



Chairman: Mr. Walter GUEVARA ARZE (Bolivia).

AGENDA ITEM 38

United Nations Industrial Development Organization:

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

1. The CHAIRMAN reminded the Committee that part (b) of agenda item 38, concerning confirmation of the appointment of the Executive Director of UNIDO, would be dealt with according to previous practice. The Secretary-General's proposals would be submitted directly to a plenary meeting of the General Assembly, and considered at the same time as the Second Committee's report on item 38 (a).

2. He said that in addition to the report of the Industrial Development Board on the work of its fourth session (A/8016), the Committee had before it a note by the Secretary-General (A/8066), the Executive Director's report concerning the Special International Conference (A/8073 and Corr.1), and the relevant chapter of the report of the Economic and Social Council (A/8003 and Corr.1, chapter VI). He invited the Executive Director to make a statement.

3. Mr. ABDEL-RAHMAN (Executive Director, United Nations Industrial Development Organization) introduced the report of the Industrial Development Board on the work of its fourth session. The Economic and Social Council, in resolution 1527 (XLIX), had noted the report with appreciation, welcomed the proposal to hold a special international conference of UNIDO in 1971, and drawn the attention of Governments to the importance of the agenda items proposed for discussion at the Conference.

4. The Industrial Development Board had approved the programme of work of UNIDO for 1971 and had adopted four resolutions (see A/8016, annex III), on the follow-up of the International Symposium on Industrial Development, held at Athens in 1967, on UNIDO's co-ordinating role, on its operational activities, and on the special international conference. Since the Board's fourth session there had been several developments which concerned UNIDO. The UNDP Governing Council had reached agreement on country programming, increased authority for resident representatives and reorganizing the UNDP secretariat, all matters of close concern to UNIDO as a predominantly operational organization.

5. Reports had been issued by the Board of Auditors of the United Nations (A/8007 and Add.1-5) and the Administrative Management Service. The organization and structure of UNIDO had been found adequate, though the need for flexibility in meeting changing requirements had been stressed.

6. The adoption by the General Assembly of the International Development Strategy for the Second United Nations Development Decade (General Assembly resolution 2626 (XXV)) would involve work for UNIDO in helping the developing countries to prepare their industrialization programmes, policies and review procedures in line with the Development Strategy. He hoped that UNIDO would be able to take a more active part in planning industrial development strategy, through consultation with developing countries and United Nations bodies to supplement its own limited research facilities and stock of information, especially concerning projections of industrial development in various industrial sectors. The first item of the proposed agenda for the special conference related to that aspect of the future work programme.

7. The Advisory Committee for the Special International Conference, established by Board resolution 29 (IV), had held its first meeting at Vienna in July 1970 and was expected soon to hold the second meeting at Prague. In recent months UNIDO had further developed its co-operation with ECAFE in the review of the industrial development of Asian countries during the Second Development Decade, and had joined with ECAFE in holding the Second Asian Industrialization Conference in Tokyo in September 1970. The first Asian Investment Promotion Meeting had been held at Manila, and UNIDO had agreed with the Government of Kuwait, the Industrial Development Centre for Arab States and the United Nations Economic and Social Office in Beirut to hold a conference on industrialization in Kuwait in October 1971. UNIDO had been co-operating with UNCTAD in studying the potential advantages for the developing countries of the application of the system of general preferences recently adopted. A second African meeting for investment promotion would be held shortly at Nairobi, in co-operation with the Economic Commission for Africa (ECA) and the African Development Bank. UNIDO was discussing with ECLA and the Inter-American Development Bank the question of export promotion and advisory services to industry. It was also following with interest the study being prepared by ECE on the structural changes in European industry, with a view to identifying consequences of interest to the developing countries.

