

# ANNUAL REPORT 2004



UNITED NATIONS  
INDUSTRIAL DEVELOPMENT ORGANIZATION

# Member States of the United Nations Industrial Development Organization

Afghanistan	Denmark	Liberia	Sao Tome and Principe
Albania	Djibouti	Libyan Arab Jamahiriya	Saudi Arabia
Algeria	Dominica	Lithuania	Senegal
Angola	Dominican Republic	Luxembourg	Serbia and Montenegro
Argentina	Ecuador	Madagascar	Seychelles
Armenia	Egypt	Malawi	Sierra Leone
Austria	El Salvador	Malaysia	Slovakia
Azerbaijan	Equatorial Guinea	Maldives	Slovenia
Bahamas	Eritrea	Mali	Somalia
Bahrain	Ethiopia	Malta	South Africa
Bangladesh	Fiji	Mauritania	Spain
Barbados	Finland	Mauritius	Sri Lanka
Belarus	France	Mexico	Sudan
Belgium	Gabon	Monaco	Suriname
Belize	Gambia	Mongolia	Swaziland
Benin	Georgia	Morocco	Sweden
Bhutan	Germany	Mozambique	Switzerland
Bolivia	Ghana	Myanmar	Syrian Arab Republic
Bosnia and Herzegovina	Greece	Namibia	Tajikistan
Botswana	Grenada	Nepal	Thailand
Brazil	Guatemala	Netherlands	The former Yugoslav Republic of Macedonia
Bulgaria	Guinea	New Zealand	Timor-Leste
Burkina Faso	Guinea-Bissau	Nicaragua	Togo
Burundi	Guyana	Niger	Tonga
Cambodia	Haiti	Nigeria	Trinidad and Tobago
Cameroon	Honduras	Norway	Tunisia
Cape Verde	Hungary	Oman	Turkey
Central African Republic	India	Pakistan	Turkmenistan
Chad	Indonesia	Panama	Uganda
Chile	Iran (Islamic Republic of)	Papua New Guinea	Ukraine
China	Iraq	Paraguay	United Arab Emirates
Colombia	Ireland	Peru	United Kingdom of Great Britain and Northern Ireland
Comoros	Israel	Philippines	United Republic of Tanzania
Congo	Italy	Poland	Uruguay
Costa Rica	Jamaica	Portugal	Uzbekistan
Côte d'Ivoire	Japan	Qatar	Vanuatu
Croatia	Jordan	Republic of Korea	Venezuela (Bolivarian Republic of)
Cuba	Kazakhstan	Republic of Moldova	Viet Nam
Cyprus	Kenya	Romania	Yemen
Czech Republic	Kuwait	Russian Federation	Zambia
Democratic People's Republic of Korea	Kyrgyzstan	Rwanda	Zimbabwe
Democratic Republic of the Congo	Lao People's Democratic Republic	Saint Kitts and Nevis	
	Lebanon	Saint Lucia	
	Lesotho	Saint Vincent and the Grenadines	

# **ANNUAL REPORT 2004**

**Industrial Development Board,  
thirtieth session**

**Programme and Budget Committee,  
twenty-first session**



**UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION**  
**Vienna, 2005**

The designations employed and the presentation of material in this publication do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations Industrial Development Organization concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

Distr.  
GENERAL

IDB.30/2-PBC.21/2  
24 March 2005

Original: ENGLISH

ISSN 1020-7651

# **Governing Bodies**

UNIDO has three policy-making organs: the General Conference, the Industrial Development Board and the Programme and Budget Committee.

## **General Conference**

The 171 Member States of UNIDO meet once every two years at the General Conference, the supreme policy-making organ of the Organization. The Conference determines the guiding principles and policies, approves the budget and work programme of UNIDO and appoints the Director-General. It also elects representatives to the Industrial Development Board and the Programme and Budget Committee. The tenth session of the General Conference took place from 1 to 5 December 2003.

The eleventh session of the General Conference will take place from 28 November to 2 December 2005.

## Industrial Development Board

The Industrial Development Board of 53 Members reviews the implementation of the work programme, the regular and operational budgets and makes recommendations to the General Conference on policy matters, including the appointment of the Director-General. The Board meets once in General Conference years, and twice in other years.

### Board composition

Algeria	Indonesia	Senegal
Austria	Iran (Islamic Republic of)	Slovakia
Belgium	Italy	South Africa
Bolivia	Japan	Spain
Brazil	Jordan	Sudan
Chile	Kenya	Switzerland
China	Lesotho	Syrian Arab Republic
Colombia	Luxembourg	Thailand
Côte d'Ivoire	Mexico	Tunisia
Cuba	Morocco	Turkey
Denmark	Netherlands	Ukraine
Ecuador	Nigeria	United Kingdom of Great Britain and Northern Ireland
Egypt	Norway	Uruguay
France	Pakistan	Venezuela (Bolivarian Republic of)
Germany	Philippines	Zimbabwe
Ghana	Poland	
Greece	Republic of Korea	
Hungary	Russian Federation	
India	Saudi Arabia	

At the twenty-eighth session of the Industrial Development Board (25-27 May 2004) Member States discussed an array of issues, such as the medium-term programme framework, 2004-2007, including the application of the Strategic Guidelines “Towards improved UNIDO programme delivery”, South-South cooperation and UNIDO activities in countries emerging from crisis situations; the financial situation, including the restoration of voting rights to Ukraine; follow-up activities to the Global Biotechnology Forum and the adoption of the draft statute of the International Centre for Science and High Technology. At the centre of the debate stood the new framework for decentralization and field representation. The Director-General, responding to the mandate of the tenth session of the General Conference that had encouraged him to carry forward the process of decentralization to the field, presented additional recommendations on decentralization to that session. The Board thus invited him to continue his dialogue with the United Nations Development Programme (UNDP).

At the twenty-ninth session of the Board, Member States debated the report of the Programme and Budget Committee and discussed funding options for security enhancements, the proposed new conference facilities, activities of the Evaluation Group and personnel matters.

Mr. Omar Zniber (Morocco) was elected President of the twenty-eighth and twenty-ninth sessions of the Board.

## **Programme and Budget Committee**

The Programme and Budget Committee consisting of 27 Members is a subsidiary organ of the Board, which meets once a year, and assists the Board in the preparation and examination of the work programme, the budget and other financial matters.

### **Committee composition**

Austria	Hungary	Republic of Korea
Cameroon	India	Russian Federation
Côte d'Ivoire	Indonesia	Sudan
Democratic People's Republic of Korea	Italy	Turkey
Ethiopia	Japan	United Kingdom of Great Britain and Northern Ireland
Finland	Mexico	Venezuela (Bolivarian Republic of)
France	Morocco	
Germany	Nigeria	
Greece	Pakistan	
Guatemala	Peru	
	Poland	

The twentieth session of the Programme and Budget Committee (8-9 September 2004) cleared the way for the conclusion of the Cooperation Agreement with UNDP, based on a recommendation submitted by the informal advisory group on decentralization. The session furthermore considered a proposal by the Director-General on the medium-term programme framework, 2006-2009, a note on security enhancements and proposed new conference facilities, as well as a report by the Director-General on the financial situation and mobilization of financial resources.

Mr. István Horváth (Hungary) was elected Chairman of the twentieth session of the Programme and Budget Committee.



## UNIDO at a glance

- **Mission:** UNIDO focuses its efforts on relieving poverty by fostering productivity growth. It helps developing countries and countries with economies in transition in their fight against marginalization in today's globalized world. It mobilizes knowledge, skills, information and technology to promote productive employment, a competitive economy and a sound environment.
- The primary **objective** of the Organization is the promotion and acceleration of industrial development in the developing countries and countries with economies in transition.
- UNIDO was established in 1966 and became a **specialized agency** of the United Nations in 1985.
- UNIDO currently has **171 Member States**.

## Policy milestones

- The **Business Plan on the Future Role and Functions of UNIDO**, which was adopted by the Industrial Development Board (IDB.17/Dec.2) and endorsed by the seventh session of the General Conference in 1997 (GC.7/Res.1), continues to provide the basis for UNIDO's organizational and programmatic transformation. It grouped the Organization's activities into two areas of concentration: strengthening industrial capacities, and cleaner and sustainable industrial development. To that end, the Business Plan required UNIDO to undertake both technical cooperation and global forum activities.
- Recognizing the need for UNIDO to adapt its functions and priorities and orient its activities to the new realities and requirements of the changing global economic environment, the **Strategic Guidelines "Towards improved UNIDO programme delivery"** were adopted by the Industrial Development Board at its twenty-sixth session in 2002 (IDB.26/Dec.7). The Guidelines were conceived as an important contribution to the efforts to make UNIDO a more efficient and effective organization; they seek to further sharpen the focus of UNIDO's technical cooperation activities.
- UNIDO responded to the Guidelines by formulating a comprehensive and coherent **corporate strategy "Developing industry: productivity enhancement for social advance"**, which rests on the premise that productivity enhancement, driven by improved skills, increased knowledge and upgraded technology, plays a crucial role in promoting faster growth. The corporate strategy was introduced to the twenty-seventh session of the Industrial Development Board in 2003 and the tenth session of the General Conference took note of this new approach with interest (GC.10/Res.2 and GC.10/14).

## Important policy-level developments in 2004

- A significant policy-level development in 2004 was the formulation and adoption of a **new framework for decentralization and field representation**. This measure represented a response to calls from Member States issued at the tenth session of the General Conference. The Cooperation Agreement signed with UNDP on 23 September 2004 formalizes the defined approach of joint programming activities where special emphasis was placed on private sector development as an active element to pursue the implementation of the recommendations of the Commission on Private Sector and Development set up by the United Nations Secretary-General, and at the same time launch the implementation of the new model of field presence.
- The Director-General submitted a proposal to the United Nations Secretary-General for the establishment, on a voluntary basis, of a **common business plan or common agenda for action for the United Nations system with regard to development issues**, which would reorganize the supply of development-related public goods through the system, thereby enhancing its efficiency and impact. The proposal was discussed extensively at two meetings of the Executive Heads of the United Nations held in April and October and has been presented separately to various sister agencies of the United Nations system, where it has met with expressions of interest and support. The Director-General informed Member States of this proposal at various meetings of the governing bodies held in 2004.

## UNIDO around the world

- UNIDO maintained **20 country offices and 9 regional offices** in 2004 and continued to empower the UNIDO Representatives through delegation of financial authority and increased level of involvement in the substantive matters at the field level. In line with the United Nations-wide reform process and with a view to strengthening the United Nations coordination mechanism at the field level, UNIDO signed a **Cooperation Agreement with UNDP** on 23 September 2004. The Agreement foresees by early 2005 a field network that potentially comprises the presence of UNIDO in 50 locations around the world.
- UNIDO has a number of other offices worldwide: there are **14 Investment and Technology Promotion Offices (ITPOs)**, **5 Investment Promotion Units (IPUs)**, **32 National Cleaner Production Centres (NCPCs)**, established by UNIDO and the United Nations Environment Programme (UNEP), and **9 International Technology Centres** at various stages of development that work closely with the ITPOs.
- UNIDO maintains **Liaison Offices** in New York and Geneva.
- **Staff:** UNIDO employs **646** staff members at Headquarters and other established offices. In addition, UNIDO draws on the services of some 1,850 international and national experts annually who work in project assignments throughout the world. The Director-General of UNIDO, Carlos Magariños (Argentina), was first elected in December 1997. At the ninth session of the General Conference in December 2001, he was re-elected for a further four years.

## Budget and technical cooperation

- **Budget:** The estimated volume of UNIDO operations for the biennium 2004-2005 is **€356 million**.
- The value of UNIDO's ongoing **technical cooperation** programmes and projects totalled **\$392.6 million** as of 31 December 2004.
- The ratio of technical cooperation delivery to regular budget increased by 43 per cent between 1996/97 and 2004, from 1.15:1.00 to 1.64:1.00.
- The Organization's productivity in terms of technical cooperation delivery per staff member rose by 28 per cent between 1997 and 2004, from \$147,540 to \$188,100.
- In 2004 UNIDO implemented the highest total of **technical cooperation** programmes in the past five years, amounting to **\$98.8 million**. This represented an increase of 44 per cent over the corresponding figure for the year 2000 (\$68.7 million). UNIDO has thus steadily consolidated a growing trend of its technical cooperation services.

- **Africa** (including the African Arab States) has remained the focus of UNIDO's technical cooperation, with its **share of the Organization's total services** (excluding environmental protocols and support institutions) rising from 38 per cent in 1997 to **47 per cent in 2004**.
- The total of net technical cooperation programmes and project approvals from all sources of funds increased by 29 per cent to \$117.2 million in 2004, as compared with \$90.2 million in 2003.
- The **medium-term programme framework** is the background against which technical cooperation activities are implemented. Its formulation is based on the Business Plan and the Strategic Guidelines. In addition, it takes account of the evolving objectives and priorities of the international development agenda, as given by the Millennium Development Goals (MDGs) and related decisions taken by the international community in recent years.
- The basic building blocks of UNIDO's technical cooperation activities are **eight service modules**, which were reformulated in 2003 to make them more consistent with international development priorities as formalized in the MDGs. The revised service modules are: industrial governance and statistics, investment and technology promotion, industrial competitiveness and trade, private sector development, agro-industries, sustainable energy and climate change, Montreal Protocol, and environmental management.

## CONTENTS

Message from the Director-General.....	xv
<b>CHAPTER I: EXTENDING THE SCOPE OF REFORM AND PLANNING FOR THE FUTURE.....</b>	<b>1</b>
A. Corporate strategy and MTPF .....	2
B. Expanding UNIDO's field presence and enhancing cooperation.....	4
C. The formulation of a long-term strategic vision for UNIDO .....	6
<b>CHAPTER II: UNIDO AND THE MULTILATERAL SYSTEM.....</b>	<b>9</b>
<b>CHAPTER III: PROGRAMME DEVELOPMENT AND TECHNICAL COOPERATION .....</b>	<b>17</b>
A. Integrated programmes and country service frameworks.....	17
B. Agro-industries and sectoral support.....	18
C. Energy and cleaner production.....	19
D. Industrial promotion and technology .....	20
E. Multilateral environmental agreements .....	23
F. Small and medium enterprises .....	24
<b>CHAPTER IV: THE REGIONAL DIMENSION .....</b>	<b>27</b>
A. Least developed countries.....	27
B. Sub-Saharan Africa.....	30
C. Arab region.....	34
D. Asia and the Pacific .....	37
E. Europe and NIS .....	39
F. Latin America and the Caribbean .....	40
G. South-South cooperation .....	42
H. Field representation .....	45

## CONTENTS (continued)

<b>CHAPTER V: GLOBAL FORUM ACTIVITIES .....</b>	<b>47</b>
A. Industrial statistics .....	47
B. Research programme for the medium-term programme framework .....	48
C. COMPID .....	49
D. Research partnerships.....	50
E. Industrial Development Report .....	51
F. SPX News .....	51
G. UNIDO Exchange .....	51
<b>CHAPTER VI: PERFORMANCE MANAGEMENT .....</b>	<b>53</b>
A. Results-based management takes off .....	53
B. Performance on the technical cooperation front.....	57
C. Funding performance .....	64
D. Internal processes and controls .....	67
E. Independent confirmation of performance .....	71
<b>APPENDICES .....</b>	<b>75</b>
A. Operational statistics .....	76
B. Project approvals under voluntary contributions.....	90
C. Status of integrated programmes and country service frameworks .....	92
D. Technical assistance to the least developed countries .....	94
E. Regular programme of technical cooperation.....	103
F. Geographical distribution of experts .....	105
G. Training activities .....	107
H. Agreements, memorandums of understanding and joint communiqués concluded in 2004 .....	120
I. Country promotion presentations .....	125
J. Procurement.....	126

## CONTENTS *(continued)*

### APPENDICES *(continued)*

K. Field representation .....	127
L. Composition of the Secretariat and personnel-related information .....	129
M. Selected publications issued .....	131
N. Expert group meetings, symposiums, seminars and other meetings .....	135
O. Industrial statistics .....	142

<b>LIST OF ABBREVIATIONS.....</b>	<b>143</b>
-----------------------------------	------------





## **Message from the Director-General**

I take great pleasure in being able to inform Member States that the favourable trends of recent years were sustained into 2004. Reflecting the increasingly beneficial impacts of the programmatic, administrative and financial reforms undertaken during the previous six years, which have resulted in a comprehensive transformation of UNIDO, the Organization recorded significant improvements in all relevant performance indicators.

Thus, in 2004 the value of our technical cooperation delivery reached \$98.8 million, significantly exceeding the corresponding figure of \$94.7 million in 2003 and for the first time surpassing the “pre-crisis” figure of \$97.3 million recorded in 1997, when our regular budget was some 20 per cent higher than in 2004. This growth in our technical cooperation delivery was made possible by a corresponding increase in voluntary contributions received by UNIDO from its development partners. Funding through the Industrial Development Fund and through trust funds (almost all from governmental donors) reached \$62.8 million, including \$3.9 million in trust funds from “recipient” countries. This represents a 32 per cent increase from the \$47.4 million of 2003, and is the second highest level in the history of UNIDO, just below the level reached in 1992.

This sharp increase in voluntary contributions reflects a continued strengthening of the international development community’s confidence in UNIDO, which was underlined by the very positive comments about the Organization made in a parliamentary debate in the United Kingdom in November 2004. An empirical foundation for this increased confidence was given by an assessment of 23 multilateral development organizations undertaken in 2004 by the Department for International Development of the United Kingdom under its programme for assessing and monitoring multilateral effectiveness. UNIDO was ranked sixth in overall terms in this assessment, and first among the United Nations standard-setting agencies.

The growth in technical cooperation delivery is all the more impressive when viewed against the background of changes in the Organization’s staffing levels. The data for per capita levels of technical cooperation delivery (i.e. the total value of technical cooperation divided by the total number of staff) shows an increase from \$178,600 in 2003 to \$188,100 in 2004. Viewed over a longer time horizon, the figure for 2004 represents an increase of 28 per cent over the corresponding figure for 1997. This impressive growth may be seen as an outcome of the extensive efforts made during the past several years to sharpen the focus and deepen the substance of UNIDO’s technical cooperation programmes on the one hand, and to enhance the specialization and professionalism of UNIDO’s staff on the other.

These favourable developments notwithstanding, UNIDO continued to sustain its reform programme in 2004. One of the major highlights of the year in this context was the signing of an agreement with UNDP in September to enhance the level of cooperation at field level between the two organizations through the establishment of UNIDO Desks at

UNDP field offices. This is intended to enhance the effectiveness of UNIDO's services by increasing the Organization's field presence and enabling it to participate more actively in the inter-agency coordination mechanisms at the national level. To provide a substantive basis to this cooperation with UNDP, moreover, the agreement calls for the joint formulation and implementation of projects in private sector development in accordance with the recommendations of the Commission on the Private Sector and Development presented to the Secretary-General in March 2004. This effort to increase the synergies between the activities of the two organizations in this field represents a further attempt by UNIDO to link its developmental activities more closely with those of other agencies, following earlier collaboration agreements with UNCTAD and WTO.

These efforts at increased collaboration with other agencies arise from a growing appreciation of the fact that the scope for additional efficiency gains from internal reforms within UNIDO has now been largely exhausted, and that further gains of a meaningful nature can only be achieved through an increased coordination of the services provided by the various development agencies. For this reason I have personally spent much of 2004 promoting the concept of such coordination in my meetings with the Secretary-General of the United Nations, the heads of other agencies, representatives of the Member States and other development analysts and practitioners. This proposal has been well received, and I am confident that this issue will, in time, gain the recognition it deserves.

Meanwhile, within UNIDO, a number of other reform measures have been introduced to enhance the efficiency and effectiveness of the Organization, and to enable the impact of its services to be properly measured. Two particularly important, and related, steps taken in this connection were the adoption of various measures to operationalize the UNIDO corporate strategy, and the streamlining of the programme and project approval process through the establishment of four new Programme Approval Committees (PACs). Another was the adoption of a fully thematic and results-based approach for the formulation of the programme and budget proposals for 2006-2007.

Considerable effort has also been expended to generate an increased understanding and awareness of UNIDO's contribution to the achievement of the Millennium Development Goals, and in particular the critical underlying goal of poverty reduction, through its promotion of industrial and economic development. On the one hand, the Organization has significantly enhanced its global forum activities, and especially its research programme, both to provide empirical inputs derived from its technical cooperation activities to the research community and to strengthen the conceptual and analytical basis of its technical cooperation programmes. On the other hand, the Organization has appointed a number of eminent and influential personalities as Goodwill Ambassadors, who are actively promoting awareness and understanding of UNIDO's role as a catalyst for development and poverty reduction.

It is with great satisfaction that I am therefore able to report the conclusion of another very successful year. In doing so, I would like to express my appreciation to staff, who

have helped to make these achievements possible through their great commitment and devotion to their work. While I am thus satisfied that the transformation of UNIDO, over which I have had the privilege to preside during the past seven years, has led to such outstanding results, I wish to stress that I am by no means complacent. The fact that millions of people remain mired in poverty, and that many countries continue to be unable to take full advantage of the promise of globalization because of their inability to participate effectively in world trade, remains a serious challenge to all of us in the development community. It is my intention to ensure that UNIDO will continue to make a meaningful contribution towards meeting this challenge, and through further improvements in its performance will be increasingly recognized as an important provider of the global public goods which will enable developing countries and countries with economies in transition to reap the benefits of the increasingly open global trading and financial regime.

A handwritten signature in black ink, appearing to read 'Magariños', with a stylized flourish at the end.

Carlos Magariños  
Director-General



# Extending the scope of reform and planning for the future

---

UNIDO began the year 2004 with a fresh mandate emanating from the tenth session of the General Conference in December 2003. At that session Member States recognized the extensive experience and expertise of UNIDO in promoting industrial development in developing countries and countries with economies in transition, and in particular the successes achieved in the delivery of its technical cooperation services during the past six years. In addition, the Conference took note of the corporate strategy presented by the Director-General to the Industrial Development Board in August 2003, which aimed principally at promoting productivity growth as a means of supporting the achievement of sustainable industrial development.

In this context, the Conference approved UNIDO's proposal to focus its activities in a selected number of areas of emphasis derived from the application of the corporate strategy to the Organization's programme of services. This was outlined in a proposal,<sup>1</sup> which also explained the linkages between the corporate strategy and the choice of the areas of emphasis and was accompanied by a note<sup>2</sup> that provided details of the Organization's newly refined service modules, as well as its priority services and research programme for the medium term, 2004-2007. Together, these two documents constituted the medium-term programme framework (MTPF) for 2004-2007.

While showing its appreciation for UNIDO's achievements in promoting industrial development in its beneficiary countries and for the Organization's efforts to establish a conceptual foundation and framework for its services, the Conference also expressed its interest in a continuation of the reform process that UNIDO has been undertaking since the late 1990s. Specifically, it encouraged the Director-General to carry forward the process of decentralization to the field, and to strengthen and rationalize the field operations of the Organization. In addition, it invited him to develop a strategic long-term vision statement covering a period of 10 to 15 years, possibly in time for its adoption by the next General Conference at the end of 2005, including UNIDO's strategic contribution to the achievement of the Millennium Development Goals (MDGs).

The Organization's very successful performance at the operational level in 2004 with technical cooperation delivery at \$98.8 million is highlighted by the statistics and their associated narratives provided elsewhere in this annual report. The performance was accompanied by ongoing efforts at the policy level to consolidate the past gains of the reform process, extend the scope of these reforms and establish a firm vision for the future. These efforts focused in particular on a range of measures to operationalize the corporate strategy and implement the MTPF for 2004-2007, expand UNIDO's presence

---

<sup>1</sup> Document GC.10/14.

<sup>2</sup> Conference room paper GC.10/CRP.4.

in the field, enhance its cooperation with other development agencies and formulate a long-term strategic vision for the Organization. These activities will be described in greater detail in the remainder of this chapter.

## A. Corporate strategy and MTPF

The operationalization of the corporate strategy and the implementation of the MTPF for 2004-2007, which represent two sides of the same coin, were given a high degree of priority in 2004. In February a publication, entitled *Operationalizing UNIDO's Corporate Strategy: Services and priorities for the medium term 2004-2007*, was issued and distributed to all Professional staff. This publication was aimed at creating full awareness of the stipulations of the MTPF, and instilling among staff an understanding of its implications for their day-to-day work. It therefore brings together the UNIDO corporate strategy and the refined service modules, areas of emphasis, priority services and research programme,<sup>3</sup> and links the corporate strategy with UNIDO's priorities for the medium term. In his foreword to the publication, the Director-General stresses that the substance of UNIDO's activities during 2004-2007 should be determined by the services, research programme and priorities contained in the document.

To ensure that these services and priorities are fully understood by staff, the Director-General held a series of meetings with all operational staff of UNIDO, covering both the Professional and General Service categories, to discuss in detail how all of UNIDO's technical cooperation and global forum activities, including its research efforts, should be clearly linked to the services and priorities approved by the tenth session of the General Conference.<sup>4</sup> As a follow-up to these meetings, the Director-General initiated a still-ongoing series of staff workshops intended to discuss a number of associated issues in greater detail and provide an impetus for the adoption of concrete measures. Two such workshops were held in 2004. One covered the topic of integrating UNIDO's socio-economic and environmental technical cooperation activities, inter alia, in order to mobilize increased resources from the environmental funds for the broad spectrum of UNIDO's technical cooperation activities. The other workshop addressed the issue of refining UNIDO's regional approach and strategy for Asia and the Pacific, in order to ensure that the UNIDO services provided to countries of the region are fully in accordance with their conditions. A smaller meeting was also held to rationalize the work relating to industrial policy advisory services within UNIDO, with a view to properly integrating the provision of these upstream services within the context of the Organization's global forum and technical cooperation functions.

In addition, preparatory work was undertaken on a third such workshop to be held in early 2005 on the policy framework for UNIDO technical cooperation and global forum activities in Africa, in order to assess how UNIDO can serve Africa more effectively in the context of the NEPAD framework, the African Productive Capacity Initiative (APCI) launched by UNIDO in November 2003, and the analytical framework for African development provided in UNIDO's *Industrial Development Report 2004*. Other staff workshops of this kind foreseen for the near future are intended to address the role of research and statistics in linking UNIDO's global forum and technical cooperation activities, with the aim of appropriately positioning UNIDO's research and industrial statistics activities within the overall framework of the services provided by the Organization. Another topic to be addressed will be the further development of UNIDO's investment promotion programme, in order to establish closer linkages

---

<sup>3</sup> Contained in documents GC.10/14 and GC.10/CRP4.

<sup>4</sup> Resolution GC.10/Res.2.

between this programme and the other technical cooperation services delivered by UNIDO.

These efforts to create greater understanding and awareness of the corporate strategy and medium-term programme framework among UNIDO staff were supplemented by steps to enhance their technical competencies and excellence in the selected areas of intervention identified in these documents. In this connection, an organizational learning programme was formulated, under which a series of technical workshops and focus seminars were held in the last quarter of 2004. Further seminars are foreseen for the first quarter of 2005. The topics covered include the logical framework approach for project/programme design and evaluation; job design (linkage with organizational processes); innovation for development; technology diffusion and investment promotion; and private sector development, poverty reduction strategies and the MDGs. Special orientation seminars were also designed for national officers in the field to enhance their professional excellence.

In addition to these institutional capacity-building measures, 2004 witnessed the introduction of a number of related administrative and organizational measures to ensure the consistency of UNIDO's procedures for funds mobilization, and for the formulation, approval, review and evaluation of programmes and projects, with the needs of the MTPF. These measures, which were based on the deliberations and recommendations of a Board of Directors' retreat held in February, were consolidated in an interim management control framework for programmes/projects issued in late March. A particularly important feature of this new framework was the streamlining of the programme and project approval process through the establishment of four programme approval committees (PACs) covering UNIDO activities in the fields of poverty reduction through productive activities, trade capacity-building, advancing human security in post-crisis situations, and energy and environment. To further streamline the operations of the PACs, a decision was taken in December to establish a single secretariat for them with effect from January 2005.

Special efforts were also made to disseminate information about UNIDO's continued attempts to sharpen the focus and deepen the substance of its activities in the areas of its comparative advantage in support of the international development objectives in general, and the MDGs in particular. An important element of these efforts was the publication of the *Industrial Development Report 2004, Industrialization, Environment and the Millennium Development Goals in Sub-Saharan Africa: The New Frontier in the Fight against Poverty*. In identifying the prevailing constraints to the achievement of the MDGs in the region and formulating appropriate policy responses pertaining to industrial development, the report highlighted UNIDO's analytical and conceptual capacities while also indicating its capacities to help promote development directly through targeted technical cooperation activities.

Another element of these efforts to promote a broader understanding of the role and capabilities of UNIDO in supporting the international development objectives was through the appointment of Goodwill Ambassadors for the Organization. The individuals selected for this honorary office are all eminent personalities who have distinguished themselves in trade and industry: Mr. Mamadou Mansour Cama of Senegal, Sir Ronald Grierson of the United Kingdom, Mr. Peter Sutherland of Ireland, Mr. Jorge Blanco Villegas of Argentina and Mr. Long Yongtu of China. They will fulfil an advisory and advocacy function, allowing UNIDO to benefit from their knowledge and long experience in the field of industrial development while at the same time helping to disseminate information about the good and relevant work done by UNIDO in this field. The programme was launched in the fourth quarter with concrete activities undertaken shortly thereafter. Examples include a visit by Mr. Cama to the Islamic Development

Bank at Jeddah, Saudi Arabia, to strengthen cooperation between UNIDO and the Bank. Sir Ronald Grierson will visit Brazil and Peru in early 2005 to promote the idea of entrepreneurship as a vehicle for job creation and income generation.

These efforts to generate a broader awareness of UNIDO's important contribution to international development are yielding an increasing degree of success. This was highlighted in the very positive statements about the Organization made by the United Kingdom Secretary of State for International Development, Mr. Hilary Benn, and the Member of Parliament for Putney, Mr. Tony Colman, in a debate in the House of Commons on 25 November. This came almost exactly a year after an article in the 13 November 2003 edition of the *International Herald Tribune* referred to UNIDO as one of four named "high-performance agencies" of the United Nations system.<sup>5</sup> The intervening period has witnessed an increasingly positive media coverage of UNIDO, focusing mainly on the effectiveness of the Organization's technical cooperation delivery.

## **B. Expanding UNIDO's field presence and enhancing cooperation**

Another important policy-level development in 2004 was the formulation and adoption of a new framework for decentralization and field representation. This measure, which will be discussed in chapter IV, represented a response to calls from Member States issued at the tenth session of the General Conference. The Director-General was encouraged to carry forward the process of decentralization to the field, and to strengthen and rationalize the field operations of the Organization. Furthermore, he was requested to present additional recommendations on decentralization to the twenty-eighth session of the Industrial Development Board.

This new framework is based upon a concept involving closer cooperation with the United Nations Development Programme (UNDP) at the field level that originated in 2003 and was presented to the tenth session of the General Conference. It proposes the establishment of a number of UNIDO Desks, consisting of an international or national staff member and limited support staff, within UNDP field offices. The Cooperation Agreement signed with UNDP on 23 September 2004 foresees the establishment of 15 UNIDO Desks in an initial two-year pilot phase in 2005-2006 to complement the 30 UNIDO country and regional offices and Regional Technical Centres already in existence in 2004. Over the longer term, this joint UNIDO-UNDP initiative is intended to lead to an increase in UNIDO's field representation to up to 80 countries. In some cases, in order to achieve greater synergies and further enhance joint operations between UNIDO and UNDP, the possibility of establishing joint UNIDO/UNDP Regional Technical Centres/Offices will also be explored.

