

UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION

REPORT OF THE
INDUSTRIAL DEVELOPMENT BOARD

(Fifteenth session)

GENERAL ASSEMBLY
OFFICIAL RECORDS: THIRTY-SIXTH SESSION
SUPPLEMENT No. 16 (A/36/16)



UNITED NATIONS

**UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION**

**REPORT OF THE
INDUSTRIAL DEVELOPMENT BOARD**

(Fifteenth session)

GENERAL ASSEMBLY
OFFICIAL RECORDS: THIRTY-SIXTH SESSION
SUPPLEMENT No. 16 (A/36/16)



UNITED NATIONS

New York, 1981

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.

CONTENTS

	<u>Paragraphs</u>	<u>Page</u>
ABBREVIATIONS		iv
EXPLANATORY NOTE		iv
INTRODUCTION.		1
<u>Chapter</u>		
I. ORGANIZATION OF THE SESSION	1 - 22	1
II. GENERAL DEBATE	23 - 49	8
III. REPORTS OF THE PERMANENT COMMITTEE ON ITS FOURTEENTH AND FIFTEENTH SESSIONS	50 - 55	13
IV. FOLLOW-UP OF THE DECISIONS AND RECOMMENDATIONS OF THE THIRD GENERAL CONFERENCE OF UNIDO	56 - 100	15
V. FOLLOW-UP OF THE DECISIONS AND RECOMMENDATIONS OF THE ELEVENTH SPECIAL SESSION OF THE GENERAL ASSEMBLY RELEVANT TO INDUSTRIAL DEVELOPMENT	101 - 106	22
VI. INDUSTRIAL DEVELOPMENT FIELD ADVISER PROGRAMME	107 - 130	23
VII. REDEPLOYMENT OF INDUSTRIES FROM DEVELOPED TO DEVELOPING COUNTRIES	131 - 149	27
VIII. SYSTEM OF CONSULTATIONS	150 - 178	30
IX. UNITED NATIONS INDUSTRIAL DEVELOPMENT FUND	179 - 200	35
X. INTERIM ARRANGEMENTS REGARDING GREATER AUTONOMY FOR UNIDO IN ADMINISTRATIVE MATTERS	201 - 215	38
XI. INTEGRATION OF WOMEN IN DEVELOPMENT	216 - 232	42
XII. DEVELOPMENT AND TRANSFER OF TECHNOLOGY	233 - 255	45
XIII. INDUSTRIAL AND TECHNOLOGICAL INFORMATION BANK	256 - 278	50
XIV. TECHNICAL ASSISTANCE TO THE NAMIBIAN PEOPLE	279 - 295	54
XV. TECHNICAL ASSISTANCE TO THE PALESTINIAN PEOPLE	296 - 313	57

CONTENTS (continued)

	<u>Paragraphs</u>	<u>Page</u>
XVI. INDUSTRIAL WATER USE AND TREATMENT PRACTICES	314 - 317	60
XVII. MATTERS CONCERNING INTERGOVERNMENTAL AND INTERNATIONAL NON-GOVERNMENTAL ORGANIZATIONS	318 - 325	61
XVIII. PROVISIONAL AGENDA FOR THE SIXTEENTH SESSION OF THE INDUSTRIAL DEVELOPMENT BOARD AND FOR THE SIXTEENTH AND SEVENTEENTH SESSIONS OF THE PERMANENT COMMITTEE . .	326	63
XIX. DATES AND PLACES OF THE SIXTEENTH SESSION OF THE INDUSTRIAL DEVELOPMENT BOARD AND THE SIXTEENTH AND SEVENTEENTH SESSIONS OF THE PERMANENT COMMITTEE	327 - 328	65
XX. INCLUSION OF THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA AND ZIMBABWE IN LIST A AND SAINT VINCENT AND THE GRENADINES IN LIST C OF STATES ANNEXED TO GENERAL ASSEMBLY RESOLUTION 2152 (XXI)	329 - 330	66
XXI. ADOPTION OF THE REPORT OF THE FIFTEENTH SESSION	331 - 359	66
XXII. CLOSURE OF THE FIFTEENTH SESSION	360	71

ANNEXES

I. Resolutions adopted by the Industrial Development Board at its fifteenth session	72
II. Documents submitted to the Industrial Development Board at its fifteenth session	75

ABBREVIATIONS

EEC	European Economic Community
ESCAP	Economic and Social Commission for Asia and the Pacific
INTIB	Industrial and Technological Information Bank
OAU	Organization of African Unity
PLO	Palestine Liberation Organization
SWAPO	South West African People's Organization
UNDP	United Nations Development Programme
UNIDO	United Nations Industrial Development Organization

EXPLANATORY NOTE

In the present report, paragraphs that are underlined represent conclusions adopted by the Industrial Development Board.

INTRODUCTION

The report of the Industrial Development Board of the United Nations Industrial Development Organization on its fifteenth session is herewith submitted to the General Assembly in accordance with Assembly resolution 2152 (XXI) of 17 November 1966.

The fifteenth session of the Board was held at UNIDO headquarters, Vienna International Centre, on 7 May and from 15 to 30 May 1981. The report was adopted by the Board at its 301st meeting, on 30 May.

CHAPTER I

ORGANIZATION OF THE SESSION

1. The Industrial Development Board at its fourteenth session decided to hold the fifteenth (spring) session of the Permanent Committee from 7 to 14 May 1981 and the annual session of the Board from 15 to 29 May 1981. Shortly before the convening of the spring session of the Permanent Committee, however, the Executive Director was advised that agreement had been reached among the geographical groups to request the Board to suspend the application of rule 19 of the rules of procedure and the related appendix A, concerning the rotation of offices of the Board.

2. In response to that request, the Executive Director advised all members of the Board that since a decision to suspend the application of the above-mentioned rules of procedure and the related appendix could be made only by the Board and as it would be necessary to apply the results of such suspension also to the election of officers of the fifteenth session of the Permanent Committee, which would precede the annual session of the Board, it would be necessary to advance, under rule 3 of the rules of procedure, the annual session of the Board from 15 May to 7 May 1981. The Board could then consider and decide on the request of the geographical groups for the suspension of rule 19 and appendix A.

3. Accordingly, the Board opened its fifteenth session at UNIDO headquarters, Vienna International Centre, on 7 May 1981.

4. The session was opened by Mr. Emil Keblusek (Czechoslovakia), President of the fourteenth regular and second special sessions of the Board, who acted as President of the fifteenth session pending the election of the new President.

5. After holding one plenary meeting, the fifteenth session was adjourned until 15 May 1981 when the Temporary President made the opening statement. 1/

1/ For the opening statement, see ID/B/SR.284, paras. 1-4.

A. Membership and attendance

6. The following members of the Board were represented at the fifteenth session:

Argentina	Kenya
Australia	Madagascar
Austria	Malaysia
Belgium	Malta
Brazil	Mexico
Burundi	Mongolia
China	Netherlands
Czechoslovakia	Nigeria
Denmark	Pakistan
Ecuador	Panama
France	Poland
Gabon	Romania
German Democratic Republic	Sri Lanka
Germany, Federal Republic of	Sweden
Guatemala	Switzerland
Guinea	Trinidad and Tobago
India	Turkey
Indonesia	Union of Soviet Socialist Republics
Iraq	United Kingdom of Great Britain and Northern Ireland
Italy	United States of America
Japan	Zambia

7. The following States Members of the United Nations or members of the specialized agencies or of the International Atomic Energy Agency sent observers to the session:

Algeria	Luxembourg
Bulgaria	Norway
Canada	Peru
Chile	Philippines
Colombia	Portugal
Costa Rica	Qatar
Cuba	Republic of Korea
Dominican Republic	Senegal
Egypt	Spain
Finland	Sudan
Greece	Thailand
Holy See	Tunisia
Hungary	Ukrainian Soviet Socialist Republic
Ireland	United Arab Emirates
Israel	Uruguay
Lebanon	Venezuela
Lesotho	Yugoslavia
Libyan Arab Jamahiriya	Zaire

8. Observers from the following organizations and national liberation movements also attended the session:

African National Congress of South Africa
Palestine Liberation Organization
Pan Africanist Congress of Azania

9. The following United Nations bodies were represented at the session:

Office of the Director-General for Development and International
Economic Co-operation
United Nations Economic and Social Commission for Asia and the Pacific
United Nations Conference on Trade and Development
United Nations Development Programme
United Nations Environment Programme

10. The following specialized agencies sent representatives:

Food and Agriculture Organization of the United Nations
International Labour Organisation
World Bank

A representative of the International Atomic Energy Agency also attended the session.

11. Representatives from the following intergovernmental organizations attended the session:

African Intellectual Property Organization
Agency for Cultural and Technical Co-operation
Commonwealth Secretariat
European Economic Community
European Investment Bank
Mano River Union
Organization of African Unity
West African Economic Community

12. Observers from the following international non-governmental organizations attended the session:

Afro-Asian Peoples' Solidarity Organization
Arab Iron and Steel Union
European Union of Public Relations
International Association for Cereal Chemistry

International Association for the Protection of Industrial Property
 International Christian Union of Business Executives
 International Confederation of Free Trade Unions
 International Co-operative Alliance
 International Council of Societies of Industrial Design
 International Federation of Automatic Control
 International Federation of Pharmaceutical Manufacturers Associations
 International Savings Banks Institute
 International Organization of Consumer Unions
 International Union of Food Science and Technology
 International Organization of Employers
 Society for Chemical Industry
 Union of International Technical Associations
 World Federation of Trade Unions

B. Election of officers 2/

13. At the 283rd meeting, on 7 May, the Temporary President informed the Board that owing to unforeseen circumstances the African Group (in Group A of the list of States in the annex of General Assembly resolution 2152 (XXI) of 17 November 1966 as amended) was not in a position to nominate a candidate for the office of the President in 1981 as scheduled in rule 19 and in appendix A of the rules of procedure.

14. At its 283rd meeting, on 7 May 1981, the Board decided under rule 79, to suspend for the years 1981 and 1982 the application of rule 19 with respect to the rotation of offices as laid down in this latter rule and in appendix A of the rules of procedure of the Industrial Development Board. The Board further decided on the following rotation schedule for the offices of the Board for the years 1981 and 1982:

<u>1981</u>	<u>1982</u>
PRESIDENT	
Asian States plus Yugoslavia in Group A	African States in Group A

2/ The deliberations of the Board on agenda item 2 are reflected in ID/B/SR.283, paras. 2-7 and ID/B/SR.284, paras. 5-7 and 10-15.

VICE-PRESIDENTS

Group B
Group C
Group D

Asian States plus
Yugoslavia in Group A
Group B
Group C

RAPPORTEUR

African States
in Group A

Group D

15. At its 284th meeting, on 15 May, the Board, in accordance with rule 18 of the rules of procedure and the above decision on the rotation schedule for 1981, proceeded to elect its officers for the fifteenth session.

16. The following officers were elected by acclamation:

President: Mr. K. L. Dalal (India)
Vice-President: Mr. F. Adamkiewicz (Poland)
Mr. E. Koref (Panama)
Mr. S. Lilholt (Denmark)
Rapporteur: Mr. M. M. Aliyu (Nigeria)

After his election, the President of the fifteenth session addressed the Board. 3/

C. Credentials

17. In accordance with rule 17, paragraph 2, of the rules of procedure of the Industrial Development Board, the Bureau of the fifteenth session examined the credentials of the delegations attending the session. The Bureau found the credentials in order and so reported to the Board, which approved the report of the Bureau at its 300th meeting, on 29 May.

D. Agenda

18. At its 284th meeting, the Board considered its provisional agenda (ID/B/250/Rev.1). The Board adopted the following agenda as amended (ID/B/250/Rev.2).

1. Opening of the session
2. Election of officers
3. Adoption of the agenda
4. General debate
5. Reports of the Permanent Committee
6. Follow-up of the decisions and recommendations of the Third General Conference of UNIDO

3/ For the statement of the President, see ID/B/SR.284, paras. 8 and 9.

7. Follow-up of the decisions and recommendations of the eleventh special session of the General Assembly relevant to industrial development
8. Industrial Development Field Adviser programme
9. Redeployment of industries from developed to developing countries
10. System of consultations
11. United Nations Industrial Development Fund
12. Interim arrangements regarding greater autonomy for UNIDO
13. Integration of women in development
14. Development and transfer of technology
15. Industrial and technological information bank
16. Matters concerning intergovernmental and international non-governmental organizations
17. Technical assistance to the Namibian people
18. Technical assistance to the Palestinian people
19. Industrial water use and treatment practices
20. Provisional agenda for the sixteenth session of the Industrial Development Board and the sixteenth and seventeenth sessions of the Permanent Committee
21. Dates and places for the sixteenth session of the Industrial Development Board and the sixteenth and seventeenth sessions of the Permanent Committee
22. Adoption of the report of the fifteenth session
23. Closure of the fifteenth session

E. Organization of work

19. At the 291st meeting, on 20 May, a representative of the secretariat drew the attention of the Board to General Assembly resolutions 32/71 of 9 December 1977 and 33/55 of 14 December 1978 on the pattern of conferences, as well as resolution 33/56 of 14 December 1978 on the control and limitation of documentation..

F. Statement by the Executive Director

20. At the 284th meeting, on 15 May, the Executive Director made a statement to the Board. 4/

4/ For the statement of the Executive Director, see ID/B/SR.284, paras. 19-23.

G. In memoria

21. At its 295th meeting, on 25 May, the Board observed a minute of silence in tribute to the memory of President Roldos of Ecuador.

22. At its 301st meeting, on 30 May, the Board observed a minute of silence in tribute to the memory of Madame Soong Ching Ling, the Honorary Chairman of the People's Republic of China and Vice-Chairman of the Standing Committee of the National People's Congress; of General Ziaur Rahman, President of Bangladesh; and of Admiral Alberto Jiménez de Lucio (Peru), President of the Second General Conference of UNIDO.

CHAPTER II

GENERAL DEBATE

23. The Board began the general debate, item 4 of its agenda, at its 284th meeting, on 15 May. Five meetings were devoted to the debate.

24. Since a detailed account of statements made during the general debate is given in the summary records (ID/B/SR.284-288), the following paragraphs are confined to the broad topics covered in the debate. 5/ The paragraphs are not to be taken as reflecting views adopted by the Board as a whole; in some cases, they reflect the views of only one delegation.

25. The fifteenth session of the Industrial Development Board, it was stated, was meeting at a crucial juncture in North-South relations. The world economy was undergoing a severe crisis; the growth rate had declined in the most highly industrialized countries, and inflation continued unabated. Those trends had seriously hampered the growth prospects of the developing countries. Despite growing awareness that nations were interdependent and that more equitable international economic relations were needed, the results of the intensive negotiations aimed at establishing a new international economic order had fallen short of expectations; moreover, difficulties continued with regard to launching the global negotiations on economic co-operation for development.

26. It was stated that while the need for the Secretary-General to call for no growth in real terms in the programme budget of UNIDO was regretted, the Board had no choice but to support a zero-growth budget.

27. The current slow growth in international economic development warranted immediate action on the part of all countries, and the international community should be more understanding of the economic difficulties confronting the developing countries. The developed countries, for their part, should take stock of the present world economic situation, assess how that situation was likely to develop in the future and take concrete action towards greater co-operation in industrial development: those countries should also be more responsive to the needs of developing countries for greater assistance.

28. The attempts of some aggressive circles and the forces of hegemony and reaction to involve mankind in a new armaments drive and to solve problems through the use of power, it was postulated, expressed great danger for the economic and social progress of all countries. The prospects for world industrial development, it was postulated, including the industrialization of the developing countries, were first and foremost dependent upon whether détente was achieved in the political and military fields and whether the arms race was halted. Expenditure on arms should be cut, and part of the savings thus effected should be used to promote the industrialization of developing countries.

5/ Views expressed during the general debate on topics the subject of separate agenda items are reflected in the chapters dealing with those agenda items.

29. Although the developing countries had made considerable economic and industrial progress in recent years, the Lima target was still far from being attained. The underlying cause of this was to be found in the existing inequitable and irrational international economic relations. International industrial co-operation was in the interests of both the developed and the developing countries and economic prosperity in the former could not be achieved without steady economic development in the latter. However, the present escalation of aggression on the part of the hegemonists constituted a threat to industrial development in the developing countries and to international industrial co-operation, both of which required a peaceful international environment. It was also pointed out that only when all countries and peoples were united in opposing hegemonism could world peace be maintained.

30. The recently adopted International Development Strategy for the Third United Nations Development Decade (resolution 35/56) called for industrial production in the developing countries to grow at the rate of 9 per cent per year. So rapid a rate of progress required the kind of favourable international environment that would allow the free flow of large amounts of resources from developed to developing countries under normal or concessionary conditions.

31. In that connexion, the opinions expressed during the fifteenth session of the Permanent Committee in favour of a zero-growth budget for UNIDO had given rise to great concern. Such opinions were based on the arguments that not only the economic difficulties confronting the industrialized nations made it difficult for them to increase their contributions to the United Nations, but also that expansion, which would of course be curbed by the zero-growth doctrine, was potentially detrimental to the United Nations system as a whole.

32. Official assistance should be supplemented by a greater flow of private funds to industrial projects in developing countries whose national resources and advantages in world markets would result in more efficient development than dirigisme could produce.

33. Technical co-operation delivery, in particular to the least developed countries, was the most important area of UNIDO's work. UNIDO should focus its attention on projects likely to yield concrete results, particularly those which would create jobs and meet the basic needs of developing countries.

34. UNIDO had a vital role to play in solving the long-term problems of industrialization in the third world and should not concentrate only on day-to-day technical problems arising in the developing countries. UNIDO must also be able to consider over-all progress towards the Lima target and its contribution towards the redeployment of industry would be a measure of its success.

35. In that connexion, it was pointed out, the UNIDO budget was small both in comparison to that of similar organizations and in terms of the technical co-operation needs of the developing countries. It could only be hoped that the developed countries had not abandoned the cause of industrialization of the developing countries, which was an irreversible historical process that, if carefully implemented, would work to the advantage of all geographical regions.

