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SUMMARY RECORD OF THE 28th MEETING

Chairman: Mr. JANKOWITSCH (Austria)

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The meeting was called to order at 10.45 a.m.

AGENDA ITEM 59: UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION (continued)  
(A/32/3, A/32/61, A/32/182, A/32/232)

(a) REPORT OF THE INDUSTRIAL DEVELOPMENT BOARD (continued) (A/32/16)

(b) REPORT OF THE EXECUTIVE DIRECTOR (continued) (A/32/118)

1. Mr. DELIVANIS (Greece) recalled that four years previously his delegation had stressed that UNIDO activities should not only promote the progress of industry but should also secure markets for the developing countries' manufactured products. Industrialization was not an end in itself but a way of improving living conditions, particularly those of the inhabitants of the less developed countries. In that connexion, there had been no satisfactory developments since that time.

2. His delegation welcomed the reorganization of the UNIDO secretariat, which had rationalized its operation. The reorganization had taken place at the most appropriate time, when it had been impossible to increase UNIDO resources, mainly because of the financial difficulties of the United Nations Development Programme. However, the lack of resources had resulted in more intensive work by the available staff and had obliged UNIDO to concentrate on the most important projects.

3. UNIDO must avoid any wastage of resources, even if that delayed the implementation of certain measures. For that reason, the control of expenses was required, but it had to be carried out quickly and in good faith. The Greek delegation agreed with the Executive Director that the quality of the work done by the secretariat had been improved as a result of bringing under one roof the technological and economic units and also the units concerned with the recruitment of project personnel, procurement of equipment and contractual services, and as a result of the creation of a separate section for industrial training.

4. In addition, the special measures taken by the Executive Director to enable UNIDO to intensify its operational activities (A/32/118, para. 9) showed that the Organization was adopting a more rational approach to problems which helped to avoid waste both in the countries concerned and in the institutions concerned with financing, counselling and supervising.

5. His delegation was in full agreement with the preference given to short-term projects. It also favoured the establishment in developing countries of industries for the local processing of raw materials, provided that such processing was not too expensive, did not harm the environment and was not too slow. It wondered, however, whether it was appropriate for UNIDO to recommend the development of iron and steel industry in every developing country, when the world production capacity in that sector was already too high. There were other areas in which the addition of plants would be welcome, both for the country concerned and for the world economy.

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(Mr. Delivanis, Greece)

6. The Greek delegation welcomed the special attention paid by UNIDO to land-locked and island countries, and to the strengthening of regional collaboration among developing countries. The developing countries should be encouraged to follow the example of other countries in the same group, provided that there were certain similarities between the countries' economic and social situation, population density and climate; that was perhaps not true in the case of India and the Andean countries - the example of collaboration mentioned by the Executive Director.
7. It was right that UNIDO should use consultants and services outside the United Nations system, as well as universities and research institutes in those developing countries where new industries were planned. That practice was beneficial both to UNIDO and to the institutions concerned.
8. In collaboration with UNCTAD, UNIDO should channel orders for manufactures exclusively to developing countries whose per capita income did not exceed \$US 1,500. Those manufactures would be paid for with part of the foreign aid placed at the disposal of every less developed country. They would then be sold at low prices to those in need and the proceeds should be used for supplementary public investments in the countries concerned.
9. In conclusion, his delegation stressed that UNIDO would be in an even better position to perform its functions when it was given increased financial support. Greece, for its part, had made a contribution of \$US 9,000 to UNIDO in 1977 and planned to contribute \$10,000 in 1978.
10. Mr. SMALL (Canada) said that, because of its relatively recent experience in industrialization and its present efforts to alleviate regional disparities domestically, Canada understood the importance and the difficulties of industrial development. In that context, it had placed particular emphasis on the development of the capacity to transform industrial raw materials into semi-processed and processed goods. It therefore appreciated the priority which developing countries that were producers of raw materials were attaching to the development of an upgrading capacity for the more effective use of their manpower and other resources and the stabilization of their export revenues. In that connexion, Canada was committed to assisting international and individual industrialization efforts by the developing countries in order to improve their terms of trade and thus reduce disparities in income between States.
11. The United Nations Conference on Science and Technology for Development and the drafting of an international code of conduct for the transfer of technology would promote industrialization. His delegation believed that UNIDO should play a key role within the United Nations system in the promotion of industrial development and it was glad to note that, since its Second General Conference, UNIDO had become increasingly active.
12. Canada had been taking part in the sectoral consultations organized by UNIDO and had had the privilege of hosting a UNIDO investment promotion meeting for the wood-processing industries of developing countries. Although the efforts of the

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(Mr. Small, Canada)

Canadian International Development Agency related principally to agriculture, the Agency was considering an industrial co-operation programme in which it would work closely with UNIDO.