Appreciating the fundamental reshaping of UNIDO's field structure implied by the new partnership with UNDP, and the far-reaching consequences that this could have for the Organization, this proposal was given extensive consideration in the first half of 2004. A desk-level assessment was carried out within the UNIDO Secretariat in January-February, and the results were considered at the Board of Directors' retreat held in February. At the same time, intensive consultations were also held at the highest level with UNDP to determine the financial viability and programmatic scope of such a cooperation mechanism. Finally, and crucially, a series of informal consultations with

---

<sup>5</sup> Charles Wolf Jr., "Postwar rebuilding: Pick the UN's best for a wider Iraq role", *International Herald Tribune*, 13 November 2003.



Member States was initiated through the establishment of an informal advisory group, chaired by the Permanent Representatives of China and Germany. Through discussions with this advisory group, and with regional groups, the Secretariat was able to identify the concerns of Member States and take them duly into account in finalizing its proposals, both internally and in its negotiations with UNDP. Based on a recommendation submitted by the informal advisory group, the twentieth session of the Programme and Budget Committee cleared the way for the conclusion of the Cooperation Agreement with UNDP.

On the programmatic level, the Agreement with UNDP provides for strategic cooperation between the two organizations in all fields of activity covered by UNIDO. Its principal focus, however, is on private sector development, for which a joint programme of technical cooperation is to be formulated and implemented. In selecting this priority area, UNDP and UNIDO sought to provide a dedicated and pioneering response to the analyses, conclusions and recommendations contained in the report of the Commission on the Private Sector and Development chaired by Mr. Paul Martin, Prime Minister of Canada, and Mr. Ernesto Zedillo, former President of Mexico. This report, entitled “Unleashing Entrepreneurship—Making Business Work for the Poor”, was presented to the United Nations Secretary-General in March 2004. It calls for actions to be taken in three specific areas:

- In the public sphere to create an enabling environment for private sector development;
- Jointly by the public and private sectors for increased partnership and innovation;
- By the private sector in the areas of mobilization of resources and capabilities.

The joint UNIDO-UNDP programme aims to support all these activities and objectives within the mandates of the respective organizations.

It is envisaged that the programme will initially be piloted in some 10 countries, which will be selected jointly by the two organizations on the basis of commitment of the respective Governments, the private sector and other stakeholders. The technical assistance activities will be supplemented at the global and regional levels by workshops, seminars and research programmes and also by joint development of manuals, software packages and other tools for specific areas of private sector development. While the initial programmes will be partly funded by the two organizations, the mobilization of external resources from private and public sector donors, at the country and global levels, will be essential for the successful implementation of the programme.

This joint programme with UNDP follows upon a similar joint programme of technical cooperation with the World Trade Organization (WTO) to help achieve the goals of the Doha Development Agenda launched a year earlier, in September 2003. UNIDO’s contribution is focused on enhancing the supply-side capacities of developing countries to produce and supply the goods required in various national and international markets and on strengthening the institutional infrastructure required to meet the technical and quality standards prevailing in these markets. WTO, meanwhile, is focusing on supporting the increasing of developing countries’ capacities to engage effectively in trade negotiations and implement the WTO agreements. During 2004 preparatory work was undertaken in a number of selected pilot countries involving quick assessments of their industrial and trade competitiveness and of barriers to trade, conformity requirements and supply-side constraints. This led to the formulation of technical cooperation projects for joint promotion by the two organizations.

The establishment of strategic partnerships and alliances with other United Nations agencies exemplified by the agreements with WTO and UNDP described above are aimed at coordinating UNIDO's technical cooperation services with those provided by partner agencies and thereby enable both agencies to reinforce the impact of each others' services. It is becoming increasingly evident, however, that such piecemeal efforts at inter-agency cooperation and coordination will not be sufficient to meet the international development objectives. This is particularly relevant for UNIDO, which after almost seven years of internal restructuring has now reached the point when future efficiency gains at the Organization will depend ever more on system-wide efficiency gains and the capacity of UNIDO to benefit from them while contributing to them. UNIDO therefore believes that future progress in its reform efforts cannot take place in isolation, and that there is a critical need to increase the degree of operational interaction and coordination among the relevant United Nations programmes, funds and specialized agencies, and the Bretton Woods institutions.

Against this background, the Director-General submitted a proposal to the United Nations Secretary-General for the establishment, on a voluntary basis, of a common business plan or common agenda for action for the United Nations system with regard to development issues, which would reorganize the supply of development-related public goods through the system, thereby enhancing its efficiency and impact. This proposal was discussed extensively at the two meetings of the Executive Heads of the United Nations held in April and October 2004, and is on the agenda of the next session of the High Level Committee on Programmes scheduled for February 2005. It has been presented separately to various sister agencies of the United Nations system, where it has met with expressions of interest and support. The Director-General has also informed the Member States of this proposal at the various meetings of the Governing Bodies held in 2004. UNIDO will continue to promote this idea, inter alia, by engaging centres of excellence and prominent thinkers to advocate the need to reinvigorate the economic development functions of the United Nations, and will also develop the issue further in the next edition of the *Industrial Development Report*.

### **C. The formulation of a long-term strategic vision for UNIDO**

Responding to a mandate emanating from the tenth session of the General Conference, UNIDO began to develop a strategic long-term vision statement in the latter half of 2004. This vision, which will cover a period of 10-15 years, is expected to address the issue of UNIDO's strategic contribution to the MDGs in particular. It is expected to be finalized in time for the thirtieth session of the Industrial Development Board in June 2005, and will be submitted, via the Board, to the next General Conference. In framing the long-term vision statement, it was decided to ensure that the proposals for the future rest solidly on the foundations of what has been accomplished in the past. In this context, emphasis will continue to be given to re-specializing and re-professionalizing the Organization in line with its mandate to promote the industrial development of developing countries and economies in transition. This reflects the bitter lessons learned from the experiences of the period between the mid-1980s and the mid-1990s, during which the Organization steadily lost focus and engaged itself in an ever-expanding range of activities, sacrificing its effectiveness and impact on the way, and suffering a sharp deterioration in its international credibility as a result.

This trend began to be reversed from 1998 onwards as a result of urgent steps taken by the new Director-General, Mr. Carlos Magariños, to refocus UNIDO's activities in accordance with its mandate and comparative advantages. In the intervening period the

range of UNIDO's services has been reduced from some 250 highly divergent programmes to eight service modules. This streamlining was continued in 2004, with the establishment of the four programme approval committees, as noted above. The possibility of aligning the service modules with the topics covered by these PACs is currently being considered, and could result in a further concentration of UNIDO's programmes to just these four major areas of activity in the next biennium.

This concentration of UNIDO's services was accompanied by the adoption of integrated programmes (IPs) and country service frameworks (CSFs) as new vehicles for the delivery of these services. By combining a variety of services from several service modules to respond to a particular developmental challenge, these IPs and CSFs facilitate the adoption of more holistic responses to these challenges and enable the various services provided to reinforce each other. Since 2002, UNIDO has supplemented these country-based vehicles for service delivery with more regionally based thematic initiatives covering essentially the four topics dealt with by the PACs.

Since the ultimate objective of these measures has been to enhance the relevance, effectiveness and impact of UNIDO's technical cooperation activities, they have been complemented by a variety of administrative reforms aimed at smoothening the project management processes while at the same time increasing the accountability of project managers through improved monitoring and evaluation mechanisms. Similarly, supporting measures were taken to enhance the professionalism of UNIDO's human resources within the priority services selected through appropriate staff training and recruitment policies. Finally, steps were taken to integrate more fully UNIDO's global forum and research with its technical cooperation in order to enhance the synergies between these two principal components of the Organization's mandate and ensure that they reinforce each other in the quest for relevance, effectiveness and impact.

Building on this base, the long-term vision being prepared for UNIDO will continue to be guided by the Organization's mandate, corporate strategy and the guidelines issued by its governing bodies on the one hand, and by the needs of its beneficiary countries and the international development agenda as given by the agreements reached by the international community at major international conferences on the other. In this context, the MDGs will continue to play a pre-eminent role, as noted above, although the conclusions of a large number of other international conferences will also provide important guideposts. These include the Third United Nations Conference on the Least Developed Countries (LDC III) held in 2001, the International Conference on Financing for Development in 2002 and the World Summit on Sustainable Development in 2002. In the particular context of Africa, they also include the thirty-seventh Summit of the Organization of African Unity in 2001, which adopted the New Partnership for Africa's Development.

As a first step towards the preparation of the long-term vision statement, a draft statement incorporating the various elements described above was submitted to the twenty-ninth session of the Industrial Development Board held in November 2004. Member States will join hands with the Director-General in developing the long-term vision statement—thus setting a guiding framework that would allow UNIDO to continue with its mission and providing the pillars that will support the Organization in future years.





## **UNIDO and the multilateral system**

---

A pillar of the UNIDO transformation has been cooperation with other organizations, particularly within the United Nations system. This policy has resulted in a clear identity for UNIDO in the system. To enhance collective impact UNIDO has signed cooperation agreements in recent years with a number of other organizations, and the text of various chapters of the present report will testify to the successful implementation resulting therefrom. UNIDO is firmly committed to the reforms of the Secretary-General, which have given a welcome new momentum to the United Nations development agenda. UNIDO has also taken significant steps to contribute to this process, in part through its own transformation. Based on this experience, the Organization has also elaborated its views on how the system can work better to achieve the Millennium Development Goals.

### **United Nations General Assembly**

In the context of the forthcoming 2005 comprehensive review of the implementation of the Millennium Declaration, UNIDO's contribution to the fifty-ninth session of the United Nations General Assembly addressed a number of issues:

- New Partnership for Africa's Development (NEPAD): progress in implementation and international support;
- Follow-up to major United Nations conferences;
- Globalization and interdependence;
- Eradication of poverty and other development issues;
- Sustainable development;
- Operational activities for development.

Industrial development cooperation received priority attention, as reflected in the report of the Director-General to the fifty-ninth session of the General Assembly, with an annex containing information on the outcomes of the Global Biotechnology Forum held from 2 to 5 March at Concepción, Chile. The report focuses on the critical role of productivity factors and industrial development for the achievement of the Millennium Development Goals (MDGs) and provides an overview of UNIDO services and other activities undertaken over the past two years in the context of the MDGs, reflecting changes in line with the corporate strategy that resulted in better programme delivery and increased efficiency of UNIDO activities.

Resolution 59/249, subsequently adopted by the United Nations General Assembly, welcomes the conclusions and recommendations contained in the report, stresses the critical role of productive capacity-building and industrial development for the achievement of the MDGs, and encourages UNIDO to continue to promote better policy coherence in the field of economic development. It recognizes the important contribution of UNIDO to the overall efforts aimed at the achievement of the MDGs and reinforces the UNIDO mandate.

Another important issue was NEPAD, in the report on which the Secretary-General recognized the leading role of UNIDO in supporting the development of the African Productive Capacity Initiative.

## **ECOSOC**

UNIDO's participation in ECOSOC was focused on the high-level segment "Resource mobilization and enabling environment for poverty eradication in the context of the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010". Led by the Director-General, the UNIDO delegation underlined the key role of productivity factors and industrial development for poverty eradication and the achievement of the MDGs. UNIDO organized a ministerial breakfast round table on promoting productive capacity initiatives in LDCs and Africa.

Due to the constructive involvement of UNIDO in the preparatory process and the high-level segment itself, UNIDO's position was properly reflected in the ministerial declaration, including the role of the private sector and SMEs in particular in the poverty reduction strategies; the need for technical assistance to increase productive capacities in LDCs; and support to market access initiatives. The declaration also confirms the relevance of the UNIDO post-crisis activities and stresses the need to ensure that reconstruction and recovery is an important part of the sustainable development of LDCs emerging from conflict situations and natural disasters.

## **Coordination mechanisms**

Following UNIDO's chairmanship of the High-Level Committee on Programmes (HLCP), the Organization continues to play a visible role in the work of the Chief Executives Board (CEB) and HLCP, focusing its interventions on the implementation of the Millennium Declaration, follow-up to the International Conference on Financing for Development and the World Summit on Sustainable Development, multilateralism and United Nations reform.

Advocating the need for a stronger emphasis on economic development and a corresponding strengthening of coordination among the relevant United Nations entities as an essential factor to promote concrete progress towards achieving the MDGs, the Director-General drew the attention of HLCP and CEB to a proposal to enhance system-wide policy coherence and operational effectiveness. It aims at renewing the United Nations economic development functions in the context of the Millennium Declaration and emphasizes the need to redress the current undersupply of specific public goods such as market efficiency, knowledge and environment, and to enhance the links

between economic and social development in order to improve the prospects for achieving the MDGs and to make that process sustainable. This could be achieved, inter alia, through a voluntary mechanism such as a common business plan or a common agenda for action.

The UNIDO proposal was considered by CEB at its second regular session in October and HLCP was requested to pursue discussions in order to formulate practical suggestions. Thus, the UNIDO initiative has stimulated a discussion of significance for the entire United Nations system.

In the United Nations Development Group (UNDG), UNIDO focused on the issue of better policy coherence at the country level and further steps to maximize impact. In this context the Organization shared its experience on the Cooperation Agreement with UNDP, which was welcomed by UNDG members.

## **Global Compact**

An initiative of the United Nations Secretary-General in 1999 established the Global Compact, to encourage corporations to exercise corporate social responsibility (CSR) by adhering to 10 principles drawn from international conventions or declarations on conditions of work, respect for human rights, protection of the environment and anti-corruption. Despite some variation in interpretation, there is a consensus that CSR goes beyond corporate philanthropy or mere compliance with regulatory or legislated social and environmental standards. In broad terms, CSR is seen as constituting demonstrable ethical, socially responsive and environmentally sensitive business practice.

The participation of UNIDO in the Compact is motivated by the need to meet the specific needs of SMEs. UNIDO's association is a result of the recognition awarded by the United Nations system to the Organization's efforts to develop partnerships through technical cooperation programmes geared towards SMEs. While other agencies are playing the advocacy and operational role in respect to their mandates, UNIDO is suited to realizing the objectives of the Compact at the field level in its client countries; through operational activities UNIDO is creating engagement mechanisms for the SME constituency in the Global Compact.

At the Global Compact Leaders Summit, convened by the Secretary-General on 24 June and attended by business leaders, heads of NGOs and of the core agencies, the Director-General highlighted UNIDO's important role in promoting the Compact at the SME level in its client countries.

## **Millennium Project**

UNIDO has been cooperating with other agencies and institutions to contribute to the Millennium Project through the formulation and implementation of the best strategies for achieving the MDGs. Being an active member of the teams comprising Task Force One on Poverty and Economic Development; Task Force Ten on Science, Technology and Innovation; and the United Nations Experts Group, UNIDO provided support to the Project by sharing its expertise on the related subjects. As the task forces stepped up

their efforts to come up with their final reports by the end of 2004, UNIDO also played an active part by providing substantive inputs to these documents.

In addition, UNIDO has shown its commitment to the successful operationalization of the Millennium Project by sponsoring the establishment of a Joint Technical Support Centre at Nairobi, with a grant of \$1.2 million. The Centre will focus primarily on six countries: Ghana, Ethiopia, Kenya, Madagascar, Senegal and the United Republic of Tanzania, until the finalization of the Project in June 2005. Uniquely positioned to act as a liaison between local Governments, United Nations country teams, the Millennium Project secretariat and task forces and UNIDO Headquarters, the Centre plays a central coordinating role in identifying the national and international policies needed to ensure the respective countries' achievement of the MDGs. With the benefit of UNIDO expertise, the Centre is expected to provide a pioneering approach to supporting African countries' development by providing long-term productivity improvement strategies while also leading technical cooperation activities that are vital to the achievement of the MDGs.

## **UNDP**

To enhance interagency cooperation and working impact at the country level UNIDO initiated a dialogue with UNDP on strategic partnership that resulted in a Cooperation Agreement between UNIDO and UNDP signed in New York on 23 September. Considered a potential model for the entire United Nations system, the Agreement establishes the basis for both organizations to develop joint technical cooperation programmes with a focus on private sector development, taking into consideration the recommendations of the Commission on the Private Sector and Development. At the same time, it introduces a new model for field representation, with UNIDO Desks established at UNDP Offices.

## **WTO**

Significant progress has been made in the short time since the September 2003 signing of the memorandum of understanding with WTO for a strategic partnership to promote the implementation of the Doha Development Agenda. Following the selection of nine pilot countries (Armenia, Bolivia, Cambodia, Cuba, Egypt, Ghana, Jordan, Kenya and Mauritania), UNIDO and WTO carried out joint country assessments and seminars and elaborated plans of action, effectively concluding the first phase of the programme. A July discussion of the two Directors-General focused on implementation and modalities for resource mobilization, and a number of donors have already indicated potential interest in funding. Briefing sessions in November and December to assess progress confirmed that all stakeholders, beneficiaries and donors alike, strongly support the joint initiatives. Current efforts are now oriented towards implementation of the projects, and possible expansion to include new beneficiaries.

As a result of the enhanced cooperation with WTO, UNIDO participated in the Standards and Trade Development Facility (STDF) donor round table, held in September. The Facility was launched at the 2001 WTO ministerial meeting and includes FAO, the World Bank, WHO, WTO and the World Organization for Animal



Health. Its aim is to help developing countries strengthen their expertise and capacity in the field of international sanitary and phytosanitary (SPS) standards by improving their human, animal and plant health situation for better market access. Since the UNIDO-WTO joint programme has identified several SPS-related technical cooperation needs, which would fall under the STDF criteria, it was agreed that the projects related to SPS would be submitted for STDF consideration and funding.

Significantly the UNIDO-WTO strategic partnership is gaining international support and recognition, as stated in the Dakar Declaration adopted by the Third Ministerial Trade Meeting of LDCs (Dakar, 4-5 May 2004) and in the Kigali Declaration on the Doha Work Programme and Kigali Consensus on the Post-Cancún Doha Work Programme adopted by the African Union Trade Ministers (27-28 May 2004).

## UNCTAD

Cooperation with UNCTAD continued to be productive. UNIDO took part in a number of commissions, expert group meetings and investment policy reviews, and attended the thirty-fourth and thirty-fifth executive sessions of the Trade and Development Board.

UNIDO was involved in the eleventh session of the UNCTAD General Conference, held at São Paulo, Brazil, from 13 to 18 June, and provided a contribution to its successful outcome. Within that framework, the UNIDO-sponsored Technology Fair of the Future became one of the main events of UNCTAD XI. Technology sectors covered by the Fair were energy and environment, biotechnology, nanotechnology, materials, information and communication, and aerospace. Also represented were technology sectors important for low-income and least-developed countries, such as agro-industries, building materials and renewable energy.

An input to the UNCTAD publication *Trade and Gender: Opportunities and Challenges for Developing Countries* drew on considerable UNIDO expertise in gender-related issues in the textiles and clothing sector.

## Other cooperation

Dynamic cooperation with other organizations, a hallmark of UNIDO activities, takes various forms. While reciprocal participation in relevant meetings is an established practice, joint implementation of technical cooperation has become more characteristic in recent years.

UNIDO participated in the work of the Commission on Sustainable Development, featuring meetings on post-crisis transition for Haiti, Iraq, Liberia and Sierra Leone as well as the Global Compact Summit.

Cooperation with the International Organization for Standardization (ISO) continued to develop. The Organization actively participated in the twenty-seventh General Assembly of ISO and in the thirty-eighth meeting of the ISO Committee on Developing Country Matters and shared its experience in the design and successful implementation of regional projects in the field of quality, standardization and conformity assessment for trade.

The elaboration of an e-learning project on standardization and technical barriers to trade (TBT) matters was finalized for implementation in 2005. A joint UNIDO-ISO-FICCI (Federation of Indian Chambers of Commerce and Industry) study on the impact of ISO 9000 in the South Asian Association of Regional Cooperation region is planned for 2005.

UNIDO is exploring the possibility of joining a working group for the formulation of an international standard for social responsibility currently being established by ISO. The working group would benefit from UNIDO's long-standing experience in corporate social responsibility for small and medium enterprises in developing countries and economies in transition.

### **Reaching the micro level in West Africa—Novel concept proves successful**

Today, approximately 75 per cent of the poor live in rural areas, with women and young girls comprising 60 per cent of the most destitute. Women in West Africa represent approximately 48 per cent of the economically active population and play a crucial role in private entrepreneurship, particularly in rural areas, where they are responsible for production, processing, packaging, distribution and selling. However, they have limited access to technology and knowledge of food safety matters; they lack information on training opportunities and knowledge of marketing techniques.

With the pilot phase of the West Africa Regional Programme PREPAO (Programme Régional pour les Pays de l'Afrique de l'Ouest) in Guinea, Mali and Senegal, UNIDO has launched an innovative approach to fighting poverty by providing support to small agro-industrial production units through their collective participation in local civil society organizations. CSOs act as advocates for their stakeholders and intermediaries between them and governments, and as support institutions and service providers. Their advantage lies in their proximity to the target beneficiaries. They are capable of taking fast decisions and action, thereby reducing implementation time and transaction costs and enhancing programme efficiency.

PREPAO strengthens institutional capacities of local CSOs in food processing for micro and small rural enterprises (MSREs) run by women entrepreneurs. It backs up entrepreneurship directly at the base through small concrete projects under the auspices of the CSOs. This participative intervention approach, unique in the United Nations system, is promoted by UNIDO to maximize the impact on poverty reduction. Emphasis is placed on providing technologies, access to information, and upgrading capabilities to meet market requirements, thus leading to income generation and employment opportunities.

The pilot phase revealed the difficulties faced by the CSOs and MSREs, and pointed out actions to be taken to increase their capabilities. Initial progress was made in processing and marketing agro-alimentary products. The provision of material, equipment and infrastructure elements through the pilot project has already registered results:

- Protection of the women processors against certain work hazards;
- Improvement of hygiene standards at the workplace;
- Perceptible improvement in the quality and wholesomeness of finished products;
- Increase in the quantity of products processed per unit;
- Improvements in the technology for processing food products;
- Highlighting of lead products that could generate higher revenues;
- Cooperative arrangements between CSOs;
- Establishment of contacts with people engaged in similar activities and with potential new customers.

Through its participation in the inter-agency group for trade facilitation, UNIDO established cooperation with the Global Facilitation Partnership for Transportation and Trade (GFP) and became a member of the GFP Steering Committee, together with the World Bank, UNCTAD, UNECE, the World Customs Organization and the International Chamber of Commerce. Part of the United Nations trade facilitation network, GFP aims at bringing together all interested parties—public and private, national and international—to help achieve significant improvements in transport and trade facilitation issues.

As demonstrated in the foregoing text and elsewhere in this report, UNIDO cooperates with a wide range of organizations in a broad spectrum of activities. Similarly, collaboration with organizations of the private sector and civil society (CSOs) is also a cross-cutting activity, encompassing agro-industry, cluster development, micro-, small- and medium-sized enterprise (MSME) development, investment promotion and technology transfer, quality and standardization, renewable energy and environment. UNIDO involves CSOs in technical cooperation as partners, counterparts or beneficiaries; they participate in global forum activities and many enjoy consultative status with UNIDO. In December 2003, the CSO/NGO Resource Centre on UNIDO Exchange was launched. With the pilot phase of the West Africa Regional Programme PREPAO (Programme Régional pour les Pays de l’Afrique de l’Ouest), UNIDO adopted an innovative approach to fighting poverty through CSOs. At the closing ceremony of the introductory workshop in Conakry, Guinea, which was attended by some 200 representatives from civil society, the Prime Minister of Guinea stated: “... this significant attendance confirms once more your interest in making civil society dynamic and in the blooming of private initiative, which we consider as an agent to enhance socio-economic development.”





## **Programme development and technical cooperation**

---

Consequent on the Board of Directors' first retreat in 2004, the Regular Programme of Technical Cooperation (RPTC) took on a new dimension with the establishment of four programme approval committees responsible, respectively, for human security/post-crisis rehabilitation; energy and environment; trade capacity-building; and poverty reduction through productive activities. A tendency to release the bulk of RPTC funds in the second year of the biennium had precipitated an uneven pattern of implementation, and the committees have ensured a more timely disbursement of those funds. They have also ensured that technical cooperation is closely aligned with the priorities envisaged in UNIDO's corporate strategy.

Building on the success of the 2003 inaugural business plan for the Programme Development and Technical Cooperation Division (PTC), the 2004 version was tailored to the 2004-2007 priority services mandated by the tenth session of the General Conference. Likewise, the focus of its programmatic elements was guided by the eight reformulated service modules. The Division's holistic approach to business planning has made a marked contribution to overcoming what could be termed "end-of-biennium syndrome". In other words, 2004 saw a more measured pace of delivery, rather than the "peaks and troughs" traditionally associated with alternate biennial years.

Equally crucial for PTC's approach to technical cooperation was the publication of the interim management control framework for programmes/projects. Concurrent with the advent of the programme approval committees, it stimulated PTC's contribution to drafting comprehensive guidelines to define responsibilities at each step in the technical cooperation programme/project cycle. The final product is expected to result in streamlined procedures leading to efficiencies of time and expense in technical delivery in the coming years.

### **A. Integrated programmes and country service frameworks**

In the course of the year 2004, nine integrated programmes (IPs) and country service frameworks (CSFs) entered their second phase. Three new IPs and CSFs were approved, bringing the total number to 63, including two for countries in post-crisis situations (Burundi and Sierra Leone).

At the end of 2004, total funds raised for these IPs/CSFs amounted to \$180 million, resulting in a total expenditure of \$138 million against a total current planning figure (without programme support costs) of \$385 million.

Most of the IPs/CSFs continue to deal with capacity-building, and many were geared towards increasing competitiveness with a particular emphasis on SMEs and special attention to environmental protection. In terms of the Millennium Development Goals (MDGs), they are being implemented with the primary focus on solving problems related to poverty reduction in the context of promoting a global partnership for development. However, components related to environmental sustainability are increasingly gaining weight.

From the perspective of thematic priorities, 2004 delivery was highest in the area of poverty reduction through private sector development (PRP), followed by trade capacity-building (TCB) and energy and environment (EAE). However, there were regional differences: while Africa showed the highest delivery in PRP, in Arab countries and Latin America and the Caribbean it was TCB, and in Asia and Europe it was EAE.

Integrated programmes and CSFs were under continuous monitoring and review. In 2004, a series of in-depth evaluations were carried out covering China, Cuba, Lebanon, Madagascar and Morocco. The conclusions and recommendations of the evaluation reports are important inputs for adjustments and for the preparation of second phase programmes. For example, in Madagascar the evaluation made extensive recommendations on the priorities to be pursued for the development of a new pilot programme for poverty reduction. Based on the experience acquired and new national priorities, the new programme was formulated along the lines recommended. In China, several lessons were learned through the evaluation of the CSF—the largest programme ever evaluated. This experience is being taken into account in refining new comprehensive technical cooperation guidelines.

## **B. Agro-industries and sectoral support**

Activities in the field of agro-industries, focused on trade capacity-building and poverty alleviation, showed a marked developmental impact, as the following examples illustrate.

In Ecuador, training for garment and textile manufacturing generated a 20 per cent savings in cutting wastes, a 25 per cent improvement in productivity and as much as an 80 per cent increase in employment. Companies were brought into the formal sector and now pay taxes and social security benefits for their employees.

A fishermen's workshop was installed in Djibouti serving a community of 600 households. Equipped with a secure storage unit and repair bays, the workshop includes a complete range of hand and power tools for outboard motor repair. UNIDO received two awards for results achieved in the Ethiopian leather sector, based on business partnership activities in the sector, which generated investment worth \$3 million and establishment of the Leather and Leather Products Technology Institute. In Egypt, small-scale producers in product design and development, marketing and quality control were able to enter the international marketplace through the creation of the Footwear and Leather Industry Service Centre. The Cane and Bamboo Technology Centre, in India, has made a considerable contribution to development of the sector, with 27 bamboo-processing companies founded, 900 persons trained and 300 jobs created.

The intervention of UNIDO in the field of food safety had a direct bearing on the European Union's decision to lift an embargo on Angolan fish products. This success has encouraged UNIDO to seek additional funding for the project to enable it to address other aspects of the food safety system, for which a contribution was received from Norway in December. In Lebanon, the new food law, drafted through a UNIDO project, was adopted by the Council of Ministers and submitted to Parliament for approval. This was widely publicized in the Arab world, particularly through the television station Al-Jazeera. At a regional workshop on capacity-building for food exports in Uganda, participants from Ethiopia, Kenya, Uganda and the United Republic of Tanzania agreed to harmonize their food safety and quality systems. Advertisements to promote hygienic food-handling practices, produced under a UNIDO project in Ghana, were shown on the CNN programme "Inside Africa", illustrating Africa's attempt to improve food safety, increase consumer awareness and access international markets.

## C. Energy and cleaner production

Activities focused on renewable energy technologies, rural energy for productive use, industrial energy efficiency, cleaner production, international waters and biotechnology.

Within the framework of the International Centre for Small Hydro Power, in China, a major conference for developing countries was held in April. In support of South-South cooperation, the Centre plays an increasingly active role in identifying and implementing small hydropower projects in African countries.

The Global Environment Facility (GEF) approved a large-scale UNIDO project to support renewable energy-based electricity generation for isolated mini-grids in Zambia, aimed at initiating income-generating activities through rural electrification. Progress on the project to establish the International Centre for Hydrogen Energy Technologies was marked by the inauguration of the initial office as well as recruitment of the director and key staff.

The outcome appears promising in a large-scale project for energy conservation and greenhouse gas (GHG) emissions reduction in Chinese town and village enterprises, now reaching its final phase. Nine pilot companies in four sectors (brick, coke, foundry and cement) are now participating, with one coke company in Shanxi Province alone expected to exceed the entire GHG emissions reduction target for the whole project. In addition, replication projects in four sectors and some 100 plants will begin in 2005.

The cleaner production programme successfully continued implementation of the holistic sectoral approach at country and enterprise levels in 34 developing countries and countries with economies in transition. UNIDO maintained regional networks aiming at dissemination of cleaner production and transfer of environmentally safe technologies. The programme targeting cooperation between Investment and Technology Promotion Offices (ITPOs) and National Cleaner Production Centres was initiated with an operative agreement between ITPO United Kingdom and three centres/programmes (Brazil, Cuba, Russian Federation).

### **Micro hydropower changes the destiny of Mankulam, a Kerala village**

Idukki district of Kerala, India, takes pride in having the country's tallest arch dam in its largest hydroelectric power project. But it was also home to Mankulam, a village with no road worth its name and no electricity for its 15,000 inhabitants. Environmental concerns for a wildlife sanctuary in the district had decelerated the development ethos of the village panchayat (council).

UNIDO joined hands with the Mankulam panchayat in implementing a micro hydropower project through the UNIDO Regional Centre for Small Hydro Power established at Trivandrum, Kerala. To ensure that power generation also results in employment and income generation, besides offering entertainment and leisure activities, UNIDO established a community development centre, including a computer centre that has trained dozens of youths. It also offers a community TV, a flour mill and a wet grinding station. Moreover, through a VSAT connection, villagers can now keep themselves well informed. The long-held dream of electrifying the village became a reality on 28 October 2004.

Modelled after the successful Chinese micro hydro projects, UNIDO's Mankulam power project is one of the first to be completed and owned by a village panchayat, which is also responsible for operation and maintenance. Thus, the 110 kW station is in the hands of the people. UNIDO's model, which is looked upon by other developing countries as "the right one", will ensure that the power centre will bring not only long-term economic benefits but also overall community development. This will occur within a short period with electricity catalysing small enterprises, which can process local products such as cocoa and milk into high-value products that can access markets directly.