36. Under the circumstances, it was imperative that UNIDO be given the resources necessary to fulfil its mandate as contained in the Lima and New Delhi Declarations and Plans of Action 6/ and the International Development Strategy for the Third United Nations Development Decade - in particular in the priority areas identified by the Board at its fourteenth session, which were relevant to UNIDO's work programme up till 1983.

37. In that context, it was emphasized, UNIDO's work had been hampered by inadequacy of resources: it was necessary, therefore, that resources be commensurate with the tasks assigned to the Organization.

38. The work carried out thus far by UNIDO was appreciated; a plea could therefore be made for augmenting allocations from the regular budget of the United Nations. As a young organization with the priority mandate in meeting the growing needs of developing countries, it was necessary even if the United Nations budget as a whole did not grow, that UNIDO's regular budget appropriations show growth in real terms.

39. Support was voiced, on the other hand, for the Secretary-General's request that there should be no growth in real terms in the programme budget for the biennium 1982-1983. The role of industrialization in the development process had been clearly pinpointed in the International Development Strategy for the Third United Nations Development Decade, it was conceded, but an unfortunate side effect of the current economic crisis was that Governments of both developed and developing countries did not find it possible to continue to increase their contributions to international organizations: it was therefore necessary to live with zero growth in the United Nations system.

40. In view of the limitations thus imposed, the available resources should be used as perceptively as possible to the maximum benefit of the developing countries. Programmes should therefore not be expanded unless they had been given high priority by the Board and unless there was a corresponding reduction in other activities at the same time. In that respect, an internal system of evaluation could result in increased efficiency and in savings that made funds available for priority activities.

41. States which had not already ratified the constitution of UNIDO were called upon to do so urgently in order to put an end to a situation where financial questions and personnel policies were decided elsewhere and might not always therefore be in the best interests of the Organization. UNIDO would be in a better financial position once it became a specialized agency.

42. UNIDO, despite its limited financial resources, had delivered a considerable amount of technical co-operation to developing countries during the past year. Zero growth for the next biennium did not necessarily mean a reduction in such assistance, but should be regarded as an incentive to the more efficient use of existing resources: selectivity and quality should be given precedence over quantitative considerations. The main problem facing UNIDO at the beginning of the 1980s was how to increase the efficiency of its work, it was added.

6/ See A/10112, chap. IV and ID/CONF.4/22, chap. VI, respectively.

43. It was noted, in that respect, that the Third General Conference, though failing to achieve consensus, had helped to bring the industrialization problems of the third world into focus, and progress had been made by the Board at its fourteenth session in reaching agreement on a list of priority programme activities.

44. Particular importance was attached to those of UNIDO's activities which related to industrial technology, energy-related industrial technology, the development of human resources, the System of Consultations, industrial restructuring, economic co-operation among developing countries and the Industrial Development Decade for Africa. The importance of social aspects of industrialization and the vital role of women in development were also stressed and project assistance to further the latter aim was offered. Industrial studies of direct relevance to the problems of industrialization in developing countries should also be continued.

45. Since those priorities had been arrived at after much effort and compromise, it was important that they be respected and reflected in the work of the organization. If UNIDO concentrated on the priority areas established by the Board at its fourteenth session, and if it used the resources available wisely, it could continue to advance (see also chap. IV, Follow-up of the decisions and recommendations of the Third General Conference of UNIDO). Moreover, it was considered that the definition of priority sectors was part of a process of progressive consolidation and did not indicate a gradual reduction of UNIDO's scope of activities.

46. It was gratifying to note that - as was clear from the annual report of the Executive Director for 1980 - increased emphasis was being placed on technical projects in the field of machinery construction, a branch representing an important base for industrialization. UNIDO's operational activities were of particular importance and should be expanded in accordance with the priorities established following the Third General Conference and the fourteenth session of the Board: those priority areas should be developed and strengthened and obsolete or ineffective programmes cut down or eliminated.

47. Other tasks of UNIDO in the coming years, it was suggested, should include studies on tendencies and trends in international industrial development and developing countries must be given assistance in establishing an integrated economy on a modern basis, working out the socio-economic aspects of industrialization strategy, setting up and strengthening the public sector, planning and managing the national economy and mobilizing domestic resources. UNIDO should also prepare a systematic study of consequences of foreign investment in the industry of developing countries and, in particular, of the activities of transnational corporations.

48. UNIDO had an important role to play in promoting entrepreneurial co-operation: in that connexion, the organization might be commended on its advisory services, its programme of technical co-operation in the industrial sector, the measures to promote investment, the programme for technology transfer and development and the System of Consultations. Improved investment opportunity studies, pre-feasibility studies and feasibility studies were pointed to as means whereby projects could be prepared quickly for international financing. UNIDO was paying rather too much attention to the use of foreign private capital and was giving too much consideration to the question of whether activities were profitable and "bankable".

In that connexion, the Investment Co-operative Programme, by helping private capital to penetrate into the economy of the developing countries, served to aggravate the problems of external debts and increased outward flow of resources from those countries.

49. The view was also postulated that UNIDO should give more weight to the formulation of individual countries' long-term industrial development strategies, as well as the setting up of agro-industrial complexes for the processing of agricultural products, taking advantage of experience gained elsewhere. Moreover, in choosing projects for technical co-operation, UNIDO should take account of the need for development in the industrial sector to have a positive impact on other sectors - in particular on agriculture - as well as of the need to ensure economic self-sufficiency, the growth of the public sector and the institutionalization of long-term economic planning. Reference was also made to those points in the International Development Strategy which stipulated that the accelerated industrial development of the developing countries was a necessary element of and dynamic instrument for balanced and stable growth in the economies of those countries. The motive force of the International Development Strategy was the internal factor of development, and this was directed towards satisfying the social and economic needs of all levels of the population.

CHAPTER III

REPORTS OF THE PERMANENT COMMITTEE ON ITS FOURTEENTH AND FIFTEENTH SESSIONS

50. At its 289th meeting, on 19 May, the Board began its consideration of agenda item 5. 7/ In its deliberations on the item, the Board had before it the reports of the Permanent Committee on the work of its fourteenth (ID/B/249) and fifteenth (ID/B/268) sessions.

51. At its 289th meeting, on 19 May 1981, the Board adopted as a whole the report of the Permanent Committee on the work of its fourteenth session (ID/B/249).

52. During consideration of the report of the Permanent Committee on the work of its fifteenth session, the delegation of the United States of America requested that the following statement be recorded verbatim:

"In regard to the report of the Permanent Committee: with reference to the programme budget for 1982-1983, I should like to state once again the United States' support for the requirement of the Secretary-General that UNIDO's 1982-1983 budget reflect zero growth in real terms. We do not interpret anything in the conclusion adopted as authorizing or in any way supporting real growth for UNIDO's budget. We consider that, with reallocations of resources within the UNIDO budget and increased staff productivity, the resources provided for UNIDO in the Secretary-General's proposed programme budget for 1982-1983 are adequate to implement its mandate, support UNIDO's activities in priority areas as identified by the Industrial Development Board at its fourteenth session and expand UNIDO activities supporting the delivery of technical assistance. In the light of the Secretary-General's position, the United States could not support reallocations of resources between sections of the United Nations budget as a whole, in favour of UNIDO."

53. Also during consideration of the same report, a delegation speaking on behalf of the Group of 77 made the following statement which it requested be recorded verbatim:

"In regard to the report of the fifteenth session of the Permanent Committee, it is the understanding of the Group of 77, that

"1. Further consideration of the draft medium-term plan for 1984-1989 by the Secretariat and other United Nations bodies should take into account the views and comments expressed during both the fifteenth and sixteenth sessions of the Permanent Committee.

"2. As regards the programme budget for UNIDO for 1982-1983, the Group of 77

7/ The deliberations of the Board on agenda item 5 are reflected in ID/B/SR.289, paras. 1-8.

reiterates the consensus in paragraphs 134-140 that reallocations between sections of the United Nations budget as a whole in favour of UNIDO could take place, that the expansion of some UNIDO activities is desirable, that the provision of adequate resources is particularly necessary in support of UNIDO's activities in priority areas and that the expansion of programmes or the addition of new programmes could be carried out."

54. At its 289th meeting, on 19 May 1981, the Board adopted the report of the Permanent Committee on the work of its fifteenth session (ID/B/268). 8/

55. In adopting the above report, the Board also adopted a draft resolution, submitted to it by the Permanent Committee (ID/B/268, para. 72) on the Special Industrial Services Programme (see annex I, resolution 53 (XV)).

8/ By adopting document ID/B/268 as a whole, the Board also adopted the recommendation of the Permanent Committee to submit through the Economic and Social Council to the General Assembly the Committee's conclusion on the programme budget for 1982-1983 as well as the views and observations on this subject expressed by delegations during the fifteenth session of the Permanent Committee. The passages referred to above cover paras. 82-140 and 222-225 of document ID/B/268 and Corr.1.

CHAPTER IV

FOLLOW-UP OF THE DECISIONS AND RECOMMENDATIONS OF THE THIRD GENERAL CONFERENCE OF UNIDO

56. At its 288th meeting, on 19 May, the Board began its consideration of agenda item 6. ^{9/} In its deliberations on the item, the Board had before it a report by the Executive Director (ID/B/261 and Add.1-7) and a statistical review of the world industrial situation 1980 (UNIDO/IS.214).

57. The secretariat of UNIDO, it was stated, had made substantial and commendable efforts to implement the decisions and recommendations of the Third General Conference. Financial contributions to guarantee the continuity of the work initiated were therefore essential and mechanisms established to ensure a rational use of resources.

58. It was also stated that any suggested programme additions requiring greater resources should conform with the Secretary-General's requirement of zero growth in the programme budget submissions of all United Nations entities.

59. UNIDO being a young organization, it was important to ensure a reasonable expansion in the priority areas for 1982-1983 - such as industrial technology, ^{10/} energy-related industrial technology, industrial production, development of human resources and special measures for the least developed countries, as well as the System of Consultations, ^{10/} industrial restructuring, economic co-operation among developing countries and the Industrial Development Decade for Africa.

60. The decisions and recommendations of the Third General Conference were closely linked to those of its predecessor, and so in a sense, in examining action taken to follow up the Third General Conference, the Board was also looking at the results produced by the Second General Conference.

61. In that respect, the periodic evaluation of the follow-up of the decisions and recommendations of both Conferences was a matter of importance: the secretariat might therefore consider amplifying the statistical review of the world industrial situation in 1980, ^{11/} by providing further particulars on sectoral development and including information on the situation in regard to economic co-operation among developing countries and the transfer of technology. With respect to periodic evaluation, activities carried out thus far constituted merely the beginning of the exercise and much more was required. On the other hand, considerable doubt was expressed as to the usefulness of the monitoring exercise.

^{9/} The deliberations of the Board on agenda item 6 are reflected in ID/B/SR.284, paras. 20, 26-27, 30-31, 35-36, 41, 52; ID/B/SR.285, paras. 6, 9, 13, 18; ID/B/SR.286, paras. 10, 12, 15-19, 22-25, 36, 46, 52, 59, 61; ID/B/SR.287, paras. 3-5, 12, 14-15, 19, 28, 36, 40, 48, 51, 62, 64, 68, 69, 74, 77, 80, 98, 103, 107, 112; ID/B/SR.288, paras. 2, 6, 15, 18-19, 24-38; ID/B/SR.289, paras. 9-86; ID/B/SR.290, paras. 1-64.

^{10/} The priority areas System of Consultations and industrial technology are reported on in chaps. VIII and XII, respectively.

^{11/} UNIDO/IS.214.

62. With respect to energy related industrial technology (ID/B/261/Add.1), the secretariat's approach and proposals for action in that field were noted with approval. The UNIDO energy programme should be strengthened and specific support was offered for certain activities.

63. The secretariat's emphasis on three main aspects of the industrial energy problem, namely "energy for industry", "industry for energy" and "energy management", was also noted with approval. Those, it was agreed, should constitute the main thrust of the secretariat's effort.

64. Energy management, and especially energy conservation and the development of new and renewable sources of energy for industrial application were of vital importance to the industrialization efforts of the developing countries.

65. It was noted with satisfaction that the secretariat was giving special consideration to the development of industrial processes and products which could rely on locally available energy, especially new and renewable sources. Its efforts to promote local technological capacities for design, manufacture and maintenance of capital goods in the energy sector was another valuable contribution to the industrialization of the developing countries.

66. Support was expressed for the special unit (the Special Advisory Group on Energy) established to provide broad high-level co-ordination of energy-related activities, as well as for the strengthening of technical co-operation implementation capability through the Industrial Energy Engineering Unit.

67. It was also stressed, however, that careful co-ordination was needed within the secretariat and with other United Nations organizations, as well as the United Nations Conference on New and Renewable Sources of Energy. The need for caution was pointed to in carrying out broad and/or long-term energy evaluations which might better be carried out elsewhere. The need was also stressed for the maintenance of a proper balance between work on new and renewable and more unconventional sources of energy.

68. The increased attention which the secretariat had given to the problems of the least developed countries (ID/B/261/Add.2) was also noted with satisfaction. The delivery of technical co-operation to those countries should be viewed as the most important area of UNIDO's work. The view was also expressed that any increase in assistance by UNIDO to least developed countries should not be achieved to the exclusion of other low-income countries or countries in other special categories, such as island developing countries.

69. With regard to the secretariat's proposal to elaborate a synthesized report on the least developed countries, however, it would be premature to take a decision on such a report before the forthcoming United Nations Conference on the Least Developed Countries had taken place and provided guidelines for future action.

70. UNIDO should submit to the Board not only annual reports on developments in the least developed countries in general, but a separate report on each country. It was also pointed out in that respect, however, that in view of the difficulties involved in preparing such a report, it would be more useful to conduct comprehensive studies to determine the prospects for industrial development in the

least developed countries in accordance with their national plans and priorities, there would then be no need for annual reports.

71. With respect to the Industrial Development Decade for Africa (ID/B/261/Add.6), it was emphasized that UNIDO, in implementing the programme for the Decade, should continue to co-operate with the Economic Commission for Africa, the Organization of African Unity and the appropriate organs of the United Nations system. Regret was voiced at the lack of a draft outline of a programme for implementation of the Lagos Plan of Action for the Implementation of the Monrovia Strategy for the Economic Development of Africa. 12/ It was also opined that African industrial growth and investment should be formulated on the basis of a realistic assessment of available domestic and external financial resources. It was to be hoped that the Board would recommend the allocation to UNIDO of the increased resources needed for the implementation of a programme of activities for the Decade.

72. The development of human resources was an area in which UNIDO and the developed countries could extend practical and direct co-operation to the developing countries; UNIDO should therefore allocate more budgetary resources to that area and devise training programmes suited to the particular requirements of developing countries.

73. With respect to social aspects of industrialization (ID/B/261/Add.3), the developing countries should try to avoid the mistakes made by the developed countries in the early phases of their industrialization. Many organizations had already considered that problem; the secretariat was urged therefore to draw on the experience of those organizations, rather than attempt to initiate its own study programme, which could only lead to considerable duplication of work.

74. Solution of the urgent social problems related to industrialization depended to a great extent on strengthening both the economic role of the State and the planning system, and particularly on creating an appropriate economic and social infrastructure. The secretariat should take account of those important matters in developing its study programme.

75. It was also stated, however, that the statement in the Secretariat's report (ID/B/261/Add.3) that successful industrialization required expansion of the public sector could not be accepted. In that connexion, private enterprise development was usually more effective. Full productive employment, it was stressed, was a worthy industrial objective.

76. The proposal to set up an international bank for industrial development (ID/B/261/Add.4 and 7) received wide support. It should be given serious study and consideration. There was clearly a need to ensure additional resource transfers to the developing countries if they were to achieve the Lima target. The needs of the developing countries in that connexion were not currently being met by existing institutions. Consideration of a proposal for a separate financing mechanism for industry was justified since the needs of industrial financing required that certain specific requirements be fulfilled. The necessary interest subsidies could be made available to those developing countries entitled to participate in the International Monetary Fund's supplementary financing facility. Furthermore, the proposed bank would, to a great extent, be able to lend through development banks in the third world.

12/ A/S-11/14, annex I.

77. The mandate of UNIDO, it was stressed, covered all aspects of industrialization, and thus UNIDO was the appropriate organization to elaborate mechanisms for the financial requirements and arrangements associated with achieving the Lima target.

78. However, in view of the lack of the time needed to study the proposal in detail, the matter might be deliberated in more depth at a special session of the Board, to be held in the autumn of 1981. It was also noted that work on a proposal for a new financial mechanism had not been decided by the Board: the proposal to set up an international bank for industrial development was not yet ripe for discussion, it was added.

79. The suggestion was also made that UNIDO pursue its efforts to prepare a conference on the establishment of a North-South global fund. Such a fund, could easily be financed if the developed countries agreed to increase their public development assistance to a minimum level of 0.7 per cent of the gross national product. Meanwhile, other proposals for industrial financing could be supported if they were well defined. From that point of view, the proposed bank was both practical and original.

80. The proposal for a new institution to finance industrial development had originated in the idea put forward at the Third General Conference of UNIDO for a global fund for industrial development, at which Conference it had been made clear that members of one group were not convinced of the need for a new institution for that purpose and that funds to finance viable industrial projects were already available from a wide range of organizations on commercial and concessional terms. The Executive Director's report for 1980 referred to some 200 existing sources of industrial financing for developing countries.

81. Moreover, some of the aspects of the proposal made at New Delhi, most difficult to accept, recurred in the secretariat's present paper. For example, the proposal depended upon the idea that the establishment of the new institution would attract, on a world-wide basis, additional large sums for the industrial sector. There was no evidence that such additional sums could be made available unless it were done at the expense of the other sectors, but no case had been made for diverting funds in that way. It was therefore disturbing that the secretariat had continued to devote resources to developing the proposal.

82. UNIDO was not the right place to discuss questions concerning the transfer of resources, even when they had a bearing on industrialization and the consensus decisions at the second 1980 regular session of the Economic and Social Council and in the General Assembly in resolution 35/66 A had avoided according any competence to UNIDO in that field. Furthermore, industrial financing had not been included in the priority areas agreed to by consensus by the Industrial Development Board at its fourteenth session.

