



Chairman: Mr. Walter GUEVARA ARZE (Bolivia).

AGENDA ITEM 38

United Nations Industrial Development Organization:

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

1. Mr. HAMID (Sudan) said that UNIDO was confronted not only with difficulties of resources and materials, but by the fact that, although it had a mandate to co-ordinate the industrialization activities of the United Nations system, it had as yet no authority to do so. The organization had the dual role of conducting operational activities and of ensuring co-ordination. Its achievements in co-ordination at the international and regional levels were excellent; working arrangements had been established with specialized agencies, the regional economic commissions and the United Nations Economic and Social Office in Beirut, and were being planned with such other bodies as IBRD and regional financing institutions. Its policy of close contact with other organizations should be encouraged, in order to facilitate progress towards joint planning of activities, pooling of resources and co-ordination for the benefit of the developing countries.

2. UNIDO's contribution to the industrial advancement of developing countries was limited, but nevertheless striking in view of the limited resources available. Highlights of that contribution were the Special Industrial Services and the system of industrial field advisers. The developing countries would welcome continuation of the Special Industrial Services within the framework of the reorganization of UNDP. His delegation endorsed the recommendation of the Industrial Development Board that the system of liaison with developing countries should be expanded, since it would become increasingly important as a result of the country programming procedures introduced by UNDP.

3. UNIDO bore a considerable responsibility for assisting the developing countries to reduce the widening gap between them and developed countries; accelerated industrialization was the only means of reducing economic disparities between the different regions. UNIDO's task would not be easy, since many developing countries had experience only of import-substitution light industries. Only a few had explored the field of heavy industries, and favourable conditions for competitive and export-oriented industries were rare. In Latin America, the manufacturing sector contributed 15 to 30 per cent of total national income, in Asia, 15 to 20 per cent and in Africa, less than 10 per cent. The Sudan was typical of many African

countries in that industrial production contributed only 9 per cent of its gross national product, mainly through the public sector, in the form of light industry and processed food products for local consumption. His Government's five-year plan envisaged a considerable increase in the volume of industrial production, supported through international co-operation.

4. All of the developing countries required assistance in formulating over-all priorities, determining economic feasibilities and analysing comparative benefits. UNIDO could play a major part in providing such assistance. The need for improved procedures and modalities of assistance currently under discussion by UNDP was important in that connexion, as was the need for additional resources to explore and develop new approaches in industry.

5. While the demand of the developing countries for effective assistance was growing, UNIDO was confronted with problems of finance for its support and operational activities. It received a 4 per cent share in the resources in UNDP, supplemented by voluntary contributions, but the total made available was not commensurate with the task facing the organization. That situation resulted largely from the original views of the developed countries, which had insisted that UNDP should be the source of funds for UNIDO, while the developing countries would have preferred an independent system of direct contributions. In view of that situation and of the inevitability of a future increase in the demand for UNIDO's services if the developing countries were to achieve an 8 per cent average annual growth in industrial development as required by the International Development Strategy for the Second United Nations Development Decade (General Assembly resolution 2626 (XXV)), a greater percentage of UNDP funds must be allocated to UNIDO, and substantially higher contributions must be made by major donor countries.

6. His delegation shared the Executive Director's anxiety as to the future of UNIDO. The resources and instruments available to it, as well as its procedures and programmes, needed quantitative and qualitative adjustment to meet the multiplicity of problems facing the developing countries with regard to industrialization. A programme of priorities must be established within UNIDO. The major aims included the promotion of industrial research centres, the transfer of science and technology, better utilization of existing industrial capacity in developing countries, the elaboration of comprehensive long-term plans and programmes for industrial development and the encouragement of investment. Such priority goals could be achieved only through a true partnership in development between the developed and developing countries.

7. His delegation supported the proposal to hold a special international conference of UNIDO in 1971. Nevertheless,

the conference would be more successful if provision was made for the participation of countries which were not members of UNIDO, but whose experience might prove of considerable benefit to developing countries.