Success breeds success, and there is now a proposal for UNIDO to install a biomass gasifier in the village, utilizing local agricultural wastes for production of additional electricity, and also to develop the abundant water power resources of the area.

Preparation began for the Cleaner Production 2020 Agenda on sustainable industrial resource management and closing the loops, presenting UNIDO's vision of the future of cleaner production in line with Millennium Development Goal 7. The issues were discussed in meetings in Austria and India.

With financial support from Italy and GEF, UNIDO received approval to implement its transfer of environmentally sound technologies methodology in developing countries of the southern Mediterranean basin. UNIDO received funding from the United Nations Trust Fund for Human Security to begin implementation of a project in Bangladesh aimed at improving human security by mitigating health problems related to arsenic poisoning from contaminated groundwater resources.

The Global Biotechnology Forum, held at Concepción, Chile, from 2 to 5 March, called for the formation of a multi-stakeholder forum as well as the creation of a biotechnology information network and database.

## **D. Industrial promotion and technology**

In the field of investment promotion, new initiatives were launched for financial instruments for industrial investment. These included a pilot equity guarantee scheme for the United Republic of Tanzania for eventual expansion in the region and a subsector competitiveness benchmarking and development initiative based on foreign direct investment. Investment seminars in eight Asian cities organized by the Asia-Africa



Investment and Technology Promotion Centre featured some 300 participants and nearly 50 one-to-one business meetings. The African Foreign Direct Investment Survey was promoted in five African capitals.

Assistance was provided for the establishment of three technology parks, in Bahrain, Iran (Islamic Republic of) and Kuwait, while three new subcontracting and partnership exchanges were established, bringing their total to 57 worldwide.

To guard against business failures resulting from inadequate project preparation and appraisal, UNIDO conducts training programmes in developing countries and transition economies to develop and strengthen national capabilities in investment project preparation and appraisal. A cohesive set of teaching materials was published in 2004. Numerous institutions and organizations showed a vivid interest in these materials, and the European Commission's delegation for Ukraine, Moldova and Belarus included them in its "Harvest of Knowledge" private business development CD. Two new training modules, on joint ventures and strategic partnerships and on technology transfer operation, were published.

The trade capacity-building programme was strengthened and expanded, with technical cooperation at the regional and subregional level a key feature in promoting international market access. Within the framework of cooperation with WTO, initial seminars on responding to the Doha Development Agenda were held in nine developing countries. UNIDO's informal consultative group on trade capacity-building gave substantial advice for the future direction of the programme, integrating it with the objectives of the Doha Development Agenda. Strategic partnerships were forged, through the conclusion of memorandums of understanding with the International Laboratory Accreditation Cooperation and International Accreditation Forum in the field of accreditation as part of conformity assessment.

Metrology and testing laboratories were established or upgraded for international accreditation in the West African Economic and Monetary Union (UEMOA), Central America and the South Asian Association for Regional Cooperation (SAARC) regions as well as in Cambodia, Lao People's Democratic Republic, Sri Lanka and Viet Nam. At the same time, the national capacities of these countries for ISO 9000, ISO 14000 and HACCP systems and certification were developed. A pilot project was initiated in Egypt to demonstrate traceability and safety issues related to market access. Similar programmes continued to develop and upgrade national institutional capacities of countries for standards formulation and dissemination in the region as well as for becoming active participants in the international standards development process.

To improve productivity and quality, the trade capacity-building programme assisted in the development of national capacities for enterprise restructuring and upgrading in Algeria, Egypt, Morocco and Tunisia. UNIDO actively participated in inter-agency trade facilitation meetings, WTO TBT/SPS events and forums of the International Laboratory Accreditation Cooperation, International Accreditation Forum and ISO, as well as in the Global Facilitation Partnership for Transportation and Trade.

Two large-scale projects that commenced operation included one for Afghanistan funded by the World Bank with UNOPS as the executing agency, aimed at creating capacity in quality, standards, metrology and testing and at addressing serious safety and consumer protection issues. The creation of a quality infrastructure is seen as a

contribution to the achievement of the trade-related objectives of the World Bank's emergency customs modernization and trade facilitation project and to reducing health risks for the population. In Pakistan, the Organization joined hands in an EU-funded €5 million multi-agency cooperation model for trade-related technical assistance. UNIDO is implementing a component of €2.5 million focusing on standards and accreditation, with a second component implemented by ITC in cooperation with WTO, UNCTAD and WIPO. The quality support programme for Bangladesh and Nepal was finalized for funding through the European Commission, while a number of new projects in different regions have also been prepared for funding.

### **Building trade capacity in Sri Lanka**

The economy of Sri Lanka has benefited from an aggressive export drive over the past decades. However, globalization and trade liberalization had given rise to new challenges that require Sri Lanka to become more competitive in order to uphold its trade position in the global market. This involves facing increasingly stringent demands to comply with technical standards, health and safety requirements and regulations set by importing markets.

Under the integrated programme for Sri Lanka and with a significant donor contribution from Norway, UNIDO assists the country in addressing these issues. More specifically, the programme component on quality, standardization and metrology aims to strengthen capabilities with particular emphasis on certification of quality systems and environmental management systems to ISO 9000 and ISO 14000 and developing accredited chemical testing and microbiology testing laboratories.

Since the programme's inception in 1999, the results have been significant:

- Equipment base of five testing laboratories strengthened;
- Quality infrastructure established involving two internationally accredited chemical laboratories, two internationally accredited microbiology laboratories and an internationally accredited textile laboratory;
- Capabilities and infrastructure established for environmental management system (EMS) based on ISO 14000;
- 25 local enterprises sensitized on EMS requirements and benefits. Of these, 10 were selected to participate in a pilot project for setting up and implementing a complete EMS system according to ISO 14000. A further of these five pilot companies went through the certification process and obtained recognition;
- National Cleaner Production Centre established;
- Accredited metrology laboratory established.

With these UNIDO interventions, Sri Lanka is now well set up with an industrial sector that is environmentally sustainable and with access to internationally-accepted testing facilities.

In the field of technology, UNIDO continued to respond to the needs of developing countries to stimulate the technology diffusion process and strengthen regional/international cooperation through technology upgrading in selected sectors of national industries and capacity-building projects. Efforts were also continued to strengthen links between the UNIDO network of international technology centres and other cooperating institutions and agencies.

With support from India, UNIDO developed country programmes for Afghanistan, Mozambique and Sudan in capacity-building and transfer of new and proven technologies for manufacturing environmentally friendly and energy-efficient building materials for low-cost housing.

A major event of the UNIDO technology foresight initiative was the Technology Fair of the Future, as a component of UNCTAD XI in Brazil, which was attended by some 100 international companies and 200 participants from 15 countries. Another milestone for the initiative was the establishment of the distance-learning programme on technology foresight, at the Ukrainian Centre of Distance Education. Training courses for capacity-building were organized in Bulgaria, the Czech Republic, Turkey, Ukraine and Bashkortostan (Russian Federation), attended by more than 250 participants from some 25 countries. The technology foresight initiative for Latin America was reoriented towards promotion of production chains.

## **E. Multilateral environmental agreements**

In 2004, 44 new Montreal Protocol projects were approved for UNIDO execution, amounting to \$37.7 million, including the core unit of \$1.5 million and support costs. Twenty-three stand-alone projects were approved for Algeria, Bosnia and Herzegovina (2), Brazil, Cameroon, China (2), Côte d'Ivoire, Cuba, Egypt, Georgia (2), Indonesia, Iran (Islamic Republic of) (2), Mexico, Morocco, Oman, Romania (3), Serbia and Montenegro and The former Yugoslav Republic of Macedonia. New multi-year projects were approved for Nigeria for the complete ODS phase-out in the solvent sector, China for the refrigeration servicing sector CFC phase-out plan, and Sudan for the national CFC/CTC phase-out plan, as well as for Argentina, Mexico, Serbia and Montenegro and Venezuela (Bolivarian Republic of), for their national CFC phase-out plans. One project each for Cuba and Côte d'Ivoire were approved. A project was approved for Indonesia for the terminal phase-out of ODS in the solvent sector.

Ten additional tranches were allocated to approved multi-year projects: Algeria, for a refrigeration management plan; Bosnia and Herzegovina, for a national ODS phase-out plan; China, for tobacco fluffing; Croatia, for a terminal phase-out management plan; Democratic People's Republic of Korea, for the closure of all CFC-11 and CFC-12 production facilities and for the refrigeration sector; Mexico, for the closure of CFC production facilities; Morocco, for the phase-out of methyl bromide used for soil fumigation in tomato production; and Pakistan, for the implementation of the refrigerant management plan and for the sector phase-out plan of carbon tetrachloride.

Under climate change, a new capacity-building project was approved, under the Cleaner Development Mechanism (CDM), for Mexico, South Africa and Viet Nam, to promote cost-effective emission reductions through partnerships with Austrian business and industry. A study on economic benefits of the Kyoto Protocol in Nigeria was completed and published. UNIDO continued working with UNDP, UNCTAD, the World Business Council for Sustainable Development and private sector partners on phase II of an inter-agency project on capacity-building for CDM, with the UNIDO component focusing on mitigation of industrial emissions. In Vienna, UNIDO and the Climate Technology Initiative organized the second seminar on technology diffusion in Central and Eastern Europe, focusing on energy efficiency in the context of the Climate Convention.

By 2004, nearly 50 countries had expressed their interest in developing their national implementation plans under the Stockholm Convention on persistent organic pollutants (POPs) in cooperation with UNIDO, including China, Djibouti, India, Nigeria, Sao Tome and Principe, Seychelles and Togo.

UNIDO has developed 42 Global Environment Facility POPs projects in 39 countries worldwide, with a total budget of \$23,375,683. In recognition of this large portfolio, a memorandum of understanding was concluded, in July, between UNIDO and the Secretariat of the Global Environment Facility (GEF), granting UNIDO direct access to GEF resources.

## F. Small and medium enterprises

Traditional as well as innovative activities defined UNIDO's contribution to sustainable development of the private sector in developing countries. To optimize impact, potentials of synergies with activities in other fields of specialization were explored. Continued emphasis was placed on fully operationalizing UNIDO's corporate strategy and further enhancing programmatic links with poverty reduction strategies. Special efforts were devoted to preparing the ground for implementation of the new UNIDO/UNDP Framework Agreement on Private Sector Development.

Highlights of impact in 2004 featured:

- **Business information services**

The establishment of the Uganda Business Information Network (UBIN), in Kampala, was the main objective of a project aiming at providing value-added information services and business solutions to support the growth potential of SMEs in Uganda. After two years, UBIN is beginning to recover operational costs through providing IT services and training to SMEs. These sustainable results have attracted donor funds for strengthening and expanding UBIN's services to districts outside the capital.

- **Rural and women's entrepreneurship development**

Targeted groups of women entrepreneurs in remote rural areas of Morocco's northern provinces have benefited from support that helped them achieve a degree of economic autonomy and contribute to alleviate poverty. Modernized traditional processing methods have improved their products from barely satisfying household needs to achieving export standards. In Guinea's refugee zones, entrepreneurial and technical training programmes have improved the productivity of rural micro-economic activities, thereby increasing income and employment opportunities. The planned establishment of community-based production centres in afflicted districts has raised the interest of potential donors.

- **SME cluster development**

After convincing results in the countries where the export consortia approach was first applied, activities have been extended to Jordan, Lebanon and Uruguay.

Action-based research activities, in two Indian clusters, on the link between industrial clusters and poverty were the subject of a published study. In the second phase of this thematic cooperation, it is envisaged to focus on the relationship between industrial clusters and corporate social responsibility strategies. The first global training course on SME cluster development, organized jointly with ILO, generated interest sufficient to ensure the continuation of the initiative in future years.

- **Business partnerships**

After participating firms in phase I of the business partnership programme (BPP) for the automotive component industry had benefited from better-quality, more competitive products, as well as a more efficient production process, phase II was launched to help SMEs meet the challenges of entering national and global supply chains as reliable and profitable business partners. In recognition of these continuous achievements, BPP benefits will now be extended to another 100 companies willing to commit themselves to achieving sustainable results beyond the project's lifespan. In the longer term, it is envisaged to expand into other sectors.

The year's publications reflected current trends in SME development, with the aim of raising awareness about new areas of focus: *Industrial Clusters and Poverty Reduction, A Survey of SMEs in the Global Compact and Partnerships for Small Enterprise Development* (joint UNDP/UNIDO publication). *CSR and the Development Agenda* was published as Technical Working Paper No. 13.

#### **Better income for rural women in Viet Nam**

Mrs. Vu Thi Mui and her family of seven earned their living making and selling rice paper in Ai Nghia, Dai Loc district. As an entrepreneur, she was not provided with land for cultivation, and thus depended on the income from her rice paper sales for her family's livelihood. Profits from rice paper were meagre, sales were low and unstable. "I used to close my business after the flood because no one wanted my products. We did not even have rice to eat in the rainy season."

A turning point came in August 2003, when Mrs. Mui joined the "Make More Money in Your Food Processing Business" training series on marketing, technology and finance management under a UNIDO programme for women's entrepreneurship development. With the knowledge gained, she was able to improve the quality of her rice paper and her marketing, and increases in clients and market volume were quick to follow. During a business review in November 2004, Mrs. Mui reported, "Now my sales are almost three times higher, from VND 60,000 to more than VND 150,000 per day, and profits have increased similarly. My life is much better than before."

Mrs. Mui was one of 577 beneficiaries of the project's training programme, many of whom shared stories of improvements after attending its courses. It is noteworthy that of 577 women trained, 72% reported increased sales and 67% reported increased profits, through better packaging and improved product quality, shelf life, hygiene and safety.

Major outputs of the project include:

- 56 training programmes organized on food technology, marketing and finance management for 577 women;
- 9 workshops conducted on labels and trademarks for 247 women;
- Support to 23 women to join trade fairs;
- Access to machinery and production equipment facilitated for 44 women under the project's pilot leasing scheme;
- Credit arranged for 217 women;
- 23 self-help groups organized, which maintained activities for 617 members;
- 60 trainers trained on how to train women entrepreneurs in food processing, and 7 sets of training materials developed;
- Marked improvement in gender equality, increased confidence in women and better distribution of labour in families;
- Economic activities of two villages revitalized.



# IV

## The regional dimension

---

Taking a critical look at field network operations in support of a coherent regional approach to UNIDO services and of ensuring an effective response to countries' requirements, the Organization focused on strengthening its position as a full participatory member in field-level coordination. In its efforts to support the development of integrated programmes, strengthen cooperation with other institutions and promote global forum activities, UNIDO embarked on a major undertaking to forge a closer alliance with UNDP, both at the level of formulating and implementing joint programmes as well as advancing on the need to expand and at the same time streamline the field presence of the Organization to ensure a more coherent and cost-effective field presence. In that context, a new model of field presence was launched, featuring UNIDO Desks in UNDP premises.

The increased decentralization of authority to the field offices was maintained to achieve synergy in the regional programmes and to improve coordination and monitoring during the development and implementation of programmes and projects. The role of the Regional Bureaux continued to be solidified through increased authority, allowing them to gain a more comprehensive overview of the services rendered to Member States.

Selected achievements of UNIDO activities for least developed countries (LDCs), by region and in terms of South-South cooperation, are highlighted in the following sections.

### A. Least developed countries

The number of LDCs became 50, with the addition of Timor-Leste in 2003. However, with regard to the triennial review of the list, the Committee for Development Policy (CDP) recommended that Cape Verde and Maldives graduate from the LDC category. CDP also concluded that Samoa was eligible for graduation in 2006. Based on the CDP report, ECOSOC will make a recommendation to the sixtieth session of the United Nations General Assembly, which is responsible for the final decision on the list of LDCs.

The least developed countries continue to be an important focus of UNIDO's work, in compliance with the Business Plan, reinforced by the UNIDO General Conference in the resolution adopted by its tenth session on the role of UNIDO in achieving the Millennium Development Goals (MDGs) and the Third United Nations Conference on the Least Developed Countries (LDC III).

Moreover, during a ministerial breakfast round-table discussion on promoting productive capacity initiatives in LDCs and Africa hosted by UNIDO in New York on the

occasion of the High-Level Segment of ECOSOC in June, participants emphasized the need for UNIDO to concentrate its programmes and projects on LDCs to overcome constraints in specified areas, including financial resources; skilled, trained human resources; technology and infrastructure; and reliable sources of energy.

UNIDO activities for LDCs in 2004 mainly concentrated on commitments 4 (Building productive capacities to make globalization work for the LDCs) and 5 (Enhancing the role of trade and development) of the Brussels Programme of Action of LDC III. The various dimensions of these two commitments are addressed through UNIDO programmatic activities based mainly on the integrated approach.

In LDCs the UNIDO integrated programmes (IPs) focus primarily on poverty alleviation through productive capacity development in agro-industry and manufacturing sectors to reduce commodity dependency. This includes promoting small and medium enterprises, upgrading competitiveness, stimulating innovation, trade capacity-building and investment, and increasing income levels through the process of industrialization.

Of a total of 55 ongoing UNIDO IPs, 18 are currently under implementation in LDCs: Burkina Faso, Burundi, Djibouti, Eritrea, Guinea, Lao People's Democratic Republic, Madagascar, Mali, Mozambique, Nepal, Niger, Rwanda, Senegal, Sierra Leone, Sudan, Uganda, United Republic of Tanzania and Yemen. A further six are under finalization: Afghanistan (post-conflict), Angola, Bangladesh, Haiti (post-conflict), Timor-Leste (post-conflict) and Togo.

UNIDO is proud to include a number of IPs for least developed countries among its significant successes. These include programmes for which considerable funding could be mobilized: Burkina Faso, Ethiopia, Lao PDR, Mali, Mozambique, Senegal, Tanzania and Uganda. Moreover, the programmes for these countries have now embarked on a second phase, with more focus on fewer sectors (mainly in agro-industry), to demonstrate high results. Indeed, agro-industry, textiles and the garment industry offer LDCs good opportunities for poverty alleviation.

An important tool for cooperation in favour of LDCs now exists since the adoption of the African Productive Capacity Initiative (APCI). This UNIDO initiative elaborated in collaboration with the Conference of African Ministers of Industry (CAMI), the African private sector, the African Regional Economic Communities and the NEPAD Secretariat, was approved in July by the African Heads of State as the NEPAD component on sustainable industrial development.

APCI became operational in November with the Economic Community of West African States (ECOWAS), a community comprising 15 countries, of which 12 are LDCs. Sectoral action plans have been elaborated for food processing and textile and clothing value chains. UNIDO IPs and regional programmes currently under implementation will gradually be linked in a full scope with the Initiative, which will also permit cooperation between African subregions and between these subregions and economic blocs from Asia and Latin America.

One of the most successful programmes in West Africa is the UEMOA/EU/UNIDO quality programme for the eight countries of UEMOA (of which seven are LDCs), and which consists of a wide-ranging collection of 60 actions aiming for the development of the quality-related infrastructure and capacities. Total funding from the European Union



for this UNIDO-implemented programme is now €12 million (initial funding was €8.2 million). Technical assistance is being delivered by UNIDO, inter alia, for achieving the accreditation of 24 analytical laboratories. Similarly, work is progressing in relation to the certification of 70 enterprises in the subregion. Equipment has already been installed and training delivered for upgrading 46 laboratories. Major progress is being made in the development of the structures required for achieving effective regional cooperation and integration covering the creation of three permanent regional structures within the UEMOA Commission: an Accreditation Secretariat; a Standardization, Certification and Promotion of Quality Secretariat; and a Metrology Secretariat. These structures will take over the activities of the programme and ensure sustainability.

UNIDO is also developing jointly with UEMOA a subregional programme for industrial restructuring and upgrading to permit UEMOA countries to face the consequences of the establishment of a free trade zone. This arises from an economic partnership agreement between ECOWAS (to which the entire UEMOA belongs) and EU to be implemented starting 1 January 2008, in compliance with the 2001 decision of the WTO Ministerial Conference in Doha for the upholding of the commercial advantages of the Cotonou Partnership Agreement for the African, Caribbean and Pacific States.

The programme for industrial restructuring and upgrading for UEMOA countries will be negotiated for financing with the EU, but a pilot industrial upgrading programme already started implementation in Senegal in 2004, through funding of over €1 million from the French Development Agency.

In nearly all LDCs, UNIDO has either established or upgraded standards, metrology and testing facilities. UNIDO activities in the trade-related technical assistance (TRTA) area were quoted in the *Second Joint WTO/OECD Report on Trade-Related Technical Assistance and Capacity Building*. Indeed the only case study quoted covering the standards and quality areas is the successful UNIDO intervention in Sri Lanka. Replicating that model, UNIDO is presently implementing two large projects in the Mekong subregion (\$2.5 million funding from NORAD), benefiting Cambodia and Lao PDR. In South Asia, a similar NORAD-funded project implemented by UNIDO is providing assistance to Bangladesh, Bhutan, Maldives and Nepal. UNIDO is also implementing a project for EU financing for €7.7 million on quality support for Bangladesh and a similar initiative for €1.7 million in Nepal. Developing countries, particularly LDCs, are facing constraints in complying with the technical barriers to trade (TBT) and sanitary and phytosanitary agreements. WTO accession countries have specific action plans for the implementation of the TBT agreements. This is the case in Cambodia, where UNIDO is providing assistance to fully comply with the WTO-accession issues related to TBT capacity-building, with funding from Austria (\$700,000).

In the framework of pilot cooperation with WTO on trade capacity-building, Mauritania has been selected as one of the pilot countries. During a kick-off seminar, livestock and salt were identified by local stakeholders as the two priority sectors where compliance with local and international market requirements needs to be achieved with the support of technical assistance. The planned activities will be undertaken in coordination with ongoing activities funded and implemented by the WTO Integrated Framework (IF) for Trade-Related Technical Assistance to LDCs. A proposal has been prepared by UNIDO and will be submitted for donor funding in early 2005. The proposal includes inter-

agency cooperation with IF agencies, mainly WTO, UNCTAD and ITC, as well as with UNICEF for the implementation of activities focusing on the iodizing of salt.

UNIDO delivery to LDCs in 2004 amounted to \$8.2 million. Country-specific delivery and approval information for LDCs is provided in appendix D.

### **Boost to Djibouti's fishermen**

There are no large-scale fisheries in Djibouti. Hook and line, and only to a lesser extent gill and throwing nets, are used to carry out much of the fishing which basically fulfils subsistence functions. One could hold the view that fisheries play only a limited role in Djibouti, considering its low contribution to the overall GDP. However, from a socio-economic viewpoint they are locally quite important.

Against this background UNIDO was asked by Djibouti's Department of Fisheries to address the fishermen's problem of costly engine and boat repairs. Both partners joined hands in addressing the situation: UNIDO established a repair facility consisting of a secure storage unit and two enclosed engine repair bays each equipped with workbenches and mobile engine repair trolleys. The Government of Djibouti constructed an open-sided building on the new fishing quay in Djibouti's Port de Pêche as its in-kind contribution.

The long-term sustainability of the workshop is assured by a close partnership with the fishing associations, as well as the private and the public sector. Two technicians who were trained by UNIDO on engine and boat repair will manage the facility. Altogether, 500 poor fishermen and their families will benefit from the project as the workshop ensures the sustainability of their livelihoods through regular repair and maintenance at the least cost.

## **B. Sub-Saharan Africa**

In the course of 2004 most of the economies of sub-Saharan Africa continued to demonstrate negative trends in their development with a continuous decline of growth rates and a failure to respond to the major challenges of achieving the Millennium Development Goals. Numerous efforts have originated from the African Governments and from the world community to overcome the expansion of poverty on the continent, persistent slowdown of industrial growth in Africa, marginalization of its markets and economy, and environmental degradation. Although the New Partnership for Africa's Development (NEPAD) had already sounded a call for a common vision for rapid economic growth and development, recognizing that the sustained economic growth necessarily involves the promotion of industry and the manufacturing sector, it became clear that the attainment of these objectives will inevitably require well targeted plans focusing on productive capacities.

In that context, the adoption of APCI as the sustainable industrial development component of NEPAD was also a proactive response to challenges of Africa's development. As a collaborative effort that envisions public-private partnership among the NEPAD Secretariat, the Africa Business Round Table and UNIDO, and with such regional organizations as ECOWAS, COMESA, CEMAC, SADC and others, the Initiative will harmonize industrial strategies and policies, highlight sectoral priorities and develop subregional programmes. Within the framework of the renewed development

agenda of regional integration in the context of the Millennium Development Goals and NEPAD, UNIDO will ensure that programmes/projects implemented under APCI will gradually be included in the national coordination process of the Poverty Reduction Strategy Papers (PRSP).

Acknowledging the tremendous obstacles to development, UNIDO continued to promote the basic objectives and implementation arrangements of NEPAD as a road map to Africa's future. Apart from strong support of APCI as a new strategic approach, UNIDO continued its efforts to improve the quality of its services by better targeting and reorienting them to Africa's needs. In line with APCI and NEPAD, the Organization maintained its course of strengthening the regional approach and viewing sectoral problems of development within that perspective.

The continued emphasis on Africa is covered in chapter VI, which demonstrates the growth in technical cooperation delivery to the region as a percentage of the UNIDO total.

### **Integrated programmes—better targeting and higher quality**

In 2004 sub-Saharan Africa remained the focus of UNIDO technical cooperation activities. Twenty-one IPs/CSFs—some of them in transition to phase II—were under implementation, with a total budget of some \$170 million. From the commencement of UNIDO IPs in 1998, this method of technical cooperation has been employed in Burkina Faso, Burundi, Cameroon, Côte d'Ivoire, Eritrea, Ethiopia, Ghana, Guinea, Kenya, Madagascar, Mali, Mozambique, Namibia, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, South Africa, Uganda and United Republic of Tanzania. To improve the quality, focusing, impact and overall relevance of IPs/CSFs, UNIDO placed greater emphasis on the improvement of implementation quality and the development of follow-up to programmes nearing completion. Thus, second phases for Burkina Faso, Ethiopia, Ghana, Madagascar, Mali, Mozambique, Nigeria, Senegal, Uganda and United Republic of Tanzania have been initiated or are under preparation.

The continuous search for improved quality of IPs/CSFs has also resulted in their better targeting and linkage with new global and regional initiatives such as NEPAD and APCI. With a clear understanding of the importance of UNIDO participation in system-wide initiatives, UNIDO has initiated a process of critical reassessment of selected national-level objectives of its technical cooperation to address subregional development issues. A certain reorienting of programmes and projects has become a continuous process to ensure their synergy with the MDGs and poverty reduction as an overall goal for Africa.

### **Emphasis on subregional activities**

Although IPs/CSFs continue to represent the main thrust of UNIDO technical assistance to Africa, subregional and stand-alone projects also played an important role. A total of 29 subregional projects were under implementation with a financial outlay of \$11.2 million. These projects are in line with UNIDO service modules and comprise initiatives pertaining to global forum functions covering research activities, MDGs and post-crisis initiatives. The subregional programmes are likely to grow and develop both

in scope and dimension with the launching of APCI. Through APCI, they will be developed to promote regional integration, export diversification and access to external markets based on sectoral priorities. In 2004, 45 stand-alone UNIDO projects were under implementation in Africa, with a total budget of \$14.7 million.

UNIDO streamlined its activities in developing new well-targeted and demand-driven regional initiatives covering a range of issues. These include:

- Poverty alleviation through training/capacity-building in energy-efficient engineering;
- Development and strengthening of the agricultural machinery industrial system in sub-Saharan Eastern Africa;
- Market-based development of bamboo in East Africa;
- Productivity and competitiveness of the cassava industry;
- Hides and skins improvement scheme in selected West African countries (Burkina Faso, Mali, Niger, Senegal);
- Cotton, textiles and garment value chains and networks;
- Facilitating trade participation of African LDCs through QSM;
- Capacity-building in food exports through regional harmonization of food safety and quality in Eastern Africa.

A number of activities addressed environment- and energy-related issues:

- Strengthening the implementation of integrated coastal zone management in support of the NEPAD Environmental Action Plan;
- Regional Africa programme: Capacity-building in small hydropower;
- Training in and preparation of CDM project documentation—African service companies;
- Enhancing conservation and rational utilization of medicinal, aromatic and pesticidal plants through sustainable land management in Guinea, Niger, Nigeria and Sierra Leone.

In the course of programming its regional and country activities UNIDO continued to rely on the creative support of its field representation which in future will play an even more crucial role, taking into account prospects for increased cooperation with NEPAD, APCI, UNDP and regional economic communities. In this context good working relations have been established between the UNIDO Regional Industrial Development Centre in Nigeria and ECOWAS, particularly in the context of the CSF in Nigeria and the development of regional initiatives. The Regional Centre in Ethiopia was also actively involved in cooperation activities with ECA and other agencies operating in Africa.

## **Working together**

UNIDO continued to strengthen its cooperation within the context of system-wide activities in Africa. The round-table discussion on promoting productive capacity initiatives in LDCs and Africa on the occasion of the High-Level Segment of ECOSOC

indicated the need to remove strategic constraints faced by African countries in implementing APCI, in order to lay the ground for sustained economic development. It confirmed APCI as the industrial component of NEPAD to greatly support the efforts of African Governments in promoting an enabling environment for industrialization and poverty reduction. Collaboration of UNIDO with UNDP in the joint private sector development programme was acknowledged as an important step to develop supply chains for both domestic and international markets.

UNIDO's participation in the African Union Extraordinary Summit on Employment and Poverty Alleviation in Africa in July entailed coordination with a number of organizations. Both the preparatory phase and side events at the Summit featured close collaboration with ILO and further development of contacts with UNECA, UNDP, FAO, the World Bank and IMF.

The priority accorded to Africa was also reflected in other forms of cooperation, including the implementation of agreements with other organizations:

- **WTO**, 2003 memorandum of understanding—Egypt, Ghana, Kenya and Mauritania were included in pilot countries selected. As a result of country assessments, seminars and plans of action, some priority activities are under way. UNIDO also participated in a regional workshop organized by WTO and the Lesotho Government on implementation of the agreement on textiles and clothing;
- **ISO**, 2003 agreement—Regional and subregional cooperation in Africa were discussed during UNIDO participation in the twenty-seventh ISO General Assembly and the thirty-eighth meeting of the ISO Committee on Development;
- **UNCTAD**—Technology Fair of the Future, organized by UNIDO as one of the main events of UNCTAD XI in June, represented technology sectors vital for low-income and least developed countries, particularly in Africa;
- **ITC/UNCTAD**—A UNIDO technical mission to Lesotho in June identified areas for technical cooperation within the context of a proposed industrial master plan.

The strategic coordination of system-wide efforts in Africa was the subject of discussion at the NEPAD and UNECA sixth annual regional consultation at Addis Ababa in July, to which UNIDO presented its programmes in Africa and plans for the future.

As part of its global forum activities in Africa, UNIDO continued its cooperation with the Centre for the Study of African Economies (CSAE) of the University of Oxford on the preparation of a manufacturing survey in Nigeria. French-speaking African civil servants were trained in the analysis of firm-level data in a course organized by CSAE at Oxford. Another event was a conference convened jointly with the South African Department of Trade and Industry in June on the role of institutions fostering competitiveness in Africa.

