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**UNITED NATIONS  
(UNITED NATIONS INDUSTRIAL  
DEVELOPMENT ORGANIZATION)  
and  
INTERNATIONAL LABOUR ORGANISATION**

**Memorandum of Understanding concerning co-operation.  
Signed at Geneva on 31 August 1976**

*Authentic text: English.*

*Filed and recorded by the Secretariat on 1 January 1977.*

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**ORGANISATION DES NATIONS UNIES  
(ORGANISATION DES NATIONS UNIES  
POUR LE DÉVELOPPEMENT INDUSTRIEL)  
et  
ORGANISATION INTERNATIONALE DU TRAVAIL**

**Mémorandum d'accord concernant la coopération. Signé à  
Genève le 31 août 1976**

*Texte authentique : anglais.*

*Classé et inscrit au répertoire par le Secrétariat le 1<sup>er</sup> janvier 1977.*

## MEMORANDUM OF UNDERSTANDING<sup>1</sup> CONCERNING CO-OPERATION BETWEEN THE INTERNATIONAL LABOUR ORGANISATION AND THE UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

The Director-General of the International Labour Office and the Executive Director of the United Nations Industrial Development Organization have agreed upon the following guidelines to govern co-operation between and co-ordination of the activities of the ILO and UNIDO regarding the promotion of the industrial development of developing countries in the spirit of the Lima Declaration on Industrial Development and Co-operation, and having regard to the central role of UNIDO in reviewing and promoting the co-ordination of all activities of the United Nations system in the field of industrial development.

### I. VOCATIONAL TRAINING

1. The ILO will continue to develop policies and guidelines and carry out operational programmes in the field of vocational training, vocational guidance and rehabilitation for all types of industrial undertakings, irrespective of economic sector or type of ownership for workers of all levels up to and including personnel at the technician and instructor level. This also includes special training programmes for women and young workers. The ILO's activities aim not only at building up or upgrading professional skills but at meeting the requirements of undertakings and the aspirations of workers to vocational career building.

2. Complementary activities of UNIDO will be designed to provide post-employment specialized training in the use of specific equipment and process directly related to the operation of the undertakings, such as specialized quality control and specific aspects of maintenance and repair. UNIDO will continue to be responsible for the training of graduate engineers.

3. Wherever possible, ILO vocational training activities will be geared to the industrial development plans and targets established by UNIDO at the country level. Where the industrial development activities of UNIDO will require the training of workers or specific skills development programmes, the ILO will endeavour to provide such training to UNIDO specifications. The ILO will also provide whenever required and possible vocational training advisers to participate in UNIDO's industrial development surveys or in programmes aiming at developing groups of industries.

4. Both organisations will co-operate in research and development of training systems and methods and in publishing the results of such research. UNIDO will provide the ILO with information and advice on new technologies as they affect training requirements and methodologies. To the same end, UNIDO will, whenever possible, participate in ILO meetings and workshops on industrial vocational training.

### II. MANAGEMENT DEVELOPMENT

5. ILO will be responsible for broad intersectoral programmes for the enhancement of managerial awareness, competence and social responsibility of management personnel at all levels of supervision and skills in all branches of economic activity irrespective of type of ownership, including:

<sup>1</sup> Came into force on 31 August 1976 by signature, in accordance with article X, section 38.

- (a) identification of needs and programming of action to meet such needs;
- (b) dissemination of principles and techniques of effective management;
- (c) development of institutions;
- (d) training of trainers;
- (e) development of management consultancy; and
- (f) provision of management research and information services.

6. UNIDO will be responsible for activities in the field of industrial management, including:

- (a) enterprises and factory level industrial management, including the design of management systems, training and consultancy;
- (b) management of industrial research institutes;
- (c) management of industrial estates and services provided at the estates;
- (d) management of industrial fairs;
- (e) management of industrial information centres;
- (f) management of plan and project implementation in the industrial sector, including training of personnel of ministries of planning and industry in the field of industrial development;
- (g) industrial banks, including schemes for exchange of information and co-operation between banks;
- (h) industrial project implementation at the micro level; and
- (i) institutional aspects of industrial management, in particular trouble shooting and consultancy services at the factory and/or industrial branch levels.

UNIDO will therefore provide training for the management of specific industries, enterprises, plants and processes.