13. Canada was taking an active part in the work of the intergovernmental committee drafting of a new constitution for UNIDO. It hoped that progress would be made in the coming round of negotiations and that the new constitution would attract the unqualified support of all Member States.

14. Mr. MUTATI (Zaire) welcomed the efforts made by UNIDO since the thirty-first session of the General Assembly. It was to be hoped that the member Governments of UNIDO would emulate that positive action, with the aim of accelerating the introduction in the industrial sector of the new international economic order. If UNIDO was to live up to the hopes of the world community, it must be given adequate financing and a new organic structure which would endow it with the necessary autonomy and flexibility. It would then be able to perform its new role of promoting effective industrialization in which the developing countries would be able to process their raw materials and participate equitably in the industrialization of the world. That global objective had been reaffirmed by the developing countries at numerous international gatherings and in particular in General Assembly resolution 3362 (S-VII).

15. A study of the progress made in the implementation of the Lima Declaration and Plan of Action and of the decisions and recommendations on industrial development adopted by the General Assembly at its seventh special session indicated that a huge amount of work had been done in the UNIDO secretariat, despite the shortage of financial and human resources. It could be seen from the report of the Industrial Development Board on the work of its eleventh session (A/32/16) that in 1976 technical assistance had increased only in monetary terms and not in real terms, but that it had shown a qualitative and quantitative improvement, that co-operation agreements had been concluded between UNIDO and other United Nations bodies, that an Advisory Committee on Co-ordination in the Field of Industrial Development had been established and that a unit to evaluate efforts on behalf of the least developed countries had been set up within the Division of Policy Co-ordination.

16. His delegation agreed that it was necessary to reorganize the secretariat of UNIDO in order to separate the functions of research, implementation and programme formulation. UNIDO should be able to benefit from outside experience and to make the best use of its own financial and intellectual resources. The Zairian delegation had welcomed the meeting of eminent persons convened by UNIDO in 1976 to lay the foundations for the joint study which UNIDO was to conduct in accordance with the decisions of the Second General Conference. It also welcomed the proposal for the establishment of an industrial and technological information bank, as well as the contents of the Executive Director's report on the strengthening of operational activities (A/32/118).

17. At the government level, there was a regrettable lack of definite commitments regarding action recommended by the General Assembly, in particular in its resolution 3362 (S-VII). For example, the UNIDO secretariat had received from Governments and international organizations only a limited number of communications concerning the measures taken to implement the Lima Declaration and Plan of Action -

(Mr. Mutati, Zaire)

communications which were to enable UNIDO to evaluate the results of the efforts to establish a new economic order. In addition, the redeployment of industries from the developed to the developing countries was encountering resistance of a social and legal nature, apparently connected with the excessively liberal options of certain régimes and with the social and political consequences which might allegedly result from accelerated redeployment of certain industrial activities. The reservations voiced about the proposed studies to identify entire industrial sectors to be subjected to accelerated redeployment were revealing in that connexion (A/32/16, para. 170).

18. The lack of commitment among Governments was evident in the negotiations on the new constitution for UNIDO. The Committee to Draw Up a Constitution for UNIDO as a Specialized Agency had held five sessions without reaching agreement on the text to be submitted to a conference of plenipotentiaries. Developed and developing members of the Committee were divided by wide differences of opinion concerning, first, the preamble, and the objectives and functions of the Organization; secondly, the definition of the budget, the size and composition of organs, and decision-making procedures; and, thirdly, the question of amendments to the constitution and the settlement of disputes. Those were substantive questions which had always been a subject of disagreement between developed and developing countries, and the Governments concerned would therefore have to demonstrate great political willingness to overcome those differences. For under-developed countries such as Zaire, however, the reforming of UNIDO was part of the effort to establish a new international economic order and was linked with the need for full representation of the developing countries within the new UNIDO. For that reason, the purpose of the resistance he had mentioned seemed to be the maintenance by the industrialized countries of the status quo, in other words, of the old economic order.

19. With regard to the forthcoming Pledging Conference for the United Nations Industrial Development Fund, he pointed out that the desirable funding level had been set at \$US 50 million. It was to be hoped that Member States would show goodwill so that that Fund would no longer be a project, but a reality.

20. His delegation was gratified by the arrangements made by UNIDO to hold consultative meetings in 1977 on the world situation of the leather and leather-products industry and the vegetable oils industry, in accordance with the decisions of the second General Conference. Those consultations between developed and developing countries, on the one hand, and among developing countries themselves, on the other hand, should facilitate the achievement of the under-developed countries' industrialization goals.