83. The Organization had every right to state its views on the quantity and quality of available financial resources and, it was suggested, the work done on the proposed bank could form part of the secretariat's contribution to the review of arrangements for industrial financing agreed in paragraph 76 of the International Development Strategy for the Third United Nations Development Decade (General Assembly resolution 35/56, annex). It was stated, however, that it should not be given further discussion within the UNIDO framework. The

statement was also made that not only would one member country not participate in an intergovernmental conference to discuss the proposed new financial mechanism, but no contribution would be made by that member country to such a mechanism if it were established.

84. A question was raised concerning the assumptions on which the proposal to set up an international bank for industrial development was based. It was of little practical value to construct a scheme which argued backwards from the need for developing countries to achieve a 25 per cent share of world industrial production by the year 2000. There were also no grounds for assuming the imminent collapse of the international commercial banking system, and the arguments regarding the absorptive capacity of developing country economies avoided addressing the basic question of whether institutional and academic reforms could be carried out and human skills developed fast enough to create the absorptive capacity needed.

85. The view was also expressed that the interest subsidy account, which was fundamental to the proposal, would be unworkable in practice. It was doubted whether the proposal could survive the revision required to make it worth further consideration by Governments.

86. The Executive Director, in a subsequent intervention, emphasized that the proposal to set up an international bank for industrial development had been submitted to the Board in accordance with the Lima and New Delhi Declarations and Plans of Action and with paragraph 10 of General Assembly resolution 35/66 A -- which was a compromise on the subject and specifically meant such a proposal -- and invited the Board to decide on the steps to be taken by the Secretariat in following up on the proposal.

87. With respect to the proposal for the establishment of an industrial project preparation facility (ID/B/261/Add.5), it was stated that the proposed facility would be a useful institution which would perform a task too elaborate and expensive for individual developing countries to undertake for themselves. It should form a part of UNIDO, be financed from the regular budget, make maximum use of available expertise and experience from developing countries and operate in the priority areas agreed upon by the Board.

88. Should such a facility be set up, personnel from the developing countries should staff it, as the development experience of developing countries would be of great relevance in the process of project preparation.

89. The statement was made that requests for assistance with respect to the proposed facility would be favourably considered. It was also pointed out, however, that several mechanisms already existed within UNIDO and in UNDP which were capable of performing the functions of such a facility. The desirability of the proposed facility might be discussed, it was stated, but further studies, documentation and consultations on the subject were necessary. It was noted that some aspects of the proposed facility required clearer definition.

90. The existing secretariat machinery was adequate for those purposes. The Feasibility Studies Section of the Division of Industrial Operations must play a more important part in co-ordinating the preparations of pre-investment studies and improving their quality within UNIDO; in that way, the creation of new bureaucratic machinery could be avoided.

91. In order to solve the task of improving the preparation of pre-investment studies in the developing countries, UNIDO should place more importance in its work on assisting developing countries to prepare their own skilled staff in the fields of economic planning, finance and the creation of national infrastructure including those organs that work in the field of preparation and evaluation of projects in different sectors, including basic sectors of industry.

92. At its 288th to 291st meetings, on 19 and 20 May 1981, the Board considered document ID/B/261 and its addenda 1 to 7. The Board reaffirmed the priorities for 1981-1983 established at its fourteenth session. The Board requested the General Assembly at its thirty-sixth session, in allocating resources to activities considered by the Board under that item, to take into account the consensus reached on the subject by the Permanent Committee at its fifteenth session and the statements thereon. 13/

93. The Board took note with appreciation of the work of the secretariat on energy-related industrial technology (ID/B/261/Add.1) and agreed that this was one of the priority areas of UNIDO's work. The Board urged the Executive Director to keep under continuing review the secretariat's organizational framework for handling energy-related matters with a view to maintaining effective co-ordination within the secretariat and with other bodies within the United Nations system having responsibilities in that field. The Board urged the Executive Director in planning future activities to take account of the results of the United Nations Conference on New and Renewable Sources of Energy.

94. The Board took note with appreciation of the report of the Executive Director on special measures for the least developed countries (ID/B/261/Add.2). The Board reiterated the priority of the secretariat's activities in assisting the least developed countries and encouraged further such efforts. The Board requested that UNIDO, in collaboration with other competent United Nations agencies, participate more effectively in the preparation, deliberations and follow-up of the United Nations Conference on Least Developed Countries, scheduled to be held in Paris in September 1981.

95. Welcoming the statistical review of the world industrial situation (UNIDO/IS.214) prepared by the secretariat, the Board decided, in compliance with General Assembly resolution 35/66 A of 5 December 1980, that the publication should include a separate section on the industrial situation of the least developed countries and decided that the review should be an annual publication. The Board took note of the remarks of the Executive Director in document ID/B/261/Add.2, paragraph 17, and agreed that any decision on the production of a synthesized report should follow the forthcoming United Nations Conference on Least Developed Countries.

96. The Board considered the Executive Director's proposal for the establishment within UNIDO of an industrial project preparation facility (ID/B/261/Add.5), in accordance with Economic and Social Council resolution 1980/61 of 24 July 1980, and agreed that there was undoubtedly a requirement for UNIDO to further improve its assistance in the preparation of industrial projects, particularly in the least developed countries, and in developing their own national capacities in that field. The Board requested the General Assembly at its thirty-sixth session to

take appropriate measures with regard to UNIDO's ability to assist developing countries in the preparation of industrial projects, bearing in mind the comments and views expressed during its consideration of the subject.

97. The Board stressed the positive social aspects for developing countries of accelerated industrialization and the contribution that industrialization can make to social welfare. The Board expressed the view that the research proposed by the secretariat in document ID/B/261/Add.3, paragraphs 6 to 8, would require special consideration, keeping in mind the decision of the Board at its fourteenth session and the comments made in the debate at its fifteenth session, and co-ordinating its activities with those of other bodies, including those listed in paragraph 5 of document ID/B/261/Add.3.

98. The Board endorsed the preparatory activities undertaken by UNIDO and adopted resolution 54 (XV) on the Industrial Development Decade for Africa, 1980-1990 (see annex I).

99. The Board considered the Executive Director's proposal for an international bank for industrial development (ID/B/261/Add.7). The Board recognized the importance of financial flows to industrial development in developing countries. As the late receipt of the secretariat's documentation on that subject did not allow all delegations time to study and comment on the proposal in document ID/B/261/Add.7, the Board decided that the Permanent Committee at its sixteenth session would continue the consideration of the proposal begun at the fifteenth session of the Board and take a decision on it. In addition, the Board decided that further secretariat action on the proposal contained in ID/B/261/Add.7 or similar proposals be deferred until the decision of the Permanent Committee at its sixteenth session.

100. The Board requested the Executive Director to report to its sixteenth session on further progress achieved in implementation of its resolution 52 (XIV) of 19 May 1980, the Board's conclusions in paragraph 54 of the report on its fourteenth session 14/ and the above conclusions on the follow-up of the decisions and recommendations of the Third General Conference of UNIDO.

14/ Official Records of the General Assembly, Thirty-fifth Session, Supplement No. 16 (A/35/16), vol. II.

CHAPTER V

FOLLOW-UP OF THE DECISIONS AND RECOMMENDATIONS OF THE ELEVENTH SPECIAL SESSION OF THE GENERAL ASSEMBLY RELEVANT TO INDUSTRIAL DEVELOPMENT

101. At its 290th meeting, on 20 May, the Board began its consideration of agenda item 7. 15/ In its deliberations on the item, the Board had before it a report by the Executive Director (ID/B/265).

102. The world community, despite the current economic situation, should not be deterred from the imperative to restructure the international economic system and to bring about more effective international co-operation for development; in that respect, it was to be regretted that the eleventh special session had failed to launch the long-awaited global negotiations. However, the International Development Strategy for the Third United Nations Development Decade, subsequently adopted by the General Assembly at its thirty-fifth session, should be translated as speedily as possible into pragmatic and feasible programmes of work in order that the Strategy might eventually become a useful tool in paving the way for a new international economic order. In that regard, it was stated, UNIDO would be expected to play an active and dominant role.

103. With respect to the North-South dialogue, UNIDO, it was proposed, should study the nature and implications of that dialogue, the transformation of the international economic structure and its relationship with North-South co-operation and South-South co-operation. If the principles of equality and mutual benefit were upheld and if North and South remained patient and respected each other's position, seeking common ground while reserving their differences, the difficulties confronting the global negotiations might be gradually reduced and progress made.

104. In that connexion, it was pointed out, South-South co-operation did not preclude North-South co-operation based on equality; indeed, they could complement each other.

105. Certain priority areas determined by the Board at its fourteenth session, assumed added importance in the light of the deliberations of the eleventh special session: these included, *inter alia*, industrial technology, industrial production, development of human resources and industrial restructuring, including the social aspects of industrialization.

106. At its 300th meeting, on 29 May 1981, the Board took note of the first progress report on follow-up of the decisions and recommendations of the eleventh special session of the General Assembly relevant to industrial development (ID/B/265), decided to consider further progress reports on that subject in conjunction with reports on item 6 of the agenda and stressed the importance for the industrialization of the developing countries of implementing the International Development Strategy for the Third United Nations Development Decade (General Assembly resolution 35/56, annex).

15/ The deliberations of the Board on agenda item 7 are reflected in ID/B/SR.285, para. 3; ID/B/SR.286, paras. 7, 39, 51, 63, 71-73 and 110; ID/B/SR.287, para. 7; ID/B/SR.290, para. 65; and ID/B/SR.291, paras. 1-13.

CHAPTER VI

INDUSTRIAL DEVELOPMENT FIELD ADVISER PROGRAMME

107. At its 298th meeting, on 26 May, the Board began its consideration of agenda item 8. 16/ In its deliberations on the item, the Board had before it a report by the Executive Director (ID/B/254). The UNDP Administrator's report on sectoral support (DP/555) to the UNDP Governing Council at its twenty-eighth session was also distributed to the Board.

108. Widespread support was expressed for the Industrial Development Field Adviser programme which played a significant role in industrial development and was of great value in delivering and monitoring technical assistance to the developing countries. The field advisers themselves represented a link between UNIDO and the developing countries which made the Organization's field activities more effective and responsive to countries' needs.

109. Particular attention should be given to the provision of field advisers for the least developed countries and the secretariat's efforts thus far to increase the number of advisers located in those countries were commended. A list of the countries where advisers were located should be published, it was said. The nomination of a woman adviser was noted with satisfaction.

110. It was noted with concern that in some instances a single field adviser had to cover several countries: the secretariat's efforts to improve this situation, especially under the present financial constraints, however, were recognized.

111. Wherever possible, the advisers themselves should be recruited from developing countries. However, it was added, the principle of equitable geographic distribution of posts should be observed. It was also stated that, for the success of the assignment, an adviser needed to be familiar with the national aspirations and strategies of the country concerned.

112. One way of keeping up the quality of the field advisers' work, it was suggested, would be for the Executive Director to prepare regular reports on their activities, using a standard form and standard assessment criteria.

113. In the light of the programme's valuable work, there was a need to increase the number of advisers to 50, as recommended by the Board at its fourteenth session. The view was also expressed that the Board should request UNDP to maintain under the present economic situation at least the 42 posts foreseen by the UNDP Governing Council at its twenty-seventh session. Regret was expressed at the recent proposal of the UNDP to freeze the number of field advisers to 33 posts.

16/ The deliberations of the Board on agenda item 8 are reflected in ID/B/SR.284, para. 29; ID/B/SR.285, para. 15; ID/B/SR.286, paras. 22 and 46; ID/B/SR.287, paras. 41, 67, 77 and 105; ID/B/SR.288, para. 23; ID/B/SR.298, paras. 3-52; and ID/B/SR.299, paras. 1-7, 35, 59 and 61.

114. On the other hand, it was stated, given UNDP's tight budget, the Board should not press for greater allocations to expand the Industrial Development Field Adviser programme, since further allocations to the programme could be made only by diverting resources from other activities of the Organization, principally the indicative planning figure allocated for the country programmes. Priority should be given to meeting the needs of the least developed countries and greater use should be made of existing facilities in order to provide industrial development field adviser services on the lines originally proposed by Sir Robert Jackson in his report entitled "The reinforcement of the Senior Industrial Development Field Adviser programme". 17/ That programme, it was said, would include, in addition to the field advisers, the network of UNIDO junior professional officers under the auspices of a field adviser, missions by UNIDO headquarters staff and international personnel attached to projects in the industrial sector.

115. Thanks were extended to donor countries which, through Trust Fund contributions, had supported the programme and the hope was expressed that additional donor countries would follow suit. An offer was made to initiate discussions with the secretariat regarding the possible financing of a further field adviser post.

116. The opinion was voiced that UNIDO rather than UNDP should assume responsibility for financing the programme. Support was also expressed for Governments wishing to allocate part of their national indicative planning figures to finance the services received from the programme.

117. UNDP, it was stated, should remain the central organ for financing multilateral technical assistance from voluntary contributions. Since the main function of the field advisers was the preparation for and implementation of technical co-operation, they should be linked with UNDP and continue to be posted as members of the offices of the resident representatives. For the same reason, the programme, being a technical support activity, should be financed exclusively from voluntary contributions, namely the sectoral support appropriations and national indicative planning figures, and not from the regular budget.

118. Concern was voiced at the proposed extension and use of travel funds for field advisers. The proposed 1982 global meeting of field advisers was unnecessary, it was said, since individual advisers already maintained adequate contact with UNIDO headquarters. Doubts were also voiced concerning the need for the two regional meetings proposed for 1981.

119. It was also pointed out, on the other hand, that regional, interregional and global meetings of field advisers were useful in promoting economic and technical co-operation among developing countries. In view of the travel funds requested for global and regional meetings, more detailed information on such meetings was required, together with an assessment of their results.

120. The view was also expressed that a comprehensive evaluation of the programme's activities to date should be submitted to the Board at its next session. The Executive Director should also report to the Board at its next session on the results of his efforts to strengthen the programme with special reference to the least developed countries.

17/ ID/B/228, annex.

121. Support was expressed for the further strengthening and improvement of the field reports monitoring system.

122. The Junior Professional Officer programme was of great value, although, it was suggested, an assessment of the programme should be made so that its practical impact could be clearly understood. Thanks were extended to those countries whose support had made possible the provision of junior professional officer posts and in particular to that country which had financed a junior professional officer from a developing country. The number of officers should be increased, where possible by recruiting candidates from developing countries. Training was an important aspect of the programme, and the hope was expressed that UNIDO would continue its efficient introductory and mid-assignment briefings.

123. At its 301st meeting, on 30 May 1981, the Board examined the report of the Executive Director on the Industrial Development Field Adviser programme (ID/B/254) and took note of the UNDP Governing Council's decision 80/32 and the report of the UNDP Administrator on sectoral support of April 1981 (DP/555).

124. The Board reaffirmed its conviction of the importance of the programme and the need to provide industrial development field adviser services to all developing countries, in particular to the least developed countries.

125. The Board recalled its decision III (VII), of 14 May 1973, recommending the increase of the number of industrial development field advisers to 60 by 1977, and the subsequent recommendation by the General Assembly in its resolution 32/165, of 19 December 1977, that the number of the industrial development field advisers should be increased, as well as the conclusion of its thirteenth session endorsing the views expressed in the Jackson report 18/ that the Industrial Development Field Adviser programme should be strengthened. 19/

126. The Board, however, noted from the report of the UNDP Administrator the financial constraints under which the United Nations Development Programme currently operates. The Board expressed its appreciation for the positive response to the UNDP Administrator of quite a number of developing countries with regard to financing part of the cost of the Industrial Development Field Adviser programme as described in paragraph 3 of decision 80/32 of the Governing Council of the United Nations Development Programme.

127. The Board invited the Governing Council of the United Nations Development Programme to maintain the present level of industrial development field adviser services and to make the utmost effort to increase it.

128. The Board invited member States to provide, on a voluntary basis, additional funds to the United Nations Industrial Development Organization to increase the number of industrial development field advisers. In addition, the Board expressed appreciation for the Junior Professional Officer programme and invited member

18/ ID/B/228, annex.

19/ Official Records of the General Assembly, Thirty-fourth Session, Supplement No. 16 (A/34/16), para. 63.

States to make available more junior professional officers, including recruitment of junior professional officers from developing countries on a "third country basis".

129. In the recruitment of industrial development field advisers, the Board stressed the need for giving primary consideration to the technical competence and experience of the individuals concerned, while at the same time recruiting from as wide a range of countries as possible, particularly from developing countries.

130. The Board requested the Executive Director of the United Nations Industrial Development Organization to report to its sixteenth session on the decisions taken by the United Nations Development Programme and on the development of the programme.

CHAPTER VII

REDEPLOYMENT OF INDUSTRIES FROM DEVELOPED TO DEVELOPING COUNTRIES

131. At its 291st meeting, on 20 May, the Board began its consideration of agenda item 9. ^{20/} In its deliberations on the item, the Board had before it a report by the Executive Director (ID/B/251).

132. The research carried out by the secretariat in 1980 in the field of redeployment was commendable and some of the conclusions that might be drawn from it were highly relevant. The secretariat's approach and proposals for future work were quite acceptable, but greater emphasis should be placed on action-oriented research, particularly on information about redeployment actually being undertaken.

133. Future studies should reflect the points that redeployment (a) should be based on the principle of dynamic comparative advantage, in accordance with the national priorities of the developing countries; (b) should form part of the promotion of technology transfer; and (c) should not only be used to gain access to cheap labour or raw materials or to transfer obsolete or polluting industries. Future studies should also consider the consequences of protectionist policies on the industrial development of developing countries.

134. The suggestion was also made that UNIDO should undertake a systematic study on how the developing countries could identify rational industrial structures appropriate to actual domestic conditions: such structures were essential to rapid economic and industrial development.

135. In the very near future, the redeployment process would receive powerful impetus from technological breakthroughs in fields such as genetic engineering, new sources of energy and micro-processors: it was therefore necessary to co-ordinate the activities of UNIDO units dealing with technology and redeployment with a view, among other things, to safeguarding against the possible transfer of obsolescent technology to developing countries. In any such co-ordination activities, UNIDO's Section for Economic Co-operation among Developing Countries should be taken into account. The secretariat's suggestion that there be more direct communication with individual Governments and regional groupings in future work on redeployment could be supported.

