19.145 above, it is expected that the Coal Committee at its annual sessions in 1978 and 1979 will include in its programme of work new projects in the following areas: medium- and long-term prospects, particularly the role of coal around the year 2000; selected technological and economic problems, particularly new mining and preparation technologies; and joint research and development, particularly in coal conversion.

(ii) Biennium 1980-1981

19.170 In addition to continuing activities on perspectives and the market situation, the Committee is likely to envisage studies and organize symposia on: the use of steam coal in power stations; selected issues in coal mining and preparation; sudden outbursts of coal and gas; coalplexes (integrated production of coal, synthetic gases and liquids and electricity on the spot); and utilization of waste obtained in the production and consumption of coal.

(iii) Biennium 1982-1983

19.171 During this period studies should be concluded on: the use of coal in the metallurgical industry; advanced technologies in face work; structure, development and efficiency of management in the coal industry; computerized planning and operations; environmental effects of the introduction of dry quenching of coke; and use of coal for the long-distance heating of towns and streets.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

19.172 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

19.173 It is expected that the activities of the Coal Committee will contribute towards meeting coal demand and, hence, energy demand, towards facilitating the transfer of science and technology and raising safety, health and environmental standards in the coal industry.

SUBPROGRAMME 4: ELECTRIC POWER

(a) Objective

19.174 The objective of this subprogramme is to assist Governments in facilitating the rational development of electric power in the ECE region and to promote international co-operation in this field.

(b) Problem addressed

19.175 Recent changes in the world energy situation and future energy prospects have underlined the need for intensified intergovernmental co-operation to meet energy problems. The extent to which energy requirements are satisfied will determine in large measure the future economic prospects for the region. The new energy situation has a considerable impact on the production, transport and use of electric power, which will have to play an increasingly important role in the energy economy of the ECE countries. There is a growing recognition by States members of ECE of the need to strengthen their co-operation, especially with respect to measures for greater energy efficiency in the field of electric power, the introduction of new technologies, the development of the international interconnexion of the power systems, and environmental constraints.

(c) Legislative authority

19.176 Legislative authority for this subprogramme derives from Economic Commission for Europe resolution 1 (XXXII) and the programme of work for 1977-1982 adopted by the Committee on Electric Power in November 1977.

(d) Strategy and output

(i) Situation at the end of 1979

19.177 At the end of 1979, the activities related to electric power listed in paragraph 19.145 above will have been completed. It is expected that the



Committee on Electric Power, at its annual sessions to be held in 1978 and 1979, will include in its programme of work new projects in the following areas: medium- and long-term prospects; selected technological and economic problems; interconnexion of electric power transmission systems; problems of improving efficiency; and environmental problems.

(ii) Biennium 1980-1981

19.178 Studies, seminars or ad hoc meetings are envisaged on the following subjects: selected problems of conventional thermal power stations equipped with steam or gas turbines (1981); problems involved in the integration of nuclear power stations, including breeder reactors, in electric power systems and economic features of their use (1980); interconnexion of the electric power systems of the countries of Eastern and Western Europe (1981); optimum future structure of the European transmission system (1980); and investment policies in the electric power industry (1980). In addition studies will be undertaken on medium- and long-term prospects for the electric power industry in the ECE region; the electric power situation in the ECE region will be reviewed, and studies on selected statistical problems and problems raised by international standardization in the field of electric power will be initiated.

(iii) Biennium 1982-1983

19.179 Studies are planned of selected problems concerning the relationship between electricity and the environment (1982) and the utilization of geothermal energy for the production of electric power and thermal energy (1982). Continuing projects mentioned for the 1980-1981 period will be carried out.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

19.180 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

19.181 It is expected that by 1983 new harmonized policies will exist on the development of the demand and the production of electric power, as well as on environmental problems raised by the production, transport and use of electricity. It is also expected that a general agreement will be obtained on the optimum structure of the interconnected European electric power transmission system.

SUBPROGRAMME 5: WATER PROBLEMS

(a) Objective

19.182 The objective of this subprogramme is to assist member Governments in assessing future availability of water resources and to contribute to national and international programmes for increased economy and efficiency in the use of these resources and in the prevention and control of pollution.

(b) Problem addressed

19.183 The growing demand for water and the deteriorating quality of water supplies pose serious policy problems for the region and call for intensified

intergovernmental co-operation. The rapidly increasing multipurpose need for water makes it necessary for Governments to establish long-term plans for use of this scarce resource. Indeed, water supplies have already become a major factor limiting the expansion of energy supplies and the growth of industry and agriculture.

(c) Legislative authority

19.184 Legislative authority for this subprogramme derives from Economic and Social Council resolution 2121 (LXIII) of 4 August 1977; and Economic Commission for Europe resolution 1 (XXXII).

(d) Strategy and output

(i) Situation at the end of 1979

19.185 Work will have been almost completed on the long-term perspective study and adaptation of the work programme in light of the recommendations of the United Nations Water Conference. The framework will be provided for more intensified co-operative projects on water management and environmental aspects of bodies of water.

(ii) Biennium 1980-1981

19.186 The assessment of long-term perspectives for water use and supply, in co-operation with the senior economic advisers to ECE Governments, will be completed. It is envisaged that attention will be paid to the improvement of drinking water supply and effluent disposal as part of the implementation at a regional level of the International Drinking Water Supply and Sanitation Decade, recommended by the United Nations Water Conference. With regard to economic and management problems of water resources, a seminar on economic instruments for rational utilization of water resources is planned, as are studies on the relationship between water and energy and an analysis of methods of determining the degree of utilization of river basins. The environmental aspects will be dealt with in a series of studies, on a continuing basis, on the prevention and control of water pollution, including transboundary pollution; on the protection of the marine environment, in particular that of the Mediterranean Sea, from pollutants emanating from land-based sources; and on specific problems. The latter includes studies on criteria and methods for evaluating and comparing various technical and economic measures and their potential effectiveness in achieving required water quality, and methods for estimating the damage caused by water pollution, as well as the economic benefits of recreation and amenities associated with fresh inland waters.

(iii) Biennium 1982-1983

19.187 Apart from studies dealing on a continuing basis with prevention and control of water pollution, including marine pollution from land-based sources, specific studies are envisaged on: methodology of setting priorities for water pollution control measures; techniques and means for drought and flood loss management; economic aspects of the conveyance of water over long distances and the establishment of water grids; measures for efficient protection and improvement of the environment in water resources development; and reuse of river water and use of treated domestic sewage.

- (iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

19.188 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

19.189 It is expected that the implementation of the ECE subprogramme on water problems will enable member Governments to deal with problems of water quality and quantity and strengthen international co-operation, especially in the area of prevention and control of water pollution.

SUBPROGRAMME 6: TIMBER

(a) Objective

19.190 The objective of this subprogramme is to assist Governments in developing national policies for the forestry and forest products sector; in furthering economic and technical developments in the forest industries; in developing forest working techniques; and in solving environmental problems.

(b) Problem addressed

19.191 In order to develop their national policies in the forestry and forest products sector, Governments must be informed on a continuing basis of the current state of affairs and likely developments at the international level, which affect, directly or indirectly, the situation in their countries. The main areas in which Governments require information on international developments are: medium- and long-term trends and perspectives; current market developments and short-term prospects, including problems relating to international trade; economic, technological or managerial problems; and environmental and resource conservation problems. Analysis requires a sound data base and continuing attention must be paid to the collection of data and the improvement of the quality of data collected (e.g., regularity, comparability).

(c) Legislative authority

19.192 Legislative authority for this subprogramme derives from Economic Commission for Europe resolution 1 (XXXII).

(d) Strategy and output

(i) Situation at the end of 1979

19.193 Seminars and symposia will have been held on the energy aspects of the forest industries (1978); economic and technological developments in the furniture industry (1979); and the effects of pollution on vegetation (1979). Special lectures will have been delivered on wood preservation (1978) and on rationalization of the flow of forest products from the forest to the consumer. A study will have been prepared on the effects of taxation on forest management.

(ii) Biennium 1980-1981

19.194 A review is envisaged, on a continuing basis, mostly by means of regular

studies, of long-term trends in supply and consumption of forest products; of medium-term trends in the marketing and utilization of these products and in the structure and capacity of the wood-processing industries; of short term trends in production, trade, consumption and prices of forest products and of problems of transport and handling of forest products. The Timber Bulletin for Europe will be published twice a year, and work will continue, by means of inquiries, studies, ad hoc meetings, etc., on improving the accuracy and comparability of statistics in the Committee's field of interest. The regular exchange of information on the subject of forest-working techniques and training of forest workers will continue by means of ad hoc meetings, symposia and studies, within the framework of the joint FAO/ECE/ILO Committee on the subject. In addition, work will be carried out on trade prospects and policies in southern Europe, as will be decided by an ad hoc meeting in 1979; an international classification and list of definitions of wood residues will be prepared; a review will be prepared on progress made in the chemical processing of wood; and symposia will be held on modernization in the wood-based panels industries (1980) and on reduction of waste and development of use of residues in forestry, the wood-processing industries and forest products utilization (1981). It is hoped that it will be possible to reduce the number of standard dimensions of sawn wood entering international trade.

(iii) Biennium 1982-1983

19.195 In addition to the continuing strategy and output described above, it is expected that the standards recommended by ECE on stress grading and finger jointing of coniferous sawn wood will be applied in many member countries, after work to be carried out on research, quality control and marking under the aegis of the Timber Committee. As the Timber Committee's present work programme only extends to 1982, it is likely that further programme elements will be incorporated for 1983.

(iv) Activities in the strategy that are considered to be of marginal usefulness and the legislation requiring them

19.196 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

19.197 The member Governments of ECE will continue to be supplied with the information on international developments which they require for the formulation of their own policies in the forest and forest products sector, taking into account technical and environmental developments as well as trends in the supply and consumption of forest products. Achievement indicators are possible for two programme elements (cited in para. 19.195 above). It is expected that by 1983, about half of the major European sawn softwood trading countries will have integrated the two ECE recommended standards (on stress grading and finger jointing of coniferous sawn timber) into their national practices.

PROGRAMME 5: ECONOMIC COMMISSION FOR LATIN AMERICA

A. Organization

1. Intergovernmental review

19.198 The work of the secretariat in this programme is reviewed by ECLA (specialized intergovernmental body) which meets every two years. The last meeting was held in April 1977. This plan has not yet been approved by this body.

2. Secretariat

19.199 The secretariat unit responsible for this programme is the Natural Resources and Environment Division, which had nine Professional staff members as at 31 December 1977: one post was supported from extrabudgetary sources. 9/

3. Divergencies between current administrative structure and proposed programme structure

19.200 Two positions within the Environment Programme are at present on loan to the Natural Resources Programme. It is expected that following changes in the organization of the environment activity within the secretariat of ECLA, these two positions will be transferred to the Natural Resources Programme.

4. Expected completions

19.201 The following programme elements described in paragraph 8.42 of the proposed programme budget for the biennium 1978-1979 10/ are expected to be completed:

(a) In 1978-1979: subprogramme 1, Water Resources; subprogramme 2, Energy, element 2.2 (i); and subprogramme 3, Minerals;

(b) In 1980-1981: subprogramme 1, Water Resources; subprogramme 2, Energy, element 2.2 (ii); and subprogramme 3, Minerals.

5. Other organizational matters

19.202 As a consequence of the recommendations stemming from the United Nations Water Conference, it is expected that responsibilities for water will be assigned to an intergovernmental committee within the Commission, probably at the 1979 ECLA

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9/ There was one unoccupied position in the manning table for the Natural Resources programme at this date.

10/ Official Records of the General Assembly, Thirty-second Session, Supplement No. 6 (A/32/6 and Corr.1 and 2), vol. I.

session. <sup>11/</sup> Consequently, the Water Unit of the Natural Resources and Environment Division would be strengthened.

## B. Co-ordination

### 1. Formal co-ordination within the secretariat

19.203 This is effected through the normal channel of the Programme Office of the Executive Secretary.

### 2. Formal co-ordination within the United Nations system

19.204 Formal co-ordination within the system includes attendance at sessions of the Committee on Natural Resources, subject to the provision of funds for travel, and participation in the ACC Sub-Committee on Water Resources, subject to provision of funds for travel. It also includes the ECLA Intergovernmental Committee (or equivalent) on Water which will allow regional co-ordination within the United Nations system. In February 1977, UNEP and ECLA signed a memorandum of understanding on joint programming and co-operation in a number of fields, including natural resources.

### 3. Units with which significant joint activities are expected during the period 1980-1983

19.205 Significant joint activities are expected with the Department of Technical Co-operation for Development (Centre for Natural Resources, Energy and Transport) and the Department of International Economic and Social Affairs, both of the Secretariat. Joint work is expected in carrying out studies requested from the Secretary-General by the Economic and Social Council. Joint studies will also continue with UNEP on the development of environmentally sound approaches to natural resource management.

## C. Allocation of resources to subprogrammes

19.206 The trend in the percentage allocation of resources to subprogrammes is expected to be approximately as shown in the following table:

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<sup>11/</sup> See Economic and Social Council resolution 2121 (LXIII) of 4 August 1977, particularly paras. 9 (a) and 10.

Allocation of resources to subprogrammes

(Percentage)

| <u>Subprogramme</u>          | <u>1978-1979</u> |                         |       | <u>1980-1981</u> |                         |       | <u>1982-1983</u> |                         |       |
|------------------------------|------------------|-------------------------|-------|------------------|-------------------------|-------|------------------|-------------------------|-------|
|                              | Regular budget   | Extra-budgetary sources | Total | Regular budget   | Extra-budgetary sources | Total | Regular budget   | Extra-budgetary sources | Total |
| 1. Water resources           | 36               | 79                      | 48    | 41               | 42                      | 41    | 42               | 42                      | 42    |
| 2. Energy                    | 40               | 15                      | 33    | 30               | 36                      | 32    | 31               | 36                      | 32    |
| 3. Mineral resources         | 18               | -                       | 13    | 21               | 16                      | 19    | 22               | 16                      | 20    |
| 4. Electrical interconnexion | 6                | 6                       | 6     | 8                | 6                       | 8     | 5                | 6                       | 6     |
| Total                        | 100              | 100                     | 100   | 100              | 100                     | 100   | 100              | 100                     | 100   |

D. Subprogramme narratives

SUBPROGRAMME 1: WATER RESOURCES

(a) Objectives

19.207 The objectives of the subprogramme are to assist the Governments of the region in the management of water resources through improved formulation of strategies for the use and protection of water; and to facilitate co-operation between countries in water management matters of common interest.