## **African Productive Capacity Initiative**

The adoption by the African Union Summit of APCI as the NEPAD component on sustainable industrial development in July has drastically affected UNIDO programming activities by targeting ongoing and pipeline programmes and projects to subregional sectoral priorities. In the initial stage of APCI development, UNIDO activities will result

in the preparation of five subregional programmes supported by national sectoral programmes, based on sectoral public-private partnership action plans. Implementation of APCI commenced with two meetings in 2004: a symposium on productive capacity and competitiveness in Southern Africa (Harare, October) and the subregional meeting for West Africa on improving industrial performance and promoting employment (Dakar, November). Two sectoral action plans (textiles and agro-industries) have been prepared for each of the 15 countries in West Africa. A programme of other subregional meetings for 2005 for the elaboration of sectoral action plans under APCI is under implementation. UNIDO also participated in CAMI Bureau meetings in April and July to provide strategic advice on APCI implementation modalities.

### **UNIDO project in Sudan delivers peace dividend**

UNIDO launched a two-year project in May to assist in the revitalization of agricultural productive capacities in the Nuba Mountains region of southern Sudan—an area severely affected by a 20-year-long civil war. After the conclusion of the peace accord the region was in urgent need of support for the settlement of internally displaced persons and the stabilization of rural communities.

A \$1.2 million project is now fully active to increase agricultural output through the use of appropriate technology and improve the quality of life for rural communities that have suffered as a result of the conflict in a region that has enjoyed durable peace for well over two years. In particular the project is expected to assist some 6,000 households in some 40 rural communities to increase their food production through application of simple hand tools, agricultural implements and basic food processing equipment. Equally, the project will assist local blacksmiths with training and assistance so that their capacity for the production and repair of hand tools and agricultural implements is improved and the range of their technical services to the village community is enhanced. Women, who constitute 84% of the agricultural related workforce, are particularly expected to benefit from the post-harvest and income-generating activities of the project.

The project is financed through the United Nations Trust Fund for Human Security, which is funded through contributions from the Government of Japan.

## **C. Arab region**

UNIDO's activities in the Arab region in 2004 were characterized by the consolidation and maximization of previous achievements and the expansion of geographical coverage. The year marked the launch of a new integrated programme (Saudi Arabia) and initiatives that revamped cooperation with Arab countries not yet covered by the integrated programmes, including Kuwait, the Libyan Arab Jamahiriya and Oman.

In line with the UNIDO corporate strategy, the overall focus of the 12 ongoing IPs/CSFs in the region is the promotion of sustainable productivity growth through activities ranging from industrial upgrading of priority industries (agro-food, textile, leather) to technology diffusion and trade capacity-building. A common denominator is the focus on SMEs, as this sector is a means in most countries of the region to promote job creation and foster growth.

Successful fund raising for Egypt enabled the country service framework to reach 75 per cent of required funding, compared with 36 per cent one year earlier. New initiatives included the formulation of a white paper on competitiveness, the establishment of a National Cleaner Production Centre and a project on the traceability of agro-products. With financing by the Government of Egypt through a debt-swap mechanism, the latter initiative has attracted the interest of neighbouring countries and is a good candidate for replication.

An in-depth evaluation of the integrated programme for Morocco, conducted in September, revealed that the IP had been able to integrate successfully various dimensions of a technical, social and regional nature. The programme has launched a number of pilot activities in agro-industries and artisanal sectors targeting poor segments of the population and serving as a bridge between tradition and modernization. A new programme is being developed focusing on the new partnership in private sector development with UNDP, and taking into account the successful experience of phase I and the evaluation recommendations. Another significant event was the inauguration of the UNIDO Office in Morocco on 9 October.

The year witnessed active cooperation with Saudi Arabia resulting in an agreement for \$2.2 million to fund the integrated programme aimed at enhancing industrial competitiveness and diversification in the country. With the objective of enhancing the capabilities of the Government and private sector to formulate industrial strategies and policies and provide support services, the programme began implementation in December.

A major achievement in UNIDO cooperation with Sudan was the recognition of the UNIDO IP as the industrial sector input to the country's Poverty Reduction Strategy Paper covering the period 2004-2006. The World Bank and United Nations joint assessment mission regards UNIDO's approach as practical and valid to foster a healthy pace of sustainable industrial development during the post-conflict era. Top priority is being accorded to the components of social stabilization and rural energy for productive use. Energetic fund mobilization efforts resulted in excellent funding prospects for several project proposals developed during the year.

The findings of the first phase of the IP for the Syrian Arab Republic were presented during a seminar held in early 2004 at Damascus. As a continuation of the programme, an industrial modernization and upgrading project for €2.2 million was developed and approved.

Despite the prevailing circumstances, the IP in Palestine progressed smoothly and was successful in attracting the interest of many donor countries for potential future activities. Support focused on strengthening the capabilities of the Palestinian standards authorities and Federation of Industries, designing an industrial modernization and rehabilitation programme; and addressing training and management needs of basic industries.

UNIDO's role in support of Iraq's reconstruction efforts was identified in the Outline Strategy for Assistance to Iraq, 2004, of the United Nations Country Team and the Ministry of Planning of Iraq. Implementation of two funded projects is already under way: one for the rehabilitation of chlorination facilities and another for the promotion of cottage industry in rural and urban areas.

A trust fund agreement was signed with Italy for €1 million to assist the Jordan Investment Board in attracting foreign direct investment and market access for local SME development. Jordan has also been selected to host a UNIDO Desk, which will enable UNIDO to better coordinate with other agencies operating from Jordan for the reconstruction of Iraq.

In 2004 UNIDO concluded a trust-fund agreement with Kuwait Finance House to set up a technology park in Bahrain. At the request of the Public Authority for Industry of Kuwait, a new UNIDO initiative was launched aimed at increasing industrial exports. UNIDO developed a full-fledged programme for energy savings and management for industrial support systems for the Ministry of Commerce and Industry of Oman. Two new programmes proposed for Qatar in cooperation with the Supreme Planning Council were a framework for SME development and a support programme for standards and metrology.

At the regional level, the year saw the launching of the first phase of a programme TEST—MED aimed at facilitating the transfer of environmentally sound technology in Egypt, Lebanon, Morocco and Tunisia. The objective is to improve environmental performance and productivity of industrial pollution “hot spots” of the South Mediterranean.

#### **Med-Interprise Morocco 2004: “An opportunity to meet your partner”**

December marked a three-day event at Marrakech whose objective was to contribute to developing industrial partnerships between Europe and Morocco.

The Investment Promotion Unit, a component of the integrated programme for Morocco, and the country’s national agency for the promotion of SMEs, ANPME, carried out meticulous preparations. Having selected interested and suitable enterprises throughout the country, the organizers prepared profiles from the agro-industry, textile and leather subsectors. Investment projects were published in a catalogue in French and English, which was widely distributed in Europe. ITPOs in France, Greece, Italy and the United Kingdom, as well as Portuguese and Spanish partners, worked closely with the IPU to ensure a successful event.

In more than 370 individual meetings, 47 European and 68 Moroccan enterprises met to discuss future partnership agreements. The most dynamic enterprises have already started reaping the fruits of these meetings. Only a few weeks later, Mr. Surmenian of the company Sklop is awaiting a proposal from his Italian partner for the installation of a production unit of shoe soles. Mr. Surmenian’s project was prepared with UNIDO assistance and promoted within the ITPO network.

Similarly, Mr. Zakharia from the textile sector indicated that his stylist was scheduled for a visit to Paris, together with his partner from an Italian company. They will work jointly on a new collection to be produced in Morocco: an opportunity to mix Italian experience with Moroccan tradition, aimed at producing a Moroccan product for European taste.

In the leather subsector, Mr. Ruiz from the French company CR3 Cuir, having exchanged initial samples, is due to travel to Morocco for his first order of leather goods.

These are just a few examples of contacts established. However, the total score might even be more impressive: only three months after Med-Interprise Morocco 2004 took place, negotiations for five joint projects have been concluded and negotiations for a further 22 projects continue.



UNIDO joined the OECD-MENA Investment Steering Group established in early 2004, promoting, alongside other international organizations, a result-oriented investment action programme to upgrade investment policy capacities in the Middle East and North Africa.

UNIDO played an active role in the general meeting of the United Nations and the Organization of the Islamic Conference and affiliated institutions, held in Vienna in July, resulting in the identification of several potential cooperation initiatives. Other global forum activities included a regional workshop in Bahrain to present sustainable tools and methodologies for the management of waters in the region, organized by ITPO-Bahrain and the UNIDO International Centre for Science and High Technology (ICS).

## **D. Asia and the Pacific**

In the reporting period, significant progress was made in developing joint technical cooperation programmes with the European Union and other agencies, such as ESCAP and WTO. As a result of these endeavours, the integrated programmes received additional funding, complemented with funding from several donor countries.

South Asia: UNIDO's active involvement in the reconstruction of Afghanistan featured a programming mission to Kabul and a post-crisis programme now being formulated. A joint mission with EU and ITC went to Bangladesh to prepare the EU-funded quality support programme. The EU earmarked €10 million for this programme, of which UNIDO will implement a portion of some €7.7 million. To complement the EU funding, UNIDO has agreed to contribute €800,000. The project is expected to start in 2005 and is expected to become another important example of UNIDO cooperation with the European Union.

A joint mission with EU and ESCAP to Nepal prepared the WTO assistance project, also funded by EU (€2 million). ESCAP is expected to implement the general awareness-building component and UNIDO the main part of the project (some €1.7 million). The integrated programme for Sri Lanka made a significant contribution to the country's industrial development, and a second phase will be developed in the near future. In India, the Director-General discussed a new initiative in the framework of the CSF to cooperate with the Federation of Chambers of Commerce and Industry and ICICI Bank for private sector development. UNIDO's involvement in the reconstruction of the Bam region in the Islamic Republic of Iran led to the preparation of projects in the framework of the post-crisis initiative. With approval of the EU trade-related technical assistance programme for Pakistan (about €2.3 million), the implementation of the integrated programme quality component gained significant momentum. Phase I of the regional market access and trade facilitation support project for South Asian LDCs with the South Asian Association for Regional Cooperation (SAARC) yielded the first results. Research on industrial sector analysis was conducted and a report produced; strategic plans for development of standards, metrology, testing and quality for the four countries were developed; proposals were prepared for a SAARC accreditation board for certification bodies and laboratories along with the business plan, and for a calibration service; and 20 auditors were trained in ISO 9000.

South-East Asia: In a visit to Timor-Leste, the Director-General presented two projects to the Government: entrepreneurship development (\$620,000, with equal funding from

Japan and Portugal) and establishment of a bamboo/rattan skill development and demonstration centre. One of the main outputs of the integrated programme for the Lao People's Democratic Republic was the medium-term strategy and action plan for industrial development. A second phase of the programme aiming at building capacity for effective implementation of the plan was approved. As an effort to reactivate technical cooperation with Pacific Island countries and to encourage non-Member States to accede to UNIDO, a programme development workshop was held with high-level government officials from Marshall Islands, Samoa and Solomon Islands. A subsequent programming mission to these countries resulted in the development of concrete programmes for funds mobilization.

North-East Asia: In China, the Shanghai Investment Promotion Centre (SIPC), a UNIDO ITPO, identified 265 investment projects and promoted 74 investment profiles with an amount of \$52.2 million of inward investment and \$33.2 million of outward investment. Approximately 4,300 new jobs were created by the promotional activities of the SIPC in the Shanghai region to date. The subcontracting and partnership exchange (SPX) in Chongqing was established and is fully operational. Forty-two companies and 5 main contractors registered as members of the SPX to date with increasing tendency to 130 members in 2004/2005. One joint venture with a Shanghai business was brought to contract stage. Another SPX in Beijing is on its way to full operation. As a result of the UNIDO China Motor System Energy Conservation Programme, the competence of two provincial centres was upgraded to engage in electrical motor systems and a number of technology improvements through investment projects were implemented. A preliminary assessment to identify the requirements for developing a national plan in China to implement the Stockholm Convention on Persistent Organic Pollutants was completed and project funding secured in the amount of over \$4 million from GEF, Italy and Japan for the follow-up project. To date, 12,000 ODP tonnes have been phased out by UNIDO's Montreal Protocol operations in China.

Several lessons were learned through an in-depth evaluation of the CSF for China—the largest UNIDO programme ever evaluated. To a large extent, these covered the CSF as a country-level coordination mechanism with related managerial challenges. This experience is being taken into account in the refinement of new comprehensive guidelines for technical cooperation.

In the Democratic People's Republic of Korea the integrated programme to establish a goat milk dairy with an independent power supply based on renewable energy has reached an important stage. An expert team on small hydropower fielded to the site prepared detailed specifications for the equipment and civil works. As a result, a 400 KW turbine generator is being procured. Two experts drew up the layout, identified and specified necessary equipment, delivery and supply plan and the plans for skill development for dairy specialists. In the Republic of Korea, the National Cleaner Production Centre focused on capacity-building in eco-design, particularly with respect to electrical and electronic equipment and automobiles. Two study tours went to the European Union, one focusing on the EU directives on waste electrical and electronic equipment and on reduction of hazardous substances, and the other on the end-of-life vehicle directive. These were followed up by a symposium in the Republic of Korea on remanufacturing and eco-design practices in Europe and the United States. A number of the Korean companies involved have already begun to use the information gathered through these activities.

### China reduces motor energy consumption

As the world's second largest electricity consumer, China is now trying a new approach to get factories to reduce motor energy consumption. Motors, the industrial workhorse that powers pumps, compressors, fans and other "systems" in factories, are the biggest electricity consumer. They account for 60% of the country's overall electrical consumption.

The UNIDO China motor system energy conservation programme, funded by the United Nations Foundation of entrepreneur Ted Turner, the Chinese Government, the United States Department of Energy, and the Energy Foundation, demonstrated that the skills to identify and implement industrial system optimization projects can be transferred across cultural boundaries through intensive training.

The first 38 industrial plant assessments conducted by engineers who received this training identified nearly 40 million kWh in annual energy savings for an average per system savings of 23%. Rather than focusing on individual pieces of equipment, they analyse entire systems to determine how much energy is really needed to do the work at hand. In energy service centres at Shanghai and Nanjing, they are, in turn, training other factory engineers. The major challenge for these two centres is to develop a commercial market for systems servicing. Previously state-owned, they are now private companies operating under market forces.

The UNIDO programme provided the centres with sophisticated engineering techniques needed to achieve system optimization in Chinese industries and increase their efficiency as well as productivity and competitiveness. For example, the Shanghai Centre recently signed a contract with the New Asiatic Pharmaceutical Plant. Within a year, the plant has reduced electricity consumption of its cooling system by 62%. The investment will pay for itself in less than two years.

Not surprisingly, this success has attracted the attention of other countries, and UNIDO is actively engaged in disseminating the story. As a follow-up to discussions in Bulgaria, Romania and Serbia and Montenegro, UNIDO is now developing a regional systems training programme for the three countries.

## E. Europe and NIS

The development of corporate social responsibility (CSR) is the subject of a UNIDO project launched in Croatia. As a candidate country for accession to the EU, Croatia has to prepare to face new market pressure that will force its enterprises to commit to CSR. This underlines the importance of evaluating their overall performance and considering in an integrated manner the environmental, social and economic aspects of doing business. The project is developing a conceptual framework for a Croatian CSR policy and is disseminating a practical methodology with supporting tools that SMEs in Croatia can use for cost-effective implementation of CSR concepts. Other countries in the region are showing great interest in this project, inducing UNIDO to expand it to a regional dimension.

UNIDO's regional technology foresight programme continued to generate increased participation in the region. Seminars were conducted in Bulgaria, Czech Republic, Russian Federation, Turkey and Ukraine with funding from Governments of the region. The seminars addressed representatives from government, enterprises and the research community engaged in technology foresight as a tool for policy-making and promoting competitiveness, innovation and strategic planning.

The International Centre for Hydrogen Energy Technologies established and operated with UNIDO assistance in Istanbul embarked on a number of projects focusing on hydrogen energy as a clean energy carrier from such clean primary energy sources as small hydropower, solar or wind energy and biomass. Pilot projects are being developed for hydrogen buses and fuel cell technology.

The regional programme to increase industrial e-productivity and quality commenced with a pilot phase involving Polish enterprises to explore methods and instruments of productivity and quality improvement in business activities, especially for industrial SMEs, which includes lean manufacturing, rapid designing and prototyping, e-methods and logistics, management systems for quality improvement, and inter-organizational productivity improvement. An Internet portal was created to allow for collaborative activities among participating countries, enterprises and experts.

In Ukraine UNIDO is assisting the city of Lviv to develop capacity for sound environmental management and planning geared towards development and implementation of a master plan for infrastructure rehabilitation of water and sewage facilities. Private-sector manufacturers, particularly SMEs, are expected to benefit from the project through increased efficiency of the water and sewage services.

The CSF for the Russian Federation is making good overall progress, particularly in establishing a national and regional food-processing/safety and training centre within the Dmitrov Food Park (DFP). A major aim of DFP is to develop a supply chain based on farms and processing enterprises in the area. In 2004, DFP completed construction of the main building and a related laboratory and UNIDO delivered technical assistance in terms of computer hardware and software, as well as international and national expertise. The Russia-Brazil Technology Transfer Centre was established and the initial large-scale technology transfer project became a success story mentioned in a joint communiqué of the Presidents of the two countries at their meeting on 22 November. This has led to the development of several follow-up projects on capacity-building in the transfer and diffusion of environmentally sound technologies. A UNIDO “East-South” initiative was launched to provide the participating countries with additional access to technological opportunities for mutual benefit and to develop technology transfer and partnership programmes. This has garnered interest from other countries, including Belarus, China, Ukraine and Latin American countries to join the programme.

## **F. Latin America and the Caribbean**

Throughout the Latin America and Caribbean region, four integrated programmes were active in 2004: Colombia, Cuba, Ecuador and Guatemala.

With full funding of the IP for Colombia, including two thirds from the Government, impressive results have been achieved. The *Annual Report 2003* covered completion of the quality component with a corresponding productivity increase. The SME component can also boast relevant developments. The successful results achieved by the pilot production mini-chains assisted by the IP have been taken as the basis for a government programme in support of SME development. Moreover, the experience in the identification and development of the achira biscuit and black ceramics mini-chains has been disseminated through the publication of a UNIDO manual on production mini-chains, which has sparked replication interest in other countries of the region.

Significant gains in the investment and technology promotion component include the training of personnel for 16 ITP focal points established in chambers of commerce; preparation of more than 37 investment project profiles; and a dynamic delegates programme, with projects under discussion with seven potential partners in France. Based on the results achieved, the Government has funded additional projects under the investment and technology promotion component.

The programme for Cuba was subjected to an in-depth evaluation, which yielded very positive results that triggered the design of a second phase. The evaluation observed a high degree of ownership and participation of programme counterparts and noted excellent results in the national replication of experience acquired, in particular in entrepreneurship development and bamboo processing for furniture production. It is expected that the continuation of the IP will be signed during the first quarter of 2005.

### **Banana paper production in Jamaica**

Bananas are vital to the Jamaican economy. It is the only legitimate year-round crop that can viably be cultivated to provide a regular income to small farmers. Banana production and related internal transportation and distribution of inputs are the source of up to 10% of total employment in Jamaica. The crop ranks second only to sugar in economic significance within the agriculture sector, and its exports make a valuable contribution to foreign exchange earnings.

Bananas are grown for export mainly in three parishes, where soil type, topography and other factors limit the possibility for diversification into other crops. The demise of the industry in these areas would cause serious economic hardship and unrest.

But traditional banana crops do offer also a viable alternative source of income:

Jamaica does not have a history of paper manufacturing. With minor exceptions of small cottage industries, all paper and paper products for commercial and artistic use are imported. With the financial support of Toyota and the assistance of ITPO Tokyo, a small banana paper production unit was set up in St. Thomas Parish. A renowned Japanese expert has already conducted workshops under the auspices of the Jamaica Business Development Centre, and the long-term expectation is that the unit will be able to produce 1,000 sheets of A4 paper per day.

It is noteworthy that the banana paper project is the first of its kind, and if successful could be replicated in Africa.

In Ecuador, the programme continued with the active involvement of and co-funding by the Government. In particular, the components addressing trade capacity-building, investment promotion and SME clustering in the textile and leather sectors brought tangible results. In addition, a cooperation programme for small hydroelectric plants was initiated.

As the IP for Guatemala continued, the quality component progressed with the metrology laboratory nearing completion and hand-over was foreseen for the first half of 2005. It is expected that a second phase of the IP will be agreed in 2005.

A new project seeking to improve the production of llama fibres in Bolivia was approved and project activities began in the second half of 2004. The implementation of enabling activities for the development of a national implementation plan with funding from GEF

to enable Bolivia to meet its obligations under the Stockholm Convention on Persistent Organic Pollutants (POPs) has been extremely successful, and the larger-scale follow-up programme for the actual implementation of the national plan has been submitted to GEF.

Numerous countries in the region benefit from “stand-alone” projects. In Uruguay, a project funded by Italy for trade capacity-building was approved, aiming at upgrading enterprises and developing new ones for enhanced access to export markets. A memorandum of understanding was signed with the Government of Mexico for the establishment of an Investment and Technology Promotion Office in Mexico City. Throughout the region, the UNIDO Montreal Protocol programme continued to be a major part of technical cooperation delivery, with good results in ODS phase-out.

A major event within the UNIDO global forum function during the year was the Global Biotechnology Forum at Concepción, Chile, in March, organized in cooperation with the host Government. The Forum attracted high-level participants in significant numbers and is expected to generate follow-up events and activities during 2005. As part of UNIDO’s involvement in trade facilitation, an International Forum on Competitiveness Policies for the Productive Sector in the Context of Free Trade Agreements was held at Bogotá, Colombia, in May.

## **G. South-South cooperation**

The recognition that South-South cooperation offers significant potential to developing countries has long been acknowledged by the governing bodies of UNIDO. As stated by the General Conference in a resolution adopted at its tenth session, South-South cooperation is not a substitute for but a complement to North-South cooperation. That resolution gave new impetus to relevant UNIDO activities, which are focused on investment promotion and renewable energy, with particular emphasis on rural energy projects.

### **Asia-Africa Investment and Technology Promotion Centre**

Since the first Tokyo International Conference on African Development (TICAD), held in 1993, TICAD has become a major global framework for Asia and Africa to collaborate in promoting the development of Africa. One example was the Asia-Africa Investment and Technology Promotion Centre (AAITPC), established by UNIDO with financial support from the Government of Japan. The Centre is a network of partnerships, where various programmes are implemented between investment promotion agencies of Africa and business associations as well as outward investment promotion agencies of Asia with AAITPC as the hub.

In 2004, UNIDO was proud to report to its Industrial Development Board the impact of the project as of mid-year:

- Eight countries in Africa and five countries in Asia covered by AAITPC and two more in Asia under progress;
- Investment trips organized for more than 230 Asian business people to Africa to conduct more than 1,000 one-to-one meetings to discuss trade and investment;

- More than 2,200 business people of Asia and Africa met to discuss trade and investment;
- Twenty-four investment seminars organized for 907 business people in six Asian countries to promote investment opportunities in Africa;
- More than 196,500 visits made to the AAITPC website seeking information;
- More than 465 investment project profiles and 45 sector analyses of Africa marketed in Asia.

Following an Asian business mission to Mozambique and Namibia in July, the Centre's national partners in China and the Republic of Korea hosted two investment promotion executives of the investment promotion agencies of the two African countries in October, where they identified follow-up interventions to the initial meetings. The Centre will target Uganda as a priority for its activities in 2005, and organized a preparatory mission to the country in late 2004, composed of national partners from China, India, Indonesia, Malaysia, the Republic of Korea and ITPO Seoul.

### **Regional system for accreditation and certification, standardization and quality, UEMOA**

In an interesting example of triangular cooperation, Tunisia and other North African countries will provide experts for West Africa in the quality programme for UEMOA countries. UNIDO is now developing jointly with the eight UEMOA countries a subregional pilot programme for industrial restructuring and upgrading to help West Africa face the consequences of establishing, starting in 2008, a free trade zone with the European Union. The programme will start with Senegal, where the French Development Agency has allocated more than €1 million for its implementation.

### **International centres**

Another UNIDO area in which considerable South-South cooperation takes place is that of renewable energy, in particular through the International Centre for Small Hydropower (IC-SHP) at Hangzhou, China. In 2004, a highlight was a seminar on small hydropower cooperation among developing countries, with participants from African, Arab, Asian and Latin American countries. Other activities included training African engineers in various aspects of small hydropower, and technical advisory missions by senior Centre staff to the Democratic People's Republic of Korea and Sudan.

The year also witnessed a strengthened capacity of the International Centre for Advancement of Manufacturing Technology, established in cooperation with the Government of India. The Centre supports developing countries in enhancing their technological performance in manufacturing, productivity, quality and competitiveness through technology upgrading and capacity-building, advancement of manufacturing technologies, promotion of North-South and South-South cooperation and partnership building for sustainable development. Seven new projects with a total budget of more than \$14 million have been developed for implementation during the period 2005-2007.

An important event at the Shenzhen International Technology Promotion Centre for Sustainable Development, China, was an international workshop for renewable energy technology and investment. Held in conjunction with the XI China High-Tech Fair at Shenzhen, the workshop represented an opportunity for the exchange of views on recent research developments in renewable energy technology and potential applications for developing economies.

### **UNIDO assets nurture South-South cooperation**

Under the South-South cooperation framework for technology partnership, UNIDO joined hands with the Government of India in training and capacity-building for working technicians in efficient manufacturing through better machine tools technology, practice and energy efficiency.

The programme is designed to tap the multiplier effect when these trainees become trainers at home, in the institutions and industries where they work. As a result of upgraded skills, the countries would adopt and introduce new technologies, product designs and processes, work practices, energy-efficient methods as well as increased use of alternative energy sources.

Industrial advancement in many developing countries is dependent on increased technical competence and manufacturing technology, of which machine tools are an important element. Creation of new technology partnerships and establishment of effective linkages for twinning institutes for technical training in African countries with institutes in Bangalore and Punjab and others in India, to enable long-term South-South cooperation in industrial training, is the core objective of the project.

In 2004, 20 participants from three African countries, Egypt, Sudan and Uganda, benefited from five weeks of theoretical and practical skill development at UNIDO training centres in India. And also 2005 augurs well with training foreseen for 120 participants from 15 African countries.

## **Other activities**

The various chapters of this annual report testify to the wide range of UNIDO activities undertaken during the year featuring elements of South-South cooperation. Others are illustrated in the following examples:

- Experts from Cuba and Zambia trained at the Bangalore Research Centre of the Institute of Science, India;
- Promotion and transfer of the Chinese and Indian experience, expertise and manufacturing technologies in low-cost housing in selected African, Asian and Latin American countries;
- The UNIDO Exchange, a partner in the China Online project being undertaken by UNIDO with Chinese authorities and international companies, will enable a targeted partnership between SMEs in China and those from Africa, Asia and the Pacific, and Latin America and the Caribbean;



- The Africa-Asia Chamber of Commerce now being established in the context of TICAD, with UNIDO support and in collaboration with UNDP, UNCTAD and the NEPAD business group, will become a main institutional framework and interregional institution for interaction between African and Asian entrepreneurs;
- Cooperation was further strengthened with a number of organizations, including the South Centre in Geneva, the Group of 77 Secretariat, the Group of 77 Chamber of Commerce and Industries of Developing Countries and the UNCTAD-UNDP global programme on globalization, liberalization and sustainable human development;
- UNIDO pursued discussion with the Perez-Guerrero Trust Fund to implement a joint programme on technology needs assessment as a follow-up to the UNIDO initiative at the 2002 World Summit on Sustainable Development.

## H. Field representation

During 2004 a new initiative to improve and expand the field presence of UNIDO was launched. Assessing the situation of the existing field offices in the beginning of the year, the Director-General launched an initiative aimed at expanding the field network to secure UNIDO's presence in more locations than ever before, while at the same time ensuring that the new model of field presence can fully facilitate UNIDO's participatory role in the coordination mechanisms at the field level. Closer cooperation with UNDP, both at the level of joint programming and in an alternative model of field presence, was pursued.

Complete transparency of the discussions and related decisions was ensured by the establishment of the informal advisory group on decentralization, co-chaired by the Permanent Representatives of China and Germany. The Group held a total of six meetings, complemented by more than 15 meetings with regional groups to ensure full understanding of the initiative. During its twenty-eighth session, in May, the Industrial Development Board decided that the Director-General was to continue the discussions with UNDP, and the Programme and Budget Committee in September took note of the intention of the Director-General to conclude a Cooperation Agreement with UNDP. The Agreement was to formalize the defined approach of joint programming activities where special emphasis was placed on private sector development as an active element to pursue the implementation of the recommendations of the Committee on Private Sector and Development set up by the United Nations Secretary-General, and at the same time launch the implementation of the new model of field presence.

The new model of field presence entailed the establishment of UNIDO Desks, each to be staffed with a National Programme Officer and located within the premises of the UNDP office in the country. A cost-sharing principle was agreed during a defined pilot period of two years whereby UNDP was to cover the operational costs of 15 UNIDO Desks while UNIDO would secure the staff costs related to the Desks. During the November session of the Board the Director-General informed Member States that the Cooperation Agreement with UNDP had been signed in New York on 23 September and that its implementation would lead to the operation of the first Desks in early 2005.

Criteria to identify the venues were developed and the locations for the 15 UNIDO Desks were identified. In addition, some of the existing Focal Points were also upgraded to UNIDO Desks to ensure a uniform approach to the future field presence, making a

total of 20 Desks within the field network. Taking also into account the financial resource requirements for expanding the field network within the initiative, and to ensure that the limited resources of the Organization were managed in the most cost-effective manner, a decision was taken to convert three country offices to UNIDO Desks and thereby maintain UNIDO's field presence in those countries through the new field presence model.

The net result of the outlined process envisioned by early 2005 was a field network comprising the presence of UNIDO in 50 locations around the world. The network would consist of 27 field offices, including 10 regional and 17 country offices, also taking into account the foreseen opening of the regional office in South Africa, a total of 20 UNIDO Desks, 2 Focal Points and 1 centre in Turkey. At year end, the establishment of the new UNIDO Desks was progressing well.

Also during 2004 the field operations of UNIDO continued to be stabilized with the previously introduced empowerment of the UNIDO Representatives, carrying the functions of main allotment holder and team leader of IPs/CSFs. Launched in 2003, a total of 19 UNIDO Representatives were maintained as main allotment holders and 17 UNIDO Representatives functioned as team leaders in the field during 2004. Moreover, Regional Bureaux also acting as main allotment holders were performing their functions well during 2004, facilitating the required degree of coordination and monitoring of programmes and projects implemented in their countries of coverage. The initiative, both at the field and Headquarters level, has proven to be at times difficult to manage, but through coordinated efforts this form of empowerment has resulted in a more coherent implementation approach adding benefit to the clients of UNIDO.

In 2004, additional efforts to further increase the efficiency of financial administration in the field were continued and the offices in Egypt, Indonesia, Mexico and Nigeria saw the opening of imprest accounts to ensure increased controllability and cost-effectiveness, as well as time saving, on managing the operational budget and expenditure of the office. Related training was ensured at Headquarters for the concerned staff members. Moreover, the handbook for field operations continued to be developed to provide precise and detailed guidance for the accomplishment of the daily work, especially for administrative and operational matters. Furthermore, Viet Nam continued to be the test case for the roll-out of the Agresso financial system, including the possibility to upload their imprest account directly to the main system.

# V

## Global forum activities

---

As a specialized agency of the United Nations, UNIDO has a dual role. On the one hand, it provides technical cooperation services, which enhance skills, technology and related capacities. On the other, it also performs global forum functions by generating and disseminating knowledge about industrial development processes and associated issues, and initiating/conducting debates and discussions on industrial development and related matters in order to influence the development agenda in this area.