136. The view was also expressed that the secretariat's document on redeployment seemed unbalanced, containing as it did only proposals by developing countries. Those references gave the impression that redeployment was a process whereby industries were dismantled in the North and re-established in the South. The industrialization of the developing countries was part of the process of dynamic change and inter-dependence of the world economy and would mainly be brought about by the creation of new industries in the South through domestic and international investments rather than redeployment of industries from North to South.

^{20/} The deliberations of the Board on agenda item 9 are reflected in ID/B/SR.285, para. 14; ID/B/SR.286, para. 15 and 20; ID/B/SR.287, paras. 42, 48, 82-83 and 104; ID/B/SR.288, para. 3; ID/B/SR.289, paras. 15 and 47; ID/B/SR.290, para. 3; and ID/B/SR.291, paras. 14-77.

137. With respect to a recommendation in the secretariat document that the developed market economy countries should systematically pursue positive adjustment policies of an anticipatory nature, it was pointed out that it was not generally the policy of Governments of free-market economies to intervene in the play of market forces and experience showed that it was impossible to forecast trends and adjustment needs accurately enough for systematic and anticipatory intervention.

138. The UNIDO research on redeployment, despite the considerable resources devoted to studies directly or indirectly concerned with such research, had not evaluated the impact of such studies on the establishment of productive capacity in the developing countries. Such an evaluation would indicate that very little, if any, increase in industrial capacity in those countries could be attributed to the UNIDO studies: in view of that fact, the value of the studies, including, in particular, the Lima Industrial Development Objective model studies, should be reviewed. It was stated that there was an imbalance in the recommendations for studies within the three categories of countries - in particular there was a concentration on Western industrialized countries - and that no studies had been devoted to the centrally-planned economies. UNIDO's role was to examine more fully the industrial performance and investment conditions in developing countries.

139. It was stated that the studies of industrial development in individual countries and the development of their manufactured exports would be supported, as would studies to identify factors that promoted above-average rates of industrial growth. It was further stated that the selection of industries for case studies should identify in particular those industries that complemented traditional industrial development in developing countries.

140. In the light of the problems faced by some developing countries, emphasis should be placed on the development of technologies most suited to local conditions: moreover, objective economic laws should be taken into account when adjusting and restructuring industries. Under these conditions, the role of the State in the developing countries - in defining trends in redeployment and selecting priorities, taking into account national plans - should be increased.

141. It was also stated that redeployment meant more than simply reallocating existing industries from developed to developing countries, since it also implied that a greater share of new production capacities should be concentrated in the developing countries, such a policy being in accordance with the Lima target. In the long run, protectionism on the part of the developed countries was counter-productive. Although those countries might encounter social problems as a result of redeployment, those problems would be of a traditional nature and could be overcome.

142. UNIDO's future work in the field should concentrate on actual trends, the obstacles to redeployment and industries which could make the greatest contribution to the industrial development of the developing countries and to the emergence of advanced technologies in those countries: industries so identified should not merely be light or marginal industries.

143. The redeployment of industries must not lead to the kind of international division of labour in which the developing countries were allotted relatively simple industrial processes while becoming increasingly dependent on imports of modern technology and scientific and technological knowledge.

144. The role of the transnational corporations in the redeployment process was an area for special attention: the industries established by those corporations in the developing countries largely disregarded economic structures. As part of its global research. UNIDO should consider assessing the possibility of redeploying industries at the regional and subregional levels, since that would give more scope for the defence of the economic interests of groups of developing countries against the transnational corporations.

145. It was also observed that redeployment was only one of the possible forms of restructuring world industry; but, the redeployment of industries from developed to developing countries should lie at the very heart of UNIDO's work. The fears that developed countries might have regarding redeployment seemed historically misplaced: redeployment would mean that the highly trained work forces of the developed countries could be used in technologically more advanced industries - which would be to the economic advantage of developed and developing countries alike since it would lead to increased international trade and co-operation.

146. At its 301st meeting, on 30 May 1981, the Board took note of the report of the Executive Director entitled "Redeployment of industries from developed to developing countries: studies undertaken by UNIDO on international industrial restructuring" (ID/B/251) and reaffirmed the importance of redeployment as described in paragraph 73 of the annex to General Assembly resolution 35/56, of 5 December 1980, on the International Development Strategy for the Third United Nations Development Decade.

147. The Board considered that, in the elaboration of studies on redeployment, attention should be paid to actual performance in that field, taking into account statements made in the debate.

148. The Board decided that the secretariat should continue to improve and further develop its programme on industrial redeployment along the lines approved by the Board at its thirteenth session, 21/ as well as General Assembly resolutions 34/98, of 13 December 1979, on industrial development co-operation and Third General Conference of the United Nations Industrial Development Organization, 35/56, of 5 December 1980, on the International Development Strategy for the Third United Nations Development Decade, and 35/66, of 5 December 1980, on industrial development co-operation.

149. The Board requested the Executive Director to report comprehensively to its sixteenth session on progress in that field.

CHAPTER VIII

SYSTEM OF CONSULTATIONS

150. At its 292nd meeting, on 21 May, the Industrial Development Board began its consideration of agenda item 10. 22/ In its deliberations on the item, the Board had before it a report by the Executive Director on the follow-up of the decisions and recommendations of the Third General Conference of UNIDO (ID/B/261), a report by the Executive Director on the System of Consultations (ID/B/257) and a report by the President of the Board at its fourteenth regular and second special session on the draft rules of procedure for the System of Consultations (ID/B/258).

151. The value of the System of Consultations, in the form decided upon by previous sessions of the Board, was stressed. The Consultations already held had made significant policy recommendations. The System of Consultations was a good example of international co-operation in a programme that commanded general support.

152. It was suggested, however, that the secretariat undertake a thorough and detailed analysis of the practical results of the System's activity. Despite the usefulness of many of the Consultations, it was still questionable whether they justified the large and constantly increasing proportion of UNIDO's resources devoted to them. The Secretariat should examine the cost-effectiveness of the meetings and their direct contribution to the industrialization of the developing countries. The evaluation of the System by the Committee for Programme and Co-ordination did not analyse its costs or benefits in any detail.

153. It was too early for any detailed evaluation of the System, since its main purpose, as specified in paragraph 61 (d) of the Lima Declaration and Plan of Action, 23/ was to provide developed and developing countries with a forum for redeployment negotiations. The System would need to be assessed at a political, intergovernmental level, rather than through management studies on cost-effectiveness. It was also stated that the System had achieved a favourable ratio of benefit to cost and did not waste funds on complicated bureaucratic processes.

154. In taking note of the conclusions and recommendations of Consultations held in 1980, hope was expressed that effective and early follow-up action would be taken to ensure that participating countries implemented the decisions -

22/ The deliberations of the Board on agenda item 10 are reflected in ID/B/SR.284, para. 21; ID/B/SR.285, paras. 3, 6, 9 and 13; ID/B/SR.286, paras. 2, 11, 15, 23, 37, 46, 53, and 60; ID/B/SR.287, paras. 6, 16, 20, 29, 38, 47, 62, 70, 83, 91-94, 98, 100-101, 105 and 113; ID/B/SR.288, paras. 4-5, 10, 18 and 23; ID/B/SR.289, para. 16; ID/B/SR.290, paras. 2-4; ID/B/SR.292, paras. 1-57; ID/B/SR.293, paras. 1-44; ID/B/SR.294, paras. 1-7; and ID/B/SR.301, paras. 27-37.

23/ ID/CONF.3/31, chap. IV.

particularly at governmental level in industrialized countries - which would be possible if all countries participated at levels responsible for policy-making, and that the Board would continue to be kept informed. However, conclusions and recommendations should not involve governmental commitment. The opinion was voiced that throughout the Consultation process, social groups, especially trade unions, should be adequately represented. To enhance the impact of Consultations, information on the conclusions and recommendations should be more widely disseminated.

155. Note was taken of the conclusions and recommendations of Consultations held in 1980. The view was expressed, however, that the proposal outlined in paragraph 5 (e) of document ID/B/257 fell essentially within the competence of the General Agreement on Tariffs and Trade. Concern was expressed that too much emphasis was laid on model contracts as other issues deserved higher priority. It was also stated that publication of draft model contracts should not take place without the consensus of a Consultation meeting.

156. It was also pointed out, however, that contractual arrangements were the concrete expression of industrial co-operation and had been discussed at the request of participating countries.

157. Concern was voiced that certain programmes were oriented towards problems that could better be solved by other United Nations bodies - e.g. trade problems, by the United Nations Conference on Trade and Development.

158. Note was taken of the preparations made with regard to Consultations to be held in 1981, but up-to-date information was requested on the regional Consultation on the agricultural machinery industry in Africa.

159. With regard to the programme for 1982-1983, it was stated that six Consultations for the biennium would be in line with the capacity and the scarce resources of the secretariat. The view was expressed that in addition to the scheduled Consultations, further sectors of particular importance for developing countries should be covered, namely textiles, wearing apparel and wood-processing industries.

160. The opinion was also expressed, however, that it would be advisable to consolidate rather than to expand the System. Doubt was expressed that the inclusion of a second Consultation on the pharmaceutical industry was justified, barely three years after the holding of the first. The secretariat should allow itself sufficient time for adequate preparation of Consultations.

161. On the other hand, the usefulness of the Consultations on pharmaceuticals was emphasized and support was voiced for the idea of setting up a committee of experts on pharmaceuticals. It was also suggested that a document on contractual agreements in that field be prepared.

162. Consultations within a given sector should be held not more often than once in a three-to-five-year period. That would contribute to their more thorough preparation, permit practical implementation of the decisions taken, with due regard for the period of time covered by national plans and programmes of the developing countries, and would relieve the difficult financial situation of the Organization. In that connexion, decisions on holding subsequent meetings should not be taken prior to the convening of earlier scheduled meetings in the same sector.

163. With regard to the secretariat's preliminary programme for 1984-1985, the view was expressed that while there was some advantage in long-term programming, approval would need to be subject not only to the recommendations of the Consultation meetings themselves, but of the Industrial Development Board, after it had had the opportunity to consider the results of the previous Consultations.

164. It was also pointed out that it would be more useful to consider long-term priorities in terms of sectors rather than Consultation meetings. The view was expressed that interesting prospects were offered by the possibility of convening regional Consultations on sectors of interest to certain developing countries and within the approved programme for a biennium.

165. The opinion was voiced that not only should the preliminary programme for 1984-1985 be supported, it should also be expanded to include additional sectors, such as fisheries and energy for industry.

166. An offer was made to host a future Consultation on industrial financing and previous offers for hosting Consultations on the training of industrial manpower and on fertilizers were reaffirmed.

167. In its consideration of the report of the Executive Director on the System of Consultations (ID/B/257), the Board took note of the conclusions and recommendations of the Consultation meetings held in 1980.

168. The Board took note of the stage of preparations reached by the Consultation meetings scheduled to be held in 1981, as follows:

- Second Consultation on the Petrochemical Industry
- First Consultation on the Food Processing Industry
- First Consultation on the Capital Goods Industry
- African Regional Consultation on the Agricultural Machinery Industry.

169. In order to ensure the maximum effectiveness of the System of Consultations in meeting the needs of developing countries, the Board decided to request the Executive Director to provide to its sixteenth session an analysis of the costs, results and achievements of each Consultation already held, including its preparatory work.

170. The Board requested the General Assembly at its thirty-sixth session, in the allocation of resources to activities considered by the Board under that item, to take into account the consensus reached on the subject at the fifteenth session of the Permanent Committee and the statements thereon. 24/

171. The Board decided that the programme of Consultation meetings for the biennium 1982-1983 should comprise the following, subject to the completion of the essential preparatory arrangements:

24/ ID/B/268 and Corr.1, paras. 134-140 and 222-225.

- Global Consultation on the Training of Industrial Manpower
- Global Consultation on Industrial Financing
- Third Consultation on the Iron and Steel Industry
- Second Consultation on the Pharmaceutical Industry
- Second Consultation on the Agricultural Machinery Industry
- First Consultation on the Wood and Wood Products Industry

and that it should consider at its sixteenth session the possibility of including Consultation meetings in the 1982-1983 programme additional to those listed above.

172. The Board further decided to request the Executive Director to examine fully the possibility of including Consultation meetings on building materials, energy-related industrial technology and equipment and non-ferrous metals in the 1984-1985 programme.

173. In the light of the results of the Consultation meetings scheduled to be held in 1981 and the biennium 1982-1983 and of the results of the examination referred to in paragraph 172 above, the Board will decide at its seventeenth session the sectors on which Consultation meetings should be convened in the 1984-1985 biennium.

174. The Board stressed that in the preparation, convening and follow-up of Consultation meetings, full account should be taken of the responsibilities of, and the work done by, other organizations within the United Nations system.

175. The Board endorsed the comments contained in paragraph 84 of document ID/B/257 and decided that at least three years should normally elapse between the convening of successive Consultations on any sector or topic.

176. The Executive Director should submit for consideration by the Board at its sixteenth session a report on (a) action taken and proposed in the light of the conclusions and recommendations of the Second Consultation on the Leather and Leather Products Industry, the Third Consultation on the Fertilizer Industry and the First Consultation on the Pharmaceutical Industry; (b) action taken or proposed in the light of conclusions and recommendations of the Consultation meetings to be held in the period between the fifteenth and sixteenth sessions of the Board; (c) the stage of preparations reached for Consultation meetings approved for the 1982-1983 biennium; and (d) the results of the examination referred to in paragraph 172 above.

177. In order to ensure the greater participation of the least developed countries in future Consultation meetings, participation by 50 representatives from least developed countries in Consultation meetings during 1982-1983 should be financed from sources to be determined by the General Assembly. In that respect, the Board took note with satisfaction of the relevant proposal made by the Secretary-General contained in paragraph 17.32 of the proposed programme budget for UNIDO for the biennium 1982-1983 (ID/B/C.3/106).

178. The Board requested the secretariat to make further efforts to use to the full expertise and information available from developing countries at all stages of the preparation and follow-up of Consultation meetings. 25/

25/ With respect to the draft rules of procedure for the System of Consultations (ID/B/258), see chapter XXI, "Adoption of the report of the fifteenth session", paras. 351-354, for proposals by the President, subsequent decision by the Board and statements by Groups B and D.

CHAPTER IX

UNITED NATIONS INDUSTRIAL DEVELOPMENT FUND

179. At its 293rd meeting, on 21 May, the Board began its consideration of agenda item 11. 26/ In its deliberations on the item, the Board had before it a report by the Executive Director (ID/B/266).

180. The continuing low level (\$14.9 million in 1980) and inflexible nature of contributions to the United Nations Industrial Development Fund was deplored. Resources were still far below the desired level of \$50 million established by the General Assembly in resolution 31/203 and, despite repeated consensus conclusions of the Board and resolutions of the General Assembly, the proportion of special-purpose contributions had grown from 48.5 per cent in 1979 to 65.1 per cent in 1980. Whereas the developing countries had contributed more than their share to the Fund, that had not been matched by a corresponding readiness on the part of the industrialized countries.

181. The proposal was made that the Board's review of the Fund be pursued between sessions and that a working group - consisting of representatives of all geographical regions - be established to examine ways and means of attaining the desired funding level and of ensuring the necessary flexibility in the use of the resources pledged; to study the Fund's programming and operation; to ensure that recipient countries received experts and equipment in Fund-sponsored projects from the country of their choice; and to ensure that the use of experts and equipment from the developing countries was increased.

182. Governments, especially those of the developing countries, were urged to take urgent measures to increase contributions to the Fund with a view to reaching the \$50 million target as soon as possible.

183. Most of the general-purpose contributions (which currently average \$2.7 million per year) were being used to meet the convertible-currency costs of projects financed by non-convertible contributions and donors of the latter type of contribution were urged to make matching general-purpose contributions to cover the non-convertible currency costs.

184. On the other hand, the principle of voluntary contributions underlying the operation of the Fund implied that both the amount of money pledged and the type of currency used for contributions were entirely at the discretion of donor countries. UNIDO's successful experience in making full and efficient use of non-convertible currency contributions for various important programmes and projects being implemented within the Organization's framework was noted. Training, which was

26/ The deliberations of the Board on agenda item 11 are reflected in ID/B/SR.284, paras. 25, 41 and 51; ID/B/SR.285, paras. 3 and 13; ID/B/SR.286, paras. 12, 15, 25, 34 and 54; ID/B/SR.287, paras. 20, 39, 45, 65 and 67; ID/B/SR.288, paras. 2 and 9; ID/B/SR.293, paras. 45-59; ID/B/SR.294, paras. 8-65; ID/B/SR.300, paras. 1-5.

quite rightly regarded as the most important of the priority programmes financed by the Fund, provided an example of the effective use of contributions of non-convertible resources.

185. The Executive Director was to be congratulated on making the Fund a useful instrument for innovative programmes while endeavouring to avoid duplication with bodies pursuing similar goals. The secretariat had rightly given preference to projects with a multiplier effect which benefited a number of countries; moreover, the delivery rate was satisfactory.

186. The flexibility and responsiveness of the Fund, it was suggested, could be increased through better project formulation, which would reduce delay in implementation; better co-ordination within UNIDO; a single secretariat contact for each project, who would follow the project through from beginning to end (in that respect, the section responsible for co-ordinating the project would have the necessary authority with regard to other sections of UNIDO); systematic and integrated evaluation; and keeping permanent missions informed regularly and in some detail of the status of projects. In particular, permanent missions should receive detailed financial statements at the various stages of implementation and complete accounts upon finalization of the project; moreover, sums should not be transferred from one budget item to another without first consulting the donor country.

187. It was also stated that only projects approved by the recipient country in close collaboration with the programmes of other United Nations bodies, particularly UNDP, should be submitted to donor countries, as experience had shown that an absence of prior commitment on the part of the recipient country was a source of misunderstanding and delay.

188. The Fund had made a useful contribution to the industrialization of the developing countries through its concentration on innovative programmes, which had reached a satisfactory level of implementation. In future reports to the Board on the administration of the Fund, it was suggested, the secretariat might usefully include more detailed information not only on the contributions received but also on the approval of projects and their level of implementation.