7. Both organizations will co-operate closely and promote joint action in the following fields which are of common concern:

- (a) behavioural sciences and motivating people for development;
- (b) methods and techniques for rational decision-making;
- (c) research in, and publication of information on, key issues of management.

### III. MAINTENANCE AND REPAIR

8. Within its vocational training activities, the ILO will provide training to workers and supervisors in the normal and routine maintenance operations of industrial equipment. Similarly, the ILO will continue to include the organizational and cost aspects of maintenance in its management development programmes as a means of enhancing general managerial competence.

9. UNIDO will be responsible for the organizational, economic, technological and engineering aspects of maintenance and repair, including planning of maintenance and repair schemes, establishment of maintenance and repair centres, provision and manufacturing of spare parts, overhaul and repair of industrial equipment and training of personnel specifically engaged in maintenance operations.

### IV. SMALL-SCALE INDUSTRIES

10. Both organizations recognize the needs for a comprehensive, coherent approach to the development of small-scale industries in developing countries and, in particular, in the least developed of developing countries. To this end, they will ex-

change full information on their ongoing and projected projects in the least developed countries, especially in connection with country programming exercises, and will devise joint or co-ordinated programmes of action.

11. Within the framework of the foregoing approach, the ILO will be primarily responsible for the development of manpower skills for small-scale industries through formal and non-formal learning systems, including vocational training and management development to the extent defined in preceding paragraphs.

12. Within the framework of the same approach, the UNIDO will be primarily responsible for promoting the development of small-scale industries through the identification and development of domestic markets for the manufactured goods produced by small-scale industries, feasibility studies, financial and fiscal policies designed to promote the development of small-scale industries, including the provision of incentives to entrepreneurs and assistance in drawing up requests for financing, provision of factory accommodation or workshop facilities, including in particular industrial estates and the provision of industrial and technological extension services.

13. Both organizations will closely co-operate in activities related to the identification, motivation and development of potential entrepreneurs and the promotion of entrepreneurship.

#### V. INDUSTRIAL HEALTH AND SAFETY WORKING CONDITIONS AND ENVIRONMENT

14. The ILO will consult UNIDO on the development of its programme for the improvement of working conditions and the environment, in so far as it relates to the industrial sector. Where UNIDO activities offer opportunities for the improvement of working conditions and the environment, UNIDO will seek the assistance of the ILO.

15. UNIDO will pay due regard to the health, safety and working conditions aspects of its planned industrial activities and consult the ILO thereon. The ILO will make available to UNIDO, on a regular basis, all its standards, manuals and guides, and other publications relating to industrial health and safety, as well as to working conditions in industry. The ILO will also provide UNIDO, upon request, with information and advice on specific industrial health, safety and working conditions problems. Particular care will be taken to avoid conflicts in or erosion of standards.

16. The ILO and UNIDO will consult each other in regard to the planning of meetings dealing with industrial health and safety and working conditions in the industrial sector.

17. Where UNIDO is organizing courses which include an industrial health and safety or working conditions component, the ILO will provide the necessary information and assistance for the handling of that component.

18. The advice of industrial health and safety centres established with the assistance of the ILO concerning industrial health and safety problems at country level will be made available to UNIDO.

#### VI. EMPLOYMENT, INCOME DISTRIBUTION AND APPROPRIATE TECHNOLOGIES

19. In regard to the relationship between employment promotion policies and industrial development policies, both organizations will be guided by the joint policy

paper entitled "Industrialization, Employment and Social Objectives" which they jointly presented to the Second General Conference of UNIDO (1975)\*

20. The ILO will provide UNIDO with information and advice on the employment and income distribution aspects of the long-term industrial development strategies on which UNIDO will undertake studies and research activities.

21. When UNIDO and the ILO undertake survey missions on industrial development strategies or employment promotion strategies, each organization will provide the other, as appropriate, with the required technical expertise.

22. In the field of research work on appropriate technologies the ILO will deal with the socio-economic aspects of the question while UNIDO will deal with the technological, techno-economic and engineering aspects of the question, where possible research work will be jointly undertaken.

23. In joint technical co-operation projects concerning appropriate technologies UNIDO will provide the technological, techno-economic and engineering expertise and ILO the socio-economic expertise.