21. It was by such efforts that the target embodied in the Lima Declaration and Plan of Action of raising the developing countries' share of world industrial production to 25 per cent by the year 2000, could be expected to be achieved. Such a requirement was part of the phenomenon of the speeding up of history. Since the end of the Second World War many peoples had acceded to independence and by the end of the century not a single State would be politically dependent on another. However, generalized independence was not sufficient in itself. It had to become possible to complement it by a generalized industrial revolution.

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22. Mr. BOTERO (Colombia) said that, for the reasons his delegation had explained during the general debate (A/C.2/32/SR.7), it had reservations concerning paragraphs 27, 49 and 123 of the report of the Industrial Development Board (A/32/16), dealing with preferential treatment for the least developed countries.

23. With regard to the setting up of a technological information network, his country was grateful to UNIDO for having dispatched a mission to assess its information needs and study the role that the network might play in Colombia. That mission had aroused great interest in the government departments concerned.

24. In that connexion, the industrial and technological information bank could contribute to the efficacy of the network in co-ordination with the information systems of other United Nations bodies. In his delegation's view, a technological data collection system should take account of at least the following factors: identification of the requirements to be met, co-ordination of the information systems of all the organizations, and data evaluation. However, the last element did not seem to have received sufficient attention from the UNIDO secretariat and the proposed information bank could contribute to that evaluation function.

25. Mr. DEMIN (Byelorussian Soviet Socialist Republic) said that the United Nations Industrial Development Organization was called upon to play a primary role in the establishment of just and mutually advantageous co-operation among States in industrial matters. Such co-operation was enormously important for improving and restructuring international economic relations. The old international economic order, dating from the era of imperialism and colonialism, was no longer compatible with the situation prevailing in most countries. That disparity was all the more striking in that détente had created the necessary conditions for solving international economic problems in the interests of all mankind.

26. UNIDO was playing a useful role in that process because it helped the developing countries to fight for their economic and social progress and to overcome their economic backwardness. Constructive joint action by the socialist and developing countries had led to a realization that national industrial development was essential for the economic independence of States, for raising levels of living and for the restructuring of international economic relations.

27. However, UNIDO had not exhausted all the means of action available to it. It should endeavour to give more help to developing countries struggling to liberate themselves from exploitation by foreign capital and transnational corporations. It could do a great deal to advance industrial development, particularly to develop integrated national industry, strengthen the public and co-operative sectors, introduce scientific planning, ensure the participation of the people in industrialization and promote co-operation among developing countries. It should also give greater importance to the social aspects of industrialization, because unless industrialization was accompanied by economic and social reforms, it would lead to the exploitation of workers and to a decline in the level of living. In that connexion, UNIDO should take advantage of the experience of countries that had managed to develop their economies at a steady pace and to avoid unemployment, inflation and other adverse factors.

(Mr. Demin, Byelorussian SSR)

28. UNIDO should, moreover, co-ordinate all the industrial development activities of the United Nations system. It had not yet done so, although the necessary means were available to it. It was high time that UNIDO became the chief executing agency for industrial projects. Furthermore, the new constitution should lead to more effective co-ordination and reaffirm the universality of UNIDO; it should reaffirm certain principles enunciated in other documents, such as the connexion between peace, security, disarmament and social and economic development, the elimination of imperialism, neo-colonialism, apartheid and racial discrimination, and the right to nationalization and to sovereignty over natural resources. The constitution should also reaffirm the principle that the United Nations Industrial Development Fund was to be financed by voluntary contributions.

29. The activities of UNIDO should be guided chiefly by the need to strengthen the industrialization of developing countries as a means of ensuring their independence and helping them to overcome their economic backwardness. That goal would not be achieved if it continued to execute programmes that increased the dependence of those countries on the capitalist economies. Moreover, it should be noted that industrial projects represented a very small part of the United Nations system's technical assistance. UNIDO should improve the quality of its research and the preparation of development programmes and projects.

30. His delegation sympathized with the developing countries' desire for industrialization. Its own experience since the 1917 revolution demonstrated the importance of that process. Before 1917 his country had been extremely backward from the economic point of view, but thanks to the introduction of a socialist system and to a range of social and economic reforms, it had been able to expand its productive forces and its industrial production considerably. Moreover, it was exporting to 90 countries, including a large number of developing countries. His country's economy had made further progress in 1977, so that it had been able to meet the commitments it had undertaken in connexion with the celebration of the sixtieth anniversary of the October Revolution.