8. In its resolution 29 (IV) the Board had unanimously approved the convening of the Special International Con-

ference proposed for 1971. That proposal was the culmination of discussions in the Board and General Assembly concerning UNIDO's activities during the 1970s and the resources and reorganization they would require. Possibly, after about five years' experience, UNIDO's membership might like to take stock of the successes and failures of the organization and chart the course for future development. UNIDO's progress since 1967 could be considered satisfactory in many respects. Thanks to the co-operation of the Austrian Government and the city of Vienna, UNIDO now had its permanent headquarters in Vienna, and its staff had grown from less than a hundred to almost eight hundred. Its operational activities, financed from several different sources, had increased from a level of \$5.4 million in 1967 to some \$15 million by the end of 1970. There had been close co-operation with the specialized agencies, the regional economic commissions and the United Nations Office in Beirut, through a series of working arrangements. Co-operative programmes had been developed with bilateral sources and with intergovernmental regional organizations in Africa, Asia, Latin America and the Middle East. Voluntary contributions had been received through the annual pledging conference and directly, and were used to finance a number of supplementary activities. UNIDO had been able to initiate and expand the programme of Special Industrial Services and the system of industrial field advisers. Closer relations were being developed with financial sources, through the investment promotion activities and through co-operation with regional and national financing companies and development banks. Major programmes had been established in the areas of industrial information, industrial inputs for agriculture, in-plant training programmes and the repair and maintenance of equipment. The successive reports of the Board on its first four sessions gave a detailed account of the growth of the organization and the consolidation of its activities since 1967.

9. Despite those successes, there was some reason for anxiety about the future of UNIDO. It would have to be more effective in order to meet the requirements of the developing countries in industrial development, and its resources, procedures and programmes would have to be adjusted to the complexity of the industrial development problems confronting those countries. In future extensive requirements would have to be met from limited resources and personnel facilities in a situation of continuously advancing technology and changing structures of industry and world trade.

10. The impact of technological advance in the industrial countries had led to restructuring of industry and trade to accommodate changing internal demand and resource limitations. The developing countries not only had to build their industrial structure, but must continually adapt it to the changing requirements of world trade and technology. They could not long shelter behind a policy of import substitution. Yet, in expanding their exports or processed raw materials and manufactured goods they faced many obstacles in the form of international competition and trade barriers in the industrial countries. They would find it difficult to extend their markets and their scale of industrial production on the basis of regional co-operation in the absence of stability and continuity of external funds for financing and capital equipment. Despite the difficulties facing them they must industrialize sooner or later, or there

would be no real hope for peace or security. UNIDO must identify the areas of action in which international co-operation would be most effective in assisting them in their industrial development.

11. For that purpose co-operation between UNIDO and sources of finance were particularly important. Developing countries would have to depend basically on their domestic resources, but they must be supplemented, as appropriate, by external resources, both public and private, bilateral and multilateral. Pre-investment feasibility studies must be identified on the basis of their economic viability and on the potential availability of the necessary funds.

12. The transfer and adaptation of technology for industrialization must be developed to increase the capacity of the developing countries to choose wisely and build up the necessary experience. Individual investment projects in industry must be fitted into a general policy of industrialization, in the light of both national and international factors, including the possibilities of regional co-operation.

13. UNIDO's liaison with the developing and the industrial countries must be strengthened, in order to identify the needs of the developing country and to determine what UNIDO's contribution should be. The industrial countries were the main source of the technology and experience needed by the developing countries, and UNIDO must act as consultant and intermediary, since the final decision would always remain with the countries concerned. In its liaison with the developing countries UNIDO was currently using the system of industrial field advisers financed by UNDP. The Board had recommended expansion of that system which had become all the more vital because of the new country programming procedures adopted by UNDP. Twenty industrial field adviser posts had been established and that number should be doubled within the next few years. At a recent meeting of the UNDP Inter-Agency Consultative Board, the Administrator had recognized that the smaller agencies must be supported so that they could participate effectively in country programming and co-operate closely with the resident representatives and recipient Governments. For UNIDO the first step seemed to be expansion of the system of industrial field advisers, but the Board might wish to consider the general question of the regional structure of UNIDO.

14. The Special Industrial Services programme had been launched in 1966 with voluntary contributions from several industrial countries. More than a thousand requests for those services had been received. In 1969, the Industrial Development Board had recognized the importance of the programme and the difficulty of financing it and, on the Board's recommendation, the Governing Council of UNDP had decided to finance the programme through the Revolving Fund. It might be advisable now to reaffirm the programme's importance so as to ensure its continuity within the new organization of UNDP.

15. UNIDO could also re-examine the use of its own operational resources, namely, the regular programme of technical assistance and the voluntary contributions. Those funds might be increasingly used in consultation, review and advisory activities for the developing countries in relation to their aims and plans for the Second Develop-

ment Decade. They might also be used to develop new types of operational and commercial activities in consultation with the developing countries, and the generous contributions of those countries themselves might be used effectively to promote regional industrial co-operation and to support the exchange of information among them, particularly regarding industrial training, research and management.

16. Further efforts should be made to develop with UNDP more of the types of projects best suited to help the industrial development of the developing countries, particularly projects in the area of financing export promotion, transfer of technology and industrial information. Ways must be found to increase the effectiveness of operational activities that had to be carried out through the type of all-purpose experts who were difficult to find, and whose advice was in most cases difficult to apply in practice.