8. Mr. KITCHEN (United States of America) said that 1970 was an auspicious year for UNIDO, as for the whole of the development process. The General Assembly had adopted the International Development Strategy, which assigned a prominent role to UNIDO in the industrialization of the third world. To reach the goals and objectives of the International Strategy, an average annual expansion of some 8 per cent in manufacturing output by developing countries would be required. That would necessitate parallel steps by developing and developed countries, and a high degree of leadership and co-ordination by UNIDO.

9. In order to achieve the rapid expansion, modernization and diversification of the economies of developing countries, UNIDO and its partners in multilateral assistance would need the support of many countries and organizations. The United States was committed to pursue a truly international development effort based on a strengthened leadership role for multilateral development institutions. It planned to channel an increasing share of development assistance through multilateral institutions, and hoped that its remaining bilateral assistance could be provided largely within a framework established by those institutions. President Nixon would transmit legislation to Congress for the establishment of a United States International Development Institute which it was hoped would bring the capacity of United States science and technology to bear on the problems of development. His Government would seek to expand the contribution of trade and private investment to development. It was already moving towards the initiation of a system of tariff preferences for the exports of manufactured products of developing countries, and, together with other developed countries, was actively exploring steps to end the requirement that foreign assistance should be used to purchase goods and services produced in the donor nation.

10. A directive had already been issued that United States assistance should be untied to allow procurement in the developing countries themselves. Coverage under the extended-risk guarantee programme would be given to funds used in purchasing goods and services abroad, and his Government supported the early establishment of an international investment insurance agency. The United States hoped that it would be able to co-operate with UNIDO in new and imaginative ways. The current meetings of the President's Export Expansion Committee would be dealing with such co-operation.

11. His delegation welcomed the co-ordination arrangements concluded between UNIDO and other organizations of the United Nations system; it hoped that similar arrangements would be developed. It looked forward to the Executive Director's report on the subject to the fifth session of the Industrial Development Board.

12. His delegation supported the proposal to hold the Special International Conference, on the understanding that it would be consistent with the recommendations of resolution 29 (IV) of the Industrial Development Board. It

was to be hoped that the Conference would give UNIDO's activities strength and direction and establish suitable priorities.

13. Mr. SAM (Ghana) said that without industrialization no country could produce the goods and services needed to provide decent standards of living for its citizens. One major characteristic of industrial development in the developing countries was a shortage of capital and large-scale investment which, taken in conjunction with the need to absorb a rapidly growing labour force, indicated the desirability, wherever possible, of avoiding capital-intensive methods of production. The problem was not susceptible to any general solution; cost factors must be properly evaluated in each case, and recent experience suggested that there was a widespread tendency to undervalue capital. There was also a tendency to underate the social losses implicit in unemployment and underemployment.

14. There was a strong case for examining the possibility of adapting technologies developed in the capital-rich and labour-short industrial sectors of the economy for use in sectors with completely different capital resource availabilities. Except in cases where there was a good chance of establishing a competitive export-oriented industry, the main need in a number of developing countries was the capital to establish relatively small-scale plants capable of expanding to meet growing local demands, but not forced by market conditions to operate too much below optimum rates. The problem of the size and capital intensity of specific industrial investments was aggravated by the accelerated rate of change, which added to the handicap of capital-poor sectors of the economy and made it essential for both entrepreneurs and Governments to scrutinize the pattern of investment.

15. The concern of Governments should not be confined to devising ways and means of influencing the decisions of the private sector, which was largely responsible for manufactured products, but should lead to direct involvement in the industrial sector, as well as indirect involvement, through the provision of the social overhead capital which constituted the physical framework for industrial operations. Inadequate infrastructure was a major handicap to industrial growth, and where capital was in short supply inefficient use of it pointed to serious defects in development strategy. It was in such areas that UNIDO could provide expert advice to many developing countries.