(b) Problem addressed

19.208 In Latin America as a whole and in almost every individual country the use of water has intensified in recent years. Increasing conflicts in the use of particular water resources and the cumulative effects of water-related development projects may constitute an actual or potential threat to productive efficiency, with consequent social and economic costs. Management systems designed to cope with this situation and related planning processes leave much room for improvement. There is frequently a serious lack of information and of trained staff which prevents improvement and hampers co-operation between countries.

(c) Legislative authority

19.209 The legislative authority for this subprogramme is largely derived from Economic Commission for Latin America resolutions 323 (XV), 337 (XV) and 379 (XVII) dealing with various aspects and problems of water resources in the region, and from resolutions 1954 (LIX) of 25 July 1975 and 2121 (LXIII) of 4 August 1977 of the Economic and Social Council.

(d) Strategy and output

(i) Situation at the end of 1979

19.210 Formation of the ECLA Intergovernmental Committee on Water Resources, together with the assignment of the necessary manpower and financial resources to the subprogramme, will have been completed. Element 1.2 of the proposed programme budget for 1978-1979, on information systems, will have been replaced by a new element dealing with studies of the optimum and integrated use of water resources, particularly pilot studies on the evaluation of the environmental impact of water projects. A study proposal will have been prepared, jointly with the ECLA Transport Division, on the Meta River, Colombia-Venezuela.

(ii) Biennium 1980-1981

19.211 In order to facilitate improvement in the planning of water resources in Latin America, studies will be carried out on the optimum and integrated use of water. Forecasting methodologies and the economic evaluation of projects will be improved, and water managers and related professionals will be trained in these skills. The means for this will be advisory missions, studies and courses, and consequent reports and courses will be the results. The programme of activities will be continued, as it is designed to support the inclusion of the consideration of environmental factors in water management through co-operation with UNEP and PAHO/WHO and participation in related training programmes with the Latin American



Institute for Economic and Social Planning (ILPES). The output will comprise a manual, other reports and courses. Efforts will be made to facilitate co-operation by ECLA member Governments in the management of shared water resources, particularly through studies of the appropriate institutional structures to permit optimum use of these resources: for example, the joint execution with the ECLA Transport Division of the proposed study on the use of the Meta River, Colombia-Venezuela, for navigation and the establishment of the appropriate management structures. An advisory report and consequent action by the two countries will result from this.

(iii) Biennium 1982-1983

19.212 The work on improving water planning will be continued through advisory missions, information dissemination and training. The manual on environmental evaluation of water projects will be revised, and co-operation in shared water resources will continue to be facilitated through appropriate studies.

(iv) Activities in the strategy that are likely to be of marginal usefulness, and the legislation requiring them

19.213 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

19.214 Prime performance indicators cannot be defined or are not applicable in many areas of the subprogramme, as the impact of the subprogramme will depend on changes in the atmosphere of international co-operation in water management matters where the influence of the ECLA secretariat is restricted. It can be expected, however, that the formation of the proposed ECLA Sub-Committee on Water Resources will permit the influence of the work done to be broadened. Specifically, a considerable number of professionals and water managers will have passed through ECLA courses by 1983; and a working institutional arrangement will have been established by the end of 1981 on the Meta River, and the example will have been disseminated through the region by 1983.

SUBPROGRAMME 2: ENERGY

(a) Objectives

19.215 The objectives of this subprogramme are to provide member Governments of ECLA with: (1) basic energy statistics at the national and regional levels; (2) knowledge of energy forecasting techniques; and (3) information and analyses that may be of help to them in the formulation of their energy sector policies.

(b) Problem addressed

19.216 There is a continuing need among energy sector policy makers and technicians in the region for statistical data on energy resources, production, consumption and trade. Likewise, there is a need to upgrade the quality of energy sector forecasting exercises and to provide a flow of technical and market analysis information that will be helpful in improving the level of energy sector policy formulation.

(c) Legislative authority

19.217 Legislative authority for this subprogramme derives from Economic and Social Council resolutions 1572 (L) 12/ of 18 May 1971 and 1954 C (LIX) of 25 July 1975; and Economic Commission for Latin America resolutions 302 (XIV), 12/ 337 (XV) and 379 (XVII).

(d) Strategy and output

(i) Situation at the end of 1979

19.218 The responsibility of ECLA to publish basic statistical information on energy reserves, production, consumption and trade during this period will have been met. A report will have been published entitled Energy in Latin America: A Historical Review and Future Perspective, and another report will have been published entitled Prospects for Increased Consumption of Non-Conventional Energy Sources in Latin America. A third report will also have been published entitled A Strategy for Guiding CEPAL's Research in the Field of Energy and the Environment. Contributions to the energy section of the annual Economic Survey of Latin America and to the Regional Appraisal of the International Development Strategy will have been made. There will have been participation and contributions to the Latin American Conference on Rural Electrification (1978 and 1979).

(ii) Biennium 1980-1981

19.219 A major study is planned for execution during this biennium, entitled Short- and medium-term energy forecasting techniques. It is a direct response to the heavy emphasis accorded to forecasting technologies in the resolutions of the Economic and Social Council and, more recently, in ECLA resolution 379 (XVII) of 7 May 1977. (See E/CEPAL/1030/Rev.1.) It is anticipated that work on this project, together with continuing work on ECLA projects in the statistical information and technical reporting areas, will bring the energy unit at ECLA, Santiago, up to full capacity operation during 1980-1981. Co-operation will also be extended to Headquarters, as resources available to the Commission permit, in the preparation and convening in 1981 of a United Nations conference on new and renewable sources of energy, if approved by the Economic and Social Council at its second regular session, 1978.

(iii) Biennium 1982-1983

19.220 The over-all strategy during this biennium will be to continue to carry out the statistical and technical reporting responsibilities of ECLA, and continuing energy-oriented reporting responsibilities in connexion with the Economic Survey of Latin America and the regional appraisal exercise for the United Nations Second Development Decade. Emphasis during this biennium will be placed on two areas of energy-oriented research: energy and the environment and applied energy forecasting.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness, and the legislation requiring them

19.221 There are no activities of marginal usefulness in this subprogramme plan.

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12/ Mandate more than five years old.

(e) Expected impact

19.222 Two reports are envisaged which should be of potential value to energy-sector and environmental planners; the first would provide a series of forecasts of key energy series for a wide variety of countries in the region; and the second would provide a policy-oriented analysis of selected problems in the joint field of energy and the environment.

SUBPROGRAMME 3: MINERAL RESOURCES

(a) Objective

19.223 The objective of this subprogramme is to assist Governments in formulating soundly based policies for the development of mineral resources and to promote co-operation in the mining sector among the countries of the region.

(b) Problem addressed

19.224 Due to insufficient or belated knowledge of the opportunities afforded by developments in international markets or the technology available in the sector, some countries in the region do not adequately employ their mineral resources to speed up their development. In many cases there is a shortage of the technical personnel needed to obtain the necessary information on a national and international scale, to extract conclusions on medium- and long-term trends from it, and to prepare meaningful projections for the formulation of policies in the sector. Furthermore, the interchange of experience among countries with different levels of mining development is unsatisfactory or non-existent.

(c) Legislative authority

19.225 Legislative authority for this subprogramme derives from Economic and Social Council resolutions 1572 (L) 12/ of 18 May 1971 and 1954 C (LIX) of 25 July 1975, paragraphs 1 to 6 and 8 (f); and Economic Commission for Latin America resolutions 302 (XIV); 12/ 337 (XV); and 379 (XVIII), paragraph 1.

(d) Strategy and output

(i) Situation at the end of 1979

19.226 Contributions regarding the sector will have been made to the annual Economic Survey of Latin America; to the regional appraisal of the International Development Strategy (1979), and to the long-term prospective studies (covering the years 1990-2000) carried out by the ECLA secretariat as a whole. Programme element 3.3 (Facilitation of mutual co-operation between state mining enterprises in the region) will be under way and will include element 3.2 (Studies designed to improve the information systems for the planning of mining activities). 13/

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13/ Official Records of the General Assembly, Thirty-second Session, Supplement No. 6 (A/32/6 and Corr.1 and 2), vol. I, para. 8.42.

(ii) Biennium 1980-1981

19.227 Work will proceed on the continuing subprogramme on the collection and dissemination of technical and economic information on the mining sector in the countries of the region (exploration, production, trade and consumption of mining products, etc.) 13/ and contributions will thus be made in respect of the sector to the studies carried out by the ECLA secretariat as a whole, such as the annual Economic Survey, prospective long-term studies or, if appropriate, the appraisal of the International Development Strategy (1981). These reports will be destined for policy makers, government technicians, universities, etc. Work will also continue on the subprogramme element on the facilitation of mutual co-operation between state mining enterprises in the region (technical assistance among developing countries). Meetings of experts are planned for the exchange of experience in specific matters relating to technology, statistics, management, legislation, industrial safety, personnel training, etc. A meeting is planned for 1980 and another for 1981. These meetings will bring together government experts both from the countries with a tradition of mining development and from those having an incipient mining industry. 14/

(iii) Biennium 1982-1983

19.228 It is expected that the activities in this biennium will be similar to those envisaged for the biennium 1980-1981, both as regards continuing activities and the facilitation of co-operation between state mining enterprises; in the latter case the subjects for discussion at the meetings and the matters covered by the documentation will vary according to the priorities laid down by the enterprises concerned.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness

19.229 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

19.230 By the end of 1983 half of the countries where mining is at an incipient stage of development should have significantly modified their policies for the sector (for example, by preparing new mining legislation, doubling their rate of geological research activities and mining exploration, establishing agreements for the annual training of some technicians in mining activities in other countries of the region, etc.). The establishment of a Latin American agency joining the state mining enterprises for the purpose of mutual assistance is also envisaged.

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14/ As regards the budget for the meetings, the participation of 16 experts for 5 days is envisaged. The United Nations would pay the travel and subsistence expenses of 10 persons. It is assumed that the expenses of the remaining participants, representing the larger state enterprises, would be defrayed by the latter.

#### SUBPROGRAMME 4: ELECTRICAL INTERCONNECTION

##### (a) Objective

19.231 The objective of this subprogramme is to update the estimated economic and political benefits that would accrue to the six Central American countries from the staged interconnection of their electrical systems and to facilitate transfers of electrical energy.

##### (b) Problem addressed

19.232 In order to lessen the impact of the oil crisis on their economies, the countries of the subregion are trying to develop their energy resources. By interconnecting their electrical systems, a more efficient and economic use can be made of the electricity, with emphasis on power generated from indigenous resources such as hydropower, geothermal sources, coal, wood and vegetable waste. Studies are currently under way to determine alternate schemes for interconnection and to estimate the benefits of such undertakings. As the electrical sector is very dynamic in nature, further studies will be required in the future to take into account new developments and to update the economic benefits of interconnection.

##### (c) Legislative authority

19.233 Legislative authority for this subprogramme derives from resolution 156 (X/CCE) of the Central American Economic Co-operation Committee (CAECC). The Regional Group on Electrical Interconnection (GREI) - a subsidiary body of CAECC - has issued further mandates in connection with the study.

##### (d) Strategy and output

###### (i) Situation at the end of 1979

19.234 The final report of the electrical interconnection study, which will include a schedule of partial and over-all interconnection schemes, will be completed by ECLA in mid-1979. It will be submitted to all interested parties during a seminar to be held during the third quarter of that year. In addition, studies and designs of several partial interconnections between neighbouring countries will have been completed, and financial arrangements for their construction will have been nearly completed.

###### (ii) Biennium 1980-1981

19.235 ECLA will assist Governments in the implementation of specific interconnection projects which form part of the over-all plan. It will also conduct detailed studies to update the results of the 1979 report, taking into account more information regarding sectoral demands, costs and newly developed projects, as it becomes available. These studies will be duly co-ordinated with the corresponding ones on energy projections mentioned before, as electricity could be the main channel to further the utilization of energy from indigenous resources. Meetings of the Regional Group on Electrical Interconnection will be held on a yearly basis, to review the study progress and to plan in minute detail all future activities. The ECLA office in Mexico will continue to provide technical guidance and secretarial assistance to the Committee, as well as direct assistance to the member Governments in all aspects of electrical development.

(iii) Biennium 1982-1983

19.236 The activities described above will be continued throughout this second biennium.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

19.237 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

19.238 It is expected that the actual interconnexion of the electrical systems of the following pairs of adjacent countries will have been accomplished: Nicaragua-Costa Rica (1981), El Salvador-Guatemala (1982) and Guatemala-Honduras (1983). Moreover, the formulation of a regional policy in electrical interconnexion, including energy transfers and distribution of benefits derived from interconnexion, will have been completed. The eventual creation by the countries of a regional electrical organization (UCEL), which will, among other tasks, foster the implementation of further interconnexions, is also expected.

## PROGRAMME 6: ECONOMIC COMMISSION FOR WESTERN ASIA

### A. Organization

#### 1. Intergovernmental review

19.239 The work of the secretariat in this programme is reviewed by the Commission which meets every year. The last meeting was held in April 1977. This plan has not been approved by this body, but was submitted to its fifth session in May 1978.