31. In order to accelerate their industrial development, the developing countries should rely primarily on their own resources, but they should also receive external economic assistance, provided it was compatible with their national development objectives. The legitimate demands of the developing countries with regard to increasing the transfer of real resources, reducing the profits made by capitalist economies and reducing expenditure on arms, should be satisfied.

32. Like other United Nations agencies, UNIDO should endeavour to bring about the restructuring of international economic relations on a democratic basis and in the interest of all peoples, thereby strengthening international peace and security.

33. Mr. SATTAR (Pakistan) said that UNIDO deserved to be complimented on its expeditious arrangements for the first consultation meetings on iron and steel industries and fertilizers and on its preparations for other similar meetings in two priority sectors, the leather and vegetable oil industries. Those

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(Mr. Sattar, Pakistan)

consultations would undoubtedly be useful, but they would have to be differently orientated if more substantial results were to be achieved. In particular, more attention should be given to problems of financing new industries in developing countries, investment guarantees, training of personnel and the redeployment of industry.

34. Research, studies, seminars and consultations could not be an end in themselves. The time had come for UNIDO to shift its energies mainly to concrete, action-oriented programmes that were directly related to the establishment, expansion and improvement of industries in the developing countries.

35. The Industrial Development Board was apparently having some difficulty in increasing its operational activities because of a lack of resources and a lack of authority.

36. With regard to financial resources, it was to be hoped that the United Nations Industrial Development Fund would enable UNIDO to participate in the implementation of the Declaration and the Programme of Action on the Establishment of a New International Economic Order and of General Assembly resolution 3362 (S-VII). The Fund should also enable UNIDO to implement the recommendations of the Ad Hoc Committee on a Long-Range Strategy for UNIDO, to intensify its activities relating to the development and transfer of technology, to implement field projects and to promote co-operation among developing countries and between the latter and the industrialized countries.

37. The Industrial Development Fund would obviously have to have the necessary resources if it was to carry out that ambitious programme. The Paris Conference on International Economic Co-operation had unanimously agreed that a desirable level of funding would be \$50 million a year. Although not very large when one considered how many developing countries required UNIDO assistance, that sum would nevertheless represent a substantial improvement over the existing situation. It was therefore to be hoped that numerous countries, and particularly those which had participated in the Paris Conference, would announce pledges at the first Pledging Conference for the Fund, which was to be held very soon.

38. Although UNIDO must have sufficient financial resources if it was to contribute to the industrialization of the developing countries, it was equally important for it to be strengthened institutionally, since responsibility went hand in hand with authority. Prompt action must therefore be taken to convert UNIDO into a specialized agency. Despite the progress that had been made, the UNIDO Constitution Committee had been unable, during the five sessions it had already held, to resolve all the outstanding questions, with the result that the Industrial Development Board had recommended the convening of a plenipotentiary conference during the second half of 1977. The Economic and Social Council, however, feeling that the General Assembly should first undertake consideration of the outstanding problems, had recommended that the conference be postponed until the early part of 1978. The conversion of UNIDO into a specialized agency was too important a

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(Mr. Sattar, Pakistan)

decision to be postponed, and it was therefore to be hoped that the Committee and the General Assembly would be able to take decisions which would impel UNIDO in the right direction.

39. The regular UNIDO budget was already about \$25 million a year. The industrialized countries, no less than the developing countries, had a stake in the purposeful use of their obligatory contributions and in enhancing UNIDO's capacity to serve its members.

40. Mr. GERBASI (Venezuela) noted with satisfaction that substantial progress had been made at the eleventh session of the Industrial Development Board in giving effect to the principles of the Lima Declaration and Plan of Action. The continuation of that positive trend would call for a broad process of international co-operation, in which the industrialized countries must demonstrate the political will to take comprehensive action.

41. The General Assembly must take a decision at its thirty-second session on convening a plenipotentiary conference to adopt a constitution converting UNIDO into a specialized agency. That conversion would help to strengthen the Organization's co-ordinating role, and for that purpose UNIDO would have to enter into closer co-operation with other United Nations bodies, particularly UNCTAD. The fact that there were still some unresolved questions regarding the draft constitution must not be used as a pretext for postponing the convening of the conference; on the contrary, it was at the plenipotentiary level that disagreements could most easily be reduced, and his delegation therefore felt that a decision should be taken to convene the conference early in 1978, to organize its work in detailed fashion and to provide for the conference to be of sufficient duration.

42. He was pleased that at its eleventh session the Industrial Development Board had taken up the question of the redeployment of industries from developed to developing countries. Such redeployment had been taking place for several years, but no governmental machinery had been set up for obtaining the greatest possible benefit from that process for the world economy, particularly the economies of the host countries, i.e. the developing countries. However, the latter had not taken a passive attitude. The countries of the Andean Pact, for example, had adopted rules designed to ensure that the process of industrial redeployment was in keeping, to the greatest possible extent, with the nature of their economies and of their development priorities.

