



Eighteenth session  
Agenda item 33 (b)

ECONOMIC DEVELOPMENT OF UNDER-DEVELOPED COUNTRIES

ACTIVITIES OF THE UNITED NATIONS FAMILY  
IN THE FIELD OF INDUSTRIAL DEVELOPMENT

Note by the Executive Chairman of the Technical Assistance Board  
on resources devoted to industrial development under the Expanded  
Programme of Technical Assistance

1. "Industrial production" in its narrower sense has been one of the headings in the traditional classification used by the Technical Assistance Board (TAB) for grouping the activities under the Expanded Programme of Technical Assistance (EPTA) into general fields of activity as follows:<sup>1/</sup>

- I. Assisting Governments with the formulation and implementation of development plans - basic surveys of resources and building up of administrative service.
- II. Development of public utilities - power, transport and communications.
- III. Industrial production:
  1. Manufacturing and mining;
  2. Productivity;
  3. Cottage industries and handicrafts.
- IV. Agricultural production.
- V. Auxiliary services to industry and agriculture.
- VI. Health services.
- VII. Education.
- VIII. Community development.
- IX. Other social services.
- X. Atomic energy.

<sup>1/</sup> Official Records of the Economic and Social Council, Thirty-Fourth Session, Supplement No. 5 (E/3605/Rev.1), annex 4.

2. It has, however, been recognized that class III: "Industrial production" is too limited a term to reflect appropriately the activities of TAB in the field of industrial development. It is therefore believed that it might be appropriate to use, for comparative purposes, the following ad hoc classification adopted by the Committee for Industrial Development at its second session as a tentative basis of analysis:<sup>2/</sup>

A. Direct

- (a) Planning for industrial development; setting up and elaboration of targets, allocation of resources to various branches of industry, general industry studies, etc.;
- (b) Pre-investment studies; feasibility studies, choice of location and process, capital needs, investigation of raw material resources, and inventory of labour resources;
- (c) Construction of plants and factories; initial set-up;
- (d) Operation of the plant: (i) technical aspects, trouble shooting, maintenance repair, etc.; (ii) managerial, including accounting, sales promotion;
- (e) Construction of power stations and network for industrial purposes;
- (f) Training for specific factory work, vocational training at all levels, including management.

B. Indirect

- (a) General technical training, including research and technology institutes;
- (b) Transportation of all kinds;
- (c) Other aspects of infrastructure such as urbanization, housing and workers' health.

3. In the light of the above classification, assistance provided under the Expanded Programme during the years 1960-1962 which was directly or indirectly related to industrial development is shown below:

---

<sup>2/</sup> Ibid., Thirty-Third Session, Supplement No. 2 (E/3600), para. 95.

Summary of EPTA assistance related to industrial development

1960 - 1962

	1960		1961		1962	
	<u>Expenditure (thousand US dollars)</u>	<u>Percentage of assistance in each field related to industrial development</u>	<u>Expenditure (thousand US dollars)</u>	<u>Percentage of assistance in each field related to industrial development</u>	<u>Expenditure (thousand US dollars)</u>	<u>Percentage of assistance in each field related to industrial development</u>
<u>Direct:</u>						
Economic surveys	589	8.1	715	9.6	774	7.7
Economic planning and policy	389	5.3	464	6.3	979	9.8
Power production and distribution	271	3.7	187	2.5	320	3.2
Manufacturing and mining	1,672	23.0	1,458	19.6	1,821	18.2
Productivity	435	6.0	335	4.5	490	4.9
Cottage industries and handicrafts	274	3.8	225	3.1	286	2.8
Vocational training	1,060	14.6	1,406	18.9	1,669	16.6
<u>Total Direct</u>	<u>4,690</u>	<u>64.5</u>	<u>4,790</u>	<u>64.5</u>	<u>6,339</u>	<u>63.2</u>
<u>Indirect:</u>						
Transport and communications	498	6.9	387	5.2	614	6.1
Civil aviation	1,287	17.7	1,415	19.0	1,651	16.4
Technical education and training	357	4.9	369	5.0	640	6.4
Building and housing	172	2.4	197	2.7	185	1.8
Industrial relations, labour legislation, etc.	264	3.6	270	3.6	609	6.1
<u>Total Indirect</u>	<u>2,578</u>	<u>35.5</u>	<u>2,638</u>	<u>35.5</u>	<u>3,699</u>	<u>36.8</u>
<u>TOTAL</u>	<u>7,268</u>	<u>100.0</u>	<u>7,428</u>	<u>100.0</u>	<u>10,038</u>	<u>100.0</u>

4. Under the approved 1963-1964 programme, approximately \$5.5 million, or an average of \$2.75 million per annum, has been allocated to projects in the field of industrial production according to the traditional classification. On the basis of the ad hoc classification referred to by the Committee on Industrial Development, however, \$19.2 million or 24.4 per cent of the cost of the approved programme for 1963-1964 will go to projects related to industrial development. This is based on a conservative application of the ad hoc classification of the Committee on Industrial Development, and the resulting figures are probably understating rather than overstating EPTA activities relating to industrialization. In addition, supplementary assistance to industrial projects is being provided under the Executive Chairman's contingency authority. It should also be borne in mind that assistance under the Expanded Programme is provided only at the request of Governments and, consequently, it is the recipient Governments who determine the priorities among various fields of activity.

-----