17. There must be further improvements in the liaison between UNIDO and the industrial countries. Possibly UNIDO's programmes and activities did not appeal to their technological, business and industrial centres. Those countries had large potential sources of finance and experience that could benefit developing countries, and moreover, there was abounding goodwill and desire for co-operation.

18. Those were some examples of the problems to be dealt with by UNIDO and which illustrated the reasons for apprehension regarding its future. The most important source of hope would always be the sincere interest and co-operation shown in UNIDO by its member States. So long as they took an active interest in its development, continuous progress was ensured.

19. Mr. BRILLANTES (Philippines) thanked the Executive Director for his statement and commended the dedication with which he had discharged his duties. The Philippines strongly supported UNIDO's operational activities, action-oriented studies and research programmes. Subject to congressional approval, the Philippine contribution to the UNIDO voluntary fund would be increased for 1971. In September 1970, the Philippines had been the host to the first Asian Investment Promotion Meeting and had participated in the Second Asian Regional Conference on Industrialization in Tokyo during that month.

20. UNIDO, as an autonomous organization within the United Nations system, should be able to exercise its functions within a broader context and with greater resources and facilities. As the needs of the developing countries increased, its activities would have to expand. Moreover, it would have to help those countries to implement the International Development Strategy for the Second Development Decade. It required greater resources in order to meet those increased needs. He therefore endorsed the Executive Director's view that the system of industrial field advisers should be strengthened, particularly in view of the new country programming procedures adopted by UNDP. He also believed that not only should UNIDO's resources be increased, but there should be greater flexibility in their use. UNIDO was playing a valuable role in helping developing countries, at their request, to seek financial aid for industrial development.

21. The Executive Director should be given greater latitude in the recruitment of personnel, especially in relation to the Special Industrial Services. Since those services were intended to provide urgent aid, it was important to give him the necessary autonomy to permit the rapid recruitment and assignment of staff. Although it was helpful that the Governing Council of UNDP had decided to finance the Special Industrial Services programme through the UNDP Revolving Fund, he believed there should be continuity in financing, and that the General Assembly should call upon UNDP to ensure it. If UNIDO were given the autonomy it should have in the form of increased resources and more authority in the matter of staff appointment, it could operate more effectively.

22. He hoped that the Committee would endorse the recommendation of the Industrial Development Board that the proposed Special International Conference should be held at Vienna, at the highest possible level of government representation, immediately after the Board's fifth session. As a member of the Advisory Committee for the Conference he hoped that the members of the Second Committee would say how they thought the success of the conference could best be ensured, particularly with respect to the agenda. He hoped that the Secretariat would be able to circulate to States members of UNIDO a summary of the Second Committee's discussions on the subject.

23. He believed that a periodic conference would be useful and would facilitate the review referred to in paragraph 37 of General Assembly resolution 2152 (XXI). Most other United Nations bodies held periodic general conferences and the General Assembly's failure to provide for one in resolution 2152 (XXI) should now be rectified. He also considered that the members of the Board should be elected by the States members of UNIDO, instead of by the General Assembly, in line with the practice of the specialized agencies and UNCTAD. That would provide a closer link between the general membership and the Board and make UNIDO more effective. In fact the two proposals, that a periodic conference should be held and that UNIDO should elect its own Board, were linked and should be regarded as complementary.

24. The question whether it was desirable for UNIDO to have standing committees might arise in connexion with the foregoing considerations. UNIDO was unique in that the bureau of its Working Group on Programme and Co-ordination was usually elected as the bureau of its Executive Board.

25. The recent UNCTAD agreement (see A/8015, part III, annex I) on a mutually acceptable scheme of generalized, non-reciprocal and non-discriminatory preferences for products of the developing countries in the markets of the developed countries was a milestone in the developing countries' quest for economic and social progress. If the latter countries were to derive the maximum benefits from that agreement the existing arrangements for co-operation between UNCTAD and UNIDO must be broadened and strengthened with a view to accelerating their industrialization with particular emphasis on the manufacturing sector, as the scheme of preferences primarily covered manufactures and semi-manufactures. Joint UNCTAD/UNIDO field assistance and expert and advisory services in the industrial

and manufacturing sectors would prove effective. The two bodies should also co-ordinate their activities relating to the transfer and adaptation of technology and know-how to the developing countries, in co-operation with the regional economic commissions and the United Nations Economic and Social Office at Beirut.

