

No. 15175

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**UNITED NATIONS  
(UNITED NATIONS INDUSTRIAL  
DEVELOPMENT ORGANIZATION)  
and  
HUNGARY**

**Memorandum of Understanding on the establishment of the  
Joint Programme for international co-operation in the  
aluminium industry for the benefit of developing coun-  
tries. Signed at Budapest on 8 October 1976**

*Authentic text: English.*

*Registered ex officio on 1 January 1977.*

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**ORGANISATION DES NATIONS UNIES  
(ORGANISATION DES NATIONS UNIES  
POUR LE DÉVELOPPEMENT INDUSTRIEL)  
et  
HONGRIE**

**Mémorandum d'accord relatif à la création du Programme  
conjoint de coopération internationale dans le domaine  
de l'industrie de l'aluminium en faveur des pays en déve-  
loppement. Signé à Budapest le 8 octobre 1976**

*Texte authentique : anglais.*

*Enregistré d'office le 1<sup>er</sup> janvier 1977.*

MEMORANDUM OF UNDERSTANDING<sup>1</sup> ON THE ESTABLISHMENT BY THE UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION (UNIDO) AND THE GOVERNMENT OF THE HUNGARIAN PEOPLE'S REPUBLIC OF THE JOINT PROGRAMME FOR INTERNATIONAL CO-OPERATION IN THE ALUMINIUM INDUSTRY FOR THE BENEFIT OF DEVELOPING COUNTRIES

A. GENERAL CONSIDERATIONS

1. The Hungarian aluminium industry embraces an integrated field of industrial activities extending from the geology and mining of bauxite ore, through the processing of the ore into alumina and primary aluminium metal, to the manufacturing of semi-fabricated and fabricated aluminium products.

2. The activities are supported by extensive research, design and engineering facilities operating in the framework of specific institutes such as the Research, Design and Engineering Center of the industry and the Center of Application of Aluminium maintained by the industry, and they cover the full technical scope of this branch of industry, which is known for its dynamic development during the last fifty years and is characterized by a strong dependence on raw-material resources located in developing countries.

3. Based on its indigenous bauxite ore reserves, the Hungarian aluminium industry has developed considerably and has assumed an internationally recognized stature during the last 25 years as a result of its increasing production capacity and volume and its technical achievements. The consumption of aluminium metal per capita in Hungary surpasses that of some of the industrially most developed countries of the world.

4. From the very beginning of its operation, the United Nations Industrial Development Organization (UNIDO) has relied in both general and specific ways on the independent and varied sources of knowledge and experience of the Hungarian aluminium industry, e.g., by contracting Hungarian experts on short- and long-term projects of technical assistance, commissioning pre-investment and feasibility studies with the Hungarian counterpart, and utilizing possibilities of training in Hungary at the request of the Governments of a number of developing countries, e.g., Colombia, Iceland, India, Iraq, the Libyan Arab Republic, Madagascar, Mali, Qatar, Sri Lanka and Turkey.

5. It is the declared policy of the Government of the Hungarian People's Republic (hereinafter referred to as the Hungarian Government) to encourage and support international co-operation with and assistance to the developing countries in the industrial field. It is the aim of UNIDO, by means of the programme to be carried out jointly with the Hungarian Government in accordance with the provisions set forth below, to improve the services made available to the developing countries in the development of their aluminium industry, thereby accelerating their industrialization. Having the same aim, the Hungarian Chamber of Commerce is designated by the Hungarian Government to work closely with UNIDO in carrying out the above-mentioned programme, in accordance with the standard procedures of the United Nations and the Hungarian Government. These activities are in response to the Lima Declaration and Plan of Action on Industrial Development and Co-operation,

<sup>1</sup> Came into force on 8 October 1976 by signature, in accordance with paragraph 19.

adopted by the Second General Conference of UNIDO (held at Lima, Peru, 12-26 March 1975) at its final plenary meeting, according to which the share of the developing countries in total world industrial production should be increased. The programme has the following objectives:

- (a) facilitating the establishment and development of aluminium industry in the developing countries;
- (b) facilitating the transfer and adaptation of technology and the dissemination of technical information;
- (c) expanding direct contacts with industrial circles in the developing countries;
- (d) training technical and managerial personnel from the developing countries;
- (e) promoting research and studies in the fields of the aluminium industry to meet the special needs of the developing countries.

6. UNIDO shall regard the Joint Programme as a vehicle of its contribution and assistance to developing countries in the establishment of the aluminium industry.

7. The Joint Programme shall operate until 31 December 1979. Its programme of work shall be prepared and brought up to date annually, within the framework of the programme of UNIDO, in accordance with the provisions of section C below. Before the expiration date, UNIDO and the Hungarian Chamber of Commerce shall evaluate the results achieved through the Joint Programme; the Joint Programme will be prolonged by an additional three years unless one of the Parties gives notice, at least six months before the expiration of the Joint Programme, of its intention not to prolong the contract.