The creation, transformation and management of knowledge on industry, which UNIDO considers a global public good, is a key component of UNIDO's mandate to strengthen industrial capacities in developing countries and economies in transition. Taking into account the corporate strategy, UNIDO covers such areas as the transfer and upgrading of technology, learning, innovation, building of skills and capabilities, which have a direct bearing on productivity growth.

UNIDO's global forum activities draw upon in-house and collaborative research as well as the rich pool of experience generated by its technical cooperation programmes. A number of global forum activities are mentioned in the chapters detailing UNIDO's work with regard to programme development and technical cooperation, as well as programme coordination and field operations.

Future research and development activities will be subject to new guidelines covering the technical cooperation programme and project cycle (chapter VI refers). As a result, objectives and outputs of research will be determined to address specific priority problems and to strengthen links between UNIDO research and its technical cooperation programme.

The following sections highlight selected activities with a particular focus on industrial statistics, the research programme for the medium-term programme framework, 2004-2007, the UNIDO supply chain development programme and the UNIDO Exchange.

### A. Industrial statistics

More than one decade ago the United Nations Statistical Commission recommended that UNIDO assume the sole responsibility for industrial statistics. Since that time, and with the collaboration of OECD, UNIDO has collected, estimated, maintained and disseminated worldwide general industrial statistics. As part of its regular global public good service, UNIDO disseminated the 2004 version of the UNIDO statistical databases on industry through several media, including CD-ROM, hardcopy publication and the Internet. In order to estimate regional and other cross-country aggregates on manufacturing output and their trends, UNIDO developed new constant-price time-series on manufacturing value added at a subsectoral level in accordance with

Revision 3 of the International Standard Industrial Classification (ISIC). UNIDO also contributed actively to the international statistical community in the development and promotion of international standards in statistics and data quality assurance. Moreover, UNIDO also carried out technical cooperation activities in capacity-building for industrial statistics operations, taking advantage of its methodology.

## **B. Research programme for the medium-term programme framework**

Since the approval of the research programme for the medium-term programme framework, 2004-2007, by the General Conference, significant activities have been implemented with regard to all four research components of the framework.

Research component 1 is intended to provide a comparative analysis of productivity performance and structural change in developing countries and their relation to poverty reduction. A research project, “Productivity performance for 17 countries”, assessing productivity trends in a broad cross-section of developing countries based on a comprehensive database of productivity indicators, is under implementation for this purpose. The analysis will be complemented by 17 country case studies, which will examine the key determinants of productivity growth in those countries and the policy instruments that can be used to promote productivity growth.

Research component 2 is intended to assess the role of technology diffusion in productivity enhancement, with a particular focus on the system of interaction between economic agents, markets and institutions. In addition, research activities will examine the relationship between industrial development and pollution intensity and the implications for technological development and diffusion in developing countries.

Research component 3 is intended to examine how a range of development policies that are multilaterally accepted can be enlisted to foster productivity growth and reduce poverty. A project entitled “Public goods for economic development” is under implementation, involving a joint research programme in cooperation with the Universidad Complutense, Madrid.

Another research line of this component deals with assessing how best global value chains (GVCs) and global production networks (GPNs) can contribute to enhancing domestic capabilities. This research aims to identify and assess, with a subsectoral focus, how best to leverage participation in GVCs and GPNs for enhancing competitive capabilities of domestic industry and what are the institutional and policy underpinnings of these processes.

The most recent in a series of publications in this field, entitled *Inserting local industries into global value chains and global production networks: Opportunities and challenges for upgrading*, examines how the spreading of these production systems can create opportunities for developing country producers to upgrade their technological and industrial capabilities and to integrate into the global economy. The publication further focuses on Asian countries’ experience with leveraging domestic and foreign resources through the active participation in GVCs and GPNs, the impact of China’s rising competitiveness and its accession to WTO and the impact of the Agreement on Textile

and Clothing (ATC) on Asian and other developing countries. The publication concludes with industrial policies and with the core recommendations for other, less successful Asian economies.

In technical cooperation, UNIDO focuses on giving practical advice and assistance to developing countries in designing policies and programmes using the global value chain approach in specific sectors.

Research component 4 is intended to analyse the most efficacious strategies to foster the contribution of SMEs to dynamic industrial growth and assess corporate social responsibility strategies and related challenges faced by SMEs in their efforts to gain access to new markets. One project, in cooperation with Harvard University, started implementation in September.

## C. COMPID

Combating Marginalization and Poverty through Industrial Development (COMPID) is a three-year programme started in 2002 with funding by Denmark, which forms an integral part of the research programme for the medium-term programme framework. This particular research programme is part of UNIDO's response to the challenge of achieving the Millennium Development Goals. The main focus of research is on low-income countries, with the prime intention to deepen the understanding of the dynamics of sustainable industrial development to promote growth and alleviate poverty. Low-income countries are generally marginalized from the global economy, and therefore unable to seize the opportunities provided by the internationalization of production and trade. Accordingly, efforts are being made to explore the best means for ensuring that these countries share in the benefits of globalization.

### **COMPID: linking research to technical cooperation activities**

COMPID (Combating Marginalization and Poverty through Industrial Development), funded by Danida, is a sound illustration of the link between research and technical cooperation and a major underpinning of global forum activities in UNIDO. Following a careful review of current economic issues, five topics—all highly relevant to the UNIDO medium-term programme framework—were selected with a special focus on low-income countries:

- Market failures and public goods;
- Poverty alleviation;
- Small-scale industries;
- Social capital;
- Technological development.

Throughout implementation international experts and research institutes have worked in close cooperation with UNIDO staff, and received guidance from the COMPID team and the external peer review group. Field studies in selected low-income countries were conducted in cooperation with local universities and UNIDO field offices.

And where do we go from here? Having ensured the academic soundness of the programme, its findings will be applied to technical cooperation activities, with the objective of improving UNIDO service delivery to low-income, marginalized countries. Moreover, on the basis of the information in and knowledge derived from the reports, research on these topics could be further pursued to strengthen the analytical foundation of UNIDO's technical cooperation.

The five topics included in the programme are market failures and public goods, poverty alleviation, small-scale industries, social capital and technological development. The programme, as a whole, aims at improving the impact of UNIDO's technical cooperation activities. Research on each project has been conducted by renowned international experts and research institutes. The reports are currently being finalized, and comments from the external peer review group as well as in-house focal points are being incorporated to ensure that the research bears relevance to UNIDO's global forum and technical cooperation activities.

## **D. Research partnerships**

Cooperation arrangements have been established with leading research institutions with a view to strengthening the Organization's global forum activities.

### **University of Oxford**

As part of the cooperation with the Centre of the Study of African Economies (CSAE), University of Oxford, the UNIDO research fellow at CSAE has produced several research papers on issues relating to productivity, technology, organizational structure, trade, education and investment in African manufacturing. In addition, CSAE organized a course for French-speaking African civil servants at Oxford to train them in the analysis of firm-level data.

### **Harvard University**

A project in cooperation with Harvard University commenced in September to examine and assess the importance of corporate social responsibility (CSR) strategies and the related challenges faced by SMEs in their efforts to gain access to new markets. It will also identify those industrial subsectors and product groups in which the adoption of CSR practices by SMEs is likely to result in increasing market shares, stemming from consumer preferences for responsible and sustainable consumption. It will also explore the relationship between CSR, quality management and productivity enhancement at the company level. The project is expected to be completed by September 2005.

### **Universidad Complutense**

A joint research programme has been developed in cooperation with the Universidad Complutense, Madrid, in the framework of the research project on public goods for economic development. This research project is designed to reinforce the UNIDO proposal for the establishment of a common business plan or common agenda for action for the United Nations system on development, as discussed in chapters I and II of this report. In particular it will provide the analytical basis for this initiative and contribute to the formulation of the measures to be undertaken by the United Nations system in order to achieve the Millennium Development Goals. The findings and outputs of this research project will be presented at the next General Conference and at major United Nations meetings to be held in 2005.

## E. Industrial Development Report

UNIDO's flagship publication is the *Industrial Development Report*, a series that builds on development policy experience and contributes to a refinement of the international development agenda. It aims to provide guidance to policy makers and assist both public and private stakeholders to formulate, implement and monitor national strategies for effective poverty reduction through sustained productivity enhancement.

The 2004 issue was released in July and focused on industrialization, environment and the Millennium Development Goals in sub-Saharan Africa. While continuing and updating industrial performance benchmarking, the report addresses the challenges faced by African countries in furthering their efforts towards poverty reduction. Hence it features a special focus on the dynamic processes of productivity growth, wealth creation and social advance in Africa in the context of the internationally-agreed development goals and targets of the Millennium Declaration and national poverty reduction strategies.

## F. SPX News

*SPX News* is the quarterly newsletter of the UNIDO supply chain development programme. Since 2003, this bulletin has provided information about UNIDO subcontracting activities, the supply chain programme and the global Subcontracting and Partnership Exchange network (SPX). The bulletin is presented under five headings: 1. "Editorial"—offering background articles with strategic information or of general interest; 2. "SPX on the spot"—requesting SPX directors to present their institutions and their programmes; 3. "Country watch"—presenting the strategy or a survey concerning subcontracting and supply chain management aspects in relation to a particular country or group of countries; 4. "An academic review"—highlighting a survey, an analysis or a more academic approach together with a list of publications; 5. "Club news"—containing a list of brief news, subcontracting fairs and various other events.

The UNIDO supply chain development programme assists firms from developing countries and countries with economies in transition to connect to the global subcontracting and supply chain networks. The services offered in this connection include both the establishment of Subcontracting and Partnership Exchanges (information at [spx@unido.org](mailto:spx@unido.org)) and the development of supply chain partnerships (information at [supply-chain@unido.org](mailto:supply-chain@unido.org)).

## G. UNIDO Exchange

UNIDO Exchange, the Organization's business and knowledge network, further reinforced UNIDO's global forum activities by deploying a series of "UNIDO Resource Centres", an online compendium of UNIDO experience and know-how in selected fields of intervention, such as "How to start agro-food industries", "UNIDO's cooperation with civil society organizations and NGOs" and "UNIDO's participation in the Global Compact". More than ever, UNIDO Exchange now features numerous areas of industrial

excellence, which are being frequently used by the private and public sectors as well as by academia.

In addition to developing knowledge that is intrinsically linked to the Organization, UNIDO Exchange encompasses new features to improve online communication between the Organization, its stakeholders (including those in the field) and the various network constituencies. For example, in addition to the open and closed forums already available on the portal, UNIDO Exchange allows for affordable online conferencing, which enables a low-cost, yet full-fledged participation in topics related to the Organization and to the portal's members.

As such, 2004 allowed UNIDO Exchange to display the Organization's intelligence in a selective, practical and user-friendly manner, thus enabling UNIDO's partners to benefit more efficiently from the Organization's resource-sharing while also allowing them to participate more easily and more effectively.

#### **Subregional networking in Asia—Tumen River Secretariat chooses UNIDO**

The Beijing-based Tumen River Secretariat (TRIS), which brings together institutional partners from China, the Democratic People's Republic of Korea, Mongolia and the Russian Federation, has requested UNIDO to deploy its networking portal—TRIS Exchange—in order to increase information and knowledge exchanges among its members and to strengthen subregional investment and technology promotion efforts.

UNIDO was selected based on its previous successes in implementing tailor-made Internet-based solutions, such as TICAD Exchange (for Asia-Africa cooperation) and Mediterranean Exchange (for operators based in the region). As a sister network, TRIS Exchange enables privileged interactions while allowing for an international promotion of offers and requests for cooperation and partnership through the global UNIDO Exchange portal and other affiliated networks.

Based on the successful implementation of the Tumen River Secretariat's portal, and taking into account the potential for interaction and cross linkages within the Exchange "family", UNIDO is requested to further pursue its technical assistance towards the TRIS focal points, especially in attaining international business and knowledge matchmaking through global promotion and awareness-building. In addition, it is expected that TRIS Exchange will immediately benefit from other Exchange-related networks in Asia that are expected to become operational in 2005.



# VI

## Performance management

---

### A. Results-based management takes off

The measurement of performance is considered essential to assess the impact of UNIDO's services—whether their intended results are being achieved—and to measure changes brought about by its technical cooperation programme in order to show various stakeholders the validity of the approach used to deal with development problems, as well as its impact.

UNIDO has identified three levels of indicators: *outputs/milestones*, which are the results or products delivered by UNIDO; *outcomes*, which measure the changes at the level of the direct beneficiaries (UNIDO's counterparts) usually at the institutional level, but sometimes at the level of pilot enterprises; and *impact*, or changes, at the level of the target beneficiaries (the universe of enterprises in a particular sector or geographic location) in accordance with a country's objectives.

To measure its performance better, UNIDO has adopted results-based management (RBM), which calls for a holistic management approach by an organization to ensure that all its activities contribute towards the achievement of its strategic objectives and that the results of activities are systematically assessed against objectives and targets as a means of continually improving strategy, performance and productivity. Experience shows that RBM systems not only improve overall performance, but also increase staff motivation through a better appreciation of the important contribution everyone has to make towards achieving the organization's strategic objectives.

The Secretariat has been gradually introducing this management tool in all its activities to improve the quality (relevance and effectiveness) and impact of its activities/services, and has endeavoured to shift gradually from reporting on activities to reporting on performance results. Detailed information on progress made on the introduction of RBM in UNIDO was provided to the tenth session of the General Conference and was also covered in the *Annual Report 2003*. Actions taken to introduce RBM have been the subject of positive comment by Member States and the External Auditor, and the General Conference requested the Director-General to continue improving the results-based biennial programme and budgets.

### Critical self-assessment

In order to ensure that the Organization was on the right track in its implementation of RBM, the Secretariat undertook a critical self-assessment of UNIDO's RBM work, which was then validated by the Department for International Development (DFID) of the United Kingdom, which had funded some of the critical

work relating to the introduction of RBM in UNIDO. The purpose was to assess the results achieved to date, to determine the commitment level at UNIDO to RBM, to identify related activities that should complement the work and to define an action plan for its continuation. The methodology applied was based on the standard evaluation approach. It also took into account the conclusions and recommendations of the draft Joint Inspection Unit report “Managing for results in the UN system”.

The assessment has shown the need for a change from a traditional delivery-oriented culture to a more results-oriented one and has also contributed to showing cause and effect relationships among the different parts of the Organization. The work has also contributed to establishing improved methodological linkages with country-level coordination mechanisms (PRSP, CCA and UNDAFs) and to measuring country- and Organization-level performance and reporting towards the MDGs.

The main benefits of RBM identified are at the country level, particularly in potential increased impact and funding. The analyses, diagnostics and indicators of the RBM approach, albeit time-consuming and costly, are seen as fundamental for countries in aiding them to monitor progress towards the MDGs, for improving UNIDO TC services and for increasing funding.

The main difficulties identified were: how to reach agreement on the methodology and approach to be used to produce TC-related indicators for UNIDO; how to gather and record the various types of data required; how to reduce the time required for the successful day-to-day running of RBM in the Organization; and how to diminish some internal resistance and the perception that RBM is just an additional workload, time-consuming and costly.

The assessment also showed the need for introducing RBM into the programme and budgets to improve further the accountability for results. It also noted that programme/project cycle procedures need to be RBM-based and include, in addition to activities, an indication for each step of authority and accountability, control criteria and indicators. Programme/project cycle-related guidelines, including project/programme formulation, monitoring and evaluation, need to be aligned with RBM. The concept of RBM needs to be built into integrated programmes and projects during the initial formulation stage through the systematic application of the logical framework approach.

These last topics have already been addressed in the formulation of the programme and budgets, 2006-2007, and new guidelines on the programme/project cycle, as described below.

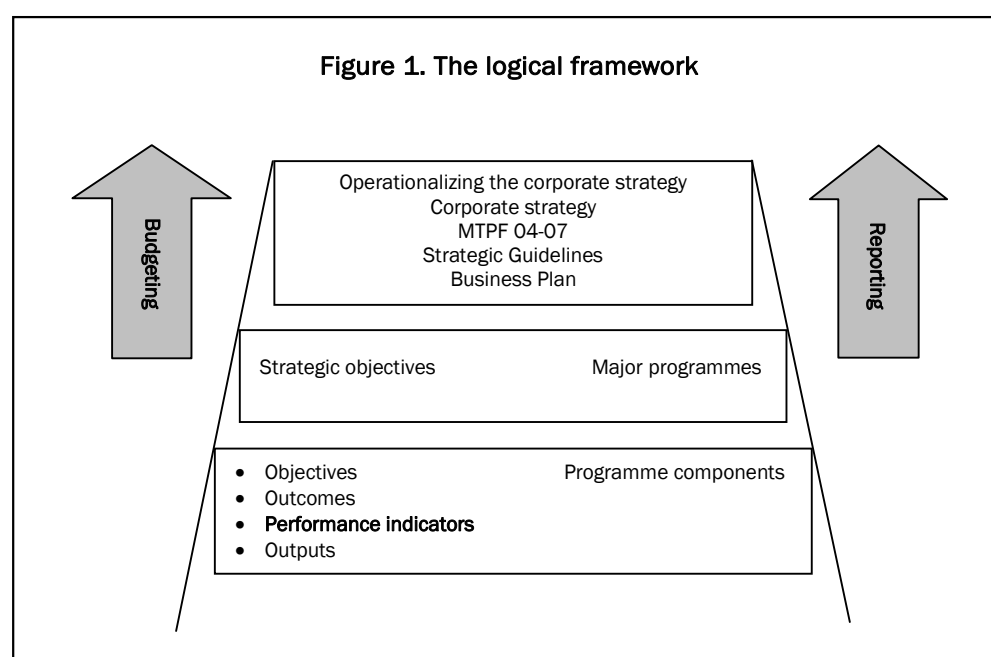
## **RBM in the programme and budgets**

In response to a General Conference resolution adopted at its tenth session, a major step was taken in 2004 to introduce the principles of RBM in a comprehensive manner in the 2006-2007 programme and budgets. As a result, the document will differ significantly from that for the biennium 2004-2005, since it will include a comprehensive and better-refined approach to RBM and results-based budgeting (RBB). This is a major step in the process of making a comprehensive, coherent and

structured shift towards reporting on outcomes and outputs and related achievement indicators. This step will provide another management tool for improving organizational performance, while enhancing the transparency of the reporting process and thus accountability.

The preparation of the programme and budget proposals is led by the existing strategic planning documents of the Organization and is based on a logical framework approach linking the overall organizational goals to the strategic objectives of the major programmes and the objectives, outcomes and related performance indicators, together with the planned outputs of the individual programme components. The programme and budget document is expected to provide managers and ultimately Member States with the necessary information and instruments to determine the relevance, efficiency and effectiveness of the Organization's work.

Resource requirements are linked to objectives and expected results of the major programmes following the logical framework approach shown in figure 1.



The successful introduction of RBM in any organization is contingent upon a common understanding of the concepts and principles of RBM, which must be adapted to the specific requirements of individual organizations. Furthermore, it requires commitment by senior management to ensure that the process is followed further down the lines of authority. It also necessitates that credible and reliable performance information is being collected, understood, agreed upon throughout the organization, disseminated, monitored and reported upon. A major effort was thus undertaken to ensure the full commitment of staff to the principles of RBM being adopted and to determine the relevant performance indicators.

The process started with a senior management retreat in December 2004, exclusively devoted to RBM, which set in motion a comprehensive and participatory exercise aimed at ensuring a full and common methodological understanding of RBM, and providing clear definitions of RBM concepts, techniques and terminology. Furthermore, after extensive in-house discussions, comprehensive guidelines were issued to ensure a common understanding of the RBM approach to be followed by respective programme managers and staff in their submissions. Subsequently, the programme managers and their staff fully participated in this review process of their submissions, thus contributing to a better understanding of the RBM and RBB concepts and ownership of these programmes by those responsible for their implementation; this will greatly contribute to improving accountability.

The logical framework provided managers with the basic tool for articulating the *raison d'être* of the programmes and programme components (objectives), defining the benefits to end-users as a consequence of outputs in order to meet the objectives (outcomes) and indicating yardsticks for the expected outcomes (performance indicators). As stated above, the submissions contained in the programme and budget proposals are being prepared according to an iterative and participatory approach involving staff at various levels and the provision of a methodological approach.

However, experience within UNIDO as well as other organizations in the system shows that the introduction of RBM is a major challenge: RBM is an evolutionary process taking eight to ten years to implement fully before a stage is reached where policy and decision makers can use performance data generated by those implementing the programmes. As a system, and in its application, RBM is subject to continuous improvements and adjustments. Further refinements and adjustments will thus inevitably be required in UNIDO based on the application of the system and the continuous Organization-wide monitoring and assessment/evaluation process.

## **Results-based management for technical cooperation**

As reported in 2003, various actions were taken to introduce RBM in technical cooperation activities, which included a results-based cleaner production programme strategy and an Energy and Cleaner Production Branch business plan, each with complementary scorecards of performance indicators. The experience showed that in order to ensure the systematic introduction of RBM, it is critical that the concept of RBM should be built into integrated programmes and projects during the initial formulation stage through the systematic application of the logical framework approach.

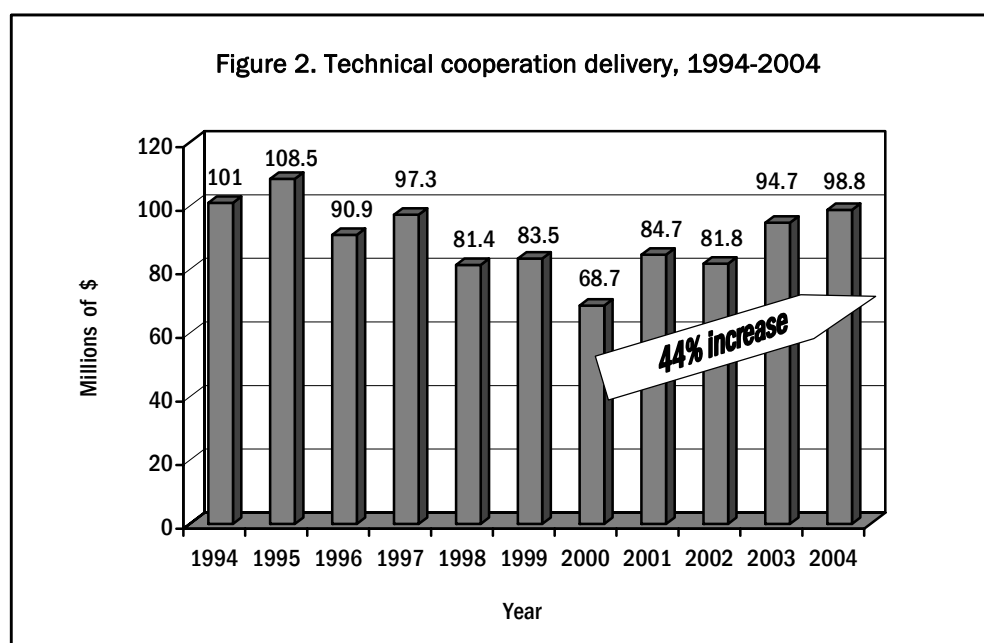
Therefore, guidelines covering the entire TC programme and project cycle were drafted, which take into account the principles of RBM. These guidelines are expected to go into force in early 2005. Throughout these guidelines, the management control framework is consistently applied with the identification of clear and realistic objectives and outcomes, including result indicators. In following the principles of RBM, every care has been taken to ensure that internal processes positively influence organizational performance and that the financial resources available to the Organization are used efficiently and effectively to fund priority activities yielding clearly identifiable and measurable results.

Another aim of these guidelines is to further improve the management of TC programmes and projects, facilitating the process flow, simplifying procedures and standardizing formats with a clear identification of the distribution of tasks, responsibilities, authority and accountability throughout the programme/project cycle. They further aim to ensure the development and delivery of UNIDO TC activities that have an impact on economic development through the effective harmonization of UNIDO's overall policies and priorities and the Organization's TC potential with the needs and development plans of recipient countries as per Poverty Reduction Strategies (PRSS). These guidelines also envisage appropriate interaction with other multilateral and international organizations within the framework of the UNDAFs, as well as with bilateral and national TC agencies and NGOs.

## B. Performance on the technical cooperation front

### Improvements in delivery

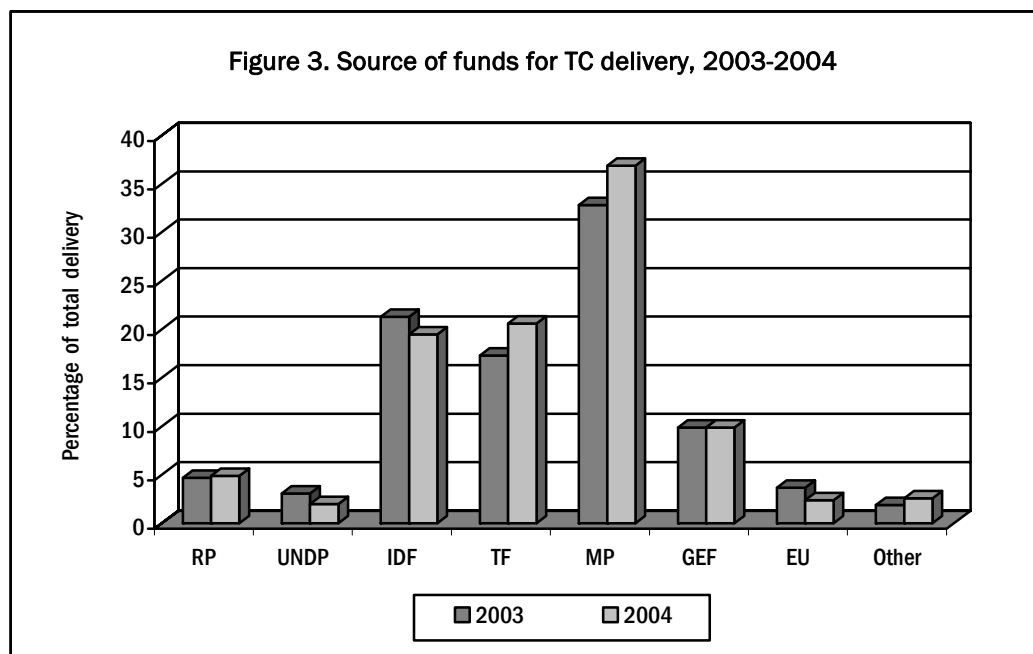
Figure 2 provides a TC delivery analysis from 1994 to 2004, which should be looked at taking into account: (a) that the funding pattern of extrabudgetary resources has changed tremendously over the years (for instance, in 1994 projects funded by UNDP amounted to some 26 per cent of total delivery, whereas in 2004 they accounted for less than 2 per cent); and (b) that there have been substantial decreases in staffing levels (in 1994, the actual number of staff on board was 952, compared with 525 as of 2004—a decrease of 45 per cent).



The figure shows that TC delivery in 2004 surpassed the 1997 delivery, thus confirming a turnaround in UNIDO's TC delivery. It also shows an increase of some 44 per cent over the 2000 delivery. The prospects thus look promising for future years.

## Sources of funds

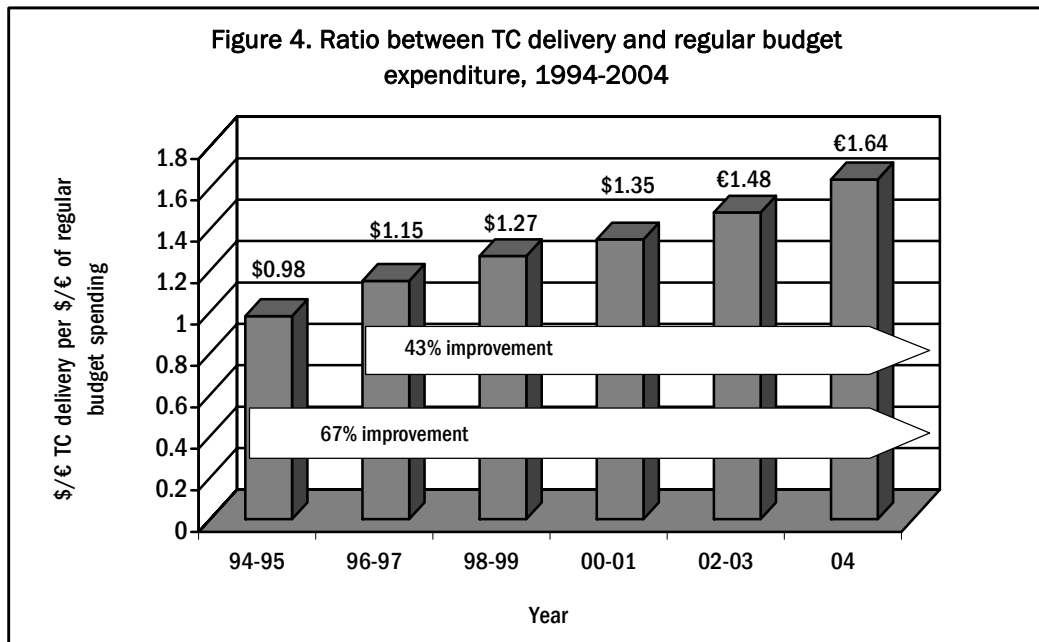
As can be seen from figure 3, the Montreal Protocol (MP) continues to represent UNIDO's major source of TC funding (37.3 per cent) followed by trust funds (TF) at 21 per cent, the Industrial Development Fund (IDF) at 20 per cent and the Global Environment Facility (GEF) at some 10 per cent. Efforts will continue in 2005 to generate increased funding for core UNIDO activities and to avoid over-dependence on a single source of funding.



## Regular budget expenditures and TC delivery

In 1997, the cost-effectiveness of UNIDO's services was confirmed by the assessment carried out by Danida, which stated that UNIDO's administrative and operational support costs to delivery ratios were the lowest among United Nations agencies. Since then, UNIDO has been subject to further downsizing and has worked on refining its interventions, management, coordination and methodologies for TC delivery. Management and staff are determined to continue the trend of efficiency improvements achieved over the past several years.