#### 2. Secretariat

19.240 The secretariat unit responsible for this programme is the Natural Resources, Science and Technology Division. There were nine Professional staff members as at 31 December 1977; none of the posts was supported from extrabudgetary sources. Seven of these staff members were assigned to the Natural Resources Programme. The Division had no organizational units.

#### 3. Expected completions

19.241 The following programme elements described in paragraph 10.26 of the proposed programme budget for the biennium 1978-1979 15/ are expected to be completed:

(a) In 1978-1979: 1.1, 1.4, 1.5, 1.6, 1.7 and, subject to the availability of extrabudgetary resources, 1.2, 1.3 and 1.8.; 2.2, 2.5, 2.6 and, subject to the availability of extrabudgetary resources, 2.1, 2.4 and 2.6.; 3.1, 3.2, 3.3, 3.4 and 3.6 are to be completed as well:

(b) In 1980-1981: 1.9, 2.3 and 2.7, and, subject to the availability of extrabudgetary resources, 3.5 and 3.7.

#### 4. Other organizational matters

19.242 As was the case in the proposed programme budget for the biennium 1978-1979, executive direction and management of the Natural Resources Programme has been entirely included under the subprogramme on energy resources.

### B. Co-ordination

#### 1. Formal co-ordination within the secretariat

19.243 It is envisaged that an ECWA committee on rural development will be established towards the end of 1979 to co-ordinate all rural development activities of the Commission. Activities related to renewable energy for rural development under subprogramme 1 and community water supply and sanitation under subprogramme 3 will be co-ordinated through this committee.

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15/ Official Records of the General Assembly, Thirty-second Session, Supplement No. 6 (A/32/6 and Corr.1 and 2), vol. I.

2. Formal co-ordination within the United Nations system

19.244 Within the context of joint ECWA/UNEP programming and in accordance with the memorandum of understanding to be signed between UNEP and ECWA, activities related to the development of renewable sources of energy (rural and desert development, low and non-waste technologies, solar/nuclear options) in subprogramme 1 and activities related to relevant aspects of water resources development in subprogramme 3 will be co-ordinated or jointly undertaken with UNEP.

3. Units with which significant joint activities are expected during the period 1980-1983

19.245 Apart from joint activities between appropriate and relevant units within the ECWA secretariat, it is expected that significant joint activities will be developed with: the Department of Technical Co-operation for Development (Centre for Natural Resources, Energy and Transport) and the Department of International Economic and Social Affairs; WHO in the area of community water supply and sanitation; FAO in activities related to efficient use of water in agriculture; IAEA in activities related to the nuclear dimension of the inter-Arab Energy Strategy and Programme of Action; ECA in appropriate activities under all three subprogrammes to cover the Arab countries which are members of ECA and not of ECWA; and WMO on water resources assessment.

C. Allocation of resources to subprogrammes

19.246 The trend in the percentage allocation of resources to subprogrammes is expected to be approximately as shown in the following table:

Allocation of resources to subprogrammes  
(Percentage)

| Subprogrammes                                                      | <u>1978-1979</u>       |                                     |       | <u>1980-1981</u>       |                                     |       | <u>1982-1983</u>       |                                     |       |
|--------------------------------------------------------------------|------------------------|-------------------------------------|-------|------------------------|-------------------------------------|-------|------------------------|-------------------------------------|-------|
|                                                                    | Reg-<br>ular<br>budget | Extra-<br>budget-<br>ary<br>sources | Total | Reg-<br>ular<br>budget | Extra-<br>budget-<br>ary<br>sources | Total | Reg-<br>ular<br>budget | Extra-<br>budget-<br>ary<br>sources | Total |
| 1. Energy resources development                                    | 38                     | 38                                  | 38    | 38                     | 35                                  | 38    | 38                     | 30                                  | 37    |
| 2. Mineral resources development                                   | 27                     | 27                                  | 27    | 25                     | 20                                  | 23    | 25                     | 20                                  | 23    |
| 3. Water resources development and management                      | 35                     | 35                                  | 35    | 37                     | 45                                  | 39    | 37                     | 50                                  | 40    |
| 4. Cartographic development and co-operation in the ECWA region a/ | -                      | -                                   | -     | -                      | -                                   | -     | -                      | -                                   | -     |
| Total                                                              | 100                    | 100                                 | 100   | 100                    | 100                                 | 100   | 100                    | 100                                 | 100   |

a/ See foot-note 16, subprogramme 4, below.



## D. Subprogramme narratives

### SUBPROGRAMME 1: ENERGY RESOURCES DEVELOPMENT

#### (a) Objective

19.247 The objective of this subprogramme is to provide information and outlook on the supply and utilization of energy resources, and to assist in the harmonious development of the energy sector and in an appropriate diversification of the energy base in Western Asia, in the context of national development goals and inter-Arab co-operation, devoting particular attention to the oil-importing and the least developed countries in the region.

#### (b) Problem addressed

19.248 The tremendous oil and gas wealth of Western Asia is not being used in the best economic interests of the ECWA region as a whole. Misutilization or mere waste of resources still exists in oil-rich countries. Energy gaps are retarding development and are only filled at high cost in oil-poor countries, particularly the least developed among them. In all ECWA countries, total or at least heavy reliance on oil as an energy source is hindering efforts to harness other domestically available energy sources, particularly for rural and desert development. On the other hand, there is a lack of reliable, comparable and objective information on the various aspects of the energy situation and outlook in Western Asia. In view of the vital importance of this sector to the ECWA region (mining and quarrying account for two thirds of the region's gross domestic product) and to the world (the region supplies one half of the world's oil needs), this problem deserves urgent treatment in order to create a sound framework for governmental policy decisions.

#### (c) Legislative authority

19.249 Legislative authority for this subprogramme derives from General Assembly resolution 3337 (XXIX) of 17 December 1974, paragraphs 4, 6 and 8; 31/119 of 16 December 1976, paragraph 4; and 31/179 of 21 December 1976, paragraph 13; Economic and Social Council resolutions 1673 B (LII) of 2 June 1972, paragraph 2; 1761 B (LIV) of 18 May 1973, subparagraphs (a), (b) and (c); 1954 A (LIX) subparagraphs (a) and (b) and 1954 C (LIX), paragraph 8, subparagraphs (a), (b), (c) and (f), both resolutions of 25 July 1975; 2011 (LXI) of 2 August 1976, paragraph 2; 2031 (LXI) of 4 August 1976, paragraphs 5, 6 and 7; and 2043 (LXI) of 5 August 1976, paragraph 6; and the relevant parts concerning natural resources, science and technology, economic co-operation among developing countries and the least developed among the developing countries in General Assembly resolutions 2626 (XXV) of 24 October 1970, 3202 (S-VI) of 1 May 1974, 3281 (XXIX) of 12 December 1974 and 3362 (S-VII) of 16 September 1975.

#### (d) Strategy and output

##### (i) Situation at the end of 1979

19.250 The studies completed during 1978-1979 will form the basis for initiating research activities towards the end of 1979 on a strategy for expanding and intensifying inter-Arab co-operation in hydrocarbons and other energy resources.

(ii) Biennium 1980-1981

19.251 The strategy for 1980-1981 will be characterized by two elements. First, each main activity will consist of a study followed by a meeting of senior policy makers in the Government(s) of the country or countries concerned. The meeting is intended to discuss the conclusions and recommendations of the study and to agree on the appropriate policy measures to be taken by the Government(s) concerned and their timing. Such meetings will either be held during ECWA sessions (plenary meetings or meetings of a subsidiary organ of the Commission, if any) or organized independently at any suitable date and location. In one case, a follow-up is also planned, in terms of a review and appraisal exercise. Secondly, more professional secretariat time will be devoted to ad hoc advice to Governments on the various aspects of energy resources development, which will result in more direct usefulness to and closer links with ECWA countries. Expert opinion will be sought on the strategy study upon which a programme of action for an integrated inter-Arab energy and hydrocarbon economy will subsequently be elaborated for the benefit of policy makers and regional institutions. In the formulation of both the strategy and programme of action, the co-operation of regional institutions working in this field will be imperative. Alongside and underlying these activities, improved and expanded basic energy statistics of the Arab world and projections of energy demand and supply in the ECWA region will be made available to researchers, technical departments and policy makers. Within the context of the strategy, in-depth studies will be undertaken on renewable energy for rural development, particularly focusing on low and non-waste technologies for the region. This study is primarily intended for the government departments concerned and policy-makers.

19.252 A second dimension of the strategy will be developed concerning promising fuels, such as LNG (liquified natural gas) and NGL (natural gas liquids). An inquiry into the LNG situation and outlook in the region will be completed during the biennium. Relevant reports on this matter will be subjected to expert opinion, and specific guidelines on the directions to take in the field of renewable energy are expected. Subsequently, an in-depth country study will be launched and the results discussed with that country's decision-makers early in the 1982-1983 biennium. Co-operation will also be extended to Headquarters, as resources available to the Commission permit, in the preparation and convening in 1981 of a United Nations conference on new and renewable sources of energy, if approved by the Economic and Social Council at its second regular session of 1978.

(iii) Biennium 1982-1983

19.253 The programme of action is expected to be adopted and will be kept under constant scrutiny. Follow-up reports on progress in its implementation will be undertaken biennially and discussed at the intergovernmental level. Information and projections on the region's energy supply and demand will have become more refined by the end of the biennium. The natural gas liquids situation and outlook in the region will be investigated for the benefit of technical departments as part of the second dimension of the strategy mentioned above. A third dimension of the adopted strategy will be developed pertaining to the solar/nuclear situation and outlook in the region in the context of world economic, technological and environmental trends (for policy makers). In a follow-up to the adopted recommendations regarding this activity, solar energy potential for desert development in the region will be studied (for government technicians concerned).

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

19.254 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

19.255 It is expected that by 1981 a strategy on inter-Arab co-operation in hydrocarbons and energy will have been adopted and that by 1982 a programme of action for the implementation of this strategy will have been endorsed, together with the relevant national programmes and legislation. Moreover, as a result of the energy projections and other studies, the hydrocarbons production programmes of the main ECWA oil-exporting countries will be reassessed periodically. Finally, by 1983, the solar energy option should be preferred on a region-wide basis to the nuclear option and at least two countries will be considering concrete and operational plans for harnessing domestically available renewable energy sources for rural and arid zone development.

SUBPROGRAMME 2: MINERAL RESOURCES DEVELOPMENT

(a) Objective

19.256 The objective of this subprogramme is to promote regional co-operation in the exploration and development of mineral resources and to provide the required reliable information.

(b) Problem addressed

19.257 Co-operation among the ECWA member countries in mineral resources development hardly exists and is limited to occasional, mostly bilateral, contacts. More extensive organized co-operation is necessary. Issues of prime importance in this field also require direct exchange of views and collective discussions among the policy-makers concerned. Information on the development of mineral resources in particular countries is not readily available to other countries in the region. In order to create a basis for and promote regional co-operation in this field, it is necessary to collect, process and disseminate the relevant information on an objective and comparable basis. Similarly, there is a need - for the benefit of policy makers - for regional studies and assessments of the availability and development of mineral commodities and mineral-based industries. The lack of such studies and analyses hinders the identification of intercountry and regional co-operation possibilities.

(c) Legislative authority

19.258 Legislative authority for this subprogramme derives from Economic and Social Council resolutions 2014 (LXI) of 3 August 1976, paragraph 2 and 2043 (LXI) of 5 August 1976, paragraph 6.

(d) Strategy and output

(i) Situation at the end of 1979

19.259 The execution of the work programme for 1978-1979, directed towards the assessment of the general economic aspects of development of mineral resources

in the region, supply and demand of mineral commodities, manpower requirements and the integration and refinement of the mineral development policies and legislation, will have provided a basis for more detailed in-depth studies on the development of the main economic minerals available in the region.

(ii) Biennium 1980-1981

19.260 An in-depth study will be undertaken on the availability of raw materials for and development of the cement and gypsum-derived binding materials industry in the region and a report will be completed by the end of 1980. This will be followed by similar studies on phosphate deposits and the phosphate-based fertilizer industry and the mineral raw materials for the iron and steel industry, with resultant reports to be published in 1981. The study of statistical data and projections on supply and demand of mineral commodities in the region will continue to be carried out on a biennial basis. The next report on the subject for 1979-1980 will be completed by the end of 1981. In a follow up to the Economic Commission for Africa symposium on offshore exploration in the Red Sea and the Gulf of Aden to be held in 1978, further initiatives in stimulating interest in evolving offshore activities will be strengthened and particular aspects may be studied in this regard. Advisory services will be provided, on request, to member States in the formulation and implementation of mineral development policies, relevant institutional infrastructures and economic and technical aspects.

19.261 The products of this biennium will consist of studies and reports on the availability of material for the gypsum-derived binding materials industry; the development of phosphate deposits and the iron and steel industry. This output is primarily intended for government technicians and experts. Statistical data and projections on mineral commodities will be provided for researchers, policy makers and regional organizations, and a report on regional co-operation aspects of offshore mineral exploration in the Red Sea and the Gulf of Aden for policy makers and regional organizations will be completed. Advisory services will be provided for government technical departments at the request of member States.

(iii) Biennium 1982-1983

19.262 The studies on the development of specific mineral resources such as cement, gypsum and phosphates will be subjected to expert consideration. Project proposals for regional co-operation in this regard will be developed and follow-up action towards project implementation will be considered and initiated through regional advisory services, reporting and assistance at the national level. In addition, in-depth studies will be extended to other important mineral commodities and their development in the region, with the main stress to be put on non-ferrous metals. Activities related to offshore exploration in the Red Sea and Gulf of Aden should become more concrete and particular proposals may be developed. Output in this period will consist of: project proposals on the development of specific mineral resources for policy makers, government technical departments and financial institutions; studies on the development of non-ferrous metal deposits for technical departments; and reports on development aspects of offshore mineral deposits in the Red Sea and Gulf of Aden.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

19.263 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

19.264 It is expected that the studies on the availability of minerals and the actual and potential development of mineral-based industries in the region, as detailed above, will result in identification of possibilities for intercountry and regional co-operation in the exploration, mining, processing and marketing fields. Depending on the findings of the studies, two regional projects should be under active consideration by the end of 1983. Moreover, the biennial regional analysis of the market status in mineral commodities and the supply and demand projections is expected to assist member States in adjusting their mineral development programmes to the current trends in the mineral sector. In this regard, some countries should probably have taken steps to institutionalize regular adjustment reviews of the mineral resources sector. Further, the countries bordering on the Red Sea and the Gulf of Aden should have initiated a process for developing offshore mineral resources.