189. The possibility of making special-purpose contributions was a very important factor in attracting interest from non-governmental institutions and the private sector. Industrialized countries should be prepared to increase their special-purpose contributions as far as possible; however, they should back these up with small additional general-purpose contributions that would afford greater flexibility in the administration of the Fund.

190. Since special-purpose contributions were made for specific projects, these could not, unlike contributions in non-convertible currencies, be regarded as imposing restrictions on the use of funds as to deliveries and services. Any problem that might arise in connexion with the administration of special-purpose contributions to the Fund should be overcome, at least in part, by appropriate management decisions.

191. However, it was disturbing to note that several special-purpose contributors had indicated that their approval of future projects might be conditioned on all or at least a major part of the project inputs obtained from the contributing country. The imposition of such conditions would severely hamper project implementation.

192. The nature of contributions had almost forced programming decisions on the Fund, thus distorting the programme priorities established by the Board: 32.4 per cent of the Fund's resources had been spent on training, despite the fact that that activity had fourth priority.

193. Comments were also made, and the secretariat was asked for further information, on (a) the proportion of special-purpose contributions that were actually spent in the country of origin, (b) the convertible-currency costs of projects funded from non-convertible currencies, and (c) the impact of inflation and currency fluctuations on the Fund.

194. In reply to (a) above, as a global figure, 55 per cent of approved special-purpose contributions was spent in the country of origin, though the percentage for individual countries ranged from 32 to 94 per cent. In answer to (b) above, non-convertible currency the equivalent of \$9.9 million had been programmed for the biennium 1978-1980 and had incurred costs of \$4.8 million in convertible currencies, i.e. 33 per cent of the total budget for that component. The ratio, it was pointed out, had been reduced to 25 per cent for 1980. In answer to (c) above, a global inflation rate of 8 per cent per annum had been assumed on the basis of increased costs. Contributions accounted in dollar equivalents were based on the United Nations exchange rate prevailing at the time of registration; changes in that rate led to a revaluation, the difference being recorded as an adjustment. It was not at present possible to quantify the total effect of currency fluctuations since those occurred frequently and involved a considerable number of currencies.

195. At its 293rd and 294th meetings, on 21 and 22 May 1981, the Board considered the Executive Director's report on three years of the United Nations Industrial Development Fund, 1978-1980 (ID/B/266) and took note with appreciation of the comprehensive nature of the documentation and of the secretariat's work since the establishment of the United Nations Industrial Development Fund. The Board considered the document in the light of the purposes of the United Nations Industrial Development Fund as defined in General Assembly resolution 31/202 of 22 December 1976.

196. The Board approved the proposed programme for 1982 and delegated authority to the Executive Director to approve projects for financing under the United Nations Industrial Development Fund in 1982 within the programme.

197. Recalling General Assembly resolution 35/66 of 5 December 1980, the Board urged all States, and in particular the developed countries, to contribute to the United Nations Industrial Development Fund or to raise their contributions, taking into account the need for maximum flexibility, with a view to reaching the agreed desirable funding level of \$50 million annually.

198. The Board also noted with concern the constraints and difficulties under which the Fund had operated since its inception.

199. The Board urged the secretariat to take into consideration the views and suggestions made during the deliberations on the agenda item in its efforts to improve the preparation and implementation of projects funded by the United Nations Industrial Development Fund.

200. The Board took note of the suggestion to establish an ad hoc working group to consider the operation of the Fund. It was agreed to reconsider the matter at the next session of the Board.

CHAPTER X

INTERIM ARRANGEMENTS REGARDING GREATER AUTONOMY FOR UNIDO IN ADMINISTRATIVE MATTERS

201. At its 299th meeting, on 27 May, the Board began its consideration of agenda item 12. 27/ In its deliberations on the item, the Board had before it a note by the Executive Director (ID/B/263/Rev.1, ID/B/263/Rev.1/Add.1 and Corr.1).

202. A statement was made on behalf of a group that it was concerned by the distribution of the highest-level posts in the UNIDO secretariat. The socialist countries, it was stated, had participated most actively in the work of the governing bodies of UNIDO and had contributed substantially to the activities of the secretariat. Support would continue to be provided for UNIDO's efforts to benefit the developing countries and expand international industrial co-operation. However, the Group was placed in an unfavourable position owing to the fact that the Executive Director of UNIDO was a national of a developing country and his deputy a national of Group B. In order to bring about consensus of decisions and mutual understanding between the geographical groups, the Group needed to be properly represented at all levels of the Organization's structure. A request was made for the establishment of another post of Deputy Executive Director of UNIDO, to be reserved for a representative of the Group's own member States. The Executive Director was requested to make the necessary arrangements and to discuss the budgetary requirements with the Secretary-General.

203. The arrangements announced for greater autonomy in administrative matters, it was said, were welcome. Four years had passed since the first granting of greater autonomy and not much progress had since then been made in that direction. Concern was expressed that although the constitution of UNIDO had been signed and ratified by many countries, no delegation of authority in personnel matters had been granted to UNIDO which would expand its authority sufficiently to ensure a smooth transition to its new status. The Executive Director was requested to continue his contacts with the Secretary-General to obtain his approval to a further extension of autonomy in personnel matters. The Executive Director was also requested to give particular attention to the recruitment of personnel from developing countries, especially to fill posts at the higher levels.

204. The additional delegation of authority granted was noted with interest. There was a need for the Executive Director to pursue discussions with the Secretary-General in preparation for the future status of UNIDO as a specialized agency. Appreciation was expressed for the need of the Executive Director to pursue discussions with the Secretary-General to enable the UNIDO administration to perform its functions more efficiently.

27/ The deliberations of the Board on agenda item 12 are reflected in ID/B/299, paras. 8-26.

205. Two basic concerns were expressed regarding that period of transition. First, any granting of greater autonomy and responsibility to the Executive Director and the secretariat would have to be balanced by greater autonomy and responsibility to the Board. That could not occur to any significant degree until the new constitution was adopted, and that was a carefully balanced document which could not be adopted piecemeal. Since the Industrial Development Board was responsible for controlling the effective use of UNIDO's resources, it was of great importance that the Board should be consulted concurrently with UNIDO's administratively superior bodies in the United Nations Secretariat with respect to proposals for significant changes in internal organization. That was especially important since the impending change in UNIDO's status would give the Board the ultimate authority for all such changes. Secondly, the Secretary-General must retain control of the major budgetary and administrative decisions in UNIDO as long as he was responsible for them. The opportunity of working closely with the Executive Director and the secretariat in ensuring a smooth transition period was anticipated.

206. The view was expressed that during the interim period UNIDO should enjoy stronger autonomy in personnel matters, which was the only way to meet the actual needs for continued expansion of operational activities in technical assistance and other areas. Support was voiced for the Executive Director's proposals on that matter. It was noted that the reply of the Assistant Secretary-General, Personnel Services, referred to added flexibility in personnel matters; however, the arrangements arrived at were still far from meeting the actual needs of UNIDO and reflected too rigid an attitude on the part of United Nations Headquarters. It was hoped that Headquarters would give further consideration to the actual needs in the area of UNIDO's operational activities and make the necessary changes to the organization's autonomy in personnel matters.

207. With regard to the proposal for a second Deputy Executive Director, reference was made to the Board's discussion of budgetary matters during the past few days, when some regional groups had in their statements emphasized the zero growth of the budget. The opinion was voiced that if UNIDO, in view of its operational activities, could receive assurances of more funds, then it might be feasible to add the posts of additional Deputy Executive Directors. However, it was pointed out that with an Executive Director from a developing country and a Deputy Executive Director from a developed country, the principle of equitable geographical distribution was being met and the addition of a Deputy Executive Director from a certain geographical area would ruin that principle.

208. The view was expressed that the documents presented to the Board did not reflect great progress towards the granting of greater autonomy to UNIDO. Many steps had been taken towards establishing UNIDO as a specialized agency and the constitution was expected to be ratified by many States within the near future. The internal arrangements suggested by UNIDO's secretariat were essential to the improved efficiency of the organization. It was pointed out that UNIDO had had very positive experience since 1977 and what was now requested stemmed from that experience. It was of the utmost importance that the Secretary-General should further delegate his administrative authority to the greatest possible extent in order to ensure UNIDO's smooth conversion to a specialized agency. With regard to geographical distribution, support was voiced for the request that the Executive Director should pay special attention to the recruitment of staff from developing countries, particularly to

higher-level posts. If an additional Deputy Executive Director were to be appointed, the person should come from a developing country. The Executive Director was requested to renew his contacts with the Secretary-General in that regard and to ask for further autonomy on personnel matters.

209. UNIDO's secretariat had already been granted certain powers with regard to the recruitment of staff and the Executive Director could decide on the spot questions concerning the employment of staff up to the P-4 level; however, the secretariat did not always use its powers. Certain countries were not represented at all, including one country which had a quota of five posts. Experts presented and positively assessed remained, as before, on the roster. The view was expressed that the position was not normal and the secretariat should take appropriate steps to correct it. There was an imbalance in the distribution of the highest-level posts in the UNIDO secretariat. Support was expressed for the equal responsibility of member States in implementing the aims of UNIDO. The principle of consensus in decision-making and mutual understanding among groups should be improved and strengthened in order to enable UNIDO to benefit the developing countries.

210. The view was expressed that comments made with regard to the greater autonomy for UNIDO seemed to have been directed to a level higher than that of the Executive Director. At the fourteenth session of the Industrial Development Board, the Executive Director had reported the steps which the secretariat intended to take with Headquarters, New York, to achieve greater autonomy. It seemed that the deliberations which then took place had their impact on the meagre results achieved. Comments made at this plenary session would be transmitted to the proper higher authorities.

211. With regard to the suggestions made by some of the delegations that an additional post should be created at the Deputy Executive Director level, it was recalled that some years ago the Executive Director had suggested the creation of three such posts. At that time, his suggestion had been endorsed by the Secretary-General but could not be approved by the Advisory Committee on Administrative and Budgetary Questions. At that time, when, because of budgetary constraints, the trend seemed to be for reducing the resources of the Organization, personal doubts were voiced as to whether such posts were necessary. It was pointed out that if, however, the delegates felt that for the sake of political representation additional posts of Deputy Executive Directors were necessary, than the groups of countries such as Latin America, Asia and Group D would have to be accommodated. Moreover, the creation of such higher-level posts, it was said, would necessitate also the creation of support staff in both the Professional and General Service categories. The Executive Director concluded by saying that he personally would have no objection if it was decided to have supplementary posts established at the Deputy Executive Director level.

212. At its 301st meeting, on 30 May 1981, the Board took note of the present degree of autonomy in personnel management granted by the Secretary-General to the Executive Director.

213. The Board requested the Executive Director to give particular attention to the need for an equitable geographical distribution of secretariat posts in the recruitment of personnel, in particular for high-level posts.

214. The Board requested the Executive Director to continue his contacts with the Secretary-General in order to develop further the autonomy of UNIDO in administrative matters, consistent with the relevant policies and regulations of the United Nations, in preparation for UNIDO's conversion into a specialized agency.

215. The Board urged all member States which had not yet done so to hasten the process of signature and ratification of the constitution of UNIDO.

CHAPTER XI

INTEGRATION OF WOMEN IN DEVELOPMENT

216. At its 299th meeting, on 28 May, the Board began its consideration of agenda item 13. 28/ In its deliberations on the item, the Board had before it a report by the Executive Director (ID/B/256).

217. Appreciation was expressed at the efforts of the secretariat to integrate women in development. In developing countries, women constituted one of the largest and most dynamic social groups, with a significant contribution to make to industrialization. In the long term improving the economic and cultural status of women also improved conditions for the raising of the country's new generation.

218. Regret was expressed, however, that, despite the consensus adoption of resolution ID/CONF.4/RES.1 on women and industrialization by the Third General Conference of UNIDO, no significant progress had been made with respect to activities related to the integration of women in development. Resources should be reallocated from other activities to implement the activities envisaged in that resolution. It was also stated that much could be achieved in implementing the Third General Conference resolution without financial implications, but this needed a change in attitudes.

219. The main responsibility for the integration of women lay with the developing countries themselves. It had been pointed out that there was an inconsistency between the emphatic mandates given to UNIDO in that respect and the failure to request technical assistance for that purpose.

220. The integration of women should not be viewed as a separate policy but as an element of all UNIDO's activities. The integration of women depended on a complex approach which took account of the interrelation of economic and social aspects of the problem. UNIDO should accordingly intensify the co-ordination of its activities with other international organizations within the United Nations system.

221. While the secretariat was commended on the progress achieved in 1980 in increasing the proportion of women recruited to Professional category posts, there was also a need to increase further the number of women secretariat staff members at headquarters and in the field, particularly at the higher level. The recruitment of the first woman industrial development field adviser was noted with satisfaction. However, regret was voiced at the decrease in the number of women field experts in 1980. In addition, the view was expressed that the appointment of women to Professional category posts had only a marginal impact on increasing the participation of women in the developing process of developing countries, which was where UNIDO's greatest efforts were needed.

28/ The deliberations of the Board on agenda item 13 are reflected in ID/B/SR.285, paras. 17 and 105; and ID/B/SR.299, paras. 27-68.

222. It was noted that there had been a slight increase in the proportion of women participants in the UNIDO-sponsored training programmes. However, the average level of participation of women was not yet sufficient and the secretariat should give special attention to that question. Governments should increase the number of female candidates nominated for training courses.

223. The work of the Interdivisional Working Group on the Integration of Women in Industrial Development was commended and the need to implement its recommendations to various units of the secretariat was stressed. The note circulated to industrial development field advisers and junior professional officers was also commended. That document rightly stressed the need, when formulating projects, to avoid the possible negative impact of new technologies on women, as well as the need to generate employment opportunities for women. The studies initiated by the secretariat to identify ways and means of accelerating the effective integration of women in industrial development were welcomed. The view was expressed, however, that it was more urgent and more useful to put principles and ideas into practice on a stricter and more systematic basis than to prepare more studies.

224. Follow-up was needed to the World Conference of the United Nations Decade for Women. In a future report, it was said, the secretariat should indicate how the recommendations of the programme of action for the second half of the United Nations Decade for Women had been reflected in UNIDO's technical assistance activities.

225. A general UNIDO policy for the integration of women was needed, since too many ad hoc decisions were being made. Regret was therefore expressed that no preparations had been made for the convening of a policy technical meeting as a follow-up to the 1978 Preparatory Meeting on the Role of Women in Industrialization. It was hoped that a way could be found to convene that meeting as soon as possible, as the results could give further guidance to the secretariat.

226. At its 301st meeting, on 30 May 1981, the Board noted with appreciation the report by the Executive Director entitled "UNIDO activities in 1980 designed to secure greater involvement of women in industrial development" (ID/B/256) and stressed the importance of maximum implementation of resolution ID/CONF.4/RES.1, of 9 February 1980, on women and industrialization, as well as the relevant parts of the International Development Strategy for the Third United Nations Development Decade, and General Assembly resolution 35/78, of 5 December 1980, on the effective mobilization and integration of women in development. The Board recognized that the integration of women should be seen as an intrinsic element in UNIDO's activities.

227. The Board stressed the importance of the Interdivisional Working Group on Integration of Women in Industrial Development and urged that the Group continue its concerted efforts towards the implementation of the relevant General Assembly resolutions.

228. The Board noted with regret that the expert meetings on some of the specific topics highlighted at the 1978 Preparatory Meeting on the Role of Women in Industrialization had not been prepared nor had the follow-up policy technical meeting been planned. The Board invited the Executive Director to initiate those preparations as soon as possible.

229. The Board stressed the importance of special efforts to increase the proportion of the participation of women in UNIDO's training programme and also called upon Governments to increase the number of women to be nominated for training.

230. The Board noted that UNIDO had initiated measures for the follow-up of the World Conference of the United Nations Decade for Women. The Board recognized that the impact of UNIDO's efforts to increase the participation of women in the development process must be greatest in the developing countries themselves and requested the secretariat to increase its focus on activities aimed at generating employment for women in their home countries.

231. The Board noted that the percentage of women in the Professional category of staff of the UNIDO secretariat had increased during 1980 and stressed the need to accelerate the recruitment of women, particularly at the higher Professional levels in the secretariat and for field activities, taking into account qualifications and equitable geographical distribution.

232. The Board requested the Executive Director to report to its sixteenth session on the progress made on the subject, particularly on how UNIDO's efforts were reflected in its technical co-operation activities.

CHAPTER XII

DEVELOPMENT AND TRANSFER OF TECHNOLOGY

233. At its 29th meeting, on 24 May, the Board began its consideration of agenda item 14. 29/ In its deliberations on the item, the Board had before it a report by the UNIDO secretariat (ID/B/252 and Add.1).

234. It was noted that the decision of the Board at its fourteenth session accorded high priority to UNIDO's operational and promotional activities in that field and that industrial technology was identified as one of the areas for priority action in the follow-up of the Third General Conference. It was further noted that the Board had recommended that the institutional arrangements within the UNIDO secretariat should be strengthened, enabling the secretariat to increase its contribution to the strengthening of the technological capability of developing countries.

235. Satisfaction was expressed at the progress made by UNIDO in the field of development and the transfer of technology and several suggestions were made concerning the programmes. A pragmatic approach was called for, creating a balance between research and studies and action-oriented programmes. The importance of identifying and applying technology appropriate to the conditions of the developing countries to enable them to increase industrial production was stressed. Particular attention was drawn to the importance of energy related technologies. The need for strengthening the technological capabilities of the developing countries, including strengthening the bargaining position of the developing countries and their technological infrastructure, was underlined. The development of human resources, it was stated, should be given the highest priority in that respect. The efforts of UNIDO in helping developing countries in the formulation and implementation of national technology policies and plans were welcomed as technology transfer and development were impossible without a planned approach. Attention was also drawn to the importance of paying due regard to the social and economic implications of technology transfer.

236. The process of technology transfer was marked by monopolistic activities and restrictive practices which needed to be eliminated. The view was expressed that the early and successful adoption of an international code of conduct for technology transfer was important and could provide further orientation to UNIDO's efforts in the field of development and transfer of technology.

237. The programme of activities undertaken by UNIDO for the study of long-term technological trends and emerging advanced technologies was welcomed. Such activities would contribute to better decision-making by developing countries.