43. His delegation was convinced, however, that the redeployment of industries must reflect a government policy worked out between the countries of origin and the recipient countries. To that end, consideration of the matter in UNIDO should be closely linked with the system of consultations set up at the government level with a view to working towards the objective set in the Lima Declaration and Plan of Action, i.e., to ensure that the developing countries accounted for 25 per cent of world industrial production by the year 2000.

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(Mr. Gerbasi, Venezuela)

44. His delegation supported the decisions adopted at the eleventh session of the Industrial Development Board, particularly those relating to international co-operation in the matter of the transfer of technology; it wished to express warm appreciation to the Indian Government for its offer to act as host to the Third General Conference of UNIDO.

45. Mr. MUNGAI (Kenya) said that the reports submitted to the Committee attested to the tremendous effort which the Executive Director of UNIDO and his staff had made to ensure the implementation of the decisions and recommendations of the Second General Conference of UNIDO and of those recommendations of the seventh special session of the General Assembly which were relevant to industrial development; those efforts were particularly commendable when one considered the budgetary and administrative constraints under which the UNIDO secretariat had to operate.

46. Much had been said during the general debate about the major trade and monetary problems facing the developing countries. In fact, those countries' problems covered a much wider spectrum, especially when the process of development was viewed in its totality. His own country, for example, was trying to build a more balanced economy, and industrial production was one of the key objectives of its development strategy.

47. His Government had therefore followed with special interest the efforts of the Executive Director of UNIDO and of the Industrial Development Board to attain one of the main targets of the Lima Conference, namely to increase the developing countries' share in world industrial output from 7 per cent to at least 25 per cent by the year 2000.

48. The results of the first consultation meetings on the iron and steel industry and the fertilizer industry were satisfactory, and it was to be hoped that the organization of similar meetings on other industrial sectors would lead to specific investment decisions by the developed countries. In that connexion, the proposal to include in the consultations the discussion of such issues as finance, investment guarantees and the training of industrial manpower was very welcome since it would go a long way towards broadening and strengthening that vital form of international industrial co-operation. Since agriculture constituted the backbone of the economy of most developing countries, it would, however, be desirable for as many agro-based industries as possible to be included in the next series of consultation meetings.

49. With regard to the redeployment of industries to the developing countries, his Government awaited with great anticipation the study called for in General Assembly resolution 31/163 on identification of the specific industries and sectors of industries which would be amenable to accelerated redeployment to developing countries in the context of section IV, paragraph 2, of General Assembly resolution 3362 (S-VII).

50. His delegation was gratified at the efforts which UNIDO had been devoting to the question of the transfer of technology. The developing countries urgently

(Mr. Mungai, Kenya)

needed industrial technology that was adapted to their special situations and that struck a balance between considerations of production efficiency, on the one hand, and of employment generation, on the other hand. The adoption of the co-operative programme of action on appropriate industrial technology and the establishment, as a pilot project, of an industrial and technological information bank represented two major UNIDO initiatives in that regard.

51. With regard to the strengthening of UNIDO's operational activities, it was disturbing to note that the proposed programme budget for 1978-1979 showed a disequilibrium in that the funds allocated for administration and industrial studies were considerably higher than those allocated for operational activities. With particular reference to the industrial development field advisers programme, his delegation was inclined to favour the suggestion that resources should be reallocated within the regular budget in order to finance some adviser posts in addition to those already being financed by UNDP. However, his delegation reserved its position pending submission of the Executive Director's report on his consultations with the Administrator of UNDP.

52. The fact that UNIDO's failure to expand its operational activities was largely due to financial difficulties provided further evidence of the need for the immediate transformation of UNIDO into a specialized agency so that it would no longer be dependent on factors over which it had no control.

53. It was therefore to be hoped that the plenipotentiary Conference to be convened at the beginning of 1978 would be able to settle all outstanding questions and that a constitution could be adopted for UNIDO, so that it could perform its task more effectively.

54. In the meantime his delegation would appeal to all Member States to contribute generously to the United Nations Industrial Development Fund at the forthcoming pledging conference.

55. Mr. KOLEV (Bulgaria) said that industrialization was an essential factor in the development of the national economy, particularly in the case of the newly developing countries, and a guarantee of the political and economic independence of each State. For that reason, after the October Revolution the young Soviet State had concentrated on electrification and industrialization, which had enabled it to become a highly industrialized country with an enormous economic, scientific and technological potential.