16. The project approach to development had often been accentuated by the way in which external resources were made available in the form of loans or grants linked specifically to designated undertakings. In view of foreign exchange constraints, such allocations often affected the over-all pattern of investment out of proportion to their actual magnitude; UNIDO should be able to assist Governments in establishing institutions in the capital market as channels through which funds could flow into the manufacturing sector of the economy. The most important aspects of the infrastructure to developing countries were power, transport and communications. In that respect, they often faced awkward choices.

17. Lack of co-ordination at the national level led to difficult problems of industrial programming. Value and

time priorities must be established for formulating, evaluating and selecting industrial development programmes and projects commensurate with both the short-term and the long-term goals. The guidance of UNIDO was evidently required in such areas. One of the most serious problems of industrial development was the lack of managerial ability and other technical skills. His delegation was therefore pleased to note in the report of the Industrial Development Board that UNIDO's in-plant training programmes for middle-level and high-level engineers would be expanded, and endorsed the request that attention should be paid to the experience gained by both developed and developing countries in the training of such personnel. His Government was operating a programme to train personnel in all fields related to industry.

18. Among the other problems which it was hoped UNIDO could help resolve were the difficulties encountered by new industries in capturing a share of the markets served by existing industries. New industries were in a weak position compared to well-established foreign concerns serving the markets of developing countries from bases abroad. Developing countries accordingly found it necessary to adopt many incentives to encourage greater interest in manufacturing by the private sector. The basic inducement had been protection from external competition, which, however, had the negative effect of making it easier for domestic products and conditions to depart from international standards. To combat that situation, his Government had set up a National Standard Board to ensure that all commodities for sale in Ghana conformed to international standards and to the national Sale of Goods Act.

19. His delegation welcomed the proposal to convene a special international conference of UNIDO in 1971, and believed that it should be attended by representatives from the highest possible governmental level. UNIDO's organizational structure should be adapted to enable it to play essential roles not only in promoting new industries in the developing countries but in reviewing and promoting the co-ordination of all activities of the United Nations system in industrial development. Its role as an intermediary between the industrialized countries and those requiring international support for industrialization should be strengthened, and it should be enabled to establish closer industrial liaison with both developed and developing countries, with a view of ensuring effective programming and implementation of industrial projects and closer co-ordination of multilateral and bilateral efforts, UNIDO should be enabled to assist the developing countries in evolving policies and programmes designed to increase their industrial efficiency through international programmes at all levels.

20. His delegation strongly supported the view that UNIDO should become an autonomous institution with its own funds. UNIDO's success would depend not only on its ability to meet the needs of the developing countries, but on the resources made available to it. Possession of its own funds would provide the Industrial Development Board with real control over UNIDO's work programme, and his delegation therefore hoped that developed countries would make adequate funds available on a more permanent basis, and that the Committee would recommend to the Gov-

erning Council of UNDP that additional funds should be made available to augment the resources allocated to industrial projects for which UNIDO was the executing agency, and that UNDP should co-operate with UNIDO with a view to increasing the transfer of technology from developed to developing countries.

21. Mr. SHRESHTHA (Nepal) expressed continued support for UNIDO as an effective agency for international co-operation in countries which, like his own, were at the incipient stage of industrial development. The future activities of UNIDO should be considered in the context of the quantitative targets and policy measures embodied in the International Development Strategy for the Second Development Decade and of the needs and priorities of developing countries as reflected in their development programmes. UNIDO had already made commendable progress in co-ordinating United Nations activities in the field of industrial development. Working arrangements had been concluded, in particular with FAO and ECAFE, and his delegation hoped that UNIDO would make further efforts in that direction to eliminate duplication of activities and to increase its own effectiveness. In view of UNDP's proposed re-orientation, co-ordination became more important at the country level and his delegation therefore supported resolution 27 (IV) of the Industrial Development Board and, in particular, paragraph 5. It also endorsed resolution 28 (IV) of the Board in view of the importance of UNIDO's operational activities in the field, and it supported resolution 29 (IV) of the Board on the convening of a special international conference in 1971. It would be preferable to hold that conference in November/December in order to have sufficient time to complete the necessary preparations, but he would not oppose an earlier date.