29/ The deliberations of the Board on agenda item 14 are reflected in ID/B/SR.284, paras. 35 and 38; ID/B/SR.285, paras. 10 and 13; ID/B/SR.286, paras. 11 and 36; ID/B/SR.287, paras. 11, 48, 82 and 105; ID/B/SR.288, paras. 5 and 18; ID/B/SR.289, para. 46; ID/B/SR.290, para. 26; ID/B/SR.294, paras. 66-67; ID/B/SR.295, paras. 3-94; and ID/B/SR.296, paras. 1-30.

In that connexion, mention was made of a project initiated in co-operation with UNIDO for setting up a mechanism to monitor technology perspectives. The proposal to hold an international forum on advanced technology was welcomed. However, there was a need to proceed slowly with activities in the field of genetic engineering. Doubt was expressed as to whether new themes such as micro-electronics and bio-technology reflected the true needs of developing countries at present. The opinion was voiced, however, that the programme of advanced technology was important. Some of the technologies, it was said, would have an enormous impact on the world economy and that was the last chance for developing countries to bridge the technology gap. It was explained that the subject of genetic engineering had been considered by a group of high-level experts who regarded the application of bio-technology, aided by genetic engineering, as having high potential for developing countries. Work in that field, it was stated, would be continued under the guidance of high-level scientists and technologists.

238. The initiative taken by the secretariat with regard to the industrial technology programme in Africa was commended. That programme would contribute considerably to the objectives of the Industrial Development Decade for Africa. Reference was made to the excellent co-operation between UNIDO and the Organization of African Unity (OAU) in that field. The joint OAU/UNIDO Symposium on Industrial Technology in Africa was intended to render operational the Lagos Plan of Action in the field of industrial technology. The assistance rendered by UNIDO to a country in this field was noted. The importance of providing adequate resources to the secretariat to implement its programme on industrial technology in Africa was stressed. The UNIDO secretariat was requested to organize a similar symposium on industrial technology for the benefit of Arab countries.

239. UNIDO was urged to continue its activities to help national and regional institutions in the field of technology. Reference was made to the assistance provided by UNIDO to the Regional Centre for Technology Transfer of the Economic and Social Commission for Asia and the Pacific and it was hoped that such assistance would be intensified in future. UNIDO's efforts to expand assistance towards upgrading existing national and regional institutions were endorsed, particularly with regard to the processing of natural resources.

240. The assistance rendered by UNIDO in the transfer and acquisition of technology was noted with satisfaction, as was the importance of the Technological Information Exchange System, a useful device which not only helped to strengthen the negotiating capabilities but also provided an excellent example of co-operation among developing countries. The proposal of UNIDO to organize a meeting of senior officials of the Association of South-East Asian Nations with regard to the question of technology was welcomed. Attention was drawn to the useful programme initiated by UNIDO on international plant-level co-operation for small-scale industries as another means of the effective transfer of technology between developed and developing countries and among developing countries themselves.

241. The activities initiated by UNIDO in the field of mini-hydro generating units were considered to be useful and appropriate to local conditions. Mention was made of the successful seminar held in China and the Philippines which was expected to lead, amongst other things, to the creation of a regional centre of excellence in China, with financing from UNDP. The forthcoming meeting on that

subject to be organized in Vienna was also welcomed. The publication of a manual on mini-hydro-power generating units was commended as an important handbook of assistance to developing countries.

242. The importance of technical co-operation among developing countries in the field of industrial technology and the intensification of UNIDO's activities in that field was emphasized. The early publication of the third volume of information on technologies from developing countries was requested since it was considered that such a compilation would provide a useful basis for co-operation among developing countries.

243. The view was expressed that it was not necessary to draw up an operational plan in the field of industrial technology. The opinion was voiced, however, that the drawing up of such a plan was a measure that would contribute to the implementation of the Vienna Programme of Action on Science and Technology for Development. 30/ Such an operational plan had been proposed as a sequel to the recommendation of the New Delhi Declaration and Plan of Action to keep under constant review the implementation of the Vienna Programme of Action in the field of industrial technology.

244. Satisfaction was expressed that the value of projects to be implemented by UNIDO had exceeded 20 per cent of the value of projects so far approved by the Interim Fund for Science and Technology for Development.

245. With regard to the disaggregation of technology in the capital goods sector, it was stated that there would be no objection to the programme provided the object was to increase the proportion of domestically manufactured components in capital goods production and not to disaggregate the Lima target. It was explained, however, that the latter was not the case.

246. The need for co-ordination among United Nations organizations in the field of development and transfer of technology was stressed. The activities of UNIDO in that field, it was stated, should not duplicate those undertaken by UNCTAD. It was considered that there was a need for the harmonization of activities in that field. It was pointed out that since technology involved multidisciplinary activities and a large number of countries were to be assisted by various international organizations, there were bound to be possible overlaps but also complementarities; there were, however, standing mechanisms for co-ordination within the United Nations system. Moreover, industrial technology could not be divorced from industrialization, which was the objective of UNIDO, and any curtailment of activities in that field would go against the very aims of the Organization and the orientation that its activities had received, particularly after the Lima Declaration and Plan of Action.

247. It was stressed that necessary support in terms of resources should be provided to activities in the development and transfer of technology, including provisions for activities connected with industrial technology in Africa, as requested by the secretariat. The decision of the Board at its fourteenth session

30/ Report of the United Nations Conference on Science and Technology for Development, Vienna, 20-31 August 1979 (United Nations publication, Sales No. E.79.I.21 and Corr.1 and 2), chap. VII.

to strengthen institutional arrangements within the secretariat was recalled. It was reiterated that necessary measures should be taken to implement the recommendations already made by the Board in regard to institutional structure and the provision of resources.

248. On the other hand, it was noted that additional activity in technology transfer for Africa should be carried out within the newly-created unit for the Industrial Development Decade for Africa and related efforts should be intensified within the other operational units of the secretariat.

249. The additional resources requested, it was said, should be found from within the already existing budgetary resources of UNIDO, in accordance with the concept of zero growth.

250. It was recalled that the Board at its fourteenth session had decided that the secretariat should report regularly to it on the progress achieved in the implementation of the programme in the field of development and transfer of technology and had decided that industrial technology should be a priority area in the follow-up of the Third General Conference. UNIDO's activities in the field of industrial technology had increased and, at the same time, rapid technological developments were taking place with profound implications for long-term industrial development. In view of that, it was considered important that the subject continue to be considered as a separate agenda item in the future, for which the secretariat should prepare a special report. The view was expressed that the Executive Director's annual report was not a substitute for that purpose since it dealt with routine reporting.

251. Document ID/B/252, it was noted, announced a new series of studies and conferences, but did not provide an adequate account of the results of past activities: the secretariat was asked to evaluate the work done so far.

252. At its 301st meeting, on 30 May 1981, the Board commended the Executive Director on the progress made by the secretariat in the field of development and transfer of technology and, in particular, on the initiatives taken in regard to advanced technology and appropriate technology. The Board drew attention to the need to implement in a pragmatic way the decisions relating to that field at its fourteenth session 31/ and to strengthen existing institutional arrangements within the Secretariat in order to increase the technological capabilities of developing countries.

253. The Board requested the General Assembly, at its thirty-sixth session, in allocating resources to activities considered by the Board under that item, to take into account the consensus reached on the subject by the Board at its fifteenth session and by the Permanent Committee at its fifteenth session and the statements made thereon. 32/

31/ Official Records of the General Assembly, Thirty-fifth Session, Supplement No. 16 (A/35/16), vol. II, paras. 71-74.

32/ ID/B/268 and Corr. 1, paras. 134-140 and 222-225.

254. The Board urged the Secretariat to co-operate closely with the United Nations agencies and other bodies dealing with the subject.

255. The Board requested the Executive Director to present to its sixteenth session a comprehensive report on the work of the Secretariat in that area and on the implementation of the decisions of the Board at its fourteenth session on the subject.

CHAPTER XIII

INDUSTRIAL AND TECHNOLOGICAL INFORMATION BANK

256. At its 295th meeting, on 25 May, the Board began its consideration of agenda item 15. 33/ In its deliberations on the item, the Board had before it a report prepared by the Executive Director on activities undertaken in 1980 and prospects for the future (ID/B/259).

257. The year 1980, it was stated, had been the first full year of regular operation of the Industrial and Technological Information Bank (INTIB) and the progress achieved was welcomed. INTIB's main objective, was to act as an information processor in a situation characterized by an inflation of published and unpublished technological and industrial data, the selection of which constituted a major problem. INTIB, was not a conventional data bank but rather a switchboard, selector and translator of data in order to provide problem-oriented information on industrial technology for users' needs. The selection and expansion of networks of co-operating experts and centres of excellence represented an important element in the further development of INTIB. The creation of data banks of individual experts to deal with specific inquiries to secure specialized information was welcomed. Moreover, since much useful technological information was not contained in written documents, but rather in human minds, that activity was a sound supplement to INTIB operations.

258. The provision of problem-solving information tailored to the individual needs of developing countries should be regarded as the main task of INTIB, while other activities should be geared to enhancing INTIB's capacity to deliver such information.

259. Technical information, in the world of dwindling resources, was the most valuable of the renewable resources mankind had at its disposal. Developing countries should take part in the optimum exploitation of the wealth of knowledge and information which existed, but this was largely under-used owing to a lack of adequate distribution, selection and processing of services such as those supplied by INTIB.

260. It was also pointed out that technological information was a scarce commodity and the costs of acquisition, the verification and the assessment of its suitability were very often beyond the capacity of the developing countries. INTIB had an important role in assisting developing countries by providing a service of information to meet their problems and assist them in decision-making. The view was expressed that INTIB should not be merely a transmittal of available information, but should analyse it in terms of options available. INTIB should focus on providing the developing countries with processed information of a practical nature relevant to technology selection.

33/ The deliberations of the Board on agenda item 15 are reflected in ID/B/SR.287, para. 48; ID/B/SR.288, paras. 5 and 23; ID/B/SR.295, paras. 3-94; and ID/B/SR.296, paras. 1-30.

261. The role of the national information systems, and particularly their access to existing information sources, was stressed. INTIB's services should be channelled to end users through the network of national institutions. The view was also expressed that INTIB's activities should be related to the strengthening of the capability of national institutions to serve the needs of industry in the developing countries and, in that connexion, close links should also be developed with regional institutions such as the Regional Centre for Technology Transfer in Asia and similar institutions in Latin America and Africa. Links with institutions in the developed countries were considered to be basic to INTIB.

262. The convening of user groups by INTIB to provide a feedback mechanism was welcomed as it would permit an appreciation of users' needs and would enable INTIB to offer a better service.

263. It was requested, however, that an in-depth evaluation of INTIB's activities be undertaken before extending them to wider areas.

264. In emphasizing the information processing and analysis function in answering inquiries by INTIB, support was also expressed for the preparation of technology profiles in sectors such as solar energy equipment and alcohol fuels. Energy related profiles were also considered to be important.

265. Promotion of the services of INTIB, was an important prerequisite and note was made of the activities of UNIDO in Asia and the Far East as well as planned activities in Latin America. The opinion was voiced that a users' guide providing details on the scope of INTIB, its manner of operation and the services it provided would also be useful. It was pointed out that such a brochure already existed but it could be further improved.

266. In response to a request that a list of information centres and their activities be compiled so that links could be established among these, it was stated that the secretariat had just compiled the director of information systems which was currently available.

267. The view was expressed that, while the information on INTIB's functions contained in document ID/B/259 was considered useful, more information was required to gain a better understanding of the functions of INTIB, particularly with regard to the type of client, the volume of work, the countries assisted, the sectors covered by the Bank and links to other information centres and the costs and benefits of INTIB.

268. In 1980, it was pointed out, INTIB dealt with 1,225 inquiries from 127 countries, the share of Africa being 31 per cent; Latin America 31 per cent; Asia and the Pacific 29 per cent; and developed countries 9 per cent. The requests for information, it was stated, came from industrial enterprises (23 per cent); research and development institutes and development banks (22 per cent); productivity and development centres (19 per cent); UNIDO field staff (18 per cent); and government departments (15 per cent). These inquiries pertained to the field of food, beverages and tobacco (21 per cent); metal (17 per cent); chemicals (13 per cent) and non-metallic mineral products (9 per cent). Approximately one fourth of the inquiries involved energy questions. In addition, the available feedback from the users indicated the way information was used.

269. Information was requested on the sectors covered by INTIB. The coverage of sectors, it was pointed out, was already a matter of discussion by the Board and a suggestion was made to extend the activities beyond the 20 sectors recommended by the Board.

270. INTIB, it was stressed, could not operate separately from other UNIDO technical units and should be an instrument for mobilizing in-house information, utilizing fully the services of the technical staff of UNIDO. It should, moreover, devote particular attention to fulfilling the information needs of UNIDO staff, both at headquarters and in the field. In that connexion, the scientific, methodological and organizational aspects of INTIB's activity should be decisive; they should not be a substitute for the elaboration of pure theory - and that was what was currently taking place. The usefulness of the Industrial Inquiry Service was noted, but to turn all the activities of INTIB into such a service would be a mistake.

271. The difference between a documentation system and service information was stressed. The first was an accumulation of information which, it was said, UNIDO neither wanted nor could afford. Service information, on the other hand, was the desirable approach for INTIB: it could be likened to a form of technical co-operation since it responded to specific situations and problems.

272. It was pointed out, however, that that was the primary concern of UNIDO and all measures had been undertaken to establish such a system not only through the Industrial Information System, but also through the Link Data Base. Furthermore, the Vienna International Centre Library had now assumed the responsibility of serving UNIDO headquarters and INTIB was providing information to UNIDO field staff.

273. The demand for resources as contained in ID/B/259 was not considered to be new, but only a restatement of resources originally recommended by the Board but not included in the regular budget of UNIDO. That request for resources, it was stated, was necessary for the operation of INTIB. However, it was pointed out that adequate information was not provided in the document to justify the granting of such resources. These resources, it was said, should come from voluntary contributions, through the United Nations Industrial Development Fund or the Interim Fund for Science and Technology for Development. It was also stated that any additional costs in a programme element must be met within the existing budgetary resources of UNIDO.

274. It was explained that the Interim Fund for Science and Technology for Development was primarily devoted to national level activities and not to interregional projects of the INTIB type.

275. It was emphasized that it was necessary for INTIB to work with other existing multilateral, national and private sources in order to arrive at a more effective, and perhaps less expensive system.

276. In its consideration of document ID/B/259, the Board reaffirmed the important role of the Industrial and Technological Information Bank (INTIB), approved its work programme and decided to consider a comprehensive progress report on INTIB at its sixteenth session, when it discussed the development and transfer of technology. The report should also contain factual information, such as the volume

of work, the countries, the clients, the sources of information and the sectors which INTIB covered and its links with other information centres.

277. The Board urged the secretariat to co-operate closely with all the United Nations agencies and other bodies dealing with that subject.

278. The Board regretted that resource constraints had not permitted full implementation of previous Board decisions on INTIB. The Board requested the General Assembly, at its thirty-sixth session, in allocating resources to activities considered by the Board under that item, to take into account the consensus reached on the subject by the Board at its fifteenth session and by the Permanent Committee at its fifteenth session and the statements thereon. 34/

34/ ID/B/268 and Corr.1, paras. 134-140 and 222-225.

CHAPTER XIV

TECHNICAL ASSISTANCE TO THE NAMIBIAN PEOPLE

279. At its 297th meeting, on 27 May, the Board began its consideration of agenda item 17. 35/ In its deliberations on the item, the Board had before it a report by the Executive Director (ID/B/253) on technical assistance to the Namibian people.

280. It was noted that modest progress had been made by UNIDO in delivering technical co-operation to Namibia. The difficulty of providing technical co-operation during the illegal occupation of Namibia by the South African Government was recognized. Nevertheless, it was said, UNIDO's technical co-operation would greatly facilitate Namibia's future development: the Organization should therefore intensify its efforts, in co-operation with the United Nations Council for Namibia and the South West Africa People's Organization (SWAPO) which, it was stated, was the sole legitimate representative of the Namibian people.

281. The statement was made on behalf of one Government that while it supported the concept of technical assistance to the Namibian people and recognized that groups such as SWAPO had a co-operative role to play in the provision of United Nations co-operation to the Namibian people by virtue of the control they exercised over the refugee camps, it did not believe that such groups should derive political benefit as the result of programmes carried out by the United Nations. That Government, it was stated, while favouring a viable, democratic, and independent Namibia, could not agree to the designation of any one organization as the sole legitimate representative of the Namibian people until free and fair elections had been held in Namibia.

282. The pre-independence-phase projects should be implemented as soon as possible. At the same time, UNIDO should also prepare for transitional and post-independence projects that would contribute directly to the process of nation-building.

283. The importance of training, particularly in industrial strategy and development, was emphasized. Lack of trained personnel, it was pointed out, was the basic problem of all developing countries, particularly in those that had suffered under the yoke of colonialism.

284. For better results, the secretariat must establish direct contact and develop co-operation with SWAPO, which had been recognized by the General Assembly as the sole authentic representative of the people of Namibia. In that connexion, it was surprising that document ID/B/253 made absolutely no mention of SWAPO, despite the relevant decisions taken by the Permanent Committee at its thirteenth and fourteenth sessions.

35/ The deliberations of the Board on agenda item 17 are reflected in ID/B/SR.287, paras. 78 and 106; ID/B/SR.297, paras. 1-9, 11-36 and 91; and ID/B/SR.298, paras. 1 and 2.

285. UNIDO, it was noted, was correct in placing emphasis on training-oriented programmes designed to prepare a nucleus of persons who would assume responsibility in the Government upon the attainment of independence. Perhaps, it was suggested, there was further scope for training a professional cadre for an independent Namibia within the framework of the general training programmes of UNIDO.

286. Technical and managerial training in various fields of industrial development was very important to provide a basis for the government of an independent Namibia, it was stressed, and UNIDO, through its projects in African countries, could provide Namibians with practical skills in industrial development, small-scale industries, extension services and other aspects of industrialization. UNIDO, it was hoped, would also help Namibians become familiar with industrial development policies in other developing countries in Africa and Asia.