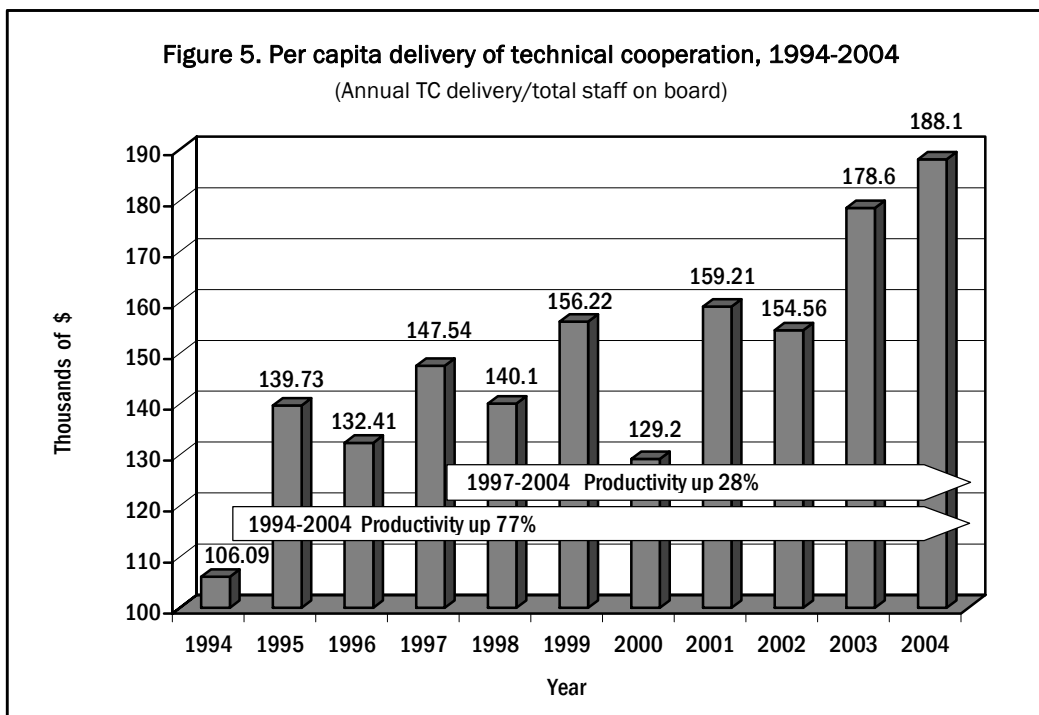
Figure 4 shows the relationship between actual dollar/euro TC delivery and each dollar/euro spent from the regular budget to achieve this delivery and carry out other global functions. As can be seen, since 1994-1995, the cost-effectiveness of UNIDO's delivery has improved by an impressive 67 per cent: in 1994-1995, the Organization achieved \$0.98 in TC delivery for each \$1 spent from the regular budget. In comparison, in 2004 the Organization delivered €1.64 of technical cooperation for each euro spent from the regular budget. As compared to 1996-1997, at the time of the Danida study, the Organization's performance has registered an impressive improvement of 43 per cent—another demonstration of the success of the transformation process.



Danida 1997 assessment showed UNIDO support cost/delivery ratio lowest among United Nations agencies.

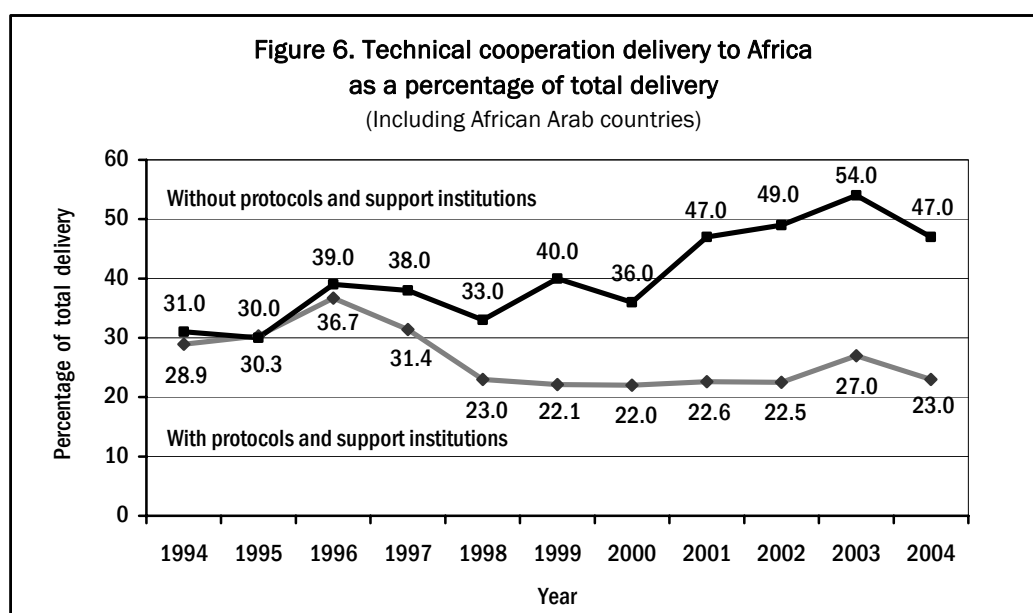
## Staff productivity grows

Figure 5 shows actual delivery versus actual total staff (both Professional and General Service). This shows that the productivity per staff member has improved since 1994 (when delivery per staff member amounted to \$106,090) by 77 per cent (in 2004, delivery per staff member amounted to \$188,100). As compared to 1997, productivity has increased by 28 per cent—another demonstration of the commitment by management and staff to make the Organization more efficient and productive.



## Emphasis on Africa

As can be seen from figure 6, there has been a continued emphasis on TC delivery in favour of Africa, including African Arab States. Despite the changing funding pattern, since 1998 delivery in this region has accounted for some 23 per cent of total delivery excluding delivery under the Industrial Development Decade for Africa/Special Resources for Africa (IDDA/SRA). A jump in 2003 resulted from the large-scale project being implemented together with UEMOA with EU funding. However, if multilateral funds and Investment and Technology Promotion Offices and similar institutions are excluded, the delivery in favour of Africa has increased to some 47 per cent, excluding delivery under IDDA/SRA. As stated above, in 2003, due to the UEMOA and EU project, delivery amounted to 54 per cent. It is, therefore, important that greater contributions be received for the core UNIDO activities in order to better serve the needs of the recipient countries.



## Selected technical cooperation achievements

Table 1 provides selected TC achievements in recent years focusing on investment promotion and aspects of environmental and SME activity undertaken by the respective UNIDO branches.



**Table 1**  
**Selected TC achievements, 2000-2004**

	2000	2001	2002	2003	2004
<b>Competitive Economy</b>	\$221 million investment generated	67 projects including 39 for Africa, 39 for SMEs. \$78.6 million generated for Africa	\$304 million investment generated	\$241.2 million investment generated	\$245.44 million investment generated
<b>Sound Environment</b>	4,000 tonnes ODSs eliminated	2,480 tonnes ODSs eliminated	3,370 tonnes ODSs eliminated	5,650 tonnes ODSs eliminated	6,300 tonnes ODSs eliminated
<b>Productive Employment</b>	563 SMEs started 1,160 SMEs expanded business activities 1,191 women entrepreneurs assisted Some 5,000 jobs created through investment promotion	428 SMEs started 1,306 SMEs expanded business activities 1,207 women entrepreneurs assisted At least 2,732 jobs created through investment promotion including 1,050 in Africa	512 SMEs started 1,432 SMEs expanded business activities 1,609 women entrepreneurs assisted Some 4,782 jobs created through investment promotion	434 SMEs started 1,844 SMEs expanded business activities 2,003 women entrepreneurs assisted Some 4,551 jobs created through investment promotion	268 SMEs started 3,033 SMEs expanded business activities 3,443 women entrepreneurs assisted Some 5,732 jobs created through investment promotion

## Enhancing technical cooperation through research

Chapter V of this report describes UNIDO's achievements in the field of research during the year. Of particular interest was the COMPID programme, because of its objective of improving the impact of UNIDO's TC activities, in particular with respect to the challenge of achieving the Millennium Development Goals. Other important developments in the year that will have implications for improving research and development performance over the period of the MTPF 2004-2007, also covered in chapter V, are summarized below:

- Significant results in all four components of the research programme formulated for the MTPF and approved by the General Conference;

- New research project formulation requirements—All future research and development activity will be subject to the new guidelines covering the entire TC programme and project cycle to be published early in 2005. Among other things, this means that objectives and outputs of research will be determined to address specific priority problems and to strengthen links between UNIDO research and its TC programme;
- Dissemination of research results—There are two main ways that the results of the research programme will be disseminated. The first is through publications, in particular through the *Industrial Development Report* (IDR), UNIDO's flagship publication aimed at informing policy makers on the latest issues relating to industrial development. The 2004 issue was released in July and focused on industrialization, environment and the Millennium Development Goals in sub-Saharan Africa. In addition to the IDR, there will be a regular publication of research papers based on the results obtained from the research projects. The second method of dissemination involves the establishment of a knowledge centre to promote and provide information on the research programme through the UNIDO public website and UNIDO Exchange.

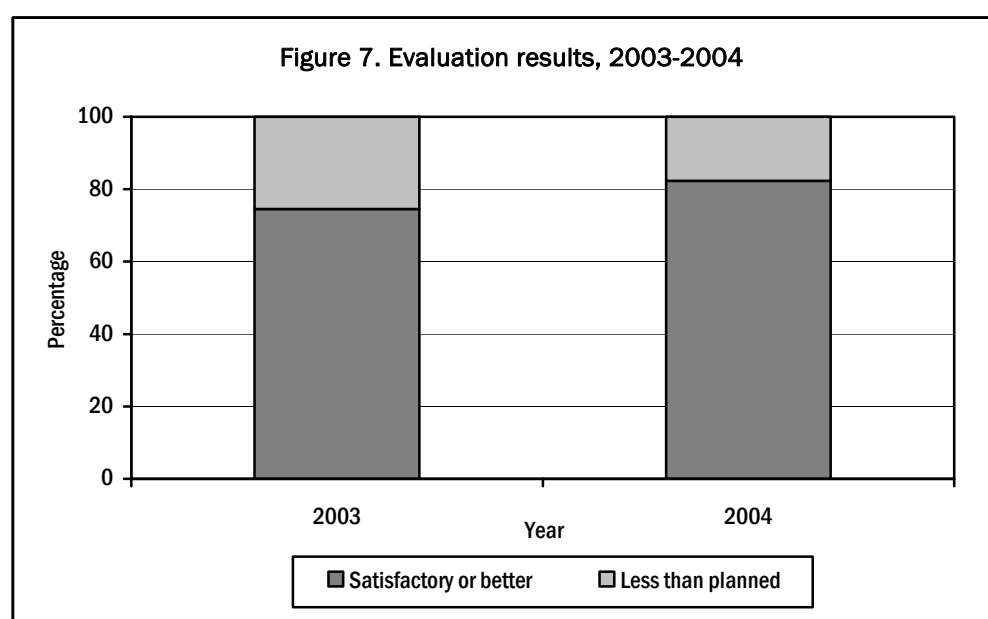
## Evaluation activities improve technical cooperation

The Evaluation Group of the Office of the Comptroller General is responsible for providing analytical and objective feedback to management on the relevance, efficiency and results of UNIDO programmes and projects for the purpose of accountability vis-à-vis all stakeholders and for enabling the improvement in the quality of design and delivery of current and future UNIDO services. A report to the Industrial Development Board provided an overview of the work performed, the lessons learned, recommendations made to improve programmes, as well as action being taken to follow up recommendations, thus demonstrating that management and staff take the findings and recommendations seriously and are committed to addressing these issues. In this regard, a strengthened feedback system has been implemented involving targeted dissemination of findings and ensuring proactive follow-up of recommendations, as well as lessons learned being incorporated into new programmes. Information was also provided on the activities of the Group with regard to introducing best practices of evaluation principles and standards. This was achieved through active cooperation with the United Nations Evaluation Group. These combined activities supported the production of credible and objective evaluation reports and further enhancing accountability to stakeholders through improved reports. The Board decision adopted in response to the report has been instrumental in guiding subsequent evaluation activities.

The in-depth evaluations of integrated programmes and country service frameworks (see chapter III.A) concluded that the programmes have made an impact in terms of raising UNIDO's profile and visibility in the respective countries and contributed to a better coordination and consistency of country-level activities. Further, IPs can be considered a sine qua non for the new modalities of multilateral field cooperation, which requires stronger harmonization of all United Nations programmes within the context of PRSPs, CCAs and UNDAFs.

## Technical cooperation programme effectiveness

The results of the evaluations show a positive sign with improved performance of TC programmes. The efficiency and effectiveness indicator, as measured by achievement or likelihood of achieving the project's purpose, increased in relation to the previous year. In fact, 82 per cent of the total 130 outputs evaluated in 2004 produced results that were satisfactory or better (see figure 7). This was a 6 per cent improvement over 2003. Rather less positive was performance in respect of meeting planned completion dates. Although most of the evaluated projects were on time or with a small delay, 12 per cent of projects evaluated were seriously delayed, mainly due to funding problems.



## Major findings and recommendations

A number of lessons were learned during the evaluations, the most important of which are listed in the table below. Various actions have already been taken to address these findings and to implement the recommendations; the new guidelines on the TC programme and project cycle provide measures and tools to address and achieve these.

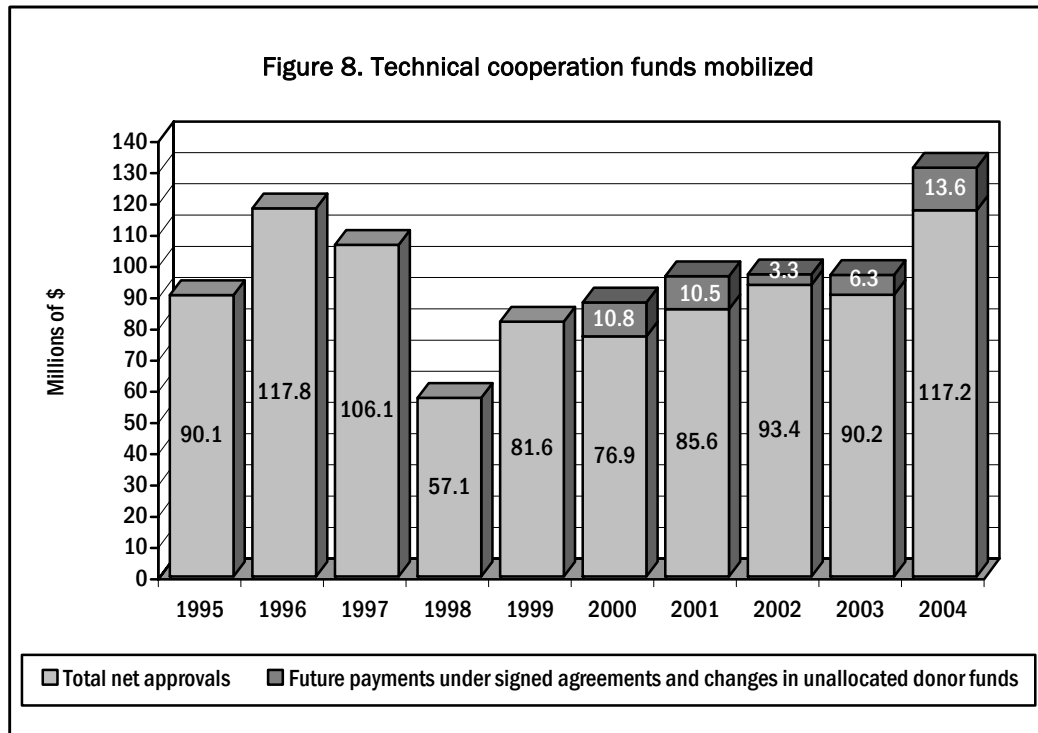
**Table 2**  
**Evaluations—some lessons learned**

Findings	Recommendations
<p>The length of preparatory activities was too short, due to funding and time constraints with the result that some of the programmes lacked focus around key constraints and were in some instances supply driven.</p> <p>The programmes' relevance and focus as well as the integration with United Nations-wide assistance frameworks need to be enhanced.</p> <p>The logical framework approach needs to be applied more systematically and sustainability and risk factors need to be more rigorously analysed at the programme formulation stage. Better-defined qualitative and quantitative result indicators need to be included in the documents in order to enable proper monitoring and evaluation as well as linkages with country-level MDG-related targets.</p>	<p>Upstream analytical activities at the country level should be strengthened and seed money allocated for this purpose. This would enable UNIDO to better formulate its programmes, advise the Government on priority activities to be promoted in the field of sustainable industrial development and provide relevant inputs to country-level diagnosis and programming frameworks, with special focus on PRSPs, CCAs and UNDAFs.</p>
<p>Expectations that IPs would generate more funding were achieved only partially. In most cases donors have not yet changed their project-related funding approach and have allocated funding for projects and components within the IPs based on their bilateral requirements and priorities. This is to the detriment of the very nature of integration.</p>	<p>The IP approach should be pursued also from the funds mobilization perspective. Funds mobilization efforts should ensure a combined approach in those cases where activities are interdependent on their success. Closer linkages with country-level coordination frameworks (especially UNDAF) and a stronger field representation would be instrumental in ensuring more funding.</p>
<p>Evaluations showed a strong demand for advice and information on the new role of government in general and ministries of industry specifically on required policy interventions to enhance competitiveness and productivity growth.</p>	<p>Evaluations recommended that all IPs should in general include a policy advice and competitiveness analysis component to be carried out based on a UNIDO standard approach and methodology.</p>
<p>Successful IPs are those anchored to high-level decision-making bodies and that are coordinated at country level through effective programme- and project-level steering mechanisms.</p>	<p>UNIDO office presence in the country is a prerequisite for ensuring well-coordinated and efficient delivery of such complex endeavours as IPs. This issue should, among others, be addressed in the context of the UNIDO-UNDP strategic partnership at the field level.</p>

## C. Funding performance

The total of net technical cooperation programmes and project approvals from all sources of funds increased by 29 per cent to \$117.2 million as compared with \$90.2 million in 2003 (figure 8), far exceeding the expectations expressed in the *Annual Report 2003* of over \$100 million. In addition, the level of future payments under agreements already signed increased by \$14.4 million. At the same time, the

amount of available programmable donor resources decreased by \$1 million. Taking these amounts together, total net financial resources mobilized in 2004 amounted to \$130.8 million. As the volume of net approvals exceeds the delivery level by some \$19 million, increasing the available portfolio, delivery can be expected to increase again in 2005.



Funding through the Industrial Development Fund and through trust funds (almost all from governmental donors) reached \$62.8 million, including \$3.9 million trust funds from “recipient” countries. This represents a healthy 32 per cent increase from the \$47.4 million of 2003, and is the second highest level in the history of UNIDO, just below that of 1992. A major contributor to this total was Italy, whose contribution exceeded \$18 million, including the funding of the International Centre for Science and High Technology. The second highest is the European Commission, with additional contributions under existing projects as well as the first payment under a new project signed in 2004. For 2005, several additional projects are approaching final approval. Other major governmental donors included Austria, Denmark, Finland, France, Greece, India, Japan, Norway, Switzerland and the United Kingdom, each of which contributed or committed \$1 million or more. In addition to India, recipient Member States that made important contributions in 2004 included China, Colombia, Egypt, Guatemala and Turkey, of which about \$8 million originated from the United Nations Trust Fund for Iraq. The distribution of IDF and TF approvals by region and subject is given in appendix B.

Net approvals under the Multilateral Fund for the Montreal Protocol amounted to \$31.3 million, \$2.5 million higher than in 2003. Net approvals from the Global Environment Facility reached \$17.4 million. Funding from these two multilateral

sources together reached the highest level in the history of UNIDO. Net approvals from UNDP, however, were negative as cancellation of remaining funds under old projects exceeded new funding.

In 2004, for the first time a more systematic approach was developed in respect of the role that UNIDO can play in post-crisis situations, and thereby also to the specific approach to funding in such situations. Normally funding takes place through a system-wide integrated approach or joint appeal. This would require that UNIDO propose specific projects to the coordinator, usually UNDG, before such an appeal is launched, and that it cooperates in the system-wide priority selection and resource allocation process. This has been followed in the case of Iraq, with clear and positive results.

In general, the increased focus and clearer presentation of UNIDO thematic priorities and resulting programmes has a positive effect on funds mobilization, especially in the areas of trade capacity-building and poverty alleviation through productive activities. This is expected to increase further, as the results from joint programme development agreed with key partners in 2004 will become available in the form of programme packages for donor consideration in 2005.

For trade capacity-building this is expected to cover nine countries as a result of the implementation of the memorandum of understanding with WTO signed in 2003. UNIDO's share of programme development was financed by the Trade Capacity-Building Trust Fund, established during the 2002 International Conference on Financing for Development. It may be noted that, based on the progress report on its use, three donors have replenished the Fund, enabling UNIDO to continue to respond rapidly to requests for assistance in this critical area of development.

A second major initiative for joint programme development was signed with UNDP in late 2004. Based on the report and recommendations of the United Nations Commission on Private Sector and Development, joint UNIDO/UNDP country-level integrated packages of activities on private sector development are being formulated in a number of countries, with both United Nations and other organizations joining at the country level. The partners will submit these programmes jointly to the donor community in the course of 2005.

Cooperation with non-traditional sources of funding continues. In 2004 a second project was approved by the United Nations Trust Fund for Human Security, for a project in Afghanistan, "Assistance in reducing the humanitarian deficit of war-affected rural communities through increased agricultural productivity and promotion of auxiliary income-generating activities". Two other projects, for Bangladesh and Malawi, have completed their review process and will start operations in 2005. Three smaller projects under the energy thematic priority were approved by the United Nations Fund for International Partnerships (the "Turner Fund"), and another two projects by the Common Fund for Commodities.

Funding mobilized for the integrated programmes and country service frameworks during 2004 amounted to \$44.5 million, including \$28.7 million in net approvals and \$16.8 million in future payments under signed agreements. The total level of resources mobilized for integrated programmes (excluding support costs) amounts to \$212 million.

## **D. Internal processes and controls**

### **Improving administrative support services and keeping operating costs under control**

Information and communication management (ICM) costs have fallen over the last six years, with expensive and relatively inefficient mainframe systems being replaced by modern, more interactive systems. The few remaining mainframe systems will be replaced during the next biennium, which will result in further reductions in unit costs. ICM operating costs per user have been maintained at the same low levels as in 2002, or slightly lower, despite the replacement of a number of ageing servers and the setting up of a fully functional offsite disaster recovery/business continuity facility. Similarly, although there are seasonal variations, the average number of open help desk enquiries has also been maintained at the low level of five per day, as in 2003.

In addition to the ongoing programme of ICM upgrades, a number of innovative improvements were implemented or commenced in 2004:

- A new travel system, based on the UNIDO Infobase, was successfully implemented in January;
- A new offsite disaster recovery/business continuity facility was completed and all UNIDO operational data are now being mirrored to the offsite location on a continuous basis;
- The Financial Performance Control System was improved and extended, including the introduction of euro-based TC projects, enquiry and reporting access for field offices;
- The preliminary construction measures for the new industry standard ICM computing facility were completed.

The efficient budgetary control and careful planning that has characterized UNIDO administration over the last three bienniums continued in 2004. Buildings Management Services, which provides common services to all VIC-based organizations, made savings in operational costs of almost \$1 million per year since 1999, without any diminution in the quality of services it provides.

As stated above, new TC guidelines covering the entire programme/project cycle were drafted, and these will greatly improve the procedures, processes, controls and accountability relating to TC and global forum activities.

### **Human resources management**

The Human Resource Management Branch (HRM) implemented the methodology recently revised and promulgated by the International Civil Service Commission (ICSC) for the classification of Professional-level positions supported by a new format for job analysis and design of job descriptions. These were introduced by ICSC and are closely aligned to the principles of RBM. The methodologies are output driven, impact oriented, client focused and emphasize team roles.

HRM has conducted training workshops to introduce the new simplified job description format and has also taken the opportunity to promote it as a powerful management tool for evaluating the performance of incumbents. This new process of job analysis and design encourages managers to focus on the results of the main value-added outputs and the impact and consequences of the functions performed. It clearly articulates results-oriented functional statements, which facilitate the identification of performance targets and goals against which the incumbent's performance can be evaluated. During performance feedback discussions, gaps in achieving targets and goals can be identified and form the basis of assessment for training and development initiatives.

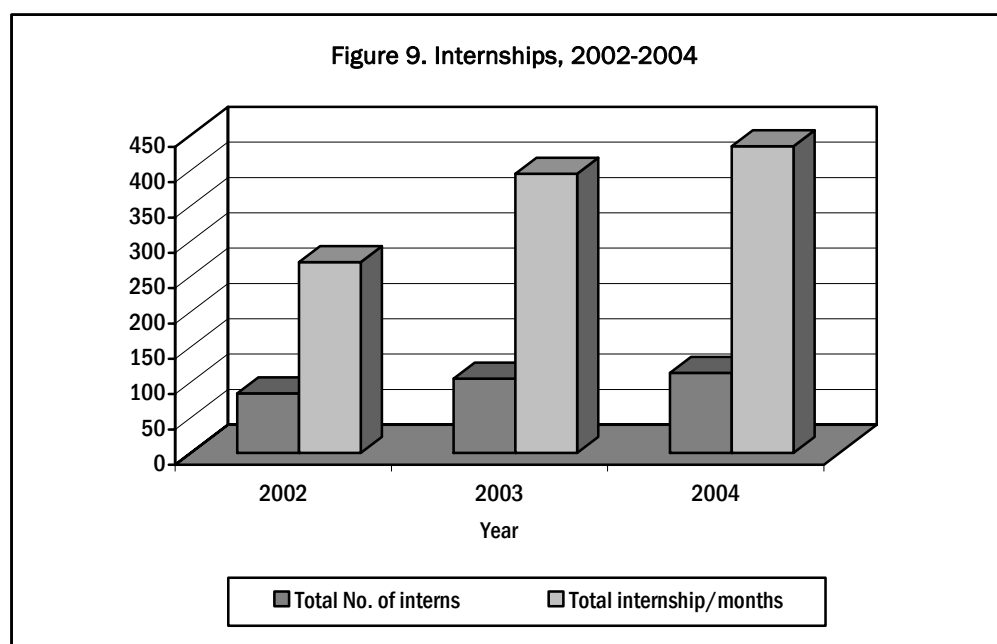
In support of organizational learning and management development, HRM organized in 2004 the programme on strengthening professional excellence, the last of a cycle that commenced in 2002. Since then, over 200 senior managers and Professional staff, including UNIDO Representatives in all regions, have benefited from this event.

Technical excellence demands that Professional staff regularly enhance and update their technical or functional competencies, enabling them to understand better emerging problems and offer appropriate solutions. It is also necessary to recognize that technical excellence is rarely achieved by an individual, but is the fruit of labour of many specialists who can relate in a concrete way to technological, environmental and social trends and can enhance the quality of services the Organization provides. Within this context a series of focus seminars continued to be implemented in support of areas of emphasis of the MTPF 2004-2007. In the course of 2004, 75 participants attended two full-time learning events: a focus seminar on innovation for development and another on technology diffusion and investment promotion. International leading specialists facilitated the seminars, where collective learning was applied immediately to recommend thematic or experiential improvements to UNIDO's MTPF and work programme.

Through UNIDO's internship programme, university graduates are provided with international professional learning opportunities in UNIDO, which contributes to their personal development and career prospects. The internship programme also contributes to the implementation of UNIDO's technical cooperation. In the last three years, the programme has shown a positive development, with the total number of interns increasing from 84 in 2002 to 113 in 2004. Furthermore, a total of 434 internship months were achieved, representing growth of over 60 per cent in the last two years, as shown in figure 9.

As an important complement to technical and managerial learning, initiatives on occupational health promotion were undertaken under the general competencies updating area: seminars were held on workplace stress management and cardiovascular health. The two events were conducted by internationally recognized medical doctors and were well attended by Professional and support staff.





## Office of the Comptroller General

The *Annual Report 2003* contains background information on the Office of the Comptroller General (OCG), which was established in 2003 to provide independent and objective assurance and advice to management, Member States and other stakeholders on the full range of programmatic, financial and managerial issues, inter alia, with the objective to improve the Organization's performance and assure accountability. In line with a resolution adopted by the General Conference at its tenth session, a charter for OCG was issued on 6 September 2004, which will also entail annual reporting to the Industrial Development Board on OCG activities. Table 3 provides an overview of the main tasks and achievements of the Office during 2004.

**Table 3**  
**Some notable OCG achievements**

Topic	Outcome/Results achieved
Assessment/evaluation of UNIDO Field Representation	The report concluded that the structure in place was no longer adequate for the prevailing circumstances and did not provide the desired value for money in view of the need for relevance, effectiveness and promptness of action in a fast-evolving environment. A number of innovative options were presented to address the situation. Details of the actions taken by the Secretariat are contained in various documents to the governing bodies. In summary, after approval by the governing bodies, an agreement was signed with UNDP under which pilot UNIDO Desks are being established to expand the UNIDO network at the field level.

**PERFORMANCE MANAGEMENT**

Topic	Outcome/Results achieved
Interim management control framework for programmes/projects	The framework was introduced to improve the management of TC programmes/projects; ensure compliance with the MTPF and corporate strategy; coherence of activities with UNDAF, PRSs; clarifying the role, responsibility, authority and accountability of various players.
Independent assessment carried out by DFID of the UK to assess UNIDO's effectiveness, as part of DFID's assessment of 23 multilateral institutions with which DFID has an institutional partnership	Using 72 questions, an assessment was undertaken by DFID, which among others confirms the relevance of the Organization, and the turnaround it has made in the last seven years during its transformation by achieving stability in all aspects, at the same time becoming efficient, effective and a credible player with high performance in the international arena.
Self-evaluation of results-based management	Took a critical stock of where UNIDO stood and how to proceed in the future with regard to the introduction of RBM.
Online management information on UNIDO programmable resources	A system was developed to provide online up-to-date information on the allocation, approval and utilization of UNIDO's programmable resources
Results-based management training for senior management at Board of Directors Retreat in December 2004 and the required guidelines	Better understanding of the senior staff and participation of staff in the preparation of the Programme and Budgets document for 2006–2007, resulting in a comprehensive and better-refined approach to RBM in the document.
Comprehensive guidelines covering the entire programme/project cycle (led by OCG with the support of an advisory panel on the PACs and a subgroup and participation of various other stakeholders)	Guidelines are expected to enter into force in early 2005, which take into account RBM principles, the interim management control framework for programmes/projects, inter alia, to further improve the management of TC programmes and projects; simplify processes; standardize formats/documents; strengthen the programme and project screening process; provide clear results indicators; greater delegation of authority and improved accountability for results.
Advice, monitoring and reporting to senior management on diverse issues	A number of papers/reports were produced for the Executive Board and Board of Directors on various activities and introduced a range of reports and analyses to enable senior management to take informed decisions on a proactive basis.
Better coordination of activities with external audit team	In order to ensure a wider coverage of the Organization's activities, work plans of OCG component units were coordinated with those of the external audit team. Better coordination also resulted in improved implementation by the Secretariat of recommendations made by the External Auditor.
Fully coordinated and focused IOG and EVG activities	Taking into account the various risk factors and adding value to various activities of the Organization, IOG and EVG reviewed a number of operations, programmes and projects. The objective was to provide assurance that the resources were being used in accordance with the regulations, rules, procedures, programme and projects, as well as efficiently and effectively.

## Improved level of assurance

In 2004, the Internal Oversight Group continued to provide independent and objective assessments of the rationale, adequacy, efficiency and effectiveness of UNIDO's operations, including management control systems (policies and procedures, regulations and rules, and processes). It also pursued the fostering of a culture of transparency and accountability while striving to improve the performance of UNIDO activities. This was ensured through financial audits and independent reviews of various operations.

The Group built upon progress made in 2003 and continued, within resources available in 2004, to address the recommendations made by the External Auditor in his interim report in April 2003. From the 14 recommendations made, 11 were either implemented or were in the process thereof.

## Closeness to clients

The Business Plan called for an effective decentralization of activities and strengthened field representation, which would in essence bring the Organization closer to its clients and address their diversified needs and demands at regional and country levels. The difficulties encountered in achieving this objective have been well documented at the level of the governing bodies. Chapters I, II and IVF of this report outline the turning point in this endeavour, which in 2004 resulted in the agreement with UNDP and the expansion of the UNIDO field presence.

## E. Independent confirmation of performance

In May and June 2004, the Department for International Development (DFID) of the United Kingdom undertook an independent assessment of UNIDO as part of its assessment on the effectiveness of 23 multilateral institutions with which DFID has an institutional partnership. In order to achieve this, DFID developed an objective, evidence-based system for assessing and monitoring multilateral effectiveness, which it applied to all 23 multilateral institutions.