56. In a very short time, the People's Republic of Bulgaria had managed to overcome the economic under-development inherited from foreign domination, and had set itself the task of building an advanced socialist society. It therefore fully understood the problems that were now confronting the developing countries in the fields of economic development, and particularly industrial development. The progress which it had made in that respect could be judged from the fact that industry had accounted for 82 per cent of the gross national product in 1975, as compared with only 20 per cent in 1944. On the basis of its own experience and its

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(Mr. Kolev, Bulgaria)

policy of support and assistance for the developing countries in their struggle for political and economic independence, the People's Republic of Bulgaria attached great importance to UNIDO's activities as a co-ordinator and catalyst in the field of international industrial co-operation within the United Nations system. It believed that industrialization was one of the basic elements in the new international economic order.

57. His delegation was pleased to note, from the report of the Industrial Development Board on the work of its eleventh session, that UNIDO's efforts to become a forum for conducting international negotiations and consultations on definite issues connected with international co-operation in the field of industrial development had had good results.

58. The approach adopted by the UNIDO secretariat to the restructuring process, with a view to transforming UNIDO into a more efficient institution, had his delegation's support. It would hardly be advisable, however, to carry out any further restructuring of UNIDO while it was still in the process of becoming a specialized agency. It must first of all implement the immediate tasks confronting it, by rendering assistance to developing countries and strengthening international co-operation in the field of industrial development. In that connexion his delegation assessed positively the joint research done by UNIDO on international co-operation in the field of industrial development and hoped that, in that work, account would be taken of the experience of all regions and countries, including the experience of the countries of the Council for Mutual Economic Assistance.

59. The activities of the International Centre for Industrial Research corresponded, in general, to the tasks set in the Lima Declaration and Plan of Action. However, efforts should be made to elaborate a more realistic plan for scientific research, which would be practically orientated and consistent, and make the most of the available financial and labour resources of the Centre.

60. His delegation supported the activities carried out by UNIDO to promote co-ordination among the competent international and national organs with a view to providing the developing countries with the scientific and technical information necessary to strengthen their industrial and technological potential. UNIDO could thus take an active part in the preparations for the United Nations Conference on Science and Technology for Development and in the preparations for the United Nations Conference on Technical Co-operation among Developing Countries.

61. The People's Republic of Bulgaria had always endeavoured to maintain active co-operation with UNIDO, and that co-operation had been expanding at an accelerated rate in recent years. For example, as a follow-up to the meetings held at Sofia in 1975 and 1976, a third round-table meeting at the ministerial level would take place in the autumn of 1978 and would be devoted to problems of industrial co-operation among the socialist and developing countries. Furthermore, the first international conference of UNIDO national committees had been held at Sofia in May of 1977. In connexion with that co-operation, mention should also be made of the joint programme for international co-operation in the field of the metal-processing industry, the elaboration of a programme in the field of industrial

(Mr. Kolev, Bulgaria)

co-operatives, which should become operational by the end of the current year and the joint centre for co-operation, established by the Bulgarian Government and the UNIDO secretariat with a view to improving the organization, co-ordination and planning of their co-operation.

62. Within the scope of its possibilities, the People's Republic of Bulgaria was also helping a number of developing countries to build up their national industry, by providing them with technology, particularly for the execution of industrial and agricultural products, by increasing its imports of industrial goods from the developing countries, by sending Bulgarian specialists to such countries and by training hundreds of young people from developing countries in Bulgaria.

63. The Bulgarian Government continued to attach primary importance to the accelerated development of Bulgarian industry, as could be seen from the seventh five-year plan, one of whose objectives was to satisfy the material and cultural needs of the people to an even greater degree by ensuring dynamic and balanced development of the national economy through rapidly increasing labour productivity, efficiency and quality. In order to achieve that aim, the Government was also planning to expand and intensify the process of integration within the framework of the Council for Mutual Economic Assistance and, first and foremost, to expand co-operation with the Soviet Union and the other socialist countries.

64. However, the success of the activities undertaken by all countries in the field of economic development would depend mainly on the state of the international political situation and on the establishment of lasting international peace and security. The People's Republic of Bulgaria had always been in favour of expanding and deepening the process of détente, of halting the armaments race and of disarmament. It therefore strongly supported the new Soviet initiative taken at the present session of the General Assembly, which represented a new contribution to the establishment of lasting peace in the world.

65. In conclusion, he reiterated his conviction that UNIDO could and should find its place in the process of reconstruction of international relations as a whole, including international economic relations.