26. The Committee might consider adopting a draft resolution which would take note of the Board's report and draw the attention of United Nations bodies to those parts which concerned them, refer to the proposed Special International Conference, make recommendations to UNDP on financial matters and touch upon the work programme of UNIDO, and other matters. Alternatively, the Committee might adopt a separate draft resolution on the Special International Conference.

27. Mr. de AZEVEDO BRITO (Brazil) said that the fact that the improvement of the living conditions of the vast majority of mankind depended largely on the degree of success of the industrialization process in the developing countries during the 1970s explained why UNIDO's role was crucial. The renewed commitment by the States Members of the United Nations to the promotion of development, reflected in the adoption of the International Development Strategy, raised expectations that UNIDO's activities would receive stronger support, particularly in the form of increased budgetary allocations and voluntary contributions from the developed countries.

28. The Special International Conference—which should be held in May/June 1971—should be an occasion for review and appraisal of UNIDO's programmes with a view to giving them new dimensions, improving the organization's machinery and strengthening its activities. His delegation noted with regret that the Special International Conference would be of very short duration; its agenda was vague and only plenary meetings were contemplated. Decentralization of UNIDO's machinery should be pursued and, to that end, the establishment of regional offices and subsidiary organs of the Board were desirable. Efforts should also be directed towards the preparation of a calendar for the transformation of UNIDO into a specialized agency in order to enable it, with the necessary resources and adequate institutional arrangements, to do its important work more effectively.

29. He welcomed the progress achieved by the Working Group on Programme and Co-ordination during its second session. At a time when all organizations of the United Nations system were endeavouring to make their activities more effective through long-term planning and improved co-ordination with agencies working in similar fields, it was gratifying to observe that Board resolutions 27 (IV) and 28 (IV) endorsed concepts and made recommendations which would result in better utilization of scarce resources. Efforts to ensure co-ordination between UNIDO and UNCTAD were particularly important. The recent agreement in UNCTAD on a scheme of generalized preferences amply demonstrated UNCTAD's role in industrial development. It was also essential to ensure effective co-ordination between UNIDO and UNDP in order to expedite the approval of requests and the implementation of projects and ensure that a higher proportion of UNDP resources was allocated for industrial development.

30. The developing countries required a basic stock of theoretical knowledge on the problems of industrialization if they were to avoid mistakes and derive the greatest advantage from development projects. UNIDO should encourage the establishment of centres for industrial research in developing countries in order to complement research and study conducted at the global and regional levels.

31. UNIDO must take the initiative, in consultation with Governments, in the transfer of industrial technology if it was to be able to execute promptly the many projects for which it was responsible. Its activities in that area should also focus on industrial legislation, licensing and patents. It must not allow itself to be sidetracked into international capital brokerage activities for which other organizations were better qualified.

32. UNIDO's programmes should emphasize the establishment of basic industries—particularly the engineering, steel and metallurgical industries—in order to enable the developing countries to overcome the limitations of their economic structure and improve the living levels of their populations. Only the establishment of basic industries—after the initial process of import substitution in the light-industry sector—could provide developing countries with the base needed for further economic diversification.

33. With regard to implementation, his delegation was gratified to observe that Board resolution 28 (IV) urged the Governing Council of UNDP to provide the necessary financing for a larger number of field advisers and that the Council had taken steps to ensure the continuing financing of the Special Industrial Services programme. It also welcomed the emphasis in that resolution on the need for a greater utilization of expertise, manufacturing capacities and other resources available in the developing countries. The preferential use of those assets presented the obvious advantage of enabling developing countries to receive technology already adapted to their particular economic and social structures.

34. Lastly, his delegation was disappointed that Latin America had received only 16 per cent of the technical assistance provided by UNIDO in 1969 and hoped that UNIDO would take the interests of Latin American industrial development more fully into account in the future.

35. Mr. CAPRILES (Bolivia) said that the accomplishments of UNIDO to date suggested that despite its limited financial resources, it would continue to meet the increasing needs of the developing countries. Assistance from the developed countries in trade and development matters was essential if the developing countries were to increase their industrial capacities. At present, eleven countries produced 80 per cent of the world's manufactures.

36. UNIDO's activities fell into three categories: support and operational, co-ordination and auxiliary activities. He welcomed the fact that a growing number of projects in the first category were being financed by UNDP, in particular, by the Special Fund component. It was also gratifying to note that UNIDO's assistance to Latin America had increased in 1969.