SUBPROGRAMME 3: WATER RESOURCES DEVELOPMENT AND MANAGEMENT

(a) Objective

19.265 The objective of this subprogramme is to promote and intensify regional co-operation in order to conserve, develop and augment the water resources of the region in the most efficient and economic manner; and to strengthen subregional co-operation in the development of the resources of the sea.

(b) Problem addressed

19.266 On the one hand, the countries in the ECWA region have insufficient water resources to meet the full demand for domestic, agricultural, industrial and other uses. Misuse, waste and underdevelopment of this vital commodity seriously limit the capability of the area to achieve optimum social and economic growth. The majority of the population still lacks adequate water supply and sanitary services. Water is also the limiting factor in food production. On the other hand, the countries in the region share important river basins and underground water reservoirs. Intercountry and regional efforts to develop and manage common water resources have been limited and no effective regional machinery has been created for this purpose. Past years have witnessed efforts aimed at intensifying regional co-operation for the development of the following regional seas located in the ECWA region, namely: the Mediterranean, the Gulf of Aden and the Red Sea. These efforts have yet to lead to the establishment of mechanisms for the development of these seas in terms of operational projects.

(c) Legislative authority

19.267 Legislative authority for this subprogramme derives from General Assembly resolutions 3201 (S-VI), paragraph 4 and 3202 (S-VI), paragraphs 7 and 8, both resolutions of 1 May 1974; and Assembly resolution 2626 (XXV) of 24 October 1970; Economic and Social Council resolution 2121 (LXIII) of 4 August 1977, paragraph 9, subparagraphs (a) and (b) and Economic Commission for Western Asia resolution 39 (IV), paragraph 3.

(d) Strategy and output

(i) Situation at the end of 1979

19.268 Various areas for regional co-operation in the field of water resources development and management will have been examined and evaluated. Regional machinery for water resources development is expected to be functioning. The regional conference on water resources development to be held in 1978 will provide further directions as to follow-up to the United Nations Water Conference. Initial stages of studies dealing with data processing, assessment of water resources, projections of water demand and a programme for fulfilling the manpower and training needs of the region will have been completed. The Commission will be in a position to take active and substantial part in the existing regional seas programmes.

(ii) Biennium 1980-1981

19.269 The initial studies mentioned above and their regular updating and revision will provide guidelines for the formulation of projects. Many additional studies will also emerge as a follow-up to the recommendations of the United Nations Water Conference and the regional conference. Such studies will cover the areas of institutional arrangements, community and agricultural water supply, reuse and non-conventional sources of supply, improved efficiency in the use of water, national water policies, research and training programmes and technical co-operation among developing countries. Project proposals will be subjected to examination by experts in the region. Findings of expert groups will provide the basis for action-oriented projects to be implemented through the established regional machinery. The output of this period will cover: reports on community water supply and sanitation in the region (for technical departments); guidelines on the agricultural use of water in the region (for technical departments); evaluation of experience in water quality improvement and prospects in the region (for government technicians); and reports on regional co-operative aspects of the various seas programmes.

(iii) Biennium 1982-1983

19.270 This period will see a continuation of programmes required as a follow-up to the United Nations Water Conference and the regional conference. Also, new and additional problems, now unforeseen, are expected to emerge as the need for water resources continues to increase because of the rapid influx of people into the region and industrial and other demands. While the efforts in the preceding biennium will have concentrated on conservation and management of water resources, efforts in the 1982-1983 biennium will focus particularly on the prospects for increasing water by non-conventional methods for development and management. The output in this period will cover reports or studies on prospects for reusing treated water (for government technicians); on non-conventional methods for the development and management of water resources in the region (for government technicians); and on selected aspects of coastal development in the ECWA region (for member Governments).

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

19.271 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

19.272 Towards the end of 1983, it is envisaged that a regional water council or other regional machinery will be effectively functioning and will constitute a forum for discussing, formulating and guiding regional projects. At least two projects should be under active consideration by this machinery at the end of the planning period. A number of member States are expected to have taken steps towards improving the conservation and efficient management of water resources and to have initiated policies in this regard. By 1983 a few countries will have taken measures for introducing non-conventional technologies (e.g., recycling) to supplement their water resources; and it is also expected that the handling of the development aspects of coastal areas will have become more institutionalized and mechanisms for development of regional seas will be fully operational.

SUBPROGRAMME 4: CARTOGRAPHIC DEVELOPMENT AND CO-OPERATION IN THE ECWA REGION 16/

(a) Objective

19.273 The objective of this subprogramme is to assist the member countries in establishing and/or strengthening national surveying and mapping capabilities essential for efficient planning of their economic and social development programme; and to promote co-operation in this field at regional and subregional levels.

(b) Problems addressed

19.274 Economic and social development in the member countries of the ECWA region, particularly in the oil-producing countries, is taking place on an unprecedented scale. Inadequacy of thematic maps and other necessary charts is hampering efficient planning of development projects. In some countries the required maps and charts are virtually non-existent, while in others the available maps no longer meet the current planning requirements. These maps, prepared decades ago, need updating and reproduction on suitable scales for planning transportation networks, exploration and exploitation of mineral resources, urban and rural development, hydrography, etc. The accelerated pace of economic and social development in the region makes it urgent to establish and/or strengthen the existing cartographic capabilities at national, subregional and regional levels. Lack of cartographic centres and qualified technical personnel has led to heavy dependence on costly ad hoc cartographic services provided piecemeal by foreign consultants. This is not a satisfactory arrangement, as surveying and mapping facilities should be available on a continuing basis for development programmes. A prerequisite to establishing and strengthening the cartographic capabilities is the development of necessary skills for new techniques of geodesy, photo-interpretation, remote sensing from satellites and aerial surveys and modern mapping production techniques.

(c) Legislative authority

19.275 Legislative authority for this subprogramme derives from the terms of reference of the Commission.

(d) Strategy and output

(i) Situation at the end of 1979

19.276 Unless extrabudgetary resources can be mobilized during the programme

16/ It is envisaged that during the present plan period this subprogramme will be carried out by a unit attached to the Office of the Executive Secretary.

budget period 1978-1979, cartographic activities will only be initiated from 1980 onwards under the regular budget.

(ii) Biennium 1980-1981

19.277 Activities during the biennium will focus on the preparations for the convening of the first Regional Cartographic Conference of the Arab World to be held early in the biennium 1982-1983. These activities will consist of surveying the cartographic needs in the region with particular attention to cartographic services and manpower requirements. Regional and international co-operation in these areas will be investigated. In addition to the preparations for the first Regional Cartographic Conference of the Arab World, maps required for the work of ECWA will have been prepared. The output during the biennium will consist of: a study on the cartographic needs in the ECWA region; proposals for regional and subregional co-operative projects in the ECWA region; assistance to member countries with particular reference to development and strengthening of national cartographic services; and regional maps, as required.

(iii) Biennium 1982-1983

19.278 The Regional Cartographic Conference of the Arab World is planned for 1982. This first conference will seek to foster a greater understanding of cartography as a planning tool in the Arab region, assess the needs of the region and provide the first forum to consider regional co-operation. Following the Conference, steps for establishment of regional co-operative projects are expected to be taken in such areas as regional training facilities and standardization of geographic names. The Conference will, in particular, constitute the main reference point for further programme development during the remainder of the biennium and subsequent medium-term plans.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

19.279 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

19.280 The first Regional Cartographic Conference of the Arab World will create a greater awareness and appreciation of the usefulness of mapping in the countries of the ECWA region. Governments are expected to take steps to establish or strengthen national capacity in this field. A regional and subregional approach to programmes of mutual concern will be elaborated.



PROGRAMME 7: ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC

A. Organization

1. Intergovernmental review

19.281 The work of the secretariat in this programme is reviewed by the Commission which meets every year. The last meeting was held in March 1978. This plan was approved by that body. The substantive review in detail of the work programme in this area is made by the ESCAP Committee on Natural Resources, which meets every year.

2. Secretariat

19.282 The secretariat unit responsible for this programme is the Natural Resources Division in which there were 23 Professional staff members as at 31 December 1977; two of the posts were supported from extrabudgetary sources. The Division had the following organizational units as at 31 December 1977:

| <u>Organizational unit</u>   | <u>Professional staff</u> |                                | <u>Total</u> |
|------------------------------|---------------------------|--------------------------------|--------------|
|                              | <u>Regular budget</u>     | <u>Extra-budgetary sources</u> |              |
| Office of the Division Chief | 3                         | -                              | 3            |
| Energy Resources Section     | 6                         | -                              | 6            |
| Mineral Resources Section    | 6                         | 1                              | 7            |
| Water Resources Section      | 6                         | -                              | 6            |
| Cartography Unit             | -                         | 1                              | 1            |
| Total                        | 21                        | 2                              | 23           |

3. Expected completions

19.283 The following programme elements described in paragraph 7.61 in the proposed programme budget for the biennium 1978-1979 17/ are expected to be completed:

(a) In 1978-1979. 1.1 (ii) (a), (b), (c), (d) and (e); 1.2 Working group meeting on energy planning and programming (not included in para. 7.61 of A/32/6); 1.3 (i), (ii), (iii) and (iv); 2.1 (i), (ii), (iii), (iv), (viii), (ix), (x) and (xi); 2.2 (iv) and seminars/study tours on modern mineral prospecting methods (not included in para. 7.61 of the proposed programme budget for 1978-1979); 3.1, 3.2, 3.3 and 3.4 (ii), (iii) and (v); and 4.1 (ii).

17/ Official Records of the General Assembly, Thirty-second Session, Supplement No. 6 (A/32/6 and Corr.1 and 2), vol. I.

(b) In 1980-1981. 1.2 (i) (a); 2.1 (vi) and (vii); 2.2 (iii) and a seminar/study tour on drilling and sampling methods (not included in para. 7.61 of the proposed programme budget for 1978-1979); 2.3 (ii) and 3.1 3.2, 3.3 and 3.4 (iii) (c) and the publication of proceedings of the third regional symposium on development of deltaic areas (not included in para. 7.61 of the proposed programme budget for 1978-1979).

## B. Co-ordination

### 1. Formal co-ordination within the secretariat

19.284 The ESCAP Task Force on Integrated Rural Development co-ordinates specific activities that are oriented towards rural development. Actual execution of the activities, however, rests with the respective divisions concerned.

### 2. Formal co-ordination within the United Nations system

19.285 There is formal co-ordination with the World Meteorological Organization (WMO) in providing administrative and technical support to the Typhoon Committee and the WMO/ESCAP Panel on Tropical Cyclones in the work of these two bodies to mitigate damage from cyclones and floods. WMO is the lead unit for servicing the Typhoon Committee. In both cases, however, WMO takes the lead in meteorological matters, and ESCAP generally in hydrological matters. WMO, in consultation with ESCAP, prepares submissions for UNDP support for both bodies; approaches for other financial support are made in consultation.

### 3. Units with which significant joint activities are expected during the period 1980-1983

19.286 Significant joint activities are expected with the Department of Technical Co-operation for Development (Centre for Natural Resources, Energy and Transport) and the Department of International Economic and Social Affairs, and with FAO, UNESCO, WMO, WHO, UNDP, UNEP, ILO and UNICEF in the implementation of regional follow-up action to the recommendations of the United Nations Water Conference, possibly through a proposed interagency task force to be organized for this purpose. Joint activities are also expected with the same bodies, other than ILO, jointly or severally, in relation to specific programme elements in the other three subprogrammes; and with the Outer Space Affairs Division in relation to subprogramme 4.

## C. Allocation of resources to subprogrammes

19.287 The trend in the percentage allocation of resources to subprogrammes is expected to be approximately as shown in the following table:

Allocation of resources to subprogrammes  
(Percentage)

| <u>Subprogrammes</u> | <u>1978-1979</u>                    |                              | <u>1980-1981</u>                    |                              | <u>1982-1983</u>                    |                              |
|----------------------|-------------------------------------|------------------------------|-------------------------------------|------------------------------|-------------------------------------|------------------------------|
|                      | Regular budgetary<br>budget sources | Extra-<br>budgetary<br>Total | Regular budgetary<br>budget sources | Extra-<br>budgetary<br>Total | Regular budgetary<br>budget sources | Extra-<br>budgetary<br>Total |
| 1. Energy resources  | 33                                  | 20                           | 24                                  | 33                           | 27                                  | 29                           |
| 2. Mineral resources | 33                                  | 70                           | 58                                  | 33                           | 63                                  | 54                           |
| 3. Water resources   | 33                                  | 6                            | 15                                  | 33                           | 6                                   | 14                           |
| 4. Cartography       | 1                                   | 4                            | 3                                   | 1                            | 4                                   | 3                            |
| Total                | 100                                 | 100                          | 100                                 | 100                          | 100                                 | 100                          |

## D. Subprogramme narratives

### SUBPROGRAMME 1: ENERGY RESOURCES

#### (a) Objective

19.288 The objective of this subprogramme is to assist countries in the systematic appraisal of their energy resources, requirements and use, and in formulating and carrying out integrated programmes for the efficient development, use and management of their energy resources, as an essential component in national development.

