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NOTE ON THE ROLE OF UNIDO IN THE PROMOTION OF
INDUSTRIAL CO-OPERATION AMONG DEVELOPING
COUNTRIES WITHIN THE FRAMEWORK OF
ECDC AND TCDC*

prepared by
the UNIDO secretariat

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I. BACKGROUND

1. The High Level Conference on Economic Co-operation among Developing Countries held at Caracas, May 1981 and the decisions taken there on a Programme of Action clearly enunciated the desire of developing countries to move from ad hoc economic and industrial co-operation to the establishment of a comprehensive and organized framework for economic co-operation among developing countries. Since then considerable progress has been made related to the implementation of the Caracas Programme of Action. In particular, high level meetings of experts from developing countries have been held and have adopted useful recommendations in the area of co-operation among developing countries in the field of: (a) trade, (b) science and technology, (c) food and agriculture, (d) development and exploitation of new and renewable sources of energy, (e) finance, (f) capital goods and (g) human resources for industrialization, all of which have a direct or indirect bearing on industrial development in the developing countries. A common denominator of these meetings, appears to be a search for specific and concrete activities to cast the Caracas decisions into an operational programme of action.

2. For industrial co-operation among developing countries to be more effective, it is required that: (a) policies and incentives conducive to industrial co-operation among developing countries be integrated within overall national development plans and policies, (b) appropriate mechanisms be promoted at the national and international level for the purpose and (c) industrial co-operation be based on clearly identified areas or projects where such co-operation would be particularly effective and would contain an element of mutuality of benefits and be within the capabilities of developing countries to implement. Most developing countries have in fact already developed a physical, institutional and manpower infrastructure for industrialization as well as practical manufacturing
experience. They are thus at a stage where they can engage in meaning-
ful and mutually beneficial co-operation aimed at promoting an expanded
and more effective flow of technology, capital and skills for industrial
production.

II. COMPREHENSIVE ECDC/TCDC PROGRAMME

3. The UNIDO programme of ECDC/TCDC (Economic and Technical Co-oper-
ation among Developing Countries) is primarily intended:

(a) to promote the spirit of solidarity and to increase the awareness
of the necessity and possibility of ECDC/TCDC among developing
countries;

(b) to encourage the developing countries to adopt policies and regula-
tions favorable to ECDC/TCDC in order to obtain maximum benefit
from them;

(c) to promote the co-operation in specific industrial sectors as well
as specific projects in order to strengthen the indigenous capabi-
lieties of the developing countries.

The programme has five mutually supporting components:

A. Organisation of Solidarity Ministerial Meetings and Round Table
Meetings

4. Within the framework of the Programme of Co-operation among
Developing Countries, UNIDO has been organizing since 1979 Solidarity
Ministerial Meetings (SMO) which provide a new venue for assisting the
economic and industrial development of the least developed countries.
The main objective of the Solidarity Meetings is to identify means of
co-operation whereby the participating developing countries can help in
implementing specific industrial projects in the host least developed
countries. In addition to enhancing the spirit of collective self-
reliance, these Meetings serve to develop practical mechanisms to
facilitate the progress of technical and financial development of the
host country. The mechanisms of co-operation agreed upon take various
forms, such as loans or grants for purchase of machinery and equipment,
joint ventures, exchange of technology and know-how, training, industrial
research and experts' services.
At the present time, UNIDO is following up on Solidarity Ministerial Meetings held in Lesotho, Mauritania, Sudan, Upper Volta, Tanzania, Nepal, Bangladesh, Haiti and Afghanistan. At the same time it is also undertaking the preparatory work for the organization in 1984 and 1985 of Solidarity Ministerial Meetings in Burundi, Mali and Rwanda. It would be of high importance if Latin American Countries could participate in these meetings.

B. Promotion and Development of Joint Programmes for Specific Industrial Sectors

5. With regard to the promotion and development of joint programmes for specific industrial sectors, there are a number of UNIDO operational projects in the fields of energy, metallurgical industries, engineering industries, chemical industries, building material, technology, industrial consultancy and industrial training among others.

C. Follow-up of the System of Consultations

6. The Second General Conference of UNIDO recommended that UNIDO should include among its activities a system of continuing consultations between developed and developing countries and among developing countries themselves. The consultations themselves offered excellent opportunities for an exchange of experience and ideas among developing countries which may lead to the establishment and strengthening of sectorial co-operation among developing countries. UNIDO has organized a series of Consultation Meetings in sixteen sectors and topics, including fertilizers, agricultural machinery, food processing, pharmaceuticals, capital goods, etc.

D. Development and Transfer of Technology

7. UNIDO attaches great importance to the co-operation among developing countries in development of transfer of technology. The possible areas of co-operation include: exchange of information and experience, flow of technology among developing countries, solution of specific technological problems through joint efforts, creation of networks of science and technological institutions, innovations and research in advanced technology
and co-operative efforts in enhancing the negotiating power of
developing countries vis-à-vis technology supplies from developing
countries.

E. Support Measures to the Caracas Programme of Action

8. After the Caracas Conference a number of follow-up actions have
been carried out in different sectors. Thirteen Sectorial Meetings
have been held so far. Although, all UNIDO's ECDC/TCDC activities
were closely related to the relevant recommendations of the Caracas
Programme of Action, special efforts have been made in line with, and
in support of, the Caracas Programme of Action within the framework of
UNIDO's ECDC/TCDC activities. UNIDO has actively participated in the
various Sectorial and Follow-up Meetings, held in accordance with the
Caracas Programme of Action.

9. Details on the UNIDO's activities for promoting and implementing
ECDC/TCDC are given in the documents ID/WG. 399/3 of 24 June 1983
and ID/WG. 399/4 of 15 June 1983, which have been prepared for the
High Level Expert Group Meetings preparatory to the Fourth General
Conference of UNIDO, which is being held in Bangkok, Thailand from
18 to 22 July 1983. These documents are available at the Symposium.