The multilateral effectiveness framework (MEFF) followed by DFID assessed the effectiveness of multilateral organizations' systems that enable multilaterals to achieve results on the ground. It looked at **eight systems**: corporate governance; corporate strategy; resource management; operational management; quality assurance; staff management; monitoring, evaluation and lesson learning; and reporting of results. Each of these systems was assessed with **three perspectives** in mind: their focus on internal performance; their focus on country-level results; and their focus on inter-agency partnerships. A checklist of indicators for each component, applying an adapted Balanced Scorecard format and a "traffic lights" scoring system, was used. This assessment included 72 indicators covering the eight systems and three perspectives.

The assessment of the 23 multilateral institutions shows that three types of organizational changes are going on: consolidating reforms; "big bang" reforms; and piecemeal, incremental reforms. UNIDO was assessed as having carried out

“big bang” reforms. Furthermore, UNIDO was rated top among the United Nations standard-setting organizations—the specialized agencies that have a specific mandate to promote and monitor global norms and standards. UNIDO achieved a total score of 86, while the average was 62 (the other organizations scored 51 to 68 points). On internal performance, UNIDO scored 88 points, while the average was 66 (the other organizations scored from 52 to 68 points); on country-level results, UNIDO scored 75 points, while the average was 51 (the other organizations scored from 28 to 65 points); on partnerships, UNIDO scored 95 points, while the average was 67 (the other organizations scored from 54 to 70 points).

Within the 23 multilateral institutions, UNIDO was rated from the top as follows: sixth on total scores; fourth on internal performance; eleventh on country-level results; and second on partnerships.

Out of the 72 indicators used by DFID, 70 were applicable to UNIDO. Table 4 provides a summary of DFID’s assessment ratings of UNIDO. As the table shows, 73 per cent of the assessments are positive, which confirms that the Organization is on track. Of those indicators given an “amber” assessment, mostly at the country level, five are fully or partially addressed to Member States and donors; the remaining 13 are addressed to the Secretariat and relate to decentralization,<sup>1</sup> risk strategy paper, RBM/performance indicators,<sup>2</sup> and further strengthening of internal oversight and evaluation functions. Some of these indicators are considered more important than others and the achievements and actions already taken by the Secretariat to address these matters are fully acknowledged, thus confirming that the Organization is heading in the right direction. The indicator given a “red” rating relates to monitoring by the governing bodies in supporting national PRSPs.

**Table 4**  
**Summary of assessment ratings**

Rating	Description	Number of indicators achieved	Percentage
Green	All assessments positive	51	73
Amber	Concerns about some issues, but improvements are being put in place	18	26
Red	Assessments negative and no plans for improvement yet	1	1
Blue	No information	0	–
White	Not relevant	2	–

<sup>1</sup> At the time of the assessment the agreement with UNDP, under which pilot UNIDO Desks are being established to expand the UNIDO network at the field level, had not been concluded.

<sup>2</sup> Actions taken by the Secretariat to implement RBM in the programme and budgets and TC were not known to the assessment team at that time.

This assessment report by DFID, inter alia, confirms significant points: the reform process of the last seven years has greatly increased the cost-effectiveness and relevance of UNIDO and consequently the confidence in the Organization by Member States; increasing TC delivery; growing consensus on the strategic direction of the Organization; a good integrated approach to programming; increasing demand for services due to a growing recognition of its contribution to the achievement of the MDGs; strong commitment by the Director-General to establishing close, innovative partnerships with relevant United Nations and other organizations, as well as his proposal for a common business plan or common agenda for action for the United Nations system with regard to development issues. UNIDO was, inter alia, rated as the best organization within the United Nations standard-setting agencies.

This independent assessment once again confirms the relevance of the Organization, and the turnaround it has made in the last seven years during its transformation by achieving stability in all aspects, at the same time becoming efficient, effective and a credible player with high performance in the international arena.



# Appendices

---

## CONTENTS

- A. Operational statistics
- B. Project approvals under voluntary contributions
- C. Status of integrated programmes and country service frameworks
- D. Technical assistance to the least developed countries
- E. Regular programme of technical cooperation
- F. Geographical distribution of experts
- G. Training activities
- H. Agreements, memorandums of understanding and joint communiqués concluded in 2004
- I. Country promotion presentations
- J. Procurement
- K. Field representation
- L. Composition of the Secretariat and personnel-related information
- M. Selected publications issued
- N. Expert group meetings, symposiums, seminars and other meetings
- O. Industrial statistics

## APPENDIX A

### OPERATIONAL STATISTICS

#### List of tables

- 1A. Expenditure, 2001 to 2004
- 1B. Expenditure 2004, by donor
2. Technical cooperation programmes: project budget approvals and expenditure, 2001 to 2004
- 3A. Technical cooperation activities: project approvals in 2003 and 2004, by source of funds
- 3B. Technical cooperation activities: value of net project approvals in 2004, by region and source of funds
4. Expenditure on technical cooperation activities in 2003 and 2004, by source of funds and project component
5. Expenditure on technical cooperation activities in 2004, by service module and geographical area
6. Expenditure on technical cooperation activities, by geographical area, 2001 to 2004
7. Technical cooperation activities: project expenditure in 2004, by geographical area
8. Support services for policy and programme development and technical support services at the project level, 2003 and 2004
9. Regular and operational budget expenditure by programme and object of expenditure in 2004



**Table 1A**  
**Expenditure, 2001 to 2004**

	2001	2002	2003	2004 <sup>h</sup>
	(In millions of US\$)			
Technical cooperation programmes <sup>a</sup>				
UNIDO regular budget <sup>b</sup>	5.9	1.6	4.7	4.9
UNDP/core funds <sup>c</sup>	5.2	3.3	3.0	1.8
UNDP-administered trust funds	3.5	0.1	0.1	0.2
IDF	19.2	18.4	21.2	19.5
Montreal Protocol	31.9	27.8	32.8	36.9
Self-financed trust funds	1.5	2.3	5.3	3.5
Third party-financed trust funds	11.7	15.0	12.0	17.1
Global environment facility <sup>d</sup>			9.9	10.0
Other trust funds <sup>e</sup>	6.0	13.1	5.6	2.6
EU <sup>f</sup>				2.3
Total technical cooperation programmes	84.9	81.6	94.6	98.8
	(In millions of US\$)	(In millions of euros) <sup>g</sup>		
Headquarters				
Regular budget (excluding technical cooperation)	55.7	54.5	61.0	54.9
Programme support costs	8.5	10.9	8.5	8.7
Total Headquarters	64.2	65.4	69.5	63.6
GRAND TOTAL	149.1			

<sup>a</sup> Total delivery in 2004 amounts to \$100 million, including special resources for Africa.

<sup>b</sup> Includes Regular Programme for Technical Cooperation.

<sup>c</sup> Includes UNIDO-implemented nationally executed projects.

<sup>d</sup> Previously reported within other trust funds and UNDP-administered trust funds.

<sup>e</sup> Includes COMFAR funds, projects financed from other United Nations agencies and funds, CFC, co-financed IPS activities and unutilized balances.

<sup>f</sup> Previously reported in other trust funds.

<sup>g</sup> As of 2002, UNIDO's programme and budgets are euro based.

<sup>h</sup> Of which euro-based project expenditures amount to €1.8 million in the UNIDO regular budget, €5.4 million in IDF, €0.4 million in self-financed trust funds, €5 million in third party trust funds, €0.4 million in other trust funds and €1.8 million in EU funds.

**Table 1B**  
**Expenditure 2004, by donor**

	<i>US dollar-based</i> <i>(In US\$ 000)</i>	<i>Euro-based</i> <i>(In € 000)</i>	<i>Total in equivalent</i> <i>US dollars</i> <i>(In US\$ 000)</i>
<b>IDF special purpose</b>			
Austria	851	1,167	2,297
Bahrain	354		354
Belgium	345		345
Brazil	12		12
Czech Republic	91		91
China	125		125
Denmark	1,475		1,475
Finland	7		7
France	42	752	973
Germany	40		40
Greece	220	215	490
Guatemala	108		108
Hungary	84		84
India	654		654
Italy	1,302	2,814	4,813
Japan	1,770		1,770
Kuwait	1		1
Luxembourg	3	25	35
Netherlands	90		90
Norway	65		65
Poland	544		544
Portugal	5		5
Republic of Korea	299		299
Russian Federation	57		57
Saudi Arabia	(12)		(12)
Spain	101	345	531
Sweden	10		10
Switzerland	3,457		3,457
Thailand	2		2
Turkey	42		42
United Kingdom	536		536
Others	5	38	54
	12,685	5,356	19,354
<b>Self-financed trust funds</b>			
Algeria	46		46
Argentina	134		134
Brazil	24		24
Bulgaria	8		8
Colombia	102		102
China	133		133
Democratic Republic of Korea	110		110
Ecuador	185		185
Egypt	138	418	647
India	845		845

	<i>US dollar-based</i> <i>(In US\$ 000)</i>	<i>Euro-based</i> <i>(In € 000)</i>	<i>Total in equivalent</i> <i>US dollars</i> <i>(In US\$ 000)</i>
Iran (Islamic Republic of)	118		118
Côte d'Ivoire	37		37
Kenya	6		6
Lebanon	(3)		(3)
Lithuania	18		18
Mauritius	(7)		(7)
Mexico	(10)		(10)
Nigeria	604		604
Republic of Korea	154		154
Russian Federation	73		73
Saudi Arabia	12		12
Others, including non-government	246	-	246
	2,973	418	3,482
<b>Trust fund convertible</b>			
Austria	(3)		(3)
Belgium	121		121
Brazil	113		113
Czech Republic	59		59
China	83		83
Denmark	451		451
Egypt	444		444
Finland	79	324	487
France	45	386	520
Germany	133		133
India	21		21
Iran (Islamic Republic of)	3		3
Iraq	98		98
Italy	3,104	4,301	8,456
Japan	1,313		1,313
Netherlands	536		536
Norway	1,066		1,066
Republic of Korea	92		92
Russian Federation	175		175
Spain	8		8
Sweden	132		132
Switzerland	102		102
Turkey	703		703
United Kingdom	601		601
Others, including non-government	943	-	943
	10,422	5,011	16,657
<b>Trust fund non-convertible</b>			
China	234		234
Egypt	175	-	175
	409		409
<b>EU</b>	-	1,848	2,349

**Table 2**  
**Technical cooperation programmes: project budget approvals and expenditure, 2001 to 2004**  
(In millions of US dollars)

	2001	2002	2003	2004	2001	2002	2003	2004	2001	2002	2003	2004	2001	2002	2003	2004
	<u>All sources of funds</u>				<u>UNIDO regular budget</u>				<u>UNDP/core funds<sup>a</sup></u>				<u>UNDP-administered trust funds<sup>b</sup></u>			
Residual value of projects brought forward	135.7	139.2	151.0	146.6	1.8	0.9	1.6	2.7	17.4	14.8	12.2	11.6	9.7	15.2	7.3	7.2
Value of project budgets approved in the year (net)	86.5	93.4	90.2	117.2	5.0	2.3	5.8	7.1	0.7	0.7	2.4	(1.4)	9.0	0.0	0.0	0.0
Total of approved projects under implementation	222.2	232.6	241.2	263.8	6.8	3.2	7.4	9.8	18.1	15.5	14.6	10.2	18.7	15.2	7.3	7.2
Expenditure	83.0	81.6	94.6	98.8	5.9	1.6	4.7	4.9	3.3	3.3	3.0	1.8	3.5	0.1	0.1	0.2
Residual value of projects carried forward	139.2	151.0	146.6	165.0	0.9	1.6	2.7	4.9	14.8	12.2	11.6	8.4	15.2	15.1	7.2	7.0
	<u>IDF</u>				<u>Montreal Protocol</u>				<u>Self-financed trust funds</u>				<u>Third party-financed trust funds</u>			
Residual value of projects brought forward	31.6	34.0	37.3	33.0	51.5	49.7	49.2	45.2	3.1	3.4	3.7	5.6	15.8	14.9	17.0	23.0
Value of project budgets approved in the year (net)	21.6	21.7	16.9	22.8	30.1	27.3	28.8	31.3	1.8	2.6	7.2	3.9	10.8	17.1	18.0	20.8
Total of approved projects under implementation	53.2	55.7	54.2	55.8	81.6	77.0	78.0	76.5	4.9	6.0	10.9	9.5	26.6	32.0	35.0	43.8
Expenditure	19.2	18.4	21.2	19.5	31.9	27.8	32.8	36.9	1.5	2.3	5.3	3.5	11.7	15.0	12.0	17.1
Residual value of projects carried forward	34.0	37.3	33.0	36.3	49.7	49.2	45.2	39.6	3.4	3.7	5.6	6.0	14.9	17.0	23.0	26.7
	<u>Global Environment Facility<sup>c</sup></u>				<u>Other trust funds<sup>d</sup></u>				<u>EU<sup>e</sup></u>							
Residual value of projects brought forward	0.0	0.0	9.5	5.4	4.8	6.3	13.2	12.3	0.0	0.0	0.0	0.6				
Value of project budgets approved in the year (net)	0.0	0.0	5.8	17.5	7.5	21.7	5.3	10.7	0.0	0.0	0.0	4.5				
Total of approved projects under implementation	0.0	0.0	15.3	22.9	12.3	28.0	18.5	23.0	0.0	0.0	0.0	5.1				
Expenditure	0.0	0.0	9.9	9.9	6.0	13.1	5.6	2.6	0.0	0.0	0.0	2.4				
Residual value of projects carried forward	0.0	0.0	5.4	13.0	6.3	14.9	12.9	20.4	0.0	0.0	0.0	2.7				

<sup>a</sup> Includes projects executed by other agencies for which UNIDO is the associated or cooperating agency, formerly reported under non-UNIDO funds.

<sup>b</sup> Includes UNDP trust fund for projects financed by third-party trust funds. Adjusted in 2003 for GEF.

<sup>c</sup> Previously reported within other trust funds and UNDP-administered trust funds.

<sup>d</sup> Includes COMFAR funds, projects financed from other United Nations agencies and funds, co-financed IPS activities, CFC and unutilized balances. Adjusted in 2003 for GEF and in 2004 for EU.

<sup>e</sup> Previously reported within other trust funds.

**Table 3A**  
**Technical cooperation activities: project approvals in 2003 and 2004, by source of funds**

Source of funds	New projects approved			Existing projects revised			Total net value of approvals/revisions (\$000)
	Number of projects	Value of projects <sup>d</sup> (\$000)	Average value of projects (\$000)	Number of projects	Value of revisions (\$000)	Average value of revisions (\$000)	
<b>2003</b>							
UNIDO regular budget	98	6,188	63	271	(352)	(1)	5,836
UNDP/core funds <sup>a</sup>	11	1,658	151	262	717	3	2,375
UNDP-administered trust funds	0	0	n.a.	2	0	0	0
IDF	64	10,657	167	440	6,215	14	16,872
Montreal Protocol	50	30,241	605	605	(1,456)	(2)	28,785
Self-financed trust funds	18	4,387	244	69	2,822	41	7,209
Third party-financed trust funds	34	15,184	447	193	2,804	15	17,988
Global Environment Facility	14	14,877	1,063	49	(9,069)	(185)	5,808
Other trust funds <sup>b</sup>	2	1,241	621	16	4,100	256	5,341
<b>TOTAL</b>	<b>291</b>	<b>84,433</b>	<b>290</b>	<b>1,907</b>	<b>5,781</b>	<b>3</b>	<b>90,214</b>
<b>2004</b>							
UNIDO regular budget	67	7,057	105	370	(13)	(0)	7,044
UNDP/core funds <sup>a</sup>	7	1,164	166	273	(2,572)	(9)	(1,408)
UNDP-administered trust funds	0	0	n.a.	2	0	0	0
IDF	117	34,733	297	504	(11,880)	(24)	22,853
Montreal Protocol	45	33,774	751	858	(2,456)	(3)	31,318
Self-financed trust funds	18	1,954	109	122	1,922	16	3,876
Third party-financed trust funds	48	14,401	300	278	6,412	23	20,813
Global Environment Facility	8	18,561	2,320	63	(1,075)	(17)	17,486
Other trust funds <sup>c</sup>	11	10,370	943	97	347	4	10,717
EU	5	5,271	1,054	4	(729)	(182)	4,542
<b>TOTAL</b>	<b>326</b>	<b>127,285</b>	<b>390</b>	<b>2,571</b>	<b>(10,044)</b>	<b>(4)</b>	<b>117,241</b>

<sup>a</sup> Includes UNIDO-implemented nationally executed projects.

<sup>b</sup> Includes COMFAR funds, projects financed from other United Nations agencies and funds, EU funds, CFC and unutilized balances.

<sup>c</sup> Excludes GEF and EU funds.

<sup>d</sup> Of which euro-based new projects in 2004 amount to €5.8 million in the UNIDO regular budget, €17.1 million in IDF, €0.4 million in self-financed trust funds, €4.2 million in third party trust funds, €0.4 million in other trust funds and €4.3 million in EU funds.

**Table 3B**  
**Technical cooperation activities: value of net project approvals in 2004, by region and source of funds**  
(In thousands of US dollars)

<i>Source of funds</i>	<i>Africa (excluding African Arab States)</i>	<i>African Arab States</i>	<i>Asia and the Pacific (excluding Western Asian Arab States)</i>	<i>Western Asian Arab States</i>	<i>Arab regional</i>	<i>Europe and NIS</i>	<i>Latin America and the Caribbean</i>	<i>Global and interregional</i>	<i>Total</i>
UNIDO regular budget	1,811	0	1,114	155	18	548	614	2,784	7,044
UNDP/core funds <sup>a</sup>	522	(94)	(1,824)	51	(20)	(16)	(26)	(1)	(1,408)
UNDP-administered trust funds	0	0	0	0	0	0	0	0	0
IDF	3,020	325	2,951	270	527	609	4,845	10,306	22,853
Montreal Protocol	767	1,639	8,363	(41)	0	1,033	19,557	0	31,318
Self-financed trust funds	(212)	594	1,450	229	34	103	362	1,316	3,876
Third party-financed trust funds	3,878	2,736	5,909	195	0	273	195	7,627	20,813
Global Environment Facility	13,011	0	3,889	0	0	494	0	92	17,486
Other trust funds <sup>b</sup>	761	0	208	8,107	0	0	238	1,403	10,717
EU	3,645	0	705	178	0	14	0	0	4,542
<b>TOTAL</b>	<b>27,203</b>	<b>5,200</b>	<b>22,765</b>	<b>9,144</b>	<b>559</b>	<b>3,058</b>	<b>25,785</b>	<b>23,527</b>	<b>117,241</b>
Total Africa	32,403								
Total Arab States	14,903								

<sup>a</sup> Includes UNIDO-implemented nationally executed projects.

<sup>b</sup> Includes COMFAR funds, projects financed from other United Nations agencies and funds and CFC.

**Table 4**  
**Expenditure on technical cooperation activities in 2003 and 2004, by source of funds and project component**

Source of funds	Project personnel		Subcontracts \$000	Fellowships and training \$000	Equipment \$000	Miscellaneous expenses \$000	Total \$000
	Number of experts' work-months <sup>a</sup>	\$000					
<b>2003</b>							
UNIDO regular budget	89.6	1,620	677	566	1,536	285	4,684
UNDP/core funds <sup>b</sup>	62.7	1,894	450	194	373	101	3,012
UNDP-administered trust funds	3.1	64	0	24	18	1	107
IDF	456.8	13,648	2,485	1,714	2,165	1,202	21,214
Montreal Protocol	31.1	1,874	19,411	228	11,259	62	32,834
Self-financed trust funds	34.9	1,442	422	132	2,880	366	5,242
Third party-financed trust funds	246.7	7,658	1,502	1,038	967	865	12,030
Global Environment Facility	84.9	2,933	7,156	471	(944)	324	9,940
Other trust funds <sup>c</sup>	119.5	2,468	750	133	2,139	70	5,560
TOTAL	1,129.3	33,601	32,853	4,500	20,393	3,276	94,623
<b>2004</b>							
UNIDO regular budget	109.0	2,171	1,108	527	934	200	4,940
UNDP/core funds <sup>b</sup>	35.0	1,207	60	259	205	74	1,805
UNDP-administered trust funds	2.0	132	0	42	12	9	195
IDF	411.0	13,440	1,259	1,461	2,122	1,231	19,513
Montreal Protocol	42.0	1,914	23,213	448	10,830	488	36,893
Self-financed trust funds	66.0	2,211	83	254	663	271	3,482
Third party-financed trust funds	337.0	10,271	2,504	2,142	1,567	582	17,066
Global Environment Facility	84.3	2,315	5,259	226	1,899	239	9,938
Other trust funds <sup>d</sup>	24.0	705	1,530	247	69	72	2,623
EU	89.0	1,583	25	93	536	111	2,348
TOTAL	1,110.3	35,949	35,041	5,699	18,837	3,277	98,803

<sup>a</sup> International experts' and consultants' work-months: 1,110.3.

<sup>b</sup> Includes UNIDO-implemented nationally executed projects.

<sup>c</sup> Includes UNODC, COMFAR funds, projects financed from other United Nations agencies and funds, EU funds, CFC, co-financed IPS activities and unutilized balances.

<sup>d</sup> Excludes EU funds.

**Table 5**  
**Expenditure on technical cooperation activities in 2004, by service module and geographical area**  
(In thousands of US dollars)

<i>New service modules</i>	<i>Africa (excluding African Arab States)</i>	<i>African Arab States</i>	<i>Asia and the Pacific (excluding Western Asian Arab States)</i>	<i>Western Asian Arab States</i>	<i>Arab regional</i>	<i>Europe and NIS</i>	<i>Latin America and the Caribbean</i>	<i>Global and interregional</i>	<i>Total</i>
Industrial governance and statistics (SM1)	981	697	373	40	0	72	214	700	3,077
Investment and technology promotion (SM2)	677	460	902	188	777	413	902	13,897	18,216
Industrial competitiveness and trade (SM3)	2,370	1,512	1,345	264	0	211	624	208	6,534
Private sector development (SM4)	2,419	788	2,099	215	0	182	466	781	6,950
Agro-industries (SM5)	2,976	1,129	258	30	0	110	385	40	4,928
Sustainable energy and climate change (SM6)	1,006	0	4,361	(1)	0	101	37	803	6,307
Montreal Protocol (SM7)	1,250	2,522	17,451	1,627	0	2,005	14,027	0	38,882
Environmental management (SM8)	3,406	487	3,954	131	66	1,338	1,718	2,141	13,241
Other	0	0	45	45	0	0	86	492	668
<b>TOTAL</b>	<b>15,085</b>	<b>7,595</b>	<b>30,788</b>	<b>2,539</b>	<b>843</b>	<b>4,432</b>	<b>18,459</b>	<b>19,062</b>	<b>98,803</b>
Total Africa	22,680								
Total Arab States	10,977								



**Table 6**  
**Expenditure on technical cooperation activities, by geographical area, 2001 to 2004**  
(In thousands of US dollars)

Area	2001	2002	2003	2004
Africa (excluding African Arab States)				
Country projects	11,107	11,274	13,832	10,792
Regional projects	2,491	2,210	6,582	4,293
Subtotal	13,598	13,484	20,414	15,085
African Arab States	5,527	4,924	5,142	7,595
Asia and the Pacific (excluding Western Asian Arab States)				
Country projects	32,381	32,287	27,861	29,774
Regional projects	1,329	382	663	1,014
Subtotal	33,710	32,669	28,524	30,788
Western Asian Arab States	3,842	3,690	2,702	2,539
Arab regional	53	2	571	843
Europe and NIS				
Country projects	3,709	5,183	5,662	3,960
Regional projects	1,535	1,091	1,154	472
Subtotal	5,244	6,274	6,816	4,432
Latin America and the Caribbean				
Country projects	7,372	7,848	14,753	17,933
Regional projects	1,082	522	1,064	526
Subtotal	8,454	8,370	15,817	18,459
Global and interregional projects	14,476	12,201	14,637	19,062
<b>TOTAL</b>	<b>84,904</b>	<b>81,614</b>	<b>94,623</b>	<b>98,803</b>

**Table 7**  
**Technical cooperation activities: project expenditure in 2004, by geographical area**  
(In thousands of US dollars)

	<i>Africa (excluding African Arab States)</i>		<i>African Arab States</i>		<i>Asia and the Pacific (excluding Western Asian Arab States)</i>		<i>Western Asian Arab States</i>		<i>Arab regional</i>		<i>Europe and NIS</i>		<i>Latin America and the Caribbean</i>		<i>Global and interregional</i>		<i>Total</i>	
	A. By source of funds																	
	%		%		%		%		%		%		%		%		%	
UNIDO regular budget	1,552	10.3	255	3.4	508	1.6	79	3.1	9	1.1	605	13.7	650	3.5	1,282	6.7	4,940	
UNDP/core funds <sup>a</sup>	1,103	7.3	5	0.1	497	1.6	196	7.7	0	0.0	0	0.0	4	0.0	0	0.0	1,805	
UNDP-administered trust funds	0	0.0	0	0.0	195	0.6	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	195	
IDF	3,389	22.5	1,298	17.1	3,900	12.7	396	15.6	788	93.5	440	9.9	2,705	14.7	6,597	34.6	19,513	
Montreal Protocol	1,249	8.3	2,500	32.9	15,621	50.7	1,627	64.1	0	0.0	1,869	42.2	14,027	76.0	0	0.0	36,893	
Self-financed trust funds	639	4.2	693	9.1	760	2.5	9	0.4	46	5.5	99	2.2	435	2.4	801	4.2	3,482	
Third party-financed trust funds	1,832	12.1	2,464	32.4	4,141	13.5	118	4.6	0	0.0	626	14.1	166	0.9	7,719	40.5	17,066	
Global Environment Facility	2,484	16.5	380	5.0	4,273	13.9	0	0.0	0	0.0	781	17.6	454	2.5	1,566	8.2	9,938	
Other trust funds <sup>b</sup>	754	5.0	0	0.0	692	2.2	62	2.4	0	0.0	0	0.0	18	0.1	1,097	5.8	2,623	
EU	2,083	13.8	0	0.0	201	0.7	52	2.0	0	0.0	12	0.3	0	0.0	0	0.0	2,348	
<b>TOTAL</b>	<b>15,085</b>		<b>7,595</b>		<b>30,788</b>		<b>2,539</b>		<b>843</b>		<b>4,432</b>		<b>18,459</b>		<b>19,062</b>		<b>98,803</b>	
Total Africa	22,680																	
Total Arab States	10,977																	
	B. By project component																	
	%		%		%		%		%		%		%		%		%	
Project personnel	7,936	52.6	3,277	43.1	6,388	20.7	937	36.9	749	88.8	1,609	36.3	3,250	17.6	11,803	61.9	35,949	
Subcontracts	3,001	19.9	1,546	20.4	13,246	43.0	646	25.4	0	0.0	1,189	26.8	12,966	70.2	2,447	12.8	35,041	
Fellowships and training	1,019	6.8	314	4.1	1,393	4.5	56	2.2	31	3.7	230	5.2	279	1.5	2,377	12.5	5,699	
Equipment	2,336	15.5	2,201	29.0	9,001	29.2	814	32.1	15	1.8	1,264	28.5	1,630	8.8	1,577	8.3	18,838	
Miscellaneous	793	5.3	257	3.4	760	2.5	86	3.4	48	5.7	140	3.2	334	1.8	858	4.5	3,276	
<b>TOTAL</b>	<b>15,085</b>		<b>7,595</b>		<b>30,788</b>		<b>2,539</b>		<b>843</b>		<b>4,432</b>		<b>18,459</b>		<b>19,062</b>		<b>98,803</b>	

<sup>a</sup> Includes UNIDO-implemented nationally executed projects.

<sup>b</sup> Includes COMFAR funds, projects financed from other United Nations agencies and funds and CFC.

**Table 8**  
**Support services for policy and programme development and technical support services**  
**at the project level, 2003 and 2004**  
(In UNIDO staff work-months)

	2003	2004 <sup>c</sup>
<b>Africa</b>		
Country <sup>a</sup>	26.7	
Regional	0.0	
Subtotal	26.7	0.0
<b>Arab States</b>		
Country	0.5	
Regional	0.0	
Country (African Arab States) <sup>b</sup>	5.4	
Subtotal	5.9	0.0
<b>Asia and the Pacific</b>		
Country	11.3	
Regional	0.0	
Subtotal	11.3	0.0
<b>Europe and NIS</b>		
Country	3.7	
Regional	0.0	
Subtotal	3.7	0.0
<b>Latin America and the Caribbean</b>		
Country	0.5	
Regional	0.0	
Subtotal	0.5	0.0
<b>Global and interregional</b>	0.0	0.0
<b>TOTAL</b>	<b>48.1</b>	<b>0.0</b>

<sup>a</sup> Includes African Arab States.

<sup>b</sup> Figures deducted (included under "Africa").

<sup>c</sup> No financing provided from UNDP from 2004 under SPPD or STS projects. This table will be discontinued as of 2005.