24. The results of joint research and technical co-operation projects will be jointly published by the ILO and UNIDO.

25. The ILO and UNIDO will provide each other with the fullest information on current and proposed technical co-operation and research projects related to appropriate technologies.

#### VII. INDUSTRIAL ACTIVITIES

26. The ILO will regularly furnish UNIDO with advance information on meetings held within the framework of its Programme of Industrial Activities and on the agenda of such meetings.

27. At the request of the ILO, UNIDO will supply contributions to the general reports for such meetings, dealing with technological, economic and allied developments in the industry concerned and, as appropriate, with industrial development policies in the industry concerned, so as to test the views of employers and workers as well as of Governments.

28. The ILO will also invite UNIDO contributions to the reports on the technical items on the agenda of such meetings where the subject-matter is of concern to UNIDO.

29. Upon invitation of the ILO, UNIDO will attend and participate in major industrial meetings and shall receive all notes on proceedings.

30. The ILO will keep UNIDO informed of the action taken by Governments and national organizations of employers and workers in the sector concerned to implement the recommendations of such meetings. The ILO will seek UNIDO's co-operation whenever required for the implementation of the recommendations addressed to it.

31. To the extent that resources permit, contacts at working level will be strengthened in regard to preparation and follow up of such meetings as well as to research and publications activities.

#### VIII. SPECIAL MEASURES

32. The present Memorandum has been drawn up taking into account the spirit of the Lima Declaration and Plan of Action as embodied in its major provi-

\* Document ID/CONF. 3/9

sions. It is, however, recognized that in the light of General Assembly resolution 3362 (S-VII)<sup>1</sup> on development and international economic co-operation and the Declaration and Programme of Action recently adopted by the World Employment Conference, new areas of long-range co-operation and co-ordination will have emerged. Accordingly, it is hereby agreed that a joint task force be promptly established to review the correlation of these decisions and to define programmes of broad-based co-operative action in such areas as employment and the distribution of industries, industrial consultations and negotiations, industrial development and the satisfaction of basic needs, rural industrialization, transfer of technologies, selection and application of appropriate technologies and any other areas of common interest which the task force may identify.

#### IX. MEASURES OF IMPLEMENTATION

33. THE ILO AND UNIDO will keep each other informed of the development of their respective activities related to industrialization, including but not limited to the specific arrangements otherwise provided herein, and will ensure that they are co-ordinated, complementary and mutually supporting. To this end, consultation and co-operation will be initiated at the earliest possible time, preferably at the pre-planning stage.

34. The ILO and UNIDO will maintain the present joint Working Party composed of one senior permanent member from each organization and such other officials as may be required for the consideration of any particular question. The joint Working Party will meet from time to time and at least once a year, alternately in Geneva and Vienna, under the chairmanship of the permanent member of the host organization. At its regular meetings, the Working Party will review all current and proposed technical co-operation projects of mutual interest. Whenever necessary, the Working Party, suitably composed for the purpose, will consider issues of policy and make recommendations thereon to the Executive Heads of the two organizations.

35. The present Memorandum will be jointly communicated to the Secretary-General of the United Nations and to the Administrator of the United Nations Development Programme, and brought to the attention of the Governing Body of the ILO and of the Industrial Development Board of UNIDO.

36. The Executive Head of each organization will bring this Memorandum to the notice of its headquarters and field staff concerned with instructions to apply faithfully each and every one of its provisions.

#### X. FINAL CLAUSES

37. The present Memorandum of Understanding will supersede the "Memorandum of Guidelines for Co-operation between ILO and UNIDO" signed at Geneva on 3 April 1968, and all subsequent understandings and agreements on co-operation between the Parties.

38. The present Memorandum will come into effect upon signature and constitutes the basic guidelines governing co-operation between the ILO and UNIDO until

<sup>1</sup> United Nations, *Official Records of the General Assembly, Seventh Special Session, Supplement No. 1 (A/10301)*, p. 3.

otherwise modified by mutual agreement. This Memorandum may be terminated by either Party upon six months' notice in writing.

DONE at Geneva on 31 August 1976.

*[Signed]*

FRANCIS BLANCHARD  
Director-General  
of the International Labour Office

*[Signed]*

ABD-EL RAHMAN KHANE  
Executive Director  
of the United Nations  
Industrial Development Organization

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