66. Mr. HERRERA VEGAS (Argentina) said that, judging from the experimental phase, the system of consultations devised with a view to increasing the participation of the developing countries in world industrial production seemed to be a very useful working tool. His delegation would follow with keen interest the preparations for the forthcoming consultation meetings for the leather and leather products industry, and vegetable oils and fats industry. That mechanism, and particularly the sectoral consultations which had already started, and the regional consultations that would take place in the future, would enable a pragmatic approach to be taken.

67. On the other hand, consultations at the global level, particularly concerning financing, investment guarantees and industrial manpower training, should be approached with circumspection, as the danger of duplication of the work of other United Nations agencies was a very real one.

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(Mr. Herrera Vegas, Argentina)

68. To ensure that the consultations were held on a practical level, Argentina had sent to the consultation meetings delegations composed both of government representatives and representatives of the private sector. In any case, the results of the consultations would ultimately be considered by the Industrial Development Board, which consisted of representatives of Governments.

69. The notion of redeployment of industries lent itself to varying interpretations, and should therefore be clarified so as to provide guidance for the Executive Director in preparing the report that he would submit to the General Assembly at its thirty-third session. Redeployment would be beneficial to the entire international community, and not merely to the developing countries, if it was viewed as a reflection of government policy and the outcome of a sincere will to help to distribute industrial capacity in accordance with the principles of the new international economic order.

70. His delegation felt that the United Nations Industrial Development Fund was a useful means of attaining the objectives set at Lima, and it was therefore pleased to note that a target of \$50 million had been set as the desirable level for the Fund. It also noted with satisfaction that the industrial and technological information bank would become operational through a pilot project, so that there was reason to hope for a good outcome for the system of consultations and, in general, for the problem of the transfer of technology, as the bank would provide supporting services for those two mechanisms.

71. Argentina, which was keenly interested in the question of technical co-operation among developing countries, welcomed the activities that were being carried out by UNIDO to promote that type of co-operation. It was sure that by implementing resolution 47 (XI) on international co-operation in the transfer of technology, UNIDO would make a valuable contribution to the success of the Conference on Technical Co-operation among Developing Countries, to be held at Buenos Aires in 1978.

72. Lastly, with regard to the conversion of UNIDO into a specialized agency, his delegation was aware of the efforts that had been made to draw up a constitution for UNIDO, but pointed out that there must be a clear political will on the part of all concerned to arrive at an agreement, so that the Conference of Plenipotentiaries could accomplish its task. There was reason to fear that any further delay in that area might seriously jeopardize UNIDO's capacity to discharge its responsibilities towards the developing countries. It should be borne in mind that industrialization was the corner-stone of development.

73. Mr. WOLTE (Austria) noted with satisfaction that the Committee to Draw Up a Constitution for UNIDO as a Specialized Agency had made good progress with its work; it therefore seemed necessary to proceed to the final stage. His delegation welcomed the convening of a conference of plenipotentiaries early in 1978 and felt that the results obtained should serve as the basis for a solution accepted by all the groups concerned.

(Mr. Wolte, Austria)

74. The establishment of a system of consultations was likewise aimed at reorienting the work of UNIDO so as to make it more responsive to the current and future requirements of international co-operation. The initial series of consultations showed the advantage of that method, which made it possible to present a broad and coherent picture of the sectors under study which was in turn very useful both to industry and to Governments. An initial detailed evaluation of the consultations on the basis of the experience acquired would be one of the primary tasks of the Third General Conference. His delegation had no difficulty in joining the consensus on pursuing the consultations because it felt that it would be useful to organize an additional series of consultations so as to be able to evaluate them in a well-informed manner.

75. A central theme of UNIDO's work was the transfer of industrial technology. In that connexion the Board, at its eleventh session, had adopted resolution 47 defining UNIDO's role in that sector, established an industrial and technological information bank and launched a co-operative programme of action relating to industrial technology. Austria, convinced of the need for a system of industrial development field advisers, lent assistance to UNIDO, particularly within the UNDP Governing Council, with a view to drawing closer to the established goal. It had decided to finance the appointment of an industrial development field adviser.

76. It was gratifying to note that the Industrial Development Board had authorized the Executive Director to convene the first Pledging Conference in 1977 and that it had also suggested approximately \$50 million as a desirable amount for the United Nations Industrial Development Fund. UNIDO was faced with large-scale projects which required urgent action, and therefore must be given the means which would enable it to act. Austria contributed annually to UNIDO's work - in 1977 its contribution had amounted to \$150,000 - and it intended to continue that policy in connexion with the new Fund. Furthermore, seminars and training programmes were organized jointly by UNIDO and Austria.

77. As to the preparation of the Third General Conference of UNIDO, his delegation agreed that the joint study on international co-operation in the industrial field could be an important contribution to the deliberations of the Conference. Furthermore, it was convinced that in view of its mandate and the specialized knowledge available to it, UNIDO would play a very active role in the preparation for, and the work of, the Conference on Science and Technology for Development.