22. Mr. GUELEV (Bulgaria) said that the importance which his Government had attached to the accelerated industrialization of the country during twenty-six years of Socialist construction was well known to many delegations. In that spirit, Bulgaria had contributed, within the limits of its possibilities, to UNIDO and had already made a number of specialists available for its projects. On the eve of the Second United Nations Development Decade Bulgarian experience could be of particular value to many developing countries since industrialization had hardly started in Bulgaria twenty-five years ago. His Government was therefore able to appreciate the vital importance for developing countries of the very complex problems of industrialization and to estimate the importance of industrialization in building a stable and independent economy.

23. Several delegations had stressed the need to ensure that the Special International Conference of UNIDO was well prepared. For that reason, his Government had felt that the Conference should be held somewhat later in the year, but since a considerable number of delegations had spoken in favour of convening it in May or June of 1971, his delegation was willing to adhere to the majority view.

24. Many delegations had stressed the need to secure for UNIDO sufficient financial resources to strengthen its role in the framework of United Nations activities on the eve of the Second Development Decade. One of the primary objectives of the Special International Conference should

be to attain precisely that result, and therefore his delegation felt that it was extremely important for all States to be able to take part in it. Participation should not be limited solely to members of UNIDO because such a policy would deprive several countries of the opportunity of participating, particularly the German Democratic Republic. It was essential to ensure a wide degree of international co-operation in UNIDO's activities. The problem of mustering experience and resources closely affected the future of the organization, and logically it would be indispensable to secure the participation of one of the most highly industrialized countries in the world, which possessed considerable technical and scientific potential and could contribute significantly to the preparation and success of the Conference. It would be particularly absurd to insist on perpetrating a discriminatory and outdated attitude dictated by political considerations with regard to certain States. It would be more than regrettable if the Conference could not bring together the representatives of all States who wished to participate, and if there was a sincere desire to secure its success, efforts should be made to eliminate the obstacles impeding the application of the principle of universality.

25. Mr. AMIRMOKRI (Iran) felt that the balance of UNIDO's activities was a positive one and that UNIDO had become the main instrument of assistance in the industrial field. His country attached great importance to the operational activities of UNIDO and felt they were impressive in view of the complexity of its task and the limited resources at its disposal. However, the scope of its action was limited compared with the ever-growing needs of developing countries, and his delegation felt that a higher percentage of resources should be devoted to UNIDO's operational activities and hoped that at the annual pledging conference the developed countries would promise larger contributions than in the past.

26. His delegation welcomed the establishment of working relations between UNIDO and the United Nations specialized agencies and bodies concerned with industrialization, as well as with the regional economic commissions. It hoped that a similar relationship would be set up between UNIDO and national and regional banks and financial institutions.

27. The importance of co-ordination of industrial activities at the national level should also be stressed, and from the outset his country had supported the industrial field advisers' programme and would welcome its extension. His delegation would like UNIDO to focus more on problems relating to the establishment of heavy industry as well as on the vital problem of the transfer of technical know-how to developing countries. The attainment of the objectives of the Second Development Decade depended largely on finding solutions to those problems. A reduction in the "income gap" could be achieved only by reducing the technological gap between underdeveloped and developing countries. His country was fully aware of the difficulties and problems facing UNIDO and it endorsed resolution 29 (IV) of the Industrial Development Board on the convening of the Special International Conference, and approved the provisional agenda.