287. Concern was voiced that of the seven projects worked out for the programme of assistance to Namibia, only three had been approved for financing, and the secretariat was requested to endeavour to get the remaining projects approved by the United Nations Council for Namibia.

288. The secretariat's approach in dividing the projects into two phases was a rational one, it was stated. It might be premature to decide on definite sums for transitional and post-independence projects. The sovereign authorities of independent Namibia might find it necessary to modify the programme substantially in order to take account of certain urgent priorities, as was often the case when a country attained independence.

289. In launching the Industrial Development Decade for Africa, the international community had recognized the urgent need to industrialize the African continent; but the Namibian people merited special consideration in view of their long-standing subjection to political and economic exploitation.

290. The situation in South Africa and throughout southern Africa, it was stated, was deteriorating as a result of the policies and actions of the Pretoria régime.

291. The general consensus was that the delivery of technical co-operation to Namibia should continue to be given high priority and that the progress made should be reported on at the next session of the Board.

292. At its 300th meeting, on 29 May 1981, the Board considered the report of the Executive Director on technical assistance to the Namibian people (ID/B/253) and expressed appreciation of the secretariat's efforts.

293. The Board regretted the slow progress in the delivery of UNIDO's technical assistance to the Namibian people due to the deplorable and continued illegal occupation of Namibia by the South African racist régime.

294. The Board stressed the particular importance of expanding UNIDO's technical assistance to the Namibian people and called upon the secretariat to intensify its technical assistance to the Namibian people in co-operation with the United Nations Council for Namibia and the South West Africa People's Organization, the sole authentic representative of the Namibian people, in accordance with the relevant General Assembly resolutions, so as to meet the urgent needs of the Namibian people.

295. The Board sought a further progress report from the Executive Director on the subject, including proposals on ways and means of expanding the programme, to be submitted to its sixteenth session. 36/

36/ The conclusion was adopted by a roll-call vote of 30 to none, with 8 abstentions. For the voting and statements in explanation of vote, see chap. XXI, Adoption of the report of the fifteenth session, paras. 342-349, and ID/B/SR.300, paras. 37-51.

CHAPTER XV

TECHNICAL ASSISTANCE TO THE PALESTINIAN PEOPLE

296. At its 297th meeting, on 27 May, the Board began its consideration of agenda item 18. ^{37/} In its deliberations on the item, the Board had before it a report by the Executive Director (ID/B/255).

297. Appreciation was expressed for the work carried out by the secretariat in the field of delivering technical co-operation to the Palestinian people and the participation of Palestinians in group training programmes organized by UNIDO was welcomed. It was cause for regret, however, that high-priority technical co-operation projects could not be carried out because UNIDO officials were denied access to the West Bank and the Gaza Strip. Such an act, it was stated, was in clear contradiction of the will of the overwhelming majority of the international community and was to be strongly condemned.

298. The secretariat was urged to intensify its assistance to the Palestinian people by speeding up the implementation of programmes approved by the Board in co-operation with the Palestine Liberation Organization (PLO), which, it was stated, was the sole legitimate representative of the Palestinian people.

299. A statement was made on behalf of a Government that whereas that Government supported the concept of technical assistance by UNIDO to the Palestinian people and indeed had been a major contributor of such assistance through the United Nations Relief and Works Agency, it did not believe that the PLO, which was not a government, should be the conduit of such assistance and did not support UNIDO programmes whose execution ignored that premise. In particular, that Government did not support the UNIDO secretariat's action in inviting the PLO to nominate candidates for its training programmes and reserved its position with regard to the financial implications of that action.

300. There was an urgent need for the implementation of the projects of technical assistance to the Palestinian people approved by the Board, it was stated. However, it was added, it was clear that as long as those territories were under illegal occupation, there would continue to be difficulties in the delivery of technical co-operation to the Palestinian people.

301. Under international law, it was stated, an occupied land had a special status and United Nations delegations had a right to enter the area in question, which was not Israeli territory. Moreover, the PLO, as a representative body of the Palestinian people recognized by the United Nations, had the right to co-operate with UNIDO regarding assistance to that people.

^{37/} The deliberations of the Board on agenda item 18 are reflected in ID/B/SR.287, paras. 78 and 106; ID/B/SR.297, paras. 10 and 37-96; and ID/B/SR.298, para. 1.

302. The conscience of the international community had to be mobilized against such a situation, which was a crime against humanity and aggravated the suffering of the Palestinian people, who had been deprived of their national territory and their basic rights.

303. The international community had a very heavy debt towards the Palestinian people and must rapidly shoulder its responsibilities in bringing about the materialization of its genuine and inalienable right to national independence and sovereignty. In so doing, it would also put an end to the process of political deterioration in the entire region, with its direct repercussions on international stability and peace. UNIDO, in common with other international organizations, should do its utmost to carry out scheduled programmes of assistance to the Palestinian people, including technical assistance.

304. Despite the laudable efforts of the secretariat, it was stated, technical assistance to the Palestinian people through UNIDO had been very modest and far short of actual needs. The Organization had been unable to implement six out of the seven projects that had been approved by the Board and the Permanent Committee. The activities of UNIDO should therefore be expanded accordingly and all technical assistance should be delivered in close co-operation with the PLO, it was stated.

305. The statement was made that the Israeli Government was persisting in illegal economic policies against the Palestinian people and hindering industrial and economic development. UNIDO should co-operate with UNDP and other United Nations bodies in implementing past resolutions adopted by the Economic and Social Council, the General Assembly and the Board in favour of the Palestinian people.

306. An appeal was made to delegates from the industrialized countries to condemn the refusal of Israel to allow UNIDO experts entry into the occupied territories, thus preventing the development of those territories and of the Arab area in general, and to promote the implementation of resolutions of the Economic and Social Council, the General Assembly and UNIDO. UNIDO was asked to increase its technical assistance and, in particular, to survey the industrial sector, organize training centres and courses in the occupied territories and provide assistance to the Palestinian economic production enterprise. Moreover, all States were appealed to to provide material, political and moral assistance to the Palestinian people in the interests of the re-establishment of justice and détente as the indispensable pre-conditions for industrial and economic development in the Arab area.

307. A statement was made in protest against the falsehoods and calumnies made in the Board against the Israeli Government. It was further stated that whereas the Israeli Government was fully conscious of the needs of the inhabitants of the administered territories, it preferred the efforts of international organizations there to be concentrated in the hands of a single organization. That Government, it was stated, was co-operating with UNDP in the implementation of a number of projects aimed at improving the economic situation and living conditions of the inhabitants of the territories and UNDP had set up a task force to co-ordinate the programme of the various agencies of the United Nations system. A dozen projects had been approved by the Israeli Government, it was added, and in some cases a work plan had already been approved for implementation. It was stressed that the Israeli Government would not authorize any activity carried out in co-operation with the PLO, a terrorist organization dedicated to the destruction of Israel, and since the UNIDO secretariat had made it clear that it was co-operating closely with the PLO, that Government was unable to allow UNIDO representatives access to the territory administered by it.

308. The question of technical assistance to the Palestinian people should be included in the agenda for the 1982 session of the Board, it was stated. However, at that session, analyses concerning the implementation of project proposals by UNIDO in the pre-independence phase, together with further arrangements for UNIDO assistance in setting up industrial institutions, defining a framework for industrial development and training manpower in order to facilitate the industrial and general development of independent Palestine, should be provided.

309. At its 300th meeting, on 29 May 1981, the Board took note of the report of the Executive Director on technical assistance to the Palestinian people (ID/B/255) and expressed appreciation of the secretariat's efforts.

310. The Board took note with appreciation of the participation of Palestinian trainees in group training programmes organized by UNIDO and sought the expansion of those activities.

311. The Board noted with regret that other approved and high priority projects of technical assistance to the Palestinian people had not been implemented and condemned and deplored the obstacles placed by Israel's occupying authorities which prevented UNIDO officials from visiting the occupied West Bank and the Gaza Strip.

312. The Board urged the UNIDO secretariat to intensify its efforts and take all possible measures to increase technical assistance to the Palestinian people in co-operation with the Palestine Liberation Organization, the sole legitimate representative of the Palestinian people, in accordance with Economic and Social Council resolution 2100 (LXIII) and General Assembly resolution 35/111.

313. The Board sought a further progress report from the Executive Director on technical assistance to the Palestinian people, including proposals on ways and means of expanding the programme, to be submitted to its sixteenth session. 38/

38/ The conclusion was adopted by a roll-call vote of 26 to 1, with 11 abstentions. For the voting and statements in explanation of vote, see chapter XXI, Adoption of the report of the fifteenth session, paras. 334-341, and ID/B/SR.300, paras. 52-65.

CHAPTER XVI

INDUSTRIAL WATER USE AND TREATMENT PRACTICES

314. At its 299th meeting, on 27 May, the Board began its consideration of agenda item 19. 39/ In its deliberations on the item, the Board had before it a note by the secretariat (ID/B/262).

315. Water management planning, it was stated, was an essential input of the industrial infrastructure. It was pointed out, however, that while water management plans at the country, regional and global levels would have to be a multidisciplinary project, it was essential to initiate micro-studies at the country or subregional levels with a view to evolving plans on water availability, conservation and industrial utilization. An important part of such a study could relate to the growing importance of techniques of conservation, re-use and recycling of water, linked with effluent treatment methods.

316. The view was expressed that, instead of waiting for a multidisciplinary approach to water management in all its aspects, it would be useful to prepare specific programmes of water management for industrial use on a country or subregional basis which could later be embodied into a broader-based water management plan. The involvement of many countries with common or related interests in such a programme would be welcome.

317. In the absence of additional financial resources, the secretariat could initiate a modest beginning to a programme which could consist of collecting and disseminating information on technological development in water use in certain key industries.

39/ The deliberations of the Board on agenda item 19 are reflected in ID/B/SR.299, paras. 69-72.

CHAPTER XVII

MATTERS CONCERNING INTERGOVERNMENTAL AND INTERNATIONAL NON-GOVERNMENTAL ORGANIZATIONS

318. At its 296th meeting, on 25 May, the Board began its consideration of agenda item 16. ^{40/} In its deliberations on the item, the Board had before it a note by the Executive Director containing applications from intergovernmental and international non-governmental organizations (ID/B/264 and Add.1).

A. Consideration of applications of intergovernmental organizations

319. The Board first examined the applications for association with the activities of UNIDO of two intergovernmental organizations, namely: the Central African States Development Bank and the Intergovernmental Committee for Migration.

320. At its 296th meeting, on 25 May 1981, the Board agreed to grant the Central African States Development Bank and the Intergovernmental Committee for Migration the status provided for under rule 75 of the rules of procedure.

321. At its 296th meeting, on 25 May 1981, the Board took note of the change in name of the Industrial Development Centre for Arab States to the Arab Organization for Industrial Development.

B. Consideration of applications of international non-governmental organizations

322. An ad hoc committee, composed of the members of the Bureau of the Board and the Executive Director, met on 25 May and examined the applications for consultative status with UNIDO of three non-governmental organizations, namely: the International Council of Hides, Skins and Leather Traders Associations, the International Federation of Interior Designers/Interior Architects and the World Association for Element Building and Prefabrication.

323. The ad hoc committee recommended that the Board, in accordance with its procedures for granting consultative status to international non-governmental organizations concerned with the promotion of industrial development, ^{41/} should grant consultative status to the World Association for Element Building and

^{40/} The deliberations of the Board on agenda item 16 are reflected in ID/B/SR.296, paras. 31-37.

^{41/} Official Records of the General Assembly, Twenty-third Session, Supplement No. 15 (A/7215), annex IV.

Prefabrication. The ad hoc committee also recommended that the Board should defer consideration of the application of the International Council of Hides, Skins and Leather Traders Associations, pending further information on its activities in the field of industrial development. The ad hoc committee further recommended that the Board should not accord consultative status to the International Federation of Interior Designers/Interior Architects because that Federation did not meet the criteria laid down in the Board's procedures for granting consultative status.

324. At its 296th meeting, on 25 May 1981, the Board approved the recommendation of the ad hoc committee.

325. The delegation of China noted that the World Association for Element Building and Prefabrication, which had been granted consultative status with UNIDO, listed Taiwan among its members. The delegation of China stated that Taiwan was a province of the People's Republic of China.

CHAPTER XVIII

PROVISIONAL AGENDA FOR THE SIXTEENTH SESSION OF THE INDUSTRIAL DEVELOPMENT BOARD AND FOR THE SIXTEENTH AND SEVENTEENTH SESSIONS OF THE PERMANENT COMMITTEE

326. At its 301st meeting, on 30 May 1981, the Board considered agenda item 20 ^{42/} and adopted the provisional agenda for the sixteenth session of the Industrial Development Board and for the sixteenth and seventeenth sessions of the Permanent Committee as follows:

Provisional agenda for the sixteenth session of the Industrial Development Board

1. Opening of the session.
2. Election of officers.
3. Adoption of the agenda.
4. General debate, including annual report of the Executive Director, 1981.
5. Reports of the Permanent Committee.
6. Follow-up of the decisions and recommendations of the Third General Conference of UNIDO and the decisions and recommendations of the eleventh special session of the General Assembly relevant to industrial development.
7. Industrial Development Decade for Africa.
8. Progress of industrialization of the least developed countries, including report on the Conference of Least Developed Countries.
9. System of Consultations, including the question of the rules of procedure.
10. Redeployment of industries from developed to developing countries.
11. Development and transfer of technology, including the Industrial and Technological Information Bank.
12. Fourth General Conference of UNIDO.
13. United Nations Industrial Development Fund.
14. Technical assistance to the Namibian people.

^{42/} The deliberations of the Board on agenda item 20 are reflected in ID/B/SR.301, paras. 4-7, 27-31 and 35-36.

15. Technical assistance to the Palestinian people.
16. Integration of women in development.
17. Matters concerning intergovernmental and international non-governmental organizations.
18. Provisional agenda for the seventeenth session of the Industrial Development Board and the eighteenth and nineteenth sessions of the Permanent Committee.
19. Dates and places for the seventeenth session of the Industrial Development Board and the eighteenth and nineteenth sessions of the Permanent Committee.
20. Adoption of the report of the sixteenth session.
21. Closure of the sixteenth session.

Provisional agenda for the sixteenth session
of the Permanent Committee

1. Opening of the session.
2. Adoption of the agenda.
3. Draft medium-term plan for the period 1984-1989.
4. Follow-up to the decisions and recommendations of the Third General Conference of UNIDO: International Bank for Industrial Development.
5. Co-ordination.
6. Rules of procedure of the System of Consultations.
7. Adoption of the report of the sixteenth session.
8. Closure of the sixteenth session.

Provisional agenda for the seventeenth session
of the Permanent Committee

1. Opening of the session.
2. Election of officers.
3. Adoption of the agenda.
4. Evaluation - system design.
5. Regular programme of technical co-operation.
6. Adoption of the report of the seventeenth session.
7. Closure of the seventeenth session.

CHAPTER XIX

DATES AND PLACES OF THE SIXTEENTH SESSION OF THE INDUSTRIAL DEVELOPMENT BOARD AND THE SIXTEENTH AND SEVENTEENTH SESSIONS OF THE PERMANENT COMMITTEE

327. At its 301st meeting, on 30 May, the Board considered agenda item 21. 43/

328. At its 301st meeting, on 30 May 1981, the Board decided:

(a) To hold the sixteenth session of the Board, at Vienna, from 11 to 28 May 1982;

(b) To hold the sixteenth session of the Permanent Committee, at Vienna, from 16 to 20 November 1981;

(c) To hold the seventeenth session of the Permanent Committee, at Vienna, on 10 and 11 May 1982.

CHAPTER XX

INCLUSION OF THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA AND ZIMBABWE IN LIST A AND SAINT VINCENT AND THE GRENADINES IN LIST C OF STATES ANNEXED TO GENERAL ASSEMBLY RESOLUTION 2152 (XXI)

329. At its thirty-fifth session, the General Assembly, in resolution 35/65 of 5 December 1980, decided to include the Democratic People's Republic of Korea and Zimbabwe in list A and Saint Vincent and the Grenadines in list C of the annex to its resolution 2152 (XXI) of 17 November 1966.

330. At its 300th meeting, on 29 May 1981, the Board took note of the decision of the General Assembly referred to in the preceding paragraph, in conformity with the last sentence of section II, paragraph 4, of General Assembly resolution 2152 (XXI) establishing UNIDO.

^{43/} The deliberations of the Board on agenda item 21 are reflected in ID/B/SR.301, para. 8.

CHAPTER XXI

ADOPTION OF THE REPORT OF THE FIFTEENTH SESSION

331. At its 300th meeting, on 29 May, the Board began its consideration of agenda item 22, Adoption of the report on the work of its fifteenth session. 44/

332. At the same meeting, following the adoption of document ID/B/L.256/Add.13, Technical assistance to the Palestinian people, the observer from the Palestine Liberation Organization made the following protest and requested that it be reflected in full in the report of the Board:

"I want to strongly object to the statement made by the representative of the Zionist State referring to the PLO as a terrorist organization. 45/ Israel, in fact, is based on terrorism and racism. The PLO is not a terrorist organization; it is a liberation organization and the legitimate representative of the Palestinian people. Yesterday and today, the Israeli army was again bombarding our refugee camps, schools and other objects with planes and boats. Israel hampers the industrial development of the Palestinian people and the surrounding Arab countries. In our opinion, Israel is an expansionistic and racist State. Since its foundation, it has exercised terror as its official policy means. In the Middle East, Begin is now worse than Hitler."

333. Also at the 300th meeting, the following statement was made by the observer for Israel:

"Paragraph 12 of the document we are now considering 46/ reflects a statement made on behalf of my delegation, the delegation of Israel. I want to stress the fact that my delegation assumes full responsibility for all portions of its statement, which it maintains formally, fully, without modification or reservation. In addition, I wish to protest very energetically and formally against the comments made and against any debate in this forum which is of a political nature and thus totally alien to the nature of UNIDO."

334. At the same meeting, the Board considered a draft conclusion on agenda item 18, Technical assistance to the Palestinian people, submitted by the Group of 77 (ID/B/L.266). The delegation of the United States of America requested a roll-call vote on the draft conclusion.