78. Through the expansion which it had undergone since its establishment and the instruments at its disposal, especially the system of consultations, UNIDO had laid the groundwork which would enable it to fulfil its mandate and contribute to the establishment of a new international economic order.

79. Mr. BERG (Norway) observed that after a series of debates in many forums to define the questions involved, the international community had embarked upon the process of implementing the decisions of the Lima Conference and of the seventh special session of the General Assembly.

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(Mr. Berg, Norway)

80. His Government had already taken a number of steps which it hoped would help the developing countries to increase their share in total industrial production and to gain easier access to the markets of the industrialized countries. Specifically, it had extended the system of generalized tariff preferences by including additional products and by exempting all the products of the least developed countries from all duties. It had also established an advisory agency which provided practical guidance to exporters from developing countries wishing to enter the Norwegian market.

81. Nevertheless, the action of a single country, especially a small one like Norway, was limited, and concerted action had to be taken by the developed countries to ensure that the fruits of such a national restructuring process really benefited the developing countries.

82. In light of the concern to see that UNIDO was able to continue to carry out its task efficiently, and especially to implement the Lima Declaration and Plan of Action, it was to be hoped that all parties would do their utmost to agree on a new constitution for UNIDO as a specialized agency. New delays should be avoided in order to ensure the best preparation for the Third General Conference.

83. His Government wished to congratulate the UNIDO secretariat on the way in which it had organized the first two series of consultations. It was satisfied with the results of those two meetings, the objectives of which seemed realistic. The Norwegian delegation at those consultations had been composed of representatives of Government, industry and labour. As to the status of those consultations, he felt that a pragmatic approach to the problem should be adopted, particularly during the experimental phase. He stressed the usefulness of the consultations, which made possible a free exchange of information between industry, labour and consumers, and attached particular importance to the consultations on agro-based industries which would take place in 1978 and 1979.

84. His delegation thanked the Indian Government for its offer to host the Third UNIDO General Conference in 1979. That Conference would make it possible to evaluate the implementation of the Lima Declaration and Plan of Action and to analyse possibilities and priorities for action on the basis of acquired experience. The results of the Conference would also be very useful in the elaboration of the new development strategy.

85. Mr. VAN TOOREN (Netherlands) stressed the importance of the system of consultations which the Industrial Development Board was trying to develop and which could help to promote investments in the developing countries. During the first two consultation meetings on iron and steel and on fertilizers, his delegation had included representatives of both employers and labour unions. That approach seemed necessary when real restructuring of productive capacities was intended. Such restructuring would succeed only if appropriate redeployment policies were developed and implemented with the participation and co-operation of all involved.

86. In order to organize future consultation meetings, it would be desirable to

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(Mr. Van Tooren, Netherlands)

start by defining clear criteria for the selection of the sectors with which the consultations should deal. Furthermore, it was the task of the General Assembly to give the Board guidelines in that connexion. It would be appropriate, for example, to choose industries which could be established in rural areas, which were viable for small-scale production and were based on the use of local resources by local manpower. Beyond that, those industries should promote mass participation in the development process and thus contribute to meeting basic needs. Finally, the sectors selected should be important to as large a number of developing countries as possible.

87. As to the transfer of technology, his delegation welcomed resolution 47 (XI), which defined UNIDO's role in that field. He stressed that UNIDO must co-operate closely with other relevant organizations of the United Nations system. Similarly, the industrial and technological information bank must be perceived as one of the components of an international network for the exchange of technological information and must operate in close co-operation with other institutions and organizations, especially at the regional level.

88. While recognizing that it was necessary to strengthen UNIDO's operational activities, his delegation felt that it was better to treat that matter within the over-all context of the operational activities of the United Nations system.

89. For that very reason his Government would refrain from contributing to the United Nations Industrial Development Fund. It wanted all the resources which it provided for multilateral technical assistance to be channelled through UNDP so as to be sure that the available resources would be distributed to the recipient countries according to an objective system and that the implementation of industrial projects would be part of the entire national programme of each country.

90. At its twenty-fourth session, the UNDP Governing Council had approved a proposal to increase the number of industrial development field advisers to 36, on the understanding that the six additional posts for 1978 would be allocated to the least developed countries. However, the UNDP Governing Council, before taking any further action on the matter, had insisted on the preparation of a study on sectoral support to UNDP resident representatives which would also deal with recourse to alternative methods of financing industrial development field adviser posts. His delegation looked forward to that report.

The meeting rose at 1.10 p.m.