#### (b) Problem addressed

19.289 The planning of resource development requires adequate information on available resources. As the existing data are frequently either incomplete or inadequate and not always available in a readily usable form, systematic appraisal of available resources and of energy requirements is needed to meet national development goals. In many countries responsibility for energy activities is scattered among a number of agencies with insufficient co-ordination, resulting in frequent wasteful use of scarce technical personnel as well as of energy resources. Mounting concern regarding the availability and cost of petroleum, and the adverse impact on the human environment of careless programmes for the appraisal, development and use of energy, have emphasized the need for integrated programmes, including consideration of efficiency and conservation, as well as development and use. In addition, projects which can be developed without delay in order to meet short-term requirements within the framework of preliminary over-all plans need to be identified as quickly as possible. The need is not only technological and financial. In many cases new institutional arrangements are required in order to ensure efficient planning and management. There are also questions concerning the interrelationship between financial policies and resources allocation and use. Particularly in rural areas, which are of special concern, the most effective possible use of local resources, skills and technologies is necessary in order to provide energy in suitable forms and at low cost, in systems which can be operated and maintained by local communities.

#### (c) Legislative authority

19.290 Legislative authority for this subprogramme derives from the thirty-fourth session of the Commission, 1978.

#### (d) Strategy and output

##### (i) Situation at the end of 1979

19.291 It is hoped that with extrabudgetary assistance a number of countries will have been helped in the planning of an integrated programme of appraisal and development of their energy resources, and that a start will have been made in the provision of technical assistance with more detailed studies of selected priority projects. The use of appropriate technology in the development of non-conventional sources of energy, particularly for rural areas, should also have been accelerated through technical advisory programmes and the stimulation of technical co-operation among developing countries. Forms of energy under consideration are expected to include geothermal energy, with the output of an expert meeting on this topic in 1979 as an important source of guidance. It is

also expected that increasing attention will be given to efficiency and conservation in the production and use of energy, not only as an integral part of other technical assistance activities, but also as a specific activity, including a working group on this subject. Publications issued during the period should include those arising from the programme of studies, seminars and working group meetings, as well as the biennial publication Electric Power in Asia and the Pacific.

(ii) Biennium 1980-1981

19.292 The activities undertaken are expected to be largely an extension of those of the previous biennium, along the lines foreseen in the medium-term plan for 1978-1981. It is hoped that the work of the advisory mission on integrated energy planning and development will have led to prefeasibility studies of selected priority projects, and that by this stage there will be greater emphasis on the development of energy resources which can usefully be shared between countries and in co-operative research and development on matters of common interest. In addition to advisory programmes, studies, expert meetings and seminars aimed at stimulating the transfer of appropriate technology, more emphasis on institutional matters is expected, including measures designed to stimulate greater efficiency in the production and use of energy. Work on compilation, publication and dissemination of statistics and information of interest to the countries of the region will continue.

19.293 The expected output would include publications arising from studies and meetings, advisory services and technical assistance programmes, including transfer of technology between developing countries. The target recipients would be government technicians at various levels, and in the case of institutional matters, government policy-makers. Co-operation will also be extended to Headquarters, as resources available to the Commission permit, in the preparation and convening in 1981 of a United Nations conference on new and renewable sources of energy, if approved by the Economic and Social Council at its second regular session of 1978.

(iii) Biennium 1982-1983

19.294 While it is expected that the general thrust of the programme of the previous biennium will continue, details will be influenced by the recommendations made at the eighth session of the Committee on Natural Resources in 1981.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

19.295 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

19.296 The impact expected of this subprogramme consists of improved data systems on energy resources and use as a basis for more effective development and management of energy; improved plans and institutional arrangements for handling energy programmes within the framework of national development; more effective use of appropriate technologies and resources in the provision of energy in rural areas; initiation of selected priority projects for energy development within the

framework of integrated planning; greater care in efficiency and conservation in the production and use of energy; and increased co-operation among countries in the energy field.

## SUBPROGRAMME 2: MINERAL RESOURCES

### (a) Objective

19.297 The objective of this subprogramme is to assist countries in the systematic appraisal of their mineral resources and in formulating and carrying out programmes for their development and management.

### (b) Problem addressed

19.298 Most countries lack systematic data in a readily usable form on their mineral potential. Since mineral development may offer the best prospect for early improvement in the economic welfare of countries, the development of orderly programmes of appraisal of mineral resources, involving geologic and geophysical mapping and mineral resource assessment is especially urgent. However, mineral exploration is often a time-consuming and costly process, and care is needed to ensure phased development of exploration programmes in order to avoid waste of effort in unproductive areas. Geological structures frequently cross national boundaries, and mineral occurrences in similar environments may also be found in several countries. For this and other reasons, considerable benefit can be derived from intercountry and regional co-operation in geological and geophysical mapping, and in exchange of experience and technology in mineral exploration.

19.299 The development of mineral resources generally requires large amounts of capital and advanced technology, which, for many developing countries, involves dependence on overseas resources. At the same time there are generally important social and environment problems associated with large industrial enterprises in developing communities. This requires an appropriate legal and institutional framework to attract the necessary capital and technology while retaining the desired degree of national control and share in the fruits of development, together with increasing national self-reliance in the management of the enterprise. Therefore, countries need assistance in formulating and carrying out mineral exploration and development programmes which have an appropriate place in national development, and in stimulating the exchange of data, information and experience in a programme of mutual assistance.

### (c) Legislative authority

19.300 Legislative authority for this subprogramme derives from the thirty-fourth session of the Commission, 1978.

### (d) Strategy and output

#### (i) Situation at the end of 1979

19.301 In continuation of activities on the production and revision of regional maps, it is expected that the compilation of the third edition of the Mineral Distribution Map will be under way and that the gravity map of the eastern part of the region will have been completed. Compilation of the third edition of the

Oil and Natural Gas Map of Asia and the Far East will have been nearly completed. Most of south and east Asia should also have been covered by the first compilation of the new stratigraphic atlas. In conjunction with the sixth session of the Committee on Natural Resources, in 1979, the first trial publication of a possible triennial series on mineral resources in the region should also have been compiled. The Regional Mineral Resources Development Centre (RMRDC) and the South-east Asia Tin Research and Development Centre (SEATRADC) should be firmly established within the framework of approved UNDP projects, and with programmes guided by intergovernmental managing bodies. In the case of RMRDC, in addition to an extensive advisory programme on mineral exploration and development, a close link is expected with funding bodies, particularly the Revolving Fund and the Asian Development Bank, with a view to stimulating detailed evaluation and development of prospective areas. It is also expected that arrangements will have been finalized for intercountry use of specialized laboratory facilities, initially for radiometric age dating, in selected countries of the region. With support from UNDP and a number of other agencies and countries, the main exploration programme of the Committee for Co-ordination of Joint Prospecting for Mineral Resources in South Pacific Off shore Areas (CCOP/SOPAC) should be approaching the half-way mark. Seminars and expert group meetings should have been held on various aspects of mineral exploration technology, and proceedings published or be in preparation for publication.

(ii) Biennium 1980-1981

19.302 Work will continue on regional data compilation and mapping. The third edition of the Oil and Natural Gas Map, and the gravity map of the eastern part of the region will be published in 1980 and the compilation of the third edition of the Mineral Distribution Map should be nearly completed. The compilation of geological data on the eastern part of continental Asia should be completed and work proceeding on the western part of the continent and the island arc area. It is hoped that the present first phase of work in stratigraphic correlation in the region, which is being funded from extrabudgetary sources, will be completed. Work on assisting countries in the development of mineral resources inventories, in which RMRDC and the Mineral Resources Section have joint interests, should be continued and strengthened with the encouragement of compatible systems by the various countries as an important objective. More attention will also be given to assessment of trends and implications in supply and demand, in consultation with the Centre for Natural Resources, Energy and Transport of the Department of Technical Co-operation for Development. The initial UNDP project in support of SEATRADC will be completed, but the Centre is expected to continue its programme with resources provided largely by the participating countries. RMRDC should also be moving progressively towards greater independence of outside resources. In both cases, however, a continuation of technical and administrative support from ESCAP is likely to be needed. In the case of CCOP/SOPAC, the main UNDP project of preliminary exploration should also be nearing completion, and an evaluation of future activities is likely to be necessary during 1981. During the biennium, assistance in training and in transfer of technology through seminars, working groups and support of training programmes, primarily within the region, is expected to continue in selected areas. Training is also an integral part of the activities of the three intercountry projects referred to above.

(iii) Biennium 1982-1983

19.303 Activities in this biennium will be guided largely by the recommendations made by the Committee on Natural Resources at its sixth session, in 1979, when minerals will be the main topic, and by the findings of the reviews of the three intercountry projects which should take place during the preceding biennium.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

19.304 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

19.305 The impact of this subprogramme is expected to consist of improved data on mineral resources in at least 15 countries; mineral development projects in some countries arising from exploration programmes; use of more effective technologies in mineral exploration and in the mining and processing of minerals, particularly tin; increased interest in exploration and development of offshore mineral and other resources in the South Pacific; and more efficient exploration programmes arising from intercountry and regional geologic mapping and correlation programmes.

SUBPROGRAMME 3: WATER RESOURCES

(a) Objective

19.306 The objective of this subprogramme is to assist countries in formulating and carrying out orderly programmes for the reliable assessment, integrated development, efficient use and management of their water resources as an essential component in national development; and for the mitigation of damage from cyclones, floods and droughts.

(b) Problem addressed

19.307 Most developing countries lack reliable data on the quantity and quality of their water resources. Such data are essential for proper resource management. With the increasing demand for water of appropriate quality for many purposes, there is a corresponding need to reduce the waste and the avoidable damage to water quality that are commonly associated with water use at present. This calls for co-ordination of the many facilities and services involved in water use, particularly for agriculture. In addition to measures to improve efficiency in water use on existing projects, new projects will be needed to provide the water supplies required to meet the expanding needs of ever-increasing populations. In many cases international river basins will have to be developed, calling for the solution of special institutional and political problems. Floods and droughts represent two extreme situations which cause enormous human suffering and economic losses in many countries of the region. Effective damage mitigation programmes are very much a matter of sociological as well as technical, economic and institutional concern. Since care and efficiency in the use of water depend very much on the attitude and knowledge of the water user, there is a continuing need for public education and technical advisory services. This calls for country as well as national programmes to ensure the availability and use of information through research, development, demonstration and education programmes.



(c) Legislative authority

19.308 Legislative authority for this subprogramme derives from the thirty-fourth session of the Commission, 1978, and Economic and Social Council resolution 2121 (LXIII) of 4 August 1977, paragraphs 1, 9 (a) and 10.

(d) Strategy and output

(i) Situation at the end of 1979

19.309 It is expected that steps will have been initiated to improve national systems for water assessment; an agreed format for presentation of statistics on a uniform basis will be available; advances will have been made in the investigations of international river basins; facilities and services for the mitigation of damage from cyclones and floods and, to a lesser extent, droughts, will have been improved; and eight quarterly issues of the Water Resources Journal and two of the "Water Resources Series" will have been issued.

(ii) Biennium 1980-1981

19.310 The strategy for this biennium will be largely as outlined in the 1978-1981 medium-term plan, <sup>18/</sup> which is in harmony with the recommendations of the United Nations Water Conference. <sup>19/</sup> Work will continue in assisting countries in the establishment and/or improvement of integrated data systems on water resources and water use. The expected outputs are guidance material and advice on such systems for use by government technicians. Following preliminary work in the previous biennium, it is hoped that it will be possible to identify one or two international river basins in which more detailed studies are warranted and that institutional arrangements can be made for their initiation. These activities are intended to influence Governments involved in the international river basins concerned.

19.311 Support will continue to be provided, in collaboration with WMO, the League of Red Cross Societies and the Office of the United Nations Disaster Relief Co-ordinator (UNDRO), to the Typhoon Committee and the WMO/ESCAP Panel on Tropical Cyclones. Work to be undertaken on mitigation of drought damage will depend on the interpretation of the findings of the United Nations Conference on Desertification by the expert working group meeting in the previous biennium. The recipients of these activities are government policy-makers and technicians. Studies will be carried out on selected aspects of water resources development; and roving seminars are envisaged on multi-objective planning and management of water resources projects and on systems analysis for water resources planning and management, as are the associated publications. If sufficient travel funds are provided, short-term advisory services to countries will be rendered, on request, by secretariat staff, assisted, if necessary, by outside experts. The target recipients of these activities are government technicians.

19.312 In carrying out the strategy outlined above, ESCAP, as called for in resolution VIII of the United Nations Water Conference will also assist the United Nations Development Programme and the United Nations specialized agencies

<sup>18/</sup> Ibid., Thirty-first Session, Supplement No. 6A (A/31/6/Add.1).

<sup>19/</sup> Report of the United Nations Water Conference (United Nations publication, Sales No. E.77.II.A.12), chap. I.

and organizations, at the request of the Governments of the developing countries concerned, in identifying intersectoral, subregional, regional and interregional projects and preparing programmes. The Commission will intensify its efforts in the water sector, and, with the assistance of the competent organizations of the United Nations system and at the request of the Governments concerned, enlarge co-operation in the field of water resources among the countries, at the subregional, regional and interregional levels.

(iii) Biennium 1982-1983

19.313 The strategy for this biennium will be along the same general lines as the previous biennium, including the required regional follow-up action to the recommendations of the United Nations Water Conference. Specific activities for the biennium will be geared to the solution of pressing problems which will be identified by the ESCAP Committee on Natural Resources at its seventh session in 1980. Expected output would include studies on topical issues, seminars on one or more of the above subjects, publications to disseminate information and possibly, if riparian countries reach agreement, support for field investigations of an international river basin.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

19.314 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

19.315 The impact of this subprogramme is expected to consist of improved hydrological networks and systems for the production of water resources data for project planning, design and management; increased compatibility among data systems in different countries to facilitate exchange of data; more reliable information on water use and on the status of water resources development and management; improved institutional arrangements and practices for the integration of social and environmental concerns in water resources programmes; initial steps for the development of selected projects on international rivers; improved country and intercountry programmes for the prevention and mitigation of damage resulting from tropical cyclones and associated floods and from droughts; and improved technological bases for dealing with selected aspects of water resources programmes. Numerical goals cannot be defined, but it is expected that there will be visible effects in most of the developing countries of the region.