28. Mr. ABDEL-RAHMAN (Executive Director, United Nations Industrial Development Organization) said the

delegations of Sweden and the United Kingdom had both referred to the Special Fund projects for which UNIDO was an executing agency and had noted that thus far many of the projects had no operational plans. The Swedish representative had drawn certain conclusions regarding the rate of implementation and the effectiveness of action of the Special Fund projects. UNIDO was responsible for 52 projects. Of the 42 active projects, there were 25 with plans of operation already signed and 17 which were operational in the sense that staff had been appointed in the field and expenditures had been worked out, although no final plans of operation had yet been signed. There remained 10 projects which had been approved but not implemented. In the case of three projects, difficulties had arisen which were beyond the control of UNIDO. The other seven projects had been worked out too recently to be implemented, but five of them had received UNIDO approval and were with recipient Governments. On that basis, only seven projects out of 52 had not been implemented, and he felt confident that the record was a good one.

29. With regard to the question of Special Fund project implementation, in 1967 UNIDO had 18 projects with an average expenditure per project of a little under \$100,000. In 1970, it had 52 projects and the average expenditure per project was approximately the same amount. UNDP had been trying to change the whole system of detailed signed plans of operation for Special Fund projects. He was convinced that the system must be changed, since many plans of operation needed one or two years for signature.

30. The Swedish delegate had also referred to the pipe-line of UNIDO's projects, and the following information might be relevant to the points raised by the representatives of Brazil, Italy, Argentina and other Latin American countries. There were 34 Special Fund projects officially submitted by Governments to UNDP which had not yet been approved. Furthermore, there were 38 projects not thus far officially submitted, making a pipe-line of 72 projects.

31. Turning to the projects relating to Latin America, he said that some delegations had noted that out of 153 Special Fund projects submitted for approval at the eleventh meeting of the Governing Council of UNDP, UNIDO was assigned only nine, none of which related to Latin America. In reality, there were twenty Special Fund projects concerning Latin American countries prepared by the countries themselves in consultation with UNIDO. Latin America had a 9 per cent share in Special Fund projects in 1969, whereas in 1967 and 1968 it had been 26 per cent and 22 per cent respectively. It had been hoped that it would increase to 14 per cent for 1970 and 17 per cent in 1971, but recent information from UNDP had not justified that forecast. On the other hand, a review of other UNIDO programmes, especially the Special Industrial Services programmes, indicated that since 1968 Latin American countries had maintained a ratio of 20 per cent which it was hoped would rise to 25 per cent. UNIDO expenditure in 1970 on Latin American countries in the Special Industrial Services programmes was \$1,130,000 or about 26 per cent of that entire programme. The Special Fund component, which was quite small, was \$560,000. UNIDO had done its duty and felt that it was the responsibility of the countries themselves and UNDP to take any further necessary action.

32. The operational activities of UNIDO had increased from \$5.4 million in 1967 to \$15 million in 1970 and it might be useful to see which parts of the programme had been affected by the increases. The regular programme had been increased by \$500,000 and the Technical Assistance component of UNDP had increased to \$2,500,000 from \$1,900,000. The Special Fund component had increased by \$3,900,000. Since the Special Fund component of UNDP as a whole was almost \$150 million a year and the share of UNIDO was \$5 million in 1970, UNIDO's share represented 3 per cent of the total resources of the Special Fund. The ratio has remained constant over the last four years with very little variation. On the other hand, the programming level of the Special Industrial Services had increased from \$500,000 to \$4 million in 1970.

33. It should be stressed that the efficiency of UNIDO in implementing projects could be more clearly seen in the Special Industrial Services, regular programme and voluntary contributions than in the Special Fund component, because the rules of procedure were suitable for training and surveys rather than for industrial development.

34. Turning to the question of UNIDO staff, he recalled that the delegations of Iraq, Malaysia and the United Kingdom had noted that the number had risen from 100 to 800. The United Kingdom had observed that staff had increased eightfold and operational activities only threefold. In fact, the professional staff of UNIDO had increased only from 108 in 1967 to 180 in 1970, and with less than double the staff, it had been possible to triple operational activities and expand the programme.

35. The representative of the Philippines had suggested that it would be useful to provide the Special International Conference of UNIDO with a summary of the discussions that had taken place in the Second Committee. The UNIDG secretariat would do its best to prepare and distribute such a summary as soon as possible, since the many observations, comments and even complaints that had been made would be a useful contribution to the type of problems which the Special International Conference would examine.

