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FOR WESTERN ASIA**

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ECONOMIC AND SOCIAL COMMISSION  
FOR WESTERN ASIA

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**REPORT OF THE EXECUTIVE SECRETARY  
ON THE ACTIVITIES OF THE COMMISSION**

**FOLLOW-UP ACTION ON THE RESOLUTIONS OF THE  
COMMISSION AT ITS FIFTEENTH SESSION**

- (ii) Resolution 166(XV) on financial  
assistance to existing industries

1. In keeping with requirements of industrial development in the region, with the desires of officials and with regional priorities, the Joint ESCWA/UNIDO Industry Division introduced a new activity in 1987, which aimed at diagnosing the main problems and obstacles faced by existing industries and offering the necessary technical aid to revitalize these industries and to broaden their base. The activity consisted of three stages. The first stage consisted of field missions by ESCWA staff member(s) to the factories concerned in order to determine existing problems and to consult with officials to set the order of priorities. The second stage involved proposing a solution; this was to be done either by ESCWA staff members or by experts from outside ESCWA. The third stage is implementing the solution; in most cases, it is expected that experts from outside ESCWA will visit the factories concerned and implement the solutions proposed in the previous stage. Similarly, ESCWA will follow up the implementation to ensure that appropriate steps are taken by the experts.

ESCWA assumes responsibility for all the expenses of the first stage, and for the travel and accommodation expenses of its staff members in the second stage. ESCWA will also pay the expenses of some of the experts (fees, travel and accommodation) in the second stage within available financial resources, but it does not assume responsibility for any expenses in the third stage, since this stage is expected to be longer than the first two stages and to incur greater costs. Nor will ESCWA assume the expenses of its experts in following up the progress achieved in this stage. In order to lighten the burden of financing the mission of outside experts on countries that would profit from this programme, ESCWA endeavoured to obtain financing from outside sources, but unfortunately without success.

2. The Syrian, Egyptian and Omani governments presented requests to ESCWA to aid some of their existing industries. These requests included a number of different industrial sectors: engineering, textiles, chemicals, foodstuffs, cement and building materials. Experts from ESCWA undertook field missions (the first stage of the activity), during which they visited the ministries and enterprises concerned. On the basis of discussions with officials and visits to factories, high-priority problems were defined. The ESCWA experts defined the work to be accomplished in the second stage (the stage of proposing solutions), as well as the profiles of the experts required and the expected duration and cost of their work. Their reports were sent to the Islamic Development Bank in order to obtain some financing for the second stage, but with no reply.

3. During the biennium 1990-1991 and in view of the limited resources available within ESCWA, assistance to existing industries was limited, and was related to:

(a) The first stage, in a number of plants in the Republic of Yemen, whereby recommendations were made on quality control capabilities and practices, as well as recommendations on environmental hazards aspects and industrial pollution prevention measures and practices used in these plants;

(b) The second stage, or the stage of proposing solutions, for two enterprises in the Syrian Arab Republic, namely: General Company for Glass Industry and Electric Lamps, Aleppo, and the General Company for Syrian Glass and Porcelain Industries, Damascus. The diagnostic study for the former is completed and is being printed while the diagnostic study for the latter is being prepared.

4. The importance of this ESCWA activity has been confirmed by the requests for assistance and the official missions undertaken by its advisors to the member countries. Since similar requests, in many instances, are also being received by the Arab Industrial Development and Mining Organization (AIDMO), the two organizations recently agreed to coordinate their efforts and to pool the limited resources available to implement this activity. It was also decided to introduce a joint project to be covered under the UNIDO Special Programme for Industrial Development in the Arab Countries to be executed during 1992/1993. It remains to be seen whether the joint ESCWA/AIDMO project will be implemented under this programme or not.

5. In order to provide the necessary funding to implement the activities of assistance to existing industries and to solve the problems of these industries, a resolution was adopted during the fifteenth session of ESCWA calling to arrange for the necessary financing of the activity by member countries and by Arab financial institutions in the region.

But unfortunately, no reply was received from any of the member countries, Arab funds and financial institutions. Therefore, it is recommended that a similar resolution be adopted during the sixteenth session of ESCWA.