SUBPROGRAMME 4: CARTOGRAPHY

(a) Objective

19.316 The objective of this subprogramme is to assist countries in the region with surveying and mapping programmes and with the application of remote sensing techniques in the appraisal, development and management of natural resources.

(b) Problem addressed

19.317 The provision of adequate maps and charts is vital for planning and carrying out all kinds of economic and social development projects; the importance of cartography, in its widest sense, therefore, is evident. Equipment and procedures for map production have undergone dramatic changes in recent years, with great reductions in time and effort involved. Many countries, however, experience difficulties in adapting appropriate new technologies to their local situation and in maintaining an adequate trained staff. Therefore, countries in the region need assistance in adopting the most appropriate practices and in carrying out effective mapping programmes; this should be a continuing activity.

19.318 Experience to date with the Regional Economic Atlas, sponsored by the United Nations Regional Cartographic Conferences for Asia and the Pacific, suggests that there is little prospect of success unless a concerted effort is made in developing an orderly co-operative programme, not only for the provision of the necessary data, but also for map compilation. The rapid development of satellite remote sensing technology raises difficult questions for many developing countries in determining the relative roles of aerial photography and airborne and satellite remote sensing in the light of changing circumstances. A continuing and co-operative programme of information exchange, research and development, training and technical assistance is needed to help countries in arriving at appropriate solutions.

(c) Legislative authority

19.319 Legislative authority for this subprogramme derives from the thirty-fourth session of the Commission, 1978.

(d) Strategy and output

(i) Situation at the end of 1979

19.320 It is hoped that with the support of extrabudgetary funds, some improvement will have been made in the availability of trained staff in countries where the need is greatest, mainly through the arrangement of training programmes in other regional developing countries. It is also expected that as a direct follow-up of the intergovernmental meeting on remote sensing held in June 1977, and also with the support of extrabudgetary funds, there will have been progressive improvement in effectiveness of information exchange on the use of satellite remote sensing for resources appraisal and management, and that a start will have been made on co-operative research programmes on the use of satellite imagery in application of particular concern to the countries.

(ii) Biennium 1980-1981

19.321 Subject to the findings of the ninth United Nations Regional Cartographic Conference for Asia and the Pacific, to be held in New Zealand in February 1980, it is expected that the strategy for this biennium will be largely a continuation of the plan for 1978-1979. Activities are expected to be related mainly to encouragement and organization of intercountry training programmes and co-operative research and development in the use of changing technologies and equipment in satellite remote sensing. Since interest in remote sensing is great in most countries, seminars on selected aspects, preferably in different countries,

having regard to local expertise and interests, may be arranged. Expert working group meetings may be held in selected areas when new technologies are being developed in a number of countries, in order to accelerate the transfer of technology to countries in the region. Thematic mapping at the national and regional levels will be supported, mainly through stimulation of technical co-operation among developing countries in the provision and compilation of data and through expert meetings.

(iii) Biennium 1982-1983

19.322 The strategy for this biennium is expected to follow the same lines as in the previous biennium, with the over-all objective of encouraging the use of appropriate technology, particularly through mutual assistance.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

19.323 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

19.324 While numerical goals cannot be defined, it is expected that particularly in the countries in greatest need, availability of suitably trained staff for cartographic work will be significantly improved; that in complementary programmes there will be a substantial acceleration in the production of national atlases in countries at present experiencing difficulties with this work and in the production of a regional atlas on selected topics; and that substantial progress will be made in many developing countries in the effective use of satellite data for mapping and resource appraisal and management.

## CHAPTER 20\*

### OCEAN ECONOMICS AND TECHNOLOGY\*\*

#### PROGRAMME 1: DEPARTMENT OF INTERNATIONAL ECONOMIC AND SOCIAL AFFAIRS

##### A. Organization

##### 1. Intergovernmental review

20.1 There is no specialized policy-making body for the programme. Since 1966, however, both the General Assembly and the Economic and Social Council have frequently addressed questions within the field of marine affairs, and with the emergence of ocean economics and technology as a separate programme in the Department of Economic and Social Affairs, the Council under a separate agenda item, had reviewed major programme components, though not the programme in its totality, on a biennial basis. The last such review was at the Council's sixty-third session in June-August 1977. This plan submission has not been reviewed by the present Council.

##### 2. Secretariat

20.2 The Secretariat unit responsible for this programme is the Ocean Economics and Technology Office, in which there were nine Professional posts as at 1 July 1978, of which none was supported from extrabudgetary sources. The Office has no formal internal organizational units as at that date.

##### 3. Expected completions and consequent reorganizations

##### (a) Expected completions

20.3 The programme elements described in paragraph 5A.31 in the programme budget for the biennium 1978-1979 1/ are expected to yield the following outputs:

(i) In 1978-1979: 2/

1.1 Administrative and legislative aspects of coastal area development:

Handbook of norms: 3/

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\* Previously issued under the symbol A/33/6 (Part 20).

\*\* The subprogramme entitled "Resources of the sea" of the Economic Commission for Africa has a close substantive relationship with the Ocean Economics and Technology Programme (see chap. 19 on natural resources, programme 3, Economic Commission for Africa).

1/ Official Records of the General Assembly, Thirty-second Session, Supplement No. 6 (A/32/6 and Corr.1 and 2), vol. I.

2/ A progress report on the development and implementation of activities under the ocean economics and technology programme will be submitted to the Economic and Social Council in 1979.

3/ The handbook will subsume the model legislation referred to in the 1978-1979 programme budget under the same programme element.

- 1.2 Economic and environmental criteria for coastal area development (in relation to particular coastal problems or physical features):

Handbook;

- 1.3 Regional background studies: 4/

Two to three regional studies;

- 2.1 Marine and Coastal Technology Information Service:

- a. Guide to sources of assistance in the United Nations system;
- b. Marine and coastal technology abstracts (monthly, prepared as inputs into Aquatic Sciences and Fisheries Abstracts II, 5/);

- 2.3 Marine and coastal technology application and adaptation:

Technology reviews (two);

- 3.1 (i) Marine mineral resources: nearshore/offshore (non-hydrocarbon):

Global survey; 6/

- (ii) Marine mineral resources: sea-bed:

Economic analyses (two);

- 3.2 Uses of the sea:

A study (for the Economic and Social Council, 1979); 7/

- 3.3 Specialized information materials

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4/ These studies, prepared in response to ad hoc requests by Governments, are implemented as a research activity and are related primarily to the regional seas programme of UNEP.

5/ Issued by the Food and Agriculture Organization of the United Nations.

6/ Implementation scheduled to begin in 1979. During consultations with programme planners of the regional commissions convened by the Department of International Economic and Social Affairs at Headquarters, from 25 May to 1 June 1978, it was decided that the relationship between this activity and similar ongoing or planned activities in ECE, ESCAP and ECWA should be examined more closely to ensure complementarity. It was agreed that this examination would be completed in time to be reflected in the 1980-1981 programme budget.

7/ The report on uses of the sea will be prepared in response to Economic and Social Council resolution 1970 (LIX) of 30 July 1975, which, inter alia, requests the Secretary-General to submit to the Council, on a regular and continuing basis, pertinent information on uses of the sea. It is the view of the Secretariat that this request supersedes the Council's request in resolution 1802 (LV) of 7 August 1973, paragraph 1 (b), that the Secretary-General prepare on a regular

In addition to the above, substantive contributions will be made under subprogramme 1, Integrated coastal area development, to a workshop on coastal area management in the Caribbean region, which is expected to be organized and convened by the Intergovernmental Oceanographic Commission Association for the Caribbean and Adjacent Regions in March/April 1979.

(ii) In 1980-1981

2.2 Economic and technical co-operation among developing countries:

Report on survey of capabilities in marine and coastal technology; 8/

2.3 Marine and coastal technology application and adaptation:

Handbook of guidelines 9/

4. Other organizational matters

(a) Information

20.4 In support of all four subprogrammes, miscellaneous information materials (press releases, articles and bibliographies) will continue to be prepared, as

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(continued)

basis an updated version of his study on the uses of the sea, which version should also include a summary of existing arrangements in the United Nations system for making available to interested countries, particularly the developing countries, information on advances in technology, the transfer of such technology to them and a compendium of relevant statistics.

The summary of existing arrangements referred to in the resolution has been subsumed under programme element 2.1 and the compendium of relevant statistics will be resumed in modified form under programme element 3.2 during the 1980-1983 plan period.

It is also the Secretariat's view that the request by the Economic and Social Council, in paragraph 1 (d) of resolution 1802 (LV), to transmit to it the comments made by governing bodies of the United Nations system on the study on uses of the sea, has proved to be impractical to implement and should be determined to be of marginal usefulness and therefore terminated.

8/ This programme element was included in the 1978-1979 programme budget and is retained herein pending clarification of the most suitable means and level for its implementation.

9/ In the 1978-1979 programme budget, this output was scheduled for completion in 1980. However, in view of the planned reduction of resources for programme activities under marine and coastal technology in the 1980-1983 medium-term plan and the relative priority of this output vis-à-vis others, it would not appear to be warranted to begin work on the handbook in 1978-1979 or to retain it in the 1980-1983 plan. See also para. 20.68 below.

required. Furthermore, consideration is being given to compiling a selective mailing list, consisting of expert users, primarily in developing countries, to whom outputs during the plan period should be directed. A more limited list of "correspondents" may also be developed as one approach to devising feedback arrangements which will permit a more effective assessment of the usefulness and impact of programme outputs.

(b) Substantive support for technical co-operation 10/

20.5 Under subprogramme 3, Integrated coastal area development, substantive support will continue to be provided on a selective basis for a limited number of technical co-operation activities. These are expected to consist of the following: 11/

(a) Marine Affairs Institute, Trinidad and Tobago;

(b) Certain projects as may be implemented in follow-up of the Kuwait regional conference of plenipotentiaries, held from 15 to 24 April 1978;

(c) Certain projects as may emerge from the UNEP regional seas programme in the Gulf of Guinea and the Caribbean during the plan period 1980-1983.

B. Co-ordination

1. Formal co-ordination within the Secretariat

20.6 Within the Secretariat, formal co-ordination arrangements consist of an intradepartmental task force on coastal area development, which was established in relation to activities of the Ocean Economics and Technology Office under its subprogramme of this title in order to ensure and co-ordinate appropriate inputs from other units for which the Office serves as lead unit, and of other task forces in which the Office participates as required.

2. Formal co-ordination within the United Nations system

20.7 The ACC Sub-Committee on Marine Affairs, which meets annually, is the central mechanism for interagency co-operation and co-ordination in the marine field within the United Nations system. Membership is open to all United Nations organizations. Regular participants have included the United Nations (the Department of International Economic and Social Affairs, with UNEP, UNCTAD and ECE taking part in a quasi-autonomous capacity), FAO, IMCO, WMO, WHO, ITU and UNESCO and its Intergovernmental Oceanographic Commission (IOC). UNIDO is expected to participate on a more regular basis. At its seventeenth session, held from 10 to 14 January 1977, the Sub-Committee adopted new terms of reference, revised its

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10/ This work will be carried out with the Department of Technical Co-operation for Development as indicated in para. 20.70 below.

11/ In the 1978-1979 programme budget, programme element 1.4, "Integrated mapping of information for marine environment and coastal management", would have been implemented as a technical co-operation activity; however, this activity is not now expected to materialize.



methods of work and initiated arrangements for the preparation of a computer-generated register of activities covering seven categories, 12/ which will provide a framework for identifying specific programme areas in which co-ordination should be strengthened. In this connexion, under its new terms of reference, the Sub-Committee will identify, on a continuous basis, programme areas, activities and projects where concerted action by two or more of the organizations within the United Nations system will help to improve or expedite results. It will recommend, where appropriate, the designation of "lead agencies" which, with the agreement of other organizations involved, may accept responsibility for day-to-day co-ordination of such programme areas, activities and projects.

20.8 Formal co-ordination is also carried out through the Inter-Secretariat Committee on Scientific Programmes Relating to Oceanography (ICSPRO), which was formed in 1969 by the executive heads of the United Nations, UNESCO, IMCO, FAO and WMO to sustain the work of IOC and to derive benefit from it. Both the mandate and membership of ICSPRO are more limited than the mandate and membership of the Sub-Committee on Marine Affairs and, unlike the Sub-Committee, ICSPRO is outside the framework of ACC.

20.9 Co-ordination arrangements with UNEP outside the ACC Sub-Committee and ICSPRO are diverse, ranging from participation of the Ocean Economics and Technology Office in the joint planning exercises of UNEP (for example, October 1976) and in more specialized meetings (for example, the meetings on the regional seas programme, held at Paris in June 1976, and the Meeting of the Task Force on Legal Instruments for Marine Regions, held at Nairobi in November 1976), to representation at sessions of the Governing Council of UNEP (through a representative of the Department of International Economic and Social Affairs), contributions to the UNEP programming process via the focal point of the Department of International Economic and Social Affairs and written responses to UNEP requests for information in the preparation of documentation.