#### B. ACTIVITIES OF THE JOINT PROGRAMME

8. The Joint Programme may include the following activities:

- (a) assistance through UNIDO in the evaluation, adaptation and development of technologies in the aluminium industry for use in the developing countries, e.g.:
  - (i) organization of expert group meetings to examine subjects of special interest to the developing countries related to the establishment and operation of an aluminium industry;
  - (ii) execution of individual and group training in establishments of the Hungarian aluminium industry for nationals of developing countries;
  - (iii) assistance in establishing basic services and institutions, such as testing and evaluation of raw materials and industrial products, development of research and design facilities, capabilities, etc., in the aluminium industry;
  - (iv) preparation of sectoral and specific technical and economic studies related to the evaluation, adaptation and development of technologies in the aluminium industry;
- (b) assistance to UNIDO in carrying out its role of helping and fostering the industrialization of developing countries in the field of the aluminium industry as follows:
  - (i) advisory service in the context of the operational programme of UNIDO, as well as in the context of the elaboration of a development strategy for developing countries in the field of the aluminium industry;
  - (ii) supply of industrial information required regarding processes, products and equipment in the aluminium industry;
  - (iii) provision of expertise in the various technical and economical aspects of the establishment and operation of an aluminium industry.

9. Other fields of action can be added to the range of activities of the Joint Programme by agreement between the Parties.

#### C. ADMINISTRATION OF THE JOINT PROGRAMME

10. To assure the effective implementation of the day-to-day operations of the Joint Programme, two liaison officers shall be appointed, one in Budapest, who will work under the direct guidance of the President of the Hungarian Chamber of Commerce, and one in Vienna, who will work under the direct guidance of the Executive Director of UNIDO. Within 15 days after signing this Memorandum of Understanding, the two Parties shall transmit to each other in writing the names of the liaison officers they have appointed. If the liaison officer of one Party is changed, the other Party shall be notified immediately.

11. The liaison officer in Budapest shall be attached to the Hungarian Chamber of Commerce. He shall ensure that the expertise and facilities of all relevant specialized agencies and manufacturing enterprises in Hungary are drawn on, so that the assistance rendered to the developing countries shall be as effective as possible. He shall continuously maintain liaison with his Vienna counterpart.

12. The liaison officer in Vienna shall be a staff member of the UNIDO secretariat. He shall ensure co-ordination and co-operation with all relevant sections and services of UNIDO in order to elaborate and implement the Joint Programme. He shall maintain a continuous liaison with his Budapest counterpart.

13. UNIDO and the Hungarian Chamber of Commerce shall agree on the inclusion of projects and specific activities in the work programme and on the method of financing them.

14. A committee called the Committee for the Joint Programme shall be established to review the implementation of the work programme and make recommendations as necessary concerning policies, the work programme and the general operation of the Joint Programme. It shall submit its recommendations and shall report at least once each calendar year to the Executive Director of UNIDO and to the Head of the Secretariat of International Economic Relations of the Council of Ministers.

15. The Committee for the Joint Programme shall consist of three members of the UNIDO secretariat appointed by the Executive Director of UNIDO representing the different divisions concerned and three members appointed by the Hungarian Chamber of Commerce. Other UNIDO officials and Hungarian specialists may assist the members of the Committee during its meetings.

16. The date of the first session of the Committee shall be fixed by agreement among its members. The Committee shall hold a regular annual session in September and may hold special sessions at other times at the request of UNIDO or the Hungarian Chamber of Commerce. Sessions shall be held either in Vienna or in Budapest, as may be mutually agreed between the Parties.

#### D. FINANCIAL PROVISIONS

17. Each Party shall be separately responsible for all expenses connected with the activities of its liaison officer and for all expenses connected with the attendance of the persons it sends to the meetings of the Committee for the Joint Programme.

18. Projects and specific activities in the work programme of the Joint Programme shall be individually budgeted from the various funds at the disposal of UNIDO (i.e., the regular budget of UNIDO, the Regular Programme of Technical

Assistance, the United Nations Development Programme, the voluntary contributions to the UNIDO General Trust Fund) and any specific contributions that the Hungarian Government may wish to make to particular projects or activities.

E. FINAL CLAUSE

19. This Memorandum comprises the basic guidelines for the co-operation between UNIDO and the Hungarian Government in the Joint Programme for International Co-operation in the Aluminium Industry and comes into effect upon signature by both Parties. It may be terminated by either Party upon six months' notice in writing.

DONE in Budapest, 8th October 1976.

On behalf of the Government  
of the Hungarian People's  
Republic:

*[Signed]*

ÖDÖN KALLÓS  
President

Hungarian Chamber of Commerce

For the United Nations Industrial  
Development Organization:

*[Signed]*

ABD-EL RAHMAN KHANE  
Executive Director

United Nations Industrial  
Development Organization

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