36. Subject to the decision which would be taken by the Committee and the General Assembly, the Advisory Committee for the Special International Conference would meet in Prague in December, and he looked forward to the advice it would give on how the ideas put forward during the present debate could be used. It was to the credit of the Advisory Committee that, at its first session in July 1970, it had suggested a number of topics for discussion by the Conference that tallied with the debates which had just taken place. The Second Committee had touched on UNIDO's structure, committees, conferences, groups, regional offices and other organizational matters, as well as programme priorities and the need to fit the programme into the International Development Strategy, the new UNDP structure and country programming procedures. He was very pleased with the debate which offered vivid proof of the fact that the Special International Conference was necessary and that all those problems needed to be examined in order to produce guidelines for UNIDO's future.

37. He also wished to comment on the role of the UNIDO secretariat in the Conference. In resolution 29 (IV) the

Industrial Development Board requested the Executive Director of UNIDO to prepare documentation for the Conference and receive recommendations from the Advisory Committee. In his view, the secretariat was not called upon to make any recommendations, which were beyond its responsibility. The Conference was a meeting of Governments for the purpose of reviewing UNIDO's past performance and experience, in order to make appropriate recommendations with regard to its future programme, structure and finances. Consequently, the secretariat, in addition to servicing the Conference, would provide all the necessary information but would make no proposals of its own. The aim was to hold a conference of ideas and decisions, not a conference of documents.

38. In the course of the debate, many representatives had rightly emphasized the great difficulties involved in drawing up the programme of UNIDO. In that connexion, he wished to refer to the statement by the representative of Belgium that the criterion for the selection of any specific activity should be the maximum multiplier effect it would produce. That suggestion was a clear indication of the way in which UNIDO, with its limited resources, could have an impact on the industrialization process in the developing countries. At a rough estimate, UNIDO contributed one dollar out of every thousand dollars which the developing countries devoted to their industrialization plans. The crucial problem was how to make the most effective use of that dollar. At the present time there were three ways of achieving that aim. The first was to prepare studies and carry out research within the secretariat for publication and distribution to the Governments concerned, and in that connexion, he fully supported the Brazilian statement that it was false to separate the research and study programme from actual operations. In the second place, UNIDO could use voluntary contributions to hire experts and send them to member countries to give advice. Aid of that kind came under the technical assistance programme and was regarded as an operational activity. A third means of action consisted in supplying the same kind of services without paying for them, but in that case UNIDO was criticized for carrying out promotional activities rather than operations. In his view, that criticism was absurd, since the primary task of UNIDO, in accordance with General Assembly resolution 2152 (XXI), was to encourage the mobilization of national and international resources to assist in the industrialization of the developing countries. If that aim could be achieved without paying for it, so much the better.

39. The representative of India had made a pertinent comment when he had pointed out that three countries were responsible for 60 per cent of the world's industrial production, eight others for 20 per cent and a further 115 for the remaining 20 per cent. UNIDO's task was to help those 115 countries with their industrialization plans. It should be noted that the high degree of concentration was not limited to production alone, but extended equally to technology, which was a much more serious matter. In the case of steel, for example, world production was at present approximately 500 million tons, of which the developing countries were responsible for about 10 per cent, despite the fact that they produce over 60 per cent of the world's iron ore.

40. Projections for the next ten years indicated that world steel production would increase to 1,000 million tons.

According to the target set, during the Second United Nations Development Decade the share of the developing countries should be 20 per cent, i.e., 200 million tons. The question therefore arose as to whether they possessed the experience, resources and technology necessary to reach that target, particularly in view of the fact, stressed by the representative of Pakistan, that coke was in increasingly short supply. Actually, the problems of steel production in the developing countries could not be solved on the basis of current technology, which required coke. Consequently new techniques must be evolved if the developing countries were to achieve the target set for them. Under present arrangements whereby 82 per cent of its resources were allocated to country projects, UNIDO could do little to help them.