3. Units and programmes with which significant joint activities are expected during the period 1980-1983

20.10 Significant joint activities will be undertaken with the Centre for Natural Resources, Energy and Transport in connexion with the preparation of documents for the Committee on Natural Resources relating to the projections of world mineral

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12/ Marine science, marine environment, coastal area development, training and education, information systems, uses of the sea and marine and coastal technology.

supplies, with the regional commissions, 13/ UNIDO, UNEP, the secretariat of IOC/Association for the Caribbean and Adjacent Regions and UNCTAD. 14/

### C. Allocation of resources to subprogrammes

20.11 The trend in the percentage allocation of resources to subprogrammes is expected to be approximately as shown in the following table:

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13/ As suggested in foot-note 8 above, certain activities may be decentralized to the regional commissions. Until such time as the commissions have the capability of implementing these activities, the Ocean Economics and Technology Office would continue to do so in close co-operation with the commissions. Thereafter, the commissions would assume the "lead agency" role. The need for co-operation with the Ocean Economics and Technology Office both directly and within the framework of the ACC Sub-Committee would, however, remain unchanged. Participation by the regional commissions in the meetings of the Sub-Committee, which has been hampered by resource constraints, has become increasingly necessary for effective system-wide co-ordination in the marine field. In relation to those activities in marine affairs that are initiated by the regional commissions, such as the Resources of the Sea Unit and the centres for marine science and technology planned by the Economic Commission for Africa, the Ocean Economics and Technology Office is prepared to co-operate fully with and offer any assistance within its resources to the commissions. In this regard, a close working relationship has been established with ECLA through the secretariat of its Caribbean Development and Co-operation Committee, which has included coastal-area development in its programme of work.

14/ The difference between the ocean economics and technology programme in sea-bed minerals and that of UNCTAD derives from their respective objectives. The output of the former, however, could serve as an input for the latter and, as a result, the two programmes are complementary. Specifically, the ocean economics and technology programme examines sea-bed minerals from the viewpoint of the individual sea-bed mining operations and projects the anticipated volume of future metal production from the sea-bed. This examination entails the estimation of representative project costs, anticipated project revenues and potential project profitability. Augmented with additional data on world-wide land-based investments and developments in the relevant metals markets together with specific information on consortia, such as processing routes and marketing strategy, it allows, inter alia, projections on the volume of future metal production from the sea-bed, which are incorporated in one form or another within appropriate long-term studies of the Department of International Economic and Social Affairs. The programme of UNCTAD, on the other hand, is essentially one of examining the impact of the production of sea-bed minerals on future levels of commodity prices and on the export earnings of the developing producing countries through econometric modelling. This consists of constructing models of the respective commodity markets and making projections of market behaviour and sensitivity under a range of future sea-bed metal-production volumes. A part of the output of the ocean economics and technology programme, specifically that on anticipated metal-production volumes, serves as an input into the work of UNCTAD.

Allocation of resources to subprogrammes

(Percentage)

| Subprogramme                           | <u>1978-1979</u>  |                                     |            | <u>1980-1981</u>  |                                     |            | <u>1982-1983</u>  |                                     |            |
|----------------------------------------|-------------------|-------------------------------------|------------|-------------------|-------------------------------------|------------|-------------------|-------------------------------------|------------|
|                                        | Regular<br>budget | Extra-<br>budget-<br>ary<br>sources | Total      | Regular<br>budget | Extra-<br>budget-<br>ary<br>sources | Total      | Regular<br>budget | Extra-<br>budget-<br>ary<br>sources | Total      |
| 1. Uses of the sea <u>a/</u>           | 12                | -                                   | 12         | 30                | -                                   | 30         | 30                | -                                   | 30         |
| 2. Sea-bed mineral resources <u>a/</u> | 25                | -                                   | 25         | 35                | -                                   | 35         | 35                | -                                   | 35         |
| 3. Integrated coastal area development | 34                | -                                   | 34         | 20                | -                                   | 20         | 20                | -                                   | 20         |
| 4. Marine and coastal technology       | 29                | -                                   | 29         | 15                | -                                   | 15         | 15                | -                                   | 15         |
| Total                                  | <u>100</u>        | <u>-</u>                            | <u>100</u> | <u>100</u>        | <u>-</u>                            | <u>100</u> | <u>100</u>        | <u>-</u>                            | <u>100</u> |

a/ In the 1978-1979 programme budget, subprogrammes 1 and 2 are combined in a single subprogramme.

20.12 As can be seen from the table above, the present medium-term plan gives higher priority than the 1978-1981 plan to programme activities relating to uses of the sea and sea-bed mineral resources. This would appear appropriate and necessary in light of the trend towards the extension of 200-mile marine resource jurisdictions and of the importance attached by the international community to sea-bed mineral resources and the conditions of their exploitation. Furthermore, the emphasis in the present plan upon marine-resource potential and the issues related to its rational development and management is responsive to the need for strengthened efforts at the national and international levels to integrate the dimension represented by marine resources and activities into the development planning process.

D. Subprogramme narratives

SUBPROGRAMME 1: USES OF THE SEA

(a) Objective

20.13 The objective of this subprogramme is to provide economic and technical information on developments and trends pertaining to existing and potential uses of marine resources and ocean space and on the rational management of such uses, for use by Governments in integrating the marine dimension into their national development planning.

(b) Problem addressed

20.14 In planning their national development targets and strategies, few Governments are in a position to anticipate adequately or forecast and therefore to take account of the impact on them, either directly or indirectly (for example, through world price levels), of existing or potential opportunities associated with marine uses or of trends or developments in the use of marine resources and ocean space. For example, in assessing their present and long-term needs for mineral and energy resources, they may lack, inter alia, information and analyses pertaining to potential supplies of nearshore (non-hydrocarbon) resources, or unconventional marine-based energy sources, that would enable them more accurately to project their requirements against potential supplies under alternative sets of economic and technological conditions.

20.15 Information on trends and developments in offshore-storage and cargo-transfer techniques and on technological advances in shipping or port design may influence decisions over a wide range of marine oriented sectoral activities, from port construction (location and design) to the management of fisheries.

20.16 In particular, the trend towards the extension of some form of 200-mile national-resource jurisdictions will confront many countries, particularly those bordering on regional seas, with marine-resource and space-management problems that extend beyond the more restricted framework of integrated coastal area development and will involve a prominent regional and international dimension.

20.17 The needs - physical, economic, human and technological - associated with the use of extended marine areas will place additional demands upon existing national resources and capabilities. Meeting these needs and bringing capabilities to bear on the exploitation of resources within extended marine areas will also underline the importance of developing new or improved arrangements or mechanisms for co-ordination and policy-making both within and between countries and of coherent legislative frameworks that facilitate comprehensive planning and management.

(c) Legislative authority

20.18 The authority for the subprogramme is found in Economic and Social Council resolutions 1380 (XLV) of 2 August 1968, 1802 (LV) of 7 August 1973, 1954 A and C (LIX) of 25 July 1975 and 1970 (LIX) of 30 July 1975. In section I of resolution 1802 (LV), the Council requested the Secretary-General to strengthen his capability of collecting economic and technical information relating to the development of the resources and uses of the sea and to arrange for the regular dissemination of relevant information in the most appropriate way. In resolution 1970 (LIX), the Council requested the Secretary-General to submit to the Council, on a regular and continuing basis, pertinent information on uses of the sea.

(d) Strategy and output

(i) Situation at the end of 1979

20.19 By the end of 1979, the general analytical survey dealing with the trend towards regionalization in marine affairs and the trend towards the extension of some form of national-resource jurisdiction will have been completed, paving the way for activities that treat in depth the impacts and management problems identified in the 1979 study.

(ii) Biennium 1980-1981

20.20 The basic strategy for realizing the objective of this subprogramme has two components:

(a) To integrate within any new United Nations development strategy and the new international economic order the development dimension represented by uses of ocean space and marine resources. In support of this approach, an effort will be made to promote a system-wide policy framework in marine affairs within which action by each organization within its field of competence may be taken in a concerted manner in response particularly to the needs of developing countries. This policy framework would be embodied as a "means for implementation" in any new United Nations development strategy or action plan;

(b) To undertake research and analysis supportive of the subprogramme objective within the above policy framework and within the field of competence of the United Nations, as set forth below.

20.21 The global offshore/nearshore mineral-resources survey, scheduled to begin in 1978-1979, will be continued on a regional basis. <sup>15/</sup> The findings of this long-term undertaking will be made available periodically in the form of printed official documents and/or United Nations sales publications, as appropriate, and are expected to provide an important statistical input into the assessment of the potential impact of marine resources and activities on gross national products that may be undertaken during the biennium. In consultation with the United Nations Statistical Office and the United Nations organizations concerned, consideration will be given to the feasibility of such an assessment either in 1980-1981 or in the subsequent biennium. The types of marine resources and activities to be included would be determined in light of information available. If the exercise demonstrates its value, succeeding assessments could be carried out on a periodic basis with increasingly more complete coverage.

20.22 On the basis of the report to be submitted to the Economic and Social Council in 1979, which will deal with regionalization in marine affairs and the extension of national-resource jurisdictions, the Council will be requested to provide guidance for the identification of aspects of these trends which, in its view, require in-depth study in the near future. Several studies (a maximum of four) will then be initiated in the 1980-1981 biennium on the aspects so identified.

20.23 An examination will also be made during the biennium of the state of knowledge and development of unconventional sources of energy from the oceans (for example, waves, tides, currents and thermal gradients), particularly those of relevance to developing country needs. The results of this work are expected to be suitable for publication by the United Nations possibly late in the biennium or, alternatively, they would be used in the substantive preparations for a conference on new and renewable sources of energy, should the decision be taken to convene such a conference.

20.24 While project results envisaged will serve as direct input into the multidisciplinary research and analysis of the Department of International Economic

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<sup>15/</sup> Subject to the consultations referred to in foot-note 9 above. See also foot-note 13 above.

and Social Affairs carried out in support of any new development strategy and the new international economic order, they will also be submitted, as required, to such intergovernmental bodies as the Committee on Natural Resources and to such expert bodies as the Committee for Development Planning. Progress made under this subprogramme will be reviewed in a progress report to be submitted to the Economic and Social Council in 1981.

(iii) Biennium 1982-1983

20.25 Programme elements carried out in 1980-1981 will either, as appropriate, be continued during the 1982-1983 biennium or, as required, be adapted, refined or replaced in light of experience gained in implementing the 1978-1979 programme budget and, for the first nine months, the 1980-1981 programme budget, and in light of Governments' needs and priorities.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

20.26 There are no activities of marginal usefulness in this subprogramme plan.

(e) Expected impact

20.27 The expected impact of these activities will be:

- (i) A greater capacity, through access to comprehensive and up-to-date information and analysis concerning trends and developments in uses of the sea and their management implications, to incorporate into their national development plans in a more comprehensive, accurate and integrated manner the contribution of marine resources and uses, both existing and projected. Evidence of such an impact will be sought through an examination of development planning documents.
- (ii) A greater awareness among Governments of the need for procedures or arrangements to ensure that information relating to existing and potential marine resources and uses, both within the limits of national jurisdiction and beyond, is systematically collected and channelled into the development planning process; of the importance of and possible approaches to the rational management of marine resources and uses.

SUBPROGRAMME 2: SEA-BED MINERAL RESOURCES 16/

(a) Objective

20.28 The objective of this subprogramme is to provide information that will assist the integration of the sea-bed mineral-resource dimension into development planning exercises, undertaken both at the national level and within the United Nations system, that utilize estimates or projections of mineral-resource availability.

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16/ While this subprogramme is related to subprogramme 1, the importance and singular nature of the issues addressed, as well as their complex ramifications, warrant their treatment under a separate and relatively self-contained subprogramme.

(b) Problem addressed

20.29 The availability of certain primary metals, including copper and nickel, constitutes a basic condition for growth. Current estimates of the global stocks of these resources, however, have focused almost exclusively on land-based sources and generally have not taken into account sea-bed manganese nodules, which, until a few years ago, were considered an improbable source of metals. However, given the recent technological advances for exploiting the sea-bed and the production in the near future of copper, nickel, cobalt and possibly manganese from sea-bed nodules, the omission of sea-bed nodules from estimates of the available stock and from projections of the future stock of mineral resources will become increasingly significant. The inclusion of this resource would improve the accuracy and reliability of resource estimates and, therefore, the utility of models, strategies and planning exercises which build upon such estimates. Production of large volumes of these metals from sea-bed nodules can be expected to affect market prices, earnings of mineral-exporting countries and the flow of investment into capacity expansion in land-based mining. This in turn would have implications for long-term mineral development policies in both developed and developing countries. Sea-bed nodule production may offer opportunities for developing nations to participate, directly or indirectly, in a new-style mining venture.

(c) Legislative authority

20.30 The legislative authority for the subprogramme derives essentially from General Assembly resolution 2750 A (XXV) of 17 December 1970 and Economic and Social Council resolutions 1380 (XLV) and 1954 A and C (LIX).

(d) Strategy and output

(i) Situation at the end of 1979

20.31 By the end of 1979, the subprogramme will have concentrated on the preparation of economic and technical studies and analyses on assessment of sea-bed mineral resources, the economic and technical problems involved in their exploitation (recovery, transport and processing) and the anticipated impact of such exploitation, inter alia, on world mineral prices and supplies and on the traditional exporters and major consumers of minerals concerned.

(ii) Biennium 1980-1981

20.32 Economic and technical studies will be prepared within the framework of a long-term work programme which, in the initial phase, tentatively consists of several interrelated projects. Three of these projects are expected to begin in the 1978-1979 biennium dealing with: (a) the monitoring of the public information base on consortia activities, including research and development work; (b) the technology for nodule-mining and processing; and (c) the development of a financial "balance sheet" for a nodule-mining venture.

20.33 In 1980-1981, a fourth project will consist of a critical evaluation of the validity of the mine site concept. A fifth is expected to provide an analysis of the primary geological-data base and a sixth with the global impact of sea-bed mining. In light of the rate of development in the field of sea-bed mining, which is still a future activity, the output of each project will be regarded as progress

reports. Activity under each project, therefore, will be continuing and reports will be issued periodically in order to provide up-to-date information and analyses.

20.34 Two of the projects begun during the 1980-1981 biennium are expected to yield results in the biennium and the third project in the succeeding biennium. It is probable that a meeting of experts will be needed in 1980/1981 to re-examine in light of the most recent information the problems of assessing sea-bed mineral resources.