37. Resolution 28 (IV) of the Board contained specific guidelines for the conduct of UNIDO's future work: the provisions of part B were particularly relevant to the least developed of the developing countries, which could benefit considerably from assistance starting from the conception of projects to their implementation. The implementation of UNIDO's activities called for co-ordination within the organization itself and with other bodies in the United Nations system, as well as competent national bodies. Such activities should evolve within the broad context of the International Development Strategy, which included methods of assisting the least developed of the developing countries and land-locked countries.

38. His delegation welcomed the emphasis laid in paragraph 11 of resolution 28 (IV) of the Board on the important role of co-operation among developing countries in the implementation of multinational projects, regional or subregional undertakings. The Andean Pact, the Central American Common Market and the Latin American Free Trade Association, and similar arrangements elsewhere in the world, could encourage regional integration, promote multinational projects and facilitate large-scale industrialization. Bolivia was particularly eager to support that aspect of UNIDO's programme.

39. The Working Group on Programme and Co-ordination had made a constructive contribution. Bolivia attached particular importance to the recommendations of Group 2 (metallurgical industries) for, as a mining country which exported a wide range of minerals, it could reap considerable benefit from UNIDO's assistance in the development of its processing industries. A number of national bodies with experience in mining were prepared to play an active part. One of those, the Metallurgy and Mining Research Institute, was staffed almost exclusively with Bolivian technicians. UNIDO's assistance would also prove most helpful to the Bolivian petroleum and petrochemical industries. Moreover, the latter could play an important part in regional and subregional integration. The Working Group had dealt with a number of questions of particular interest to the least developed of the developing countries. UNIDO could usefully accord those countries favourable treatment to enable them to overcome the obstacles to economic development.

40. UNIDO had successfully undertaken the difficult task of co-ordination with other United Nations bodies, regional organizations and other organizations concerned with industrialization. Such co-operation should be extended to national bodies in the recipient countries. Closer ties should be promoted with UNCTAD, the UNCTAD/GATT International Trade Centre for export promotion, and with the Commission for Social Development.

41. His delegation supported the Board's proposal for a considerable expansion of the components of field projects, namely, experts, fellowships and equipment, as part of the trend towards activities at the country and regional levels.

42. Lastly, the convening of a special international conference, with representation at the highest level, would provide an opportunity for a broad exchange of views on the problems of industrial development.

43. Mr. ALI (Iraq) said that UNIDO had already started to play a part in promoting industrialization in the developing countries, attracting capital to meet their needs and strengthening their economic independence. In that connexion he stressed how important it was that UNIDO should be a truly world-wide organization, with no discrimination in its membership. At the present time, the German Democratic Republic—a highly advanced industrial country—was excluded.

44. In his introductory statement the Executive Director had pointed out that UNIDO had been unable to take an active part in the preparatory stages leading up to the adoption of the International Development Strategy. It was to be hoped that in coming years the situation would change and UNIDO would be able to play an important role in implementing the Strategy.

45. His delegation was pleased to note that UNIDO was encouraging regional and subregional co-operation and particularly welcomed the agreement with the Government of Kuwait, the Industrial Development Centre for Arab States, and the United Nations Economic and Social Office in Beirut to hold a second conference on the industrialization of Arab States in Kuwait in October 1971. The first conference, which had also been held in Kuwait in March 1966, had proved highly successful and useful.

46. It was essential for UNIDO to achieve a more equitable distribution of staff in the professional categories, although care should be taken to avoid inflation in administrative personnel. In that connexion he noted that the Secretary-General had refrained from proposing any staff increases in UNIDO until the survey of manpower utilization and employment had been completed.

47. His delegation approved of the work programme for 1971 and 1972 and was pleased to see that special attention had been given to the most immediate industrial needs of the developing countries and that care had been taken not to promote projects that would rapidly become obsolete. The industrial field advisers had a useful part to play and their number should be expanded to cover the majority of the developing countries.

48. UNIDO badly needed additional resources for its regular programme of technical assistance, and he therefore regretted that only \$1.8 million had been offered at the Pledging Conference held in November 1969. He therefore appealed to all countries to show greater generosity at the pledging conference which would be held on 10 November.