41. The representatives of the United Republic of Tanzania, Brazil, Venezuela and other countries had forcefully stated that UNIDO should concentrate its activities on technology, but unfortunately major technical problems could not be solved piecemeal but had to be tackled collectively, mainly through research in the advanced countries which alone had the proper facilities. UNIDO was crippled in that field by its present regulations. The same considerations applied equally to cotton and cotton textiles, agricultural products, jute, cocoa, and to other problems such as the environment. UNIDO could help to establish industrial research centres and assist individual countries, as the representative of the Soviet Union had recommended, to set up industrial infrastructures, but technical approaches to the problem were limited by the organization's present procedures.

42. The representatives of Canada and the United States had referred to measures taken by their countries to facilitate exports, investment and the development of technology. In that respect he wished to draw attention to a meeting convened by UNIDO at which a hundred directors of independent research institutions from 54 countries had met in Vienna in October to set up a World Association of Technical and Industrial Research Organizations. It was hoped that the Association would be of service to UNIDO and the developing countries in the highly important matter of technology. For the time being the secretariat of the Association was situated in Vancouver.

43. The question of UNIDO's role in the Second United Nations Development Decade was of capital importance. He wished to assure members that full attention would be given to developing and modifying the programme in line with existing approaches and areas of action. There was no question of superimposing the activities of the Second Development Decade on the present programme. An attempt was being made to see how UNIDO's limited resources could most effectively be brought to bear on the developing countries' industrial requirements during the Second Development Decade.

44. He recalled the suggestion made by the representative of Austria that UNIDO should develop new working methods, and the reference of the representative of Indonesia to his own statement to the Economic and Social

Council in July 1970.¹ The point he had been trying to make at the Council meeting was that UNDP should allocate 1 to 2 per cent of its total resources to the study of development procedures and methods. The same should apply to UNIDO and other organizations, which should build up their capacity to introduce improvements in their own methods, rather in the way that private industry devoted a proportion of its resources to research and development. UNIDO had already experienced difficulties in introducing innovations: for instance, it had taken three years to gain acceptance for the Special Industrial Services programme, which had started with a contribution from the Netherlands and was now the most dynamic element of the programme.

45. The same difficulties had occurred in connexion with the in-plant training programme, in which more than twenty-five countries were now participating, and in the investment promotion programme. So far investment meetings had been held in Tunis, Rabat and Manila, at a cost of \$6,000, \$15,000 and \$30,000 respectively—a moderate expenditure for bringing together 400 to 500 potential investors and investment users. That was a type of activity which could be developed to give most effective service to the developing countries. It should be noted that such activities were not solely concerned with finance, and in that connexion he wished to remind the representative of the United Republic of Tanzania that the Special Fund project in his country had been responsible, over a period of two to three years, for the transfer of technology for more than forty industrial schemes. Experiments of that kind deserve trial; if successful, they should be continued, otherwise they could be dropped.

46. The representative of Czechoslovakia had said that the development of technical assistance should not be the only criterion by which to judge UNIDO. He fully agreed with that remark and believed that UNIDO should be regarded as a joint venture between the advanced countries and the developing countries whose purpose was to help to bring about the economic and technological developments that would be beneficial to all.

47. The CHAIRMAN recalled that Fiji, which had been admitted to Membership in the United Nations at the current session, was now eligible for membership in the Industrial Development Board. He therefore wished to suggest that the Committee adopt the following draft resolution:

"The General Assembly,

"Recalling section II, paragraph 4, of its resolution 2152 (XXI) of 17 November 1966 on the United Nations Industrial Development Organization,

"Decides to include Fiji in list A of the annex to its resolution 2152 (XXI)."

The proposal was adopted without objection.

The meeting rose at 1 p.m.

¹ See *Official Records of the Economic and Social Council, Forty-ninth Session, 1710th meeting.*