335. By a roll-call vote of 26 to 1, with 11 abstentions, the Board adopted the conclusion (see chap. XV, paras. 309-313). The voting was as follows:

44/ The deliberations of the Board on agenda item 22 are reflected in ID/B/SR.300, paras. 6-65, and ID/B/SR.301, paras. 9-43.

45/ See chap. XV, Technical assistance to the Palestinian people, para. 307.

46/ Ibid.

In favour: Argentina, Austria, Brazil, Burundi, China, Czechoslovakia, Ecuador, German Democratic Republic, Guinea, India, Indonesia, Iraq, Madagascar, Malaysia, Malta, Mexico, Mongolia, Nigeria, Pakistan, Panama, Poland, Romania, Trinidad and Tobago, Turkey, Union of Soviet Socialist Republics, Zambia.

Against: United States of America

Abstaining: Australia, Belgium, Denmark, France, Germany, Federal Republic of, Italy, Japan, Netherlands, Sweden, Switzerland, United Kingdom of Great Britain and Northern Ireland.

336. The delegation of the Netherlands, speaking in explanation of vote on behalf of the member States of the European Economic Community, made the following statement which it requested be recorded verbatim in the report of the Board:

"After the abstention of the member States of the European Economic Community on the vote that has just been held, I should like to recall, in this connexion the positions taken and statements made by those States in the past.

"These countries have always supported, and continue to support, the granting of technical assistance to the Palestinian people. Nevertheless, these same countries, after abstaining in the votes on the conclusions adopted by the Permanent Committee at its previous sessions, made statements, the most recent of which, that of October 1980, was as follows:

'The activities of UNIDO referred to in document ID/B/C.3/97 are based on resolutions 2026 (LXI) and 2100 (LXIII) of the Economic and Social Council.

'I should like to remind you once again that the member States of the European Communities represented in the Economic and Social Council abstained on both resolutions because they could not agree to the text of operative paragraph 2 of resolution 2026 requesting "agencies and organizations to consult and co-operate with the Palestine Liberation Organization, the representative of the Palestinian people ...".

'A similar formula appears in operative paragraph 2 of resolution 2100. Our position remains unchanged.'

"Furthermore, the member States of the European Communities, whose position remains unchanged, take the view that, as an organization specifically technical in character, UNIDO is not an appropriate forum for dealing with matters of an unquestionably political nature."

337. The delegation of the United States of America, speaking in explanation of vote, made the following statement which it requested be recorded verbatim in the report of the Board:

"As my delegation stated during the Board's deliberations on agenda item 18, the United States supports the concept of technical assistance by UNIDO to the Palestinian people. Indeed, the United States has been a major

contributor of assistance to the Palestinian people through United Nations organizations. My country does not, however, support the channelling of such assistance through the Palestine Liberation Organization. Further, as is well known, the United States does not recognize the PLO which is not a government, as the sole and legitimate representative of the Palestinian people, and therefore voted against the conclusion which has just been considered by the Board.

"My delegation cannot accept the overdrawn charges and intemperate language contained in the third paragraph of the Board's conclusion just adopted. We particularly object to the mention of a United Nations Member State by name in the conclusion just adopted because, as we have stated several times in the past, UNIDO is not a proper forum for discussions of political issues and it is clearly beyond UNIDO's mandate to condemn the action of any State for political reasons. Such condemnation contributes nothing constructive to our efforts to aid the industrialization of the developing countries."

338. The delegation of the German Democratic Republic, speaking in explanation of vote, stated that its position on the appropriateness of UNIDO's dealing with political issues such as the one in question remained unchanged.

339. The delegation of Iraq, speaking in explanation of vote on behalf of the Group of 77, requested that the following statement be recorded verbatim in the report of the Board:

"The Group, in submitting this resolution on technical assistance to the Palestinian people, stressed the fact that the PLO is the sole and legitimate representative of the Palestinian people. This is a liberation organization which has led the struggle of the Palestinian people for a long time. This Board has decided to extend technical assistance to the Palestinian people, but this has been prevented by the Israeli Government. Therefore, the Group of 77 finds it appropriate - and UNIDO can and has done it before - to condemn this act."

340. The delegation of Austria, speaking in explanation of vote, said that it had voted in favour of the draft conclusion because it was in line with the Austrian desire to contribute to the economic development of the Palestinian people. However, the delegation added, it regretted the inclusion in paragraph 311 of language which it would prefer not to see in UNIDO documents.

341. The delegation of the Union of Soviet Socialist Republics, speaking in explanation of vote, stated that it fully supported the statement made on behalf of the Group of 77 and reiterated its country's recognition of the PLO as the sole legitimate representative of the Palestinian people.

342. At its 300th meeting, the Board also considered a draft conclusion on agenda item 17, Technical assistance to the Namibian people, submitted by the Group of 77 (ID/B/L.267). The delegation of the United States of America requested a roll-call vote on the draft conclusion.

343. By a roll-call vote of 30 to none, with 8 abstentions, the Board adopted the conclusion (see chap. XIV, paras. 292 to 295). The voting was as follows:

In favour: Argentina, Australia, Austria, Brazil, Burundi, China, Czechoslovakia, Denmark, Ecuador, German Democratic Republic, Guinea, India, Indonesia, Iraq, Japan, Madagascar, Malaysia, Malta, Mexico, Mongolia, Nigeria, Pakistan, Panama, Poland, Romania, Sweden, Trinidad and Tobago, Turkey, Union of Soviet Socialist Republics, Zambia.

Abstaining: Belgium, France, Germany, Federal Republic of, Italy, Netherlands, Switzerland, United Kingdom of Great Britain and Northern Ireland, United States of America.

344. The delegation of the Netherlands, speaking in explanation of vote on behalf of the member States of EEC, said that the Ten had given technical assistance to the Namibian people and were ready to continue to do so and therefore supported in principle United Nations technical assistance activities in that field. They noted with regret, however, that SWAPO had been mentioned in the text as the sole authentic representative of the Namibian people. Namibia had the right to free and fair elections to choose its own government, and none of the participants in those elections could be designated in advance as the sole authentic representative of the Namibian people. The member States of the EEC, said the delegation, were of the opinion that UNIDO was a specifically technical body and did not provide the appropriate framework for dealing with questions of a political nature.

345. The delegation of Japan, speaking in explanation of vote, said that its country believed that the representation of the Namibian people should be decided by the Namibian people themselves, through free and fair elections. In the draft conclusion, the delegation added, there was an expression which was not compatible with the basic standpoint of Japan.

346. The delegation of Austria, speaking in explanation of vote, said that the spirit of the conclusion was in line with Austria's desire to contribute to the economic development of the people of Namibia, but that it had certain reservations as to the exact wording. In particular, paragraph 294, which singled out SWAPO as the sole authentic representative of the Namibian people, said the delegation, should not in any way prejudge the outcome of democratic elections in Namibia as envisaged by the relevant Security Council resolutions.

347. The delegation of the Federal Republic of Germany requested that the following statement be recorded verbatim:

"I should like to make a statement on behalf of Canada, France, the Federal Republic of Germany, the United Kingdom and the United States, recalling the previous declarations and positions of these countries on the subject of technical assistance to the Namibian people. They fully support the provision of technical assistance by UNIDO to the Namibian people. However as they emphasized in their previous statements, they are unable to support a form of words giving SWAPO the special status of sole authentic representative of the Namibian people. Such a statement would prejudge the outcome of free elections in Namibia to which these five countries all look forward.

"For this reason, the delegations of these five countries represented on the Board have abstained on the vote that has just taken place. Moreover, we regret that additional comments have been introduced in the conclusions this year."

348. The delegation of Australia, speaking in explanation of vote, stated that political problems should not be allowed to intrude on the substantive work of the Board and the long-standing problem of SWAPO's status was therefore more properly addressed elsewhere. Australia acknowledged the importance of SWAPO, but this was without prejudice to its reservations about deeming that organization to be the sole authentic representative of the Namibian people, since no indigenous Namibian political forces should be excluded from the constitutional process. Australia had found no problem in maintaining this position while maintaining its membership of the Council for Namibia. The delegation regretted in particular the addition to the conclusion of the language in paragraph 293. Australia, the delegation stated, maintained diplomatic relations with South Africa, as well as positions of principle on the critical humanitarian issues of southern Africa, and sought to promote those positions through its diplomatic relations.

349. The delegation of Sweden, speaking in explanation of vote, said that Sweden supported the concept of technical assistance to the Namibian people and had therefore voted in favour of the conclusion. Sweden could not agree, however, to the designation of any one organization as the sole legitimate representative of the Namibian people until free elections had been held in Namibia.

350. At its 301st meeting, on 30 May, the Board continued its consideration of agenda item 22, Adoption of the report of the fifteenth session.

351. At the same meeting, and during the adoption of the conclusion on the System of Consultations (see chap. VIII, paras. 167-178), the President proposed that the question of the adoption of the rules of procedure for the System (ID/B/258) be postponed until the sixteenth session of the Permanent Committee in November 1981, thereby allowing time for a consensus to be reached on the outstanding paragraphs 41 and 44 of the annex to document ID/B/258. The President would be prepared to guide informal consultations among the delegations on those two paragraphs and hoped to be able to submit the agreed draft rules to the Permanent Committee at its sixteenth session for approval and subsequent transmittal to the Board at its sixteenth session, in 1982.

352. The Board agreed to the above proposals by the President.

353. The delegation of the German Democratic Republic stated, in that connexion, that if a Government had a problem with the draft rules of procedure as a whole, it should have the right, as had hitherto been the case, to raise the matter so long as the complete set of rules had not been adopted.

354. The delegation of Switzerland, speaking on behalf of Group B, disagreed with that view. The Board, the delegation pointed out, had a set of rules which could have been adopted had it not been for problems with two paragraphs: it had been necessary to postpone adoption of the rules because one regional group had difficulties and to try to reach a new consensus on the understanding that the talks would be limited to the two paragraphs in question.

355. At its 301st meeting, on 30 May 1981, the Board adopted its report as a whole, it being understood that the Rapporteur, with the assistance of the "Friends of the Rapporteur", would be entrusted with the task of finalizing the report, including those sections which it was not possible to put before the Board for consideration.

356. The delegation of the German Democratic Republic, speaking on behalf of Group D, said that that Group's agreement to the adoption of the report should not be interpreted as consent to the North-South concept mentioned in a number of paragraphs in the report.

357. The delegation of Switzerland, speaking on behalf of Group B, and requesting that its statement be reflected in the Report of the Board, reiterated the concern of Group B about the one-sided way in which many of the press releases during the fifteenth sessions of the Permanent Committee and the Board had been drafted. In the interest of all members of the Organization, the delegation stressed, a certain minimum objectivity in the presentation of press releases must be maintained and the Executive Director should make the necessary arrangements to keep these points in mind in the future.

358. The delegation of Iraq, speaking on behalf of the Group of 77, said that delegations had often seen unbalanced documents. That Group was aware that the secretariat had often tried to produce balanced reports, but had been prevented from doing so by interferences and pressure of various kinds. It was in the interest of all to have balanced reports, said the delegation, but it must first be decided what was meant by "balanced".

359. The Executive Director stated in this respect that the conditions of work of the secretariat were very difficult; although it always strived to maintain an equal balance between the different views expressed, sometimes it was not possible to achieve that goal, especially in an international organization where the views were so rich and diverse. In that connexion, he noted with regret the increasingly disturbing interference of some delegations with the work of the secretariat.

CHAPTER XXII

CLOSURE OF THE FIFTEENTH SESSION

360. After statements by the President of the fifteenth session, by representatives of various geographical groups and by the Executive Director, the Board concluded its fifteenth session at 12.55 p.m. on 30 May 1981.

ANNEX I

Resolutions adopted by the Industrial Development Board
at its fifteenth session

Page

73

73

53 (XV). Special Industrial Services programme

The Industrial Development Board,

Recalling General Assembly resolution 33/78 of 15 December 1978, in which the Assembly recommended to the Governing Council of the United Nations Development Programme an appropriate increase in the annual volume of financial resources under the Special Industrial Services programme,

Recalling also the New Delhi Declaration and Plan of Action on Industrialization of Developing Countries and International Co-operation for their Industrial Development, a/ which urged a doubling of the annual level of financial resources available to the Special Industrial Services programme,

Recalling further its resolution 49 (XIV) of 19 May 1980 on the Special Industrial Services programme and reaffirming its conviction of the efficacy and usefulness of the programme in meeting the needs of developing countries,

Invites the Governing Council of the United Nations Development Programme at its next session, in June 1981, to consider measures at least to double the annual level of resources of the Special Industrial Services programme during the third country programme cycle of the United Nations Development Programme, starting in 1982.

289th plenary meeting
19 May 1981

54 (XV). Industrial Development Decade for Africa

The Industrial Development Board,

Recalling General Assembly resolution 35/66 B of 5 December 1980, which proclaimed the 1980s as the Industrial Development Decade for Africa,

Recalling also General Assembly resolution 35/64 of 5 December 1980 on special measures for the social and economic development of Africa in the 1980s,

Recalling further resolution 51 (XIV) adopted by the Industrial Development Board at its fourteenth session on 19 May 1980 on the Industrial Development Decade for Africa,

1. Declares the Industrial Development Decade for Africa to be one of the most important programmes of the United Nations Industrial Development Organization;

2. Requests the Executive Director of the United Nations Industrial Development Organization to provide adequate resources, including human resources, for the co-ordination unit for the Industrial Development Decade for Africa;

a/ ID/CONF.4/22, chap. VI.

3. Calls upon the Executive Director of the United Nations Industrial Development Organization to intensify contacts with the African States, the Executive Secretary of the Economic Commission for Africa, the Organization of African Unity and other organs, organizations and bodies of the United Nations system, in order to contribute actively to the success of the Industrial Development Decade for Africa and to report on the action taken to the Industrial Development Board at its sixteenth session;

4. Requests the General Assembly to allocate adequate financial resources to assist in the rapid industrialization of Africa, within the scope of the Lagos Plan of Action for the Implementation of the Monrovia Strategy for the Economic Development of Africa, b/ with particular reference to the least developed countries, as from the 1982-1983 biennium.

301st plenary meeting
30 May 1981

b/ See A/S-11/14, annex I.

ANNEX II

Documents submitted to the Industrial Development Board at
its fifteenth session

ID/B/249	Report of the Permanent Committee on the work of its fourteenth session
ID/B/250/Rev.2	Agenda
ID/B/251	Redeployment of industries from developed to developing countries: studies undertaken by UNIDO on international industrial restructuring
ID/B/252 and Add.1	Development and transfer of technology
ID/B/253	Technical assistance to the Namibian people
ID/B/254	Industrial Development Field Adviser programme
ID/B/255	Technical assistance to the Palestinian people
ID/B/256	Integration of women in development: UNIDO activities in 1980 designed to secure greater involvement of women in industrial development
ID/B/257	System of Consultations
ID/B/258	Draft rules of procedure for the System of Consultations
ID/B/259	Industrial and Technological Information Bank: activities undertaken in 1980 and prospects for the future
ID/B/260 and Corr.1	Annual report of the Executive Director, 1980
Add.1	Profile of UNIDO technical co-operation activities: country sheets
Add.2	Updated statistical annex
ID/B/261	Follow-up of the decisions and recommendations of the Third General Conference of UNIDO
Add.1	Energy-related industrial technology
Add.2	Special measures for the least developed countries
Add.3	Social aspects of industrialization

- Add.4 Generating additional international financial flows to industry in developing countries
- Add.5 Proposal for an industrial project preparation facility
- Add.6 Industrial Development Decade for Africa, 1980-1990: UNIDO activities related to the preparation of a programme for the implementation of the Lagos Plan of Action
- Add.7 Proposal for setting up an international bank for industrial development
- ID/B/262 Industrial water use and treatment practices
- ID/B/263/Rev.1
Add.1 and Corr.1 Interim arrangements regarding greater autonomy for UNIDO
- ID/B/264 and Add.1 Matters concerning intergovernmental and international non-governmental organizations: applications from intergovernmental and international non-governmental organizations
- ID/B/265 Follow-up of the decisions and recommendations of the eleventh special session of the General Assembly relevant to industrial development
- ID/B/266 United Nations Industrial Development Fund: Three Years of United Nations Industrial Development Fund, 1978-1980
- ID/B/267 Annotated provisional agenda
- ID/B/268 and Corr.1 Report of the Permanent Committee on the work of its fifteenth session
- * * *
- ID/B/INF.69 Advance information for participants
- ID/B/INF.70/Rev.2 List of participants
- * * *
- UNIDO/IS.214 A statistical review of the world industrial situation, 1980

كيفية الحصول على منشورات الأمم المتحدة

يمكن الحصول على منشورات الأمم المتحدة من المكتبات ودور التوزيع في جميع أنحاء العالم. استلم منها من المكتبة التي تتصل بها أو اكتب إلى: الأمم المتحدة، قسم البيع في نيويورك أو في جنيف.

如何获取联合国出版物

联合国出版物在全世界各地的书店和经售处均有发售。请向书店询问或写信到纽约或日内瓦的联合国销售组。

HOW TO OBTAIN UNITED NATIONS PUBLICATIONS

United Nations publications may be obtained from bookstores and distributors throughout the world. Consult your bookstore or write to: United Nations, Sales Section, New York or Geneva.

COMMENT SE PROCURER LES PUBLICATIONS DES NATIONS UNIES

Les publications des Nations Unies sont en vente dans les librairies et les agences dépositaires du monde entier. Informez-vous auprès de votre libraire ou adressez-vous à : Nations Unies, Section des ventes, New York ou Genève.

КАК ПОЛУЧИТЬ ИЗДАНИЯ ОРГАНИЗАЦИИ ОБЪЕДИНЕННЫХ НАЦИЙ

Издания Организации Объединенных Наций можно купить в книжных магазинах и агентствах во всех районах мира. Наводите справки об изданиях в вашем книжном магазине или пишите по адресу: Организация Объединенных Наций, Секция по продаже изданий, Нью-Йорк или Женева.

COMO CONSEGUIR PUBLICACIONES DE LAS NACIONES UNIDAS

Las publicaciones de las Naciones Unidas están en venta en librerías y casas distribuidoras en todas partes del mundo. Consulte a su librero o diríjase a: Naciones Unidas, Sección de Ventas, Nueva York o Ginebra.