49. Mr. HALASZ (Hungary), after expressing his appreciation for UNIDO's work, said that the Special International Conference would be a particularly significant event, since it would provide an opportunity for reviewing UNIDO's past performance and determining the trend of its future activities. It would give new impetus to the organization, making it a more effective instrument of assistance to Governments in their efforts to achieve the industrial objectives and targets set for the Second Development Decade. The Conference, which would require careful preparation, should be at the highest possible level of representation and its membership should respect the principle of universality. Among the important questions to

be discussed were the financing of industrial development, the mobilization of internal and external sources of financing, the promotion of regional and interregional co-operation and the transfer and adaptation of technology for the industrial development of the developing countries. His Government had made available to UNIDO both experts and material resources but it was well aware that the organization's finance was not commensurate with the responsibilities facing it. There were two solutions to that problem: to devote a larger share of United Nations resources to UNIDO and to increase voluntary contributions. It was worth recalling that the programmes were financed from more than six different sources, yet operational activities were essentially dependent on UNDP financing, which was relatively modest. His delegation therefore approved the efforts being made to ensure that UNIDO was assigned a greater percentage of UNDP funds. In view of the reorganization of the United Nations development system now being undertaken, it seemed that a considerable improvement could be made. However, that in itself was insufficient and governmental contributions to the UNIDO programme should also be increased. Hungary had raised its contribution in 1969 and would have done so again in 1970 had it not been for the flood disasters which had befallen the country.

50. It was gratifying to note that UNIDO had established working arrangements with the specialized agencies of the United Nations having responsibility in the field of industrialization, particularly the regional economic commissions. The programme of industrial field advisers had been an important factor in co-ordination at the national level. UNIDO could be instrumental in assisting Governments to assess the progress made towards achieving the objectives of the Second United Nations Development Decade and should co-operate with the general evaluation machinery to be established.

51. Mr. OGISO (Japan) said he was pleased to note that UNIDO had acquired a large share of responsibility in the United Nations development system and was playing a significant role in the industrial development of the developing countries. A considerable improvement had been made in the Board's report, in accordance with General Assembly resolution 2577 (XXIV).

52. UNDP had adopted country programming procedures, which would result in increasing emphasis on assistance at the country level based on indicative planning figures. Since UNIDO's operational activities were largely funded by UNDP, the forthcoming operational and structural changes would naturally affect its future work. Consequently, at its fifth session the Board should carefully examine the measures UNIDO should take to adapt its activities to the reform of UNDP. UNIDO should co-operate closely and actively with UNDP in achieving the basic objective of increasing the capacity of the United Nations development system.

53. The activities of the industrial field advisers, whose numbers were rightly being increased, would be greatly

affected by the change in UNDP operations. The role of the resident representatives would be strengthened, giving them over-all responsibility for programmes in the country concerned. UNIDO must take full account of that fact, so that the limited resources at its disposal could be used in the most effective way.

54. UNIDO's activities would also be affected by the Second United Nations Development Decade and the International Development Strategy. In that connexion, he recalled that the Special International Conference was to discuss the long-range strategy and orientation of UNIDO's activities, including its role in the Decade. He therefore supported the Executive Director's statement that UNIDO would give full priority to the requirements of the developing countries in preparation of their industrialization plans and projects, the establishment of the necessary policies and instruments of implementation, and the review and assessment of progress. In coming years UNIDO should participate more effectively in that work through consultations and advice in co-operation with the developing countries and other United Nations organizations.

55. Japan was rendering assistance to the developing countries in their industrialization efforts, in particular by taking an active part in the work of the Asian Industrial Development Council. It had been host to the Second Asian Conference on Industrialization in September 1970, and thanked UNIDO for its valuable support. Japan intended to take an active interest in UNIDO's future work, which it considered a key element in its assistance to the developing countries during the 1970s.

56. Mr. RINGNALDA (Netherlands) said that UNIDO had passed through its experimental stage and had consolidated its programmes to a considerable extent. Some activities had been reinforced and broadened in scope, while others had been eliminated and turned over to other agencies. He hoped that the process of consolidation would continue and suggested that an indicative list should be prepared, showing the fields of action on which UNIDO would concentrate in the immediate future. One of the priority areas would undoubtedly be the fostering of contacts between potential investors in the advanced countries and interested parties in the developing countries. Private investment could play an important part in promoting an additional flow of capital to developing countries, together with a transfer of technical and managerial skills.

57. Pursuant to General Assembly resolution 2578 (XXIV), the Board had adopted resolution 29 (IV), in which two dates were suggested for convening the Special International Conference. Since the Conference would have significance for the Second United Nations Development Decade, which would start in January 1971, it should be convened as soon as possible. His delegation therefore supported the date of May/June 1971 and would vote in favour of any draft resolution to that effect.

The meeting rose at 1 p.m.