

No. 15176

**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
instrument, electronic and telecommunication indus-
tries for the benefit of developing countries (with an-
nex). Signed at Budapest on 8 October 1976**

Authentic text: English.

Registered ex officio on 1 January 1977.

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

**Mémorandum d'accord relatif à l'établissement du Pro-
gramme conjoint de coopération internationale dans le
domaine des industries des instruments de mesure, de
l'électronique et des télécommunications en faveur des
pays en développement (avec annexe). Signé à Buda-
pest le 8 octobre 1976**

Texte authentique : anglais.

Enregistré d'office le 1^{er} janvier 1977.

MEMORANDUM OF UNDERSTANDING¹ 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 INSTRUMENT, ELECTRONIC AND TELECOMMUNICATION INDUSTRIES FOR THE BENEFIT OF DEVELOPING COUNTRIES

A. GENERAL CONSIDERATIONS

1. The Hungarian instrumentation industry offers a comprehensive up-to-date range of measuring and controlling equipment that is used in many industries, in particular in the chemical, pharmaceutical and allied industries, in food processing and canning, and in the electronic and telecommunication industries. Such equipment is also used in the processing and transportation of petroleum products and gas, in electricity and water public utilities, in surveying, and in laboratories engaged in agricultural, medical, biological and nuclear research.

2. The Hungarian electronic and telecommunication industries are likewise well established in consumer products, such as radio and television receivers, in equipment for telephone exchanges and transmission networks and in telephone sets.

3. Aware of the importance of instrumentation and, more generally, systems engineering in modern industrial technology, UNIDO has been assisting developing countries, at the request of their Governments, to establish or improve their instrumentation industries, select and utilize instruments, and set up institutions and services concerned with instrument design, applied metrology, maintenance and repair, etc.

4. In response to requests by developing countries, UNIDO has been engaged in promoting and assisting in the design and production of electronics and telecommunication equipment and components.

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 field of instrumentation, electronics and telecommunication, 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, 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:

¹ Came into force on 8 October 1976 by signature, in accordance with paragraph 20, section E.

- (a) facilitating the establishment and development of the instrumentation, electronics and telecommunication industries 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 these industries 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 industries listed in the annex.

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 work 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 includes the following activities:

- (a) expert group meetings to examine questions of special interest to the developing countries related to the establishment and operation of the industries in question;
- (b) consultations in connexion with the establishment of the industries;
- (c) individual and group training in Hungarian industrial establishments for nationals of the developing countries;
- (d) dissemination of industrial information regarding processes, products and equipment in the industries;
- (e) preparation of sectoral and specific studies and carrying out of research projects;
- (f) assistance in establishing basic services and institutions, such as facilities for testing and calibration of instruments, repair and maintenance, product design and engineering;
- (g) advisory services in the context of the operational programmes of UNIDO in the developing countries;
- (h) assistance in the adaptation and development of technology in the industries for use in the developing countries, including research;
- (i) promotion of industrial investment, including joint ventures, international subcontracting, and licensing and know-how agreements.

9. Other fields of action can be added to the range of activities of the Joint Programme by mutual agreement of UNIDO and the Hungarian Chamber of Commerce.

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 the 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 maintain a continuous liaison with his Vienna counterpart.

12. The 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 continuously maintain 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 in each calendar year to the Executive Director of UNIDO and 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 at Vienna or at Budapest, as the Parties may agree.

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 CLAUSES

19. The present Memorandum of Understanding supersedes the former Memorandum of Understanding on the establishment of a joint programme in the instrument, electronic and telecommunication industries agreed upon and signed in May, 1973, by UNIDO and the Hungarian Government.

20. The present 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 instrument, electronic and telecommunication industries and comes into effect upon signature by both Parties. It may be terminated by either Party upon six months' notice in writing.

DONE at Budapest, on 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

A N N E X

INDUSTRIES INCLUDED IN THE SCOPE OF THE MEMORANDUM

The industries to which reference is made in paragraph 6 of the Memorandum of Understanding are those in which the major kind of activity of establishments consists of the manufacture of the following ranges of goods:

<i>ISIC* group</i>	<i>General description</i>
3825	Manufacture of office, computing and accounting machinery
3831	Manufacture of electrical industrial machinery and apparatus
3832	Manufacture of radio, television and communication equipment and apparatus
3851	Manufacture of professional and scientific, and measuring and controlling equipment, not elsewhere classified
3852	Manufacture of photographic and optical goods

From time to time, UNIDO and the Hungarian Chamber of Commerce shall determine the specific ranges of goods to whose manufacture attention should be given.

* International Standard Industrial Classification. See *Indexes to the International Standard Industrial Classification of All Economic Activities*, Statistical Papers, Series M, No. 4, Rev. 2, Add. 1 (United Nations publication, Sales No. E.71.XVII.8).