20.35 While project results envisaged will serve as direct input into departmental multidisciplinary research and analysis connected with any new development strategy and the new international economic order, they will also be submitted, as required, to such intergovernmental bodies as the Committee on Natural Resources and the United Nations Conference on the Law of the Sea or any successor structure, and to such expert bodies as the Committee for Development Planning. In addition, several of them are expected to be suitable for issue as a sales publication. Progress made under this subprogramme will also be reviewed in a progress report to be submitted to the Economic and Social Council in 1981.

(iii) Biennium 1982-1983

20.36 Programme elements carried out in 1980-1981 will either, as appropriate, be continued during the 1982-1983 biennium or, as required, be adapted, refined or replaced in light of experience gained in implementing the 1978-1979 programme budget and, for the first nine months, the 1980-1981 programme budget, and in light of government needs and priorities.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

20.37 There are no activities of marginal usefulness under this subprogramme plan.

(e) Expected impact

20.38 The expected impact of these activities will be:

- (i) A greater capacity on the part of Governments to make more informed judgements about participation in nodule-mining ventures and in formulating their positions in the context of negotiations for international agreements on the exploitation of marine minerals beyond national jurisdiction, as well as in formulating general mineral-development policies.
- (ii) The development of international mechanisms, such as commodity agreements and compensatory arrangements, for dealing with the impact of sea-bed mineral mining on mineral prices and markets and on the land-based exporters of the minerals involved.



## SUBPROGRAMME 3: INTEGRATED COASTAL AREA DEVELOPMENT

### (a) Objective

20.39 The subprogramme's objective is to develop and disseminate techniques and methodologies for use by Governments in planning and implementing an integrated approach to the development and management of their coastal areas and in establishing the institutional and legislative conditions for such an approach.

### (b) Problem addressed

20.40 Pollution from oil exploitation can disrupt nearshore fishing, while industrial uses of the coastal area can interfere with recreation and tourism. In the absence of mechanisms for harmonizing sectoral activities or for determining preferred uses, the scope of conflict in coastal area development is potentially very great. Many developed countries, as well as an increasing number of developing nations, are already experiencing such conflict in acute form.

20.41 The traditional vertical organization of government departments is along sectoral lines with little or no horizontal linkage between them. This results in the emergence of jurisdictional and policy ambiguities and overlaps with respect to coastal activities, the persistence of conflicts among coastal uses and an incapacity to exploit any potentially beneficial relationships. Furthermore, national legislation on coastal areas is often limited in scope, internally inconsistent and enforced by a multiplicity of institutions serving sectoral interests, and so is also conducive to the emergence of conflicts and the failure to exploit opportunities. In addition to these institutional and legislative problems, there is a widespread lack of awareness of the techniques required for implementing an integrated approach, or a lack of the skills and knowledge needed to apply these techniques.

### (c) Legislative authority

20.42 The general mandate is contained in Economic and Social Council resolution 1802 (LV). In its resolution 1970 (LIX), the Council requested the Secretary-General to continue the process of identifying various regions or subregions specially amenable to coastal area management and development and, in this connexion, at the request of the Government concerned, to assist in the elaboration of comprehensive plans of action for such an approach. Further, in its resolution 2099 (LXIII) of 3 August 1977, the Council requested the Secretary-General to take or support such measures as might be required to assist Governments in developing coastal areas.

### (d) Strategy and output

#### (i) Situation at the end of 1979

20.43 By the end of 1979, the subprogramme will have reached the stage in which all substantive outputs are oriented to the needs of expert users within Governments. The emphasis of outputs will increasingly be on specific types of management needs and problems within particular types of physical, geographical and developmental contexts.

(ii) Biennium 1980-1981

20.44 A manual under preparation presents economic and environmental guidelines for dealing, within the framework of integrated coastal area planning and development, with a salient coast-related issue. It may be followed in the 1980-1981 biennium by a second issue-oriented manual. Other studies will approach coastal management from the point of view of regulatory arrangements - both legislative and institutional - required for the development of economic activities carried out in the coast and/or for the application of an integrated management approach to identified problems (for example, erosion, treatment of oil-spills originating in the marine coastal area). One such study is expected to be completed in 1980 (for issue as a sales publication) as a manual on the basis of work largely carried out in 1979, and another in 1981.

20.45 It is also anticipated that ad hoc requests from Governments or regional bodies will require the preparation of at least one regional background paper for use by Governments in elaborating a programme of work for coastal area management and development. 17/

20.46 Drawing upon research carried out under this subprogramme, substantive contributions will be made, inter alia, to regional training courses or workshops organized under the auspices of IOC and, as required, to regional technical workshops and seminars organized by UNEP under its regional seas programme.

20.47 The above work programme may be modified and will be given clearer definition in light of the results of a meeting of a group of experts which will be convened late in 1978 for this purpose.

20.48 The primary users of results of all activities will be experts - planners, economists, engineers and administrators - within Governments. The Economic and Social Council will be informed of these activities in a progress report in 1981 and will be requested to provide any guidance and comments it deems appropriate.

(iii) Biennium 1982-1983

20.49 Programme elements carried out in 1980-1981 will either, as appropriate, be continued during the 1982-1983 biennium or, as required, be adapted, refined or replaced in light of experience gained in implementing the 1978-1979 programme budget and, for the first nine months, the 1980-1981 programme budget, and in light of government needs and priorities. There are no recurring outputs under this subprogramme.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

20.50 There are no activities of marginal usefulness under this subprogramme plan.

(e) Expected impact

20.51 The impact of these activities is expected to be:

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17/ See foot-note 4 above.

- (i) A greater use of specialized planning and management techniques appropriate to an integrated approach to coastal area development;
- (ii) The establishment, at the national level, of arrangements for co-ordinating government departments dealing with coastal development;
- (iii) The introduction, at the national level, of legislation facilitating national strategies for integrated coastal area development; the adoption of coastal zone management acts, for example, would mark significant progress in the right direction;
- (iv) A greater degree of co-operation among countries in coastal-area management, through joint planning, and the exchange of experience, information, resources and expertise;
- (v) The introduction in national educational infrastructure of courses and curriculum oriented to a management approach to coastal area development.

20.52 Each of the elements in this impact statement is verifiable and an effort will be made, for example, through the development of feedback arrangements built into programme outputs, to collect evidence that will permit verification.

A secondary achievement indicator, particularly in relation to paragraph 20.51, (i) to (iii) above, might consist of the sales figures or, preferably, the circulation to primary users of the manuals prepared under the subprogramme.

#### SUBPROGRAMME 4: MARINE AND COASTAL TECHNOLOGY

##### (a) Objective

20.53 The objective of this subprogramme is to establish a sound and reliable information base and guidelines for use particularly by developing countries in identifying the specific types of marine and coastal technologies most appropriate to their needs and in strengthening their capabilities, individually and collectively, for developing or acquiring, adapting and applying such technologies.

##### (b) Problem addressed

20.54 Two basic deficiencies are involved: an inadequate capability, experienced in varying degrees among countries, for identifying the marine and coastal technologies most suitable to their needs; and an inadequate capacity for acquiring or developing, adapting and applying marine and coastal technologies to identified problems.

20.55 The problems that result from the above are: neglect or inadequate treatment of certain types of coast-related problems, such as erosion, pollution and the destruction of natural resource endowment (for example, mangrove swamps); the failure to exploit or, through the application of inappropriate technologies, the inefficient exploitation (in terms of cost and productivity, external diseconomies and failure to take full advantage of local resources - labour and materials) of coastal area resources.

20.56 Within the wide range of secondary problems that give rise to the above situation, for example, shortage of capital and expertise and obstacles to the transfer of technology, specific attention will be directed to the following:

- (i) Insufficient appreciation of the need for, and of the range of, technological alternatives available for meeting identified problems with specific and appropriate marine technologies. This situation is in large measure attributable to a lack or shortage of information on and knowledge of the types and characteristics of marine and coastal technologies available on a global basis. In this connexion, there is insufficient knowledge concerning alternative suppliers of given technologies and the economic and technical criteria for making a selection among suppliers;
- (ii) Too great a reliance among developing countries, in meeting their identified technology needs, on suppliers from developed countries and, conversely, too little reliance on indigenous resources and capabilities, as well as an insufficient degree of technical co-operation among developing countries for sharing resources, experience and expertise.

(c) Legislative authority

20.57 The general mandate is contained in Economic and Social Council resolution 1970 (LIX), in which the Council requested the Secretary-General "to take effective measures for the promotion of a better and wider application of marine technology suitable for developing countries in their endeavours relating to coastal areas, including provision of assistance in the matter of ... the acquisition and implantation of appropriate technology".

20.58 In its resolution 2099 (LXIII), the Economic and Social Council requested the Secretary-General "to co-operate ... in the development of the Aquatic Sciences and Fisheries Information System, and to take full account of the requirement that identified information needs not at present dealt with by other information services within the United Nations system be met, in particular the need for an information referral service regarding coastal area development". It also invited the Secretary-General, inter alia, "to encourage more effective interaction between producers and users of marine and coastal technologies and to promote closer co-operation among developing countries in this field".

(d) Strategy and output

(i) Situation at the end of 1979

20.59 By 1979, significant progress will have been made in providing on a regular and systematic basis information on sources and types of assistance available globally in marine and coastal technology and on the range and characteristics of marine and coastal technologies.

(ii) Biennium 1980-1981

20.60 Existing outputs under the Marine and Coastal Technology Information Service (MACTIS) will be maintained and new ones will be added. On a monthly basis, abstracts of relevant articles from selected publications dealing with marine and

coastal technology will continue to be prepared as inputs into the Aquatic Sciences and Fisheries Abstracts, Part II, one of the information modules of the Aquatic Sciences and Fisheries Information System (ASFIS). Contributions to other ASFIS modules may also materialize as the scope of ASFIS is broadened. The guide to sources of assistance within the United Nations system in marine and coastal technology, which will be published in 1979, will be followed in the 1980-1981 biennium by the preparation and publication of a guide to sources of assistance and information outside the United Nations system, primarily industry sources.

20.61 In disseminating outputs under MACTIS, as well as information generated under other programme activities, maximum use will be made of the departmental information unit that will have been established in 1978-1979 to serve as a central repository for the information materials maintained separately in the various substantive units and as a channel of dissemination on behalf of those units.

20.62 In relation to identified problems and needs experienced by developing countries in their coastal areas, for example, coastal natural-resources inventory, nearshore and beach mineral development, coastal erosion and cargo transfer in non-port areas, technology reviews will be prepared (as in the 1978-1979 biennium) describing the kinds of technologies available for solving the problems or meeting the needs and the requirements for their application.

20.63 While these reviews will deal with existing technologies, technological advances and future technologies that appear to be of particular relevance to developing-country problems and needs (for example, offshore terminals and storage) will be examined with a view to the possible preparation of a study for completion and publication in the 1982-1983 biennium.

20.64 Work may also begin on an examination of the feasibility and scope for applying or adapting existing indigenous developing-country technologies, or for developing new ones on the basis of indigenous country or regional resources, in relation to identified coastal problems and needs. The outputs of this work would be completed in succeeding biennia in the form of a series of problem/need-oriented studies, possibly for publication, that explore various indigenous-technology solutions in different geographical and resource contexts.

20.65 In the field of economic co-operation and technical co-operation among developing countries, the activities to be undertaken will depend in large measure on the recommendations of the United Nations Conference on Technical Co-operation among Developing Countries, to be convened in 1978, <sup>18/</sup> and the findings of the survey on technical co-operation among developing countries which, if implemented, is scheduled to be completed in 1980 and published as a report and analysis in 1980 or 1981. <sup>19/</sup> The survey might be followed up, however, with separate regional analyses which seek to relate regional potential for economic co-operation and technical co-operation among developing countries to salient needs and problems within the region experienced by individual countries or shared by two or more countries.

20.66 As under subprogramme 1, the above outputs are intended for primarily technical users within Governments having responsibilities in areas covered in this subprogramme. A review of activities will be included in a progress report to the Economic and Social Council in 1981.

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<sup>18/</sup> The Conference was held at Buenos Aires from 30 August to 12 September 1978.

<sup>19/</sup> See foot-note 8 above.

(iii) Biennium 1982-1983

20.67 Programme elements carried out in 1980-1981 will either, as appropriate, be continued during the 1982-1983 biennium or, as required, be adapted, refined or replaced in light of experience gained in implementing the 1978-1979 programme budget and, for the first nine months, the 1980-1981 programme budget.

(iv) Activities in the strategy that are considered likely to be of marginal usefulness and the legislation requiring them

20.68 The output entitled "Marine and coastal technology application and adaptation - Handbook of guidelines" was programmed in response to paragraph 2 of Economic and Social Council resolution 2099 (LXIII). For reasons given in foot-note 9 above, however, it is being deleted.

(e) Expected impact

20.69 No quantitative indicators of the impact of this subprogramme are at present feasible; however, it is expected that there will be a more extensive use in developing countries of marine and coastal technologies that are better adapted to their developmental goals, resource endowments and specific problems and needs. This situation will result from:

- (i) The availability of a more extensive and reliable information base for identifying the marine and coastal technologies most appropriate to needs and for choosing among alternative suppliers of such technologies;
- (ii) A greater reliance (as manifested, for example, in special programmes, tax incentives and research efforts) on the part of individual developing countries on indigenous resources for the development and application of marine and coastal technologies and a greater degree of co-operation among developing countries to this end.

PROGRAMME 2: DEPARTMENT OF TECHNICAL CO-OPERATION FOR DEVELOPMENT

20.70 Prior to the restructuring of the economic and social sectors of the United Nations, the Ocean Economics and Technology Office provided substantive support for technical co-operation activities in this field, particularly in the development and use of coastal area resources. In the implementation of the recommendations regarding the restructuring, the Ocean Economics and Technology Office will become part of the Department of International Economic and Social Affairs. The Department of Technical Co-operation for Development will, therefore, continue to rely upon the Office to provide the necessary support for its technical co-operation programme in coastal area development.

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