**Table 9**  
**Regular and operational budget expenditure by programme**  
**and object of expenditure in 2004**

(In thousands of euros)

<i>Programme</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>
	<i>Staff costs</i>	<i>Consultants</i>	<i>Meetings</i>	<i>Travel</i>	<i>Regular Programme of TC<sup>a</sup></i>	<i>Other</i>	<i>Total</i>
<b>Expenditure</b>							
<b>A GOVERNING BODIES</b>							
A.1 Meetings of Governing Bodies	14.5					1,607.7	1,622.2
A.2 Secretariat of Governing Bodies and External Relations	608.8			3.7		67.7	680.2
Subtotal	623.3	0.0	0.0	3.7	0.0	1,675.4	2,302.4
<b>B GENERAL MANAGEMENT</b>							
B.1 Executive Direction and Management	2,069.2	184.1		268.1		107.5	2,628.9
B.2 United Nations System Coordination	1,046.0			21.6		197.6	1,265.2
B.3 Communication and Information	252.5					93.5	346.0
B.4 Comptroller General	1,423.7	9.0		7.0		1.1	1,440.8
Subtotal	4,791.4	193.1	0.0	296.7	0.0	399.7	5,680.9
<b>C STRENGTHENING OF INDUSTRIAL CAPACITIES</b>							
C.1 Industrial Governance and Statistics	3,035.9	41.0		54.2	146.1	140.8	3,418.0
C.2 Investment and Technology Promotion	2,535.8	32.6		33.0	557.0	541.7	3,700.1
C.3 Quality and Productivity	983.5			13.6	417.8	505.0	1,919.9
C.4 Small Business Development	2,228.6	24.4		55.1	1,160.1	1,104.0	4,572.2
C.5 Direction and Management	460.3	33.3		16.6		3.2	513.4
Subtotal	9,244.1	131.3	0.0	172.5	2,281.0	2,294.7	14,123.6
<b>D CLEANER AND SUSTAINABLE INDUSTRIAL DEVELOPMENT</b>							
D.1 Agro-industries	2,352.5	28.1		21.9	999.0	88.3	3,489.8
D.2 Industrial Energy and Kyoto Protocol	2,563.8	5.0		76.4	708.9	35.8	3,389.9
D.3 Montreal Protocol	2,608.0	57.0		78.7		126.5	2,870.2
D.4 Environmental Management	2,262.7	76.2		33.0	325.0	271.5	2,968.4
D.5 Direction and Management	347.2			22.8		0.5	370.5
Subtotal	10,134.2	166.3	0.0	232.8	2,032.9	522.6	13,088.8

	1	2	3	4	5	6	7
<i>Programme</i>	<i>Staff costs</i>	<i>Consultants</i>	<i>Meetings</i>	<i>Travel</i>	<i>Regular Programme of TC<sup>a</sup></i>	<i>Other</i>	<i>Total</i>
<b>E REGIONAL PROGRAMME MANAGEMENT</b>							
E.1 Regional Bureaux	3,615.3	18.1	23.4	67.9		19.1	3,743.8
E.2 Field Offices	5,639.5			19.2		2,663.6	8,322.3
E.3 Funds Mobilization	538.6			9.0			547.6
E.4 Direction and Management	1,453.4			34.6		3.7	1,491.7
Subtotal	11,246.8	18.1	23.4	130.7	0.0	2,686.4	14,105.4
<b>F ADMINISTRATION</b>							
F.1 Human Resource Management	2,746.2	6.5		25.1		39.1	2,816.9
F.2 Financial Services	2,938.3			4.7		4.4	2,947.4
F.3 General Services	1,760.3					687.4	2,447.7
F.4 Legal Services	379.7	10.1		1.2		1.6	392.6
F.5 Information Networks and Knowledge Management	1,582.6					1,174.3	2,756.9
F.6 Direction and Management	683.8	2.7		20.6		8.0	715.1
Subtotal	10,090.9	19.3	0.0	51.6	0.0	1,914.8	12,076.6
H.1 Indirect Costs <sup>b</sup>	1,832.3					5,535.7	7,368.0
<b>TOTAL expenditure</b>	<b>47,963.0</b>	<b>528.1</b>	<b>23.4</b>	<b>888.0</b>	<b>4,313.9</b>	<b>15,029.3</b>	<b>68,745.7</b>

## Income

<b>E REGIONAL PROGRAMME MANAGEMENT</b>							
E.2 Field Offices						260.9	260.9
Miscellaneous income						514.6	514.6
<b>TOTAL income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>775.5</b>	<b>775.5</b>
<b>NET GRAND TOTAL</b>	<b>47,963.0</b>	<b>528.1</b>	<b>23.4</b>	<b>888.0</b>	<b>4,313.9</b>	<b>14,253.8</b>	<b>67,970.2</b>

## BUILDINGS MANAGEMENT

## Expenditure

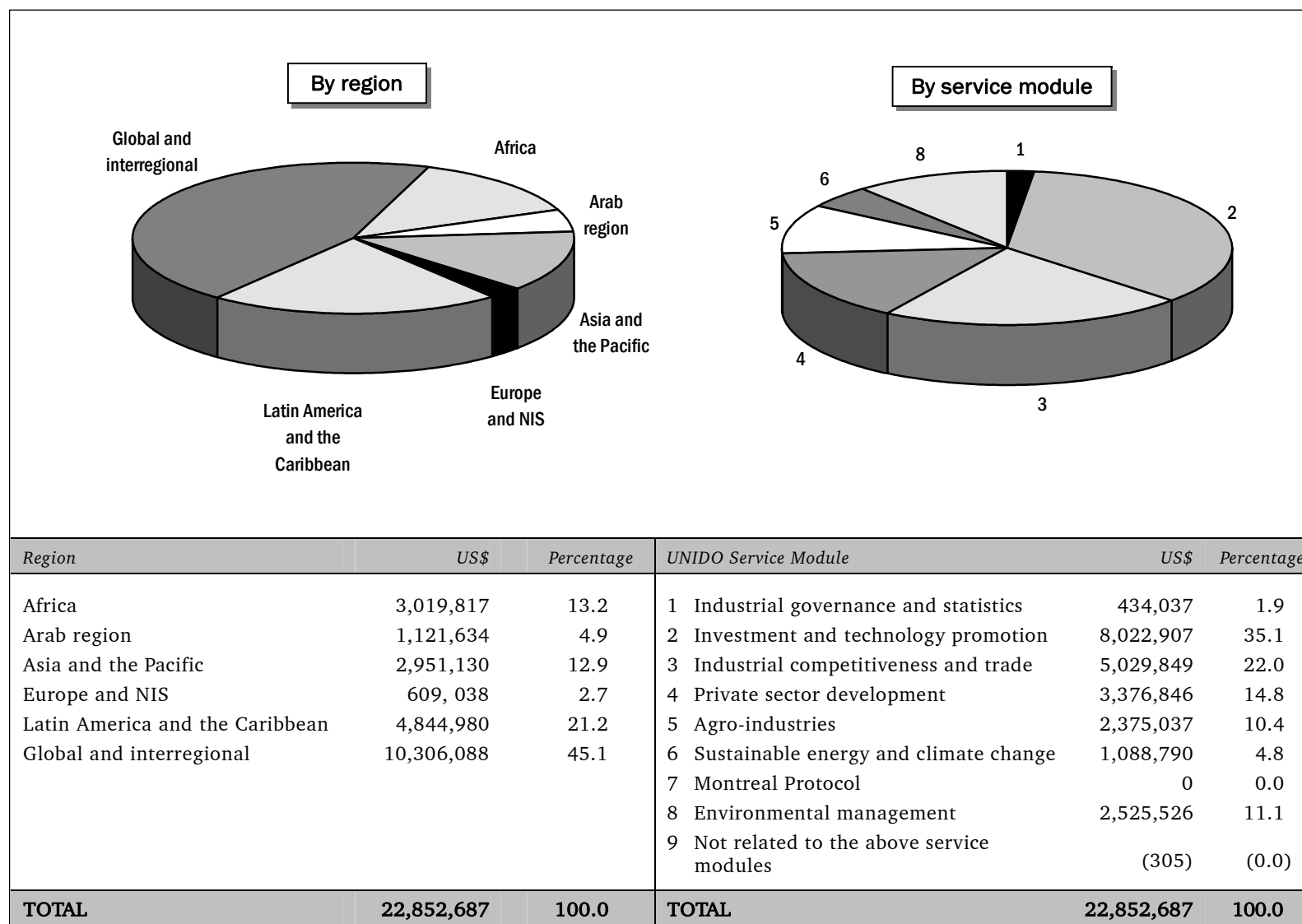
<b>G BUILDINGS MANAGEMENT</b>							
G.1 Common Buildings Management	5,582.6	16.6		2.2		10,184.4	15,785.8
G.2 Joint Buildings Management	153.0					446.2	599.2
<b>Total expenditures</b>	<b>5,735.6</b>	<b>16.6</b>		<b>2.2</b>		<b>10,630.6</b>	<b>16,385.0</b>

Please note that the total costs of Buildings Management Services are being cost-shared between all users and the above expenditures are being fully recovered. UNIDO's net share is included under programme H above.

<sup>a</sup> Represents the full 2004 appropriations which have been transferred to the special account for RPTC.

<sup>b</sup> As of 1 January 2004, the after-service health insurance (ASHI) is recorded under programme H.1—Indirect Costs. Prior to that date, these costs were distributed to the relevant programmes.

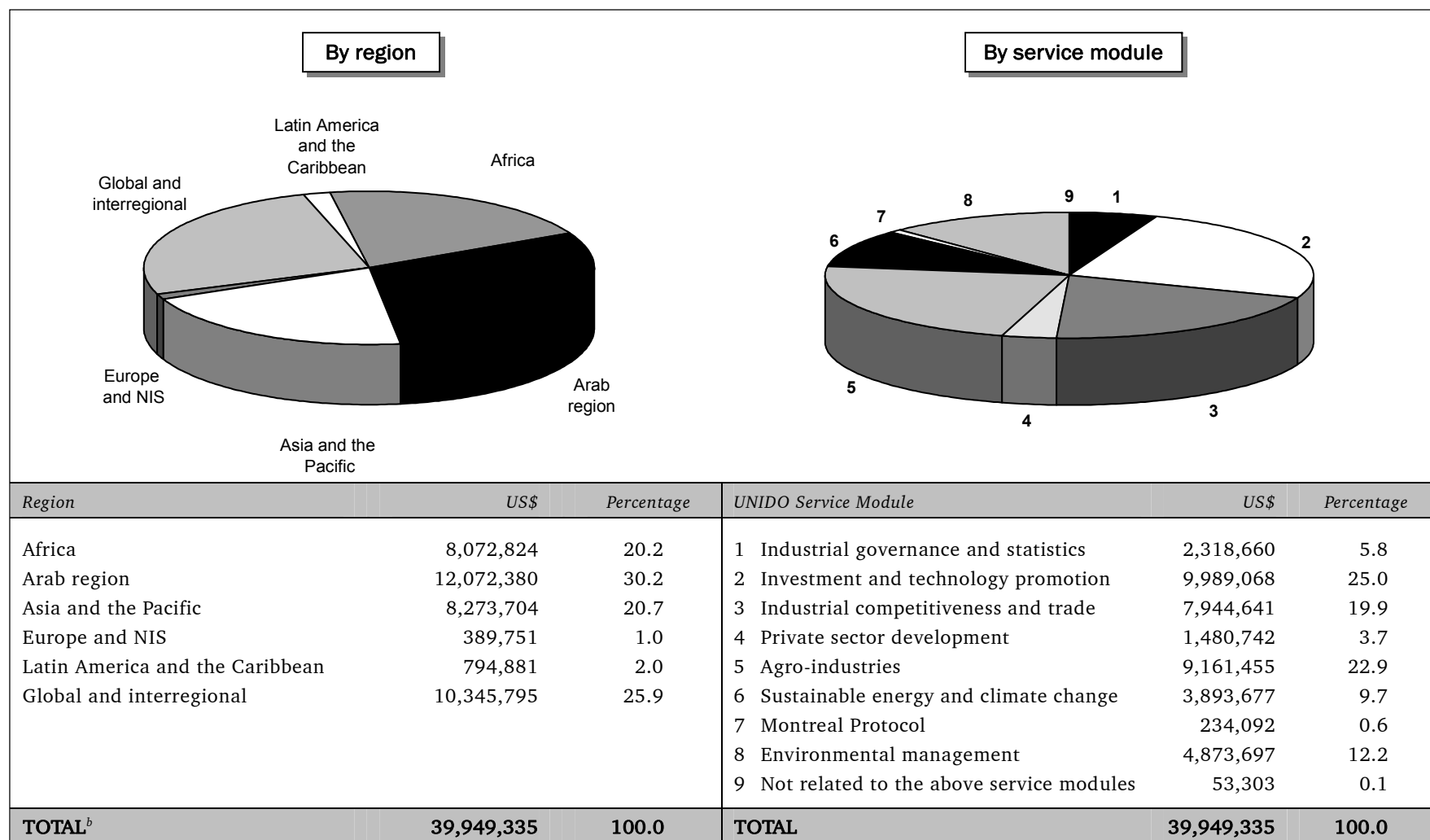
B.1 INDUSTRIAL DEVELOPMENT FUND: NET APPROVALS IN 2004  
(Excluding programme support costs)



PROJECT APPROVALS UNDER VOLUNTARY CONTRIBUTIONS

APPENDIX B

B.2 TRUST FUNDS: NET APPROVALS IN 2004<sup>a</sup>  
(Excluding programme support costs)



<sup>a</sup> Includes projects financed from COMFAR funds, the Common Fund for Commodities, European Union, UNFIP, self-financed and third-party trust fund contributions.

<sup>b</sup> Includes Associate Expert/JPO programme (\$1,884,410).

## APPENDIX C

### STATUS OF INTEGRATED PROGRAMMES AND COUNTRY SERVICE FRAMEWORKS

As of 31 December 2004

(In US\$ including support costs)

<i>Region</i>	<i>Planning figures</i>	<i>Funds allocated</i>	<i>Open for funding</i>	
AFRICA	Burkina Faso phase 2	4,542,487	1,214,405	3,328,082
	Burundi	4,588,139	662,898	3,925,241
	Cameroon	6,605,415	578,762	6,026,653
	Côte d'Ivoire	5,359,364	1,606,295	3,753,069
	Eritrea	7,594,730	2,470,958	5,123,772
	Ethiopia phase 2	11,092,864	2,176,248	8,916,616
	Ghana phase 2	4,854,220	2,390,726	2,463,494
	Guinea	3,359,603	2,042,977	1,316,626
	Kenya	4,536,385	1,273,970	3,262,415
	Madagascar	4,520,000	919,862	3,600,138
	Mali phase 2	4,596,840	528,095	4,068,745
	Mozambique phase 2	4,697,618	487,773	4,209,845
	Namibia	1,953,770	169,500	1,784,270
	Niger	2,188,810	322,114	1,866,696
	Nigeria	14,325,010	6,482,179	7,842,831
	Rwanda	5,571,917	2,855,722	2,716,195
	Senegal phase 2	11,187,000	1,843,532	9,343,468
	Sierra Leone	5,815,771	576,077	5,239,694
	South Africa	5,277,100	2,429,723	2,847,377
	Uganda phase 2	8,953,894	5,520,586	3,433,308
United Republic of Tanzania phase 2	7,898,813	3,065,263	4,833,550	
Subtotal	129,519,750	39,617,664	89,902,086	
AFRICAN ARAB	Algeria	11,442,000	4,587,126	6,854,874
	Djibouti	2,869,070	484,222	2,384,849
	Egypt	13,040,338	9,741,662	3,298,676
	Morocco	10,550,608	8,237,939	2,312,669
	Sudan	5,813,850	2,140,025	3,673,825
	Tunisia	7,558,510	4,928,873	2,629,637
Subtotal	51,274,376	30,119,847	21,154,530	



Region		Planning figures	Funds allocated	Open for funding
ASIA AND THE PACIFIC	China*	31,640,000	32,971,766	-1,331,766
	Democratic People's Republic of Korea	1,371,820	434,423	937,397
	India*	13,334,000	8,588,907	4,745,093
	Indonesia	8,528,381	732,762	7,795,619
	Iran (Islamic Republic of)	3,517,461	951,214	2,566,247
	Lao People's Democratic Republic phase 2	6,314,440	1,211,501	5,102,939
	Nepal	2,328,930	447,675	1,881,255
	Pakistan	5,142,485	1,431,149	3,711,336
	Philippines	8,701,000	145,434	8,555,566
	Sri Lanka	10,709,826	7,248,574	3,461,252
	Thailand	3,794,879	590,539	3,204,340
	Viet Nam	11,707,026	6,922,663	4,784,363
		Subtotal	107,090,248	61,676,606
EUROPE AND NIS	Armenia	1,932,413	407,894	1,524,519
	Russian Federation	17,505,028	2,696,683	14,808,345
	Uzbekistan	2,958,340	471,018	2,487,322
	Subtotal	22,395,781	3,575,595	18,820,186
LATIN AMERICA AND THE CARIBBEAN	Bolivia	4,503,276	482,446	4,020,830
	Brazil	6,300,680	244,484	6,056,196
	Colombia	1,797,830	2,074,849	-277,019
	Cuba	6,114,430	3,282,348	2,832,082
	Ecuador	6,235,623	1,310,807	4,924,816
	Guatemala	12,870,371	6,057,715	6,812,656
	Honduras	5,541,294	526,204	5,015,090
	Programme for Regional Latin America	6,053,410	575,170	5,478,240
	Subtotal	49,416,914	14,554,022	34,862,892
WEST ASIAN ARAB	Jordan	3,312,878	1,672,827	1,640,050
	Lebanon	6,735,365	1,921,906	4,813,459
	Palestine	4,803,430	1,424,991	3,378,439
	Saudi Arabia	2,178,640	476,355	1,702,285
	Syrian Arab Republic	3,932,683	689,632	3,243,051
	Yemen	1,820,543	364,829	1,455,714
	Subtotal	22,783,538	6,550,541	16,232,998
	GRAND TOTAL	382,480,608	156,094,275	226,386,333

\* Adjusted to country service frameworks.

**Table 1**  
**Delivery, by country and source of funds, 2004<sup>a</sup>**  
(In US dollars)

<i>Region/country</i>	<i>Regular budget</i>	<i>UNDP/core funds</i>	<i>UNDP-administered trust funds</i>	<i>IDF<sup>b</sup></i>	<i>Montreal Protocol</i>	<i>Self-financed trust funds</i>	<i>Third party-financed trust funds</i>	<i>Other sources<sup>c</sup></i>	<i>Total</i>
<b>Africa</b>									
Angola	35,527	0	0	0	0	0	0	0	35,527
Benin	0	(566)	0	0	0	0	0	0	(566)
Burkina Faso	47,372	0	0	163,127	0	0	(94)	0	210,405
Burundi	0	0	0	272,661	0	0	0	129,753	402,414
Cape Verde	0	0	0	0	0	0	0	0	0
Central African Republic	0	0	0	0	0	0	0	80,038	80,038
Chad	0	(104)	0	0	0	0	0	121,536	121,431
Comoros	0	0	0	0	0	0	0	0	0
Democratic Republic of the Congo	0	0	0	0	0	0	0	0	0
Equatorial Guinea	0	0	0	0	0	0	0	0	0
Eritrea	124,766	39,041	0	153,559	0	0	22,568	0	339,933
Ethiopia	88,594	0	0	412,284	0	0	97,625	188,567	787,069
Gambia	0	0	0	0	0	0	0	0	0
Guinea	80,069	0	0	47,454	0	0	1,436	0	128,959
Guinea-Bissau	0	0	0	0	0	0	0	0	0
Lesotho	0	0	0	0	0	0	0	98,121	98,121
Liberia	0	0	0	0	0	0	0	192,703	192,703
Madagascar	188	(30,566)	0	27,253	0	0	0	0	(3,125)
Malawi	0	0	0	201	0	0	0	134,313	134,514
Mali	143,508	0	0	62,552	0	0	0	0	206,060
Mauritania	0	(22)	0	0	0	0	25,190	0	25,168
Mozambique	17,371	111,464	0	31,807	0	0	295,544	0	456,186
Niger	0	0	0	10,648	0	0	0	72,727	83,375
Rwanda	19,846	0	0	42,032	0	0	(7,042)	81,281	136,116

TECHNICAL ASSISTANCE TO THE LEAST DEVELOPED COUNTRIES

**APPENDIX D**

<i>Region/country</i>	<i>Regular budget</i>	<i>UNDP/core funds</i>	<i>UNDP-administered trust funds</i>	<i>IDF<sup>b</sup></i>	<i>Montreal Protocol</i>	<i>Self-financed trust funds</i>	<i>Third party-financed trust funds</i>	<i>Other sources<sup>c</sup></i>	<i>Total</i>
Sao Tome and Principe	0	0	0	0	0	0	0	123,112	123,112
Senegal	(2,000)	528,631	0	286,034	1,500	0	185,415	0	999,581
Sierra Leone	0	0	0	2,000	0	0	0	0	2,000
Togo	0	0	0	0	0	0	0	60,595	60,595
Uganda	144,218	0	0	417,626	174,132	0	118,197	0	854,173
United Republic of Tanzania	25,180	109,697	0	262,589	0	0	248,347	62,885	708,699
Zambia	243,509	0	0	0	0	0	0	14,884	258,393
Subtotal	968,149	757,575	0	2,191,826	175,632	0	987,186	1,360,515	6,440,882
<b>Asia and the Pacific</b>									
Afghanistan	0	0	0	8,067	0	0	123,371	0	131,438
Bangladesh	35,363	0	0	0	0	0	0	0	35,363
Bhutan	0	0	0	0	0	0	0	0	0
Cambodia	165	0	0	206,402	0	0	0	0	206,568
Kiribati	0	0	0	0	0	0	0	0	0
Lao People's Democratic Republic	0	0	0	120,197	0	0	0	131,072	251,269
Maldives	0	0	0	0	0	0	0	0	0
Myanmar	0	0	0	0	0	0	0	0	0
Nepal	0	0	0	50	0	0	28,747	112,535	141,331
Samoa	0	0	0	0	0	0	0	0	0
Solomon Islands	0	0	0	0	0	0	0	0	0
Timor-Leste	10,985	0	0	5,060	0	0	40,116	0	56,161
Tuvalu	0	0	0	0	0	0	0	0	0
Vanuatu	0	0	0	0	0	0	0	0	0
Subtotal	46,513	0	0	339,775	0	0	192,233	243,607	822,129

<i>Region/country</i>	<i>Regular budget</i>	<i>UNDP/core funds</i>	<i>UNDP-administered trust funds</i>	<i>IDF<sup>b</sup></i>	<i>Montreal Protocol</i>	<i>Self-financed trust funds</i>	<i>Third party-financed trust funds</i>	<i>Other sources<sup>c</sup></i>	<i>Total</i>
<b>Latin America and the Caribbean</b>									
Haiti	6,841	0	0	0	0	0	0	0	6,841
Subtotal	6,841	0	0	0	0	0	0	0	6,841
<b>African Arab States</b>									
Djibouti	12,029	0	0	97,519	0	0	0	99,136	208,684
Somalia	0	0	0	0	0	0	0	0	0
Sudan	0	13,364	0	0	88,473	0	548,576	0	650,413
Subtotal	12,029	13,364	0	97,519	88,473	0	548,576	99,136	859,097
<b>West Asian Arab States</b>									
Yemen	0	0	0	0	28,144	0	0	0	28,144
Subtotal	0	0	0	0	28,144	0	0	0	28,144
<b>TOTAL</b>	<b>1,033,533</b>	<b>770,939</b>	<b>0</b>	<b>2,629,120</b>	<b>292,249</b>	<b>0</b>	<b>1,727,995</b>	<b>1,703,258</b>	<b>8,157,093</b>

<sup>a</sup> Does not include regional, interregional and global projects or individual fellowships and group training programmes in which LDCs have been involved together with other developing countries.

<sup>b</sup> Excluding 13 per cent overhead costs.

<sup>c</sup> Includes projects executed by other agencies for which UNIDO is the associated or cooperating agency.

**Table 2**  
**New project approvals, by country and source of funds, 2004<sup>a</sup>**  
(In US dollars)

<i>Region/country</i>	<i>Regular budget</i>	<i>UNDP/core funds</i>	<i>UNDP-administered trust funds</i>	<i>IDF<sup>b</sup></i>	<i>Montreal Protocol</i>	<i>Self-financed trust funds</i>	<i>Third party-financed trust funds</i>	<i>Other sources<sup>c</sup></i>	<i>Total</i>
<b>Africa</b>									
Angola	0	0	0	0	0	0	0	0	0
Benin	0	0	0	0	0	0	0	0	0
Burkina Faso	19,600	0	0	0	0	0	0	0	19,600
Burundi	0	0	0	93,114	0	0	0	0	93,114
Cape Verde	0	0	0	0	0	0	0	0	0
Central African Republic	0	0	0	0	0	0	0	0	0
Chad	0	0	0	0	0	0	0	0	0
Comoros	0	0	0	0	0	0	0	0	0
Democratic Republic of the Congo	0	0	0	0	0	0	0	0	0
Equatorial Guinea	0	0	0	0	0	0	0	0	0
Eritrea	0	0	0	0	0	0	0	0	0
Ethiopia	(2,288)	0	0	82,274	0	0	0	0	79,986
Gambia	0	0	0	0	0	0	0	0	0
Guinea	3,700	0	0	0	0	0	0	0	3,700
Guinea-Bissau	0	0	0	0	0	0	0	0	0
Lesotho	0	0	0	0	0	0	0	0	0
Liberia	0	0	0	0	0	0	0	0	0
Madagascar	0	0	0	57,285	0	0	0	0	57,285
Malawi	0	0	0	0	0	0	0	0	0
Mali	24,067	0	0	88,284	0	0	0	0	112,351
Mauritania	0	0	0	0	0	0	48,250	0	48,250
Mozambique	119,367	165,425	0	17,200	0	0	0	0	301,992
Niger	0	0	0	25,650	0	0	0	0	25,650
Rwanda	0	0	0	0	0	0	0	0	0
Sao Tome and Principe	0	0	0	0	0	0	0	0	0
Senegal	25,000	0	0	246,215	0	0	110,641	0	381,857
Sierra Leone	4,550	0	0	39,500	0	0	0	0	44,050

<i>Region/country</i>	<i>Regular budget</i>	<i>UNDP/core funds</i>	<i>UNDP-administered trust funds</i>	<i>IDF<sup>b</sup></i>	<i>Montreal Protocol</i>	<i>Self-financed trust funds</i>	<i>Third party-financed trust funds</i>	<i>Other sources<sup>c</sup></i>	<i>Total</i>
Togo	0	0	0	0	0	0	0	0	0
Uganda	0	0	0	311,497	0	0	0	0	311,497
United Republic of Tanzania	0	0	0	222,442	0	0	236,952	95,500	554,893
Zambia	0	0	0	0	0	0	0	0	0
Subtotal	193,996	165,425	0	1,183,461	0	0	395,843	95,500	2,034,225
<b>Asia and the Pacific</b>									
Afghanistan	0	0	0	0	0	0	159,676	0	159,676
Bangladesh	45,684	0	0	0	0	0	0	0	45,684
Bhutan	0	0	0	0	0	0	0	0	0
Cambodia	0	0	0	0	0	0	298,500	0	298,500
Kiribati	0	0	0	0	0	0	0	0	0
Lao People's Democratic Republic	40,000	0	0	114,450	0	0	0	0	154,450
Maldives	0	0	0	0	0	0	0	0	0
Myanmar	0	0	0	0	0	0	0	0	0
Nepal	0	0	0	0	0	0	29,800	0	29,800
Samoa	0	0	0	0	0	0	0	0	0
Solomon Islands	0	0	0	0	0	0	0	0	0
Timor-Leste	13,350	0	0	77,435	0	0	133,265	0	224,050
Tuvalu	0	0	0	0	0	0	0	0	0
Vanuatu	0	0	0	0	0	0	0	0	0
Subtotal	99,034	0	0	191,885	0	0	621,241	0	912,160
<b>Latin America and the Caribbean</b>									
Haiti	5,903	0	0	0	0	0	0	0	5,903
Subtotal	5,903	0	0	0	0	0	0	0	5,903

<i>Region/country</i>	<i>Regular budget</i>	<i>UNDP/core funds</i>	<i>UNDP-administered trust funds</i>	<i>IDF<sup>b</sup></i>	<i>Montreal Protocol</i>	<i>Self-financed trust funds</i>	<i>Third party-financed trust funds</i>	<i>Other sources<sup>c</sup></i>	<i>Total</i>
<b>African Arab States</b>									
Djibouti	0	0	0	0	0	0	0	0	0
Somalia	0	0	0	0	0	0	0	0	0
Sudan	0	0	0	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0	0	0	0
<b>West Asian Arab States</b>									
Yemen	0	0	0	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>298,933</b>	<b>165,425</b>	<b>0</b>	<b>1,375,346</b>	<b>0</b>	<b>0</b>	<b>1,017,084</b>	<b>95,500</b>	<b>2,952,289</b>

<sup>a</sup> Does not include regional, interregional and global projects or individual fellowships and group training programmes in which LDCs have been involved together with other developing countries.

<sup>b</sup> Excluding 13 per cent overhead costs.

<sup>c</sup> Includes projects executed by other agencies for which UNIDO is the associated or cooperating agency.

**Table 3**  
**Total net project approvals, by country and source of funds, 2004<sup>a</sup>**  
(In US dollars)

<i>Region/country</i>	<i>Regular budget</i>	<i>UNDP/core funds</i>	<i>UNDP-administered trust funds</i>	<i>IDF<sup>b</sup></i>	<i>Montreal Protocol</i>	<i>Self-financed trust funds</i>	<i>Third party-financed trust funds</i>	<i>Other sources<sup>c</sup></i>	<i>Total</i>
<b>Africa</b>									
Angola	0	0	0	0	0	0	217,773	0	217,773
Benin	0	(2,139)	0	0	0	0	0	0	(2,139)
Burkina Faso	146,000	0	0	110,500	0	0	(14,637)	0	241,863
Burundi	0	0	0	186,635	0	0	0	0	186,635
Cape Verde	0	0	0	0	0	0	0	0	0
Central African Republic	0	0	0	0	0	0	0	0	0
Chad	0	0	0	0	0	0	0	0	0
Comoros	0	0	0	0	0	0	0	0	0
Democratic Republic of the Congo	0	0	0	0	0	0	0	0	0
Equatorial Guinea	0	0	0	0	0	0	0	0	0
Eritrea	0	(10,000)	0	0	0	0	(13,619)	0	(23,619)
Ethiopia	92,917	16,192	0	597,736	0	0	1,259,546	0	1,966,391
Gambia	0	0	0	0	0	0	0	0	0
Guinea	6,000	0	0	18,635	0	0	0	0	24,635
Guinea-Bissau	0	0	0	0	0	0	0	0	0
Lesotho	0	0	0	0	0	0	0	0	0
Liberia	0	0	0	0	0	0	0	0	0
Madagascar	0	0	0	(336)	0	0	0	0	(336)
Malawi	0	(691)	0	0	0	0	0	0	(691)
Mali	43,321	0	0	362,294	(643)	0	(13,833)	0	391,139
Mauritania	0	(6,740)	0	0	0	0	48,250	0	41,510
Mozambique	117,243	137,669	0	(140,625)	0	0	90,729	0	205,016
Niger	0	0	0	90,000	0	0	0	0	90,000
Rwanda	0	0	0	(1,401)	0	0	0	0	(1,401)
Sao Tome and Principe	0	0	0	0	0	0	0	0	0
Senegal	26,416	40,799	0	280,264	(2,102)	0	759,807	0	1,105,184
Sierra Leone	101,108	0	0	350,000	0	0	0	0	451,108



<i>Region/country</i>	<i>Regular budget</i>	<i>UNDP/core funds</i>	<i>UNDP-administered trust funds</i>	<i>IDF<sup>b</sup></i>	<i>Montreal Protocol</i>	<i>Self-financed trust funds</i>	<i>Third party-financed trust funds</i>	<i>Other sources<sup>c</sup></i>	<i>Total</i>
Togo	0	(19,720)	0	0	0	0	0	0	(19,720)
Uganda	0	(124,209)	0	572,459	0	0	262,643	0	710,893
United Republic of Tanzania	1,984	37,509	0	253,749	0	0	399,060	536,727	1,229,030
Zambia	25,000	(16,929)	0	0	0	0	6,984	0	15,055
Subtotal	559,990	51,742	0	2,679,909	(2,745)	0	3,002,703	536,727	6,828,326
<b>Asia and the Pacific</b>									
Afghanistan	0	0	0	0	0	0	971,299	0	971,299
Bangladesh	45,684	(1)	0	0	0	0	0	0	45,683
Bhutan	0	6,543	0	0	0	0	0	0	6,543
Cambodia	0	0	0	0	0	0	775,000	0	775,000
Kiribati	0	0	0	0	0	0	0	0	0
Lao People's Democratic Republic	64,562	0	0	838,000	0	0	0	0	902,562
Maldives	0	0	0	0	0	0	0	0	0
Myanmar	0	0	0	0	0	0	0	0	0
Nepal	0	0	0	0	0	0	29,800	0	29,800
Samoa	0	0	0	0	0	0	0	0	0
Solomon Islands	0	0	0	0	0	0	(28,097)	0	(28,097)
Timor-Leste	224,800	0	0	309,735	0	0	309,735	0	844,270
Tuvalu	0	0	0	0	0	0	0	0	0
Vanuatu	0	0	0	0	0	0	0	0	0
Subtotal	335,045	6,542	0	1,147,735	0	0	2,057,737	0	3,547,060
<b>Latin America and the Caribbean</b>									
Haiti	66,239	(22,443)	0	0	0	0	0	0	43,796
Subtotal	66,239	(22,443)	0	0	0	0	0	0	43,796

<i>Region/country</i>	<i>Regular budget</i>	<i>UNDP/core funds</i>	<i>UNDP-administered trust funds</i>	<i>IDF<sup>b</sup></i>	<i>Montreal Protocol</i>	<i>Self-financed trust funds</i>	<i>Third party-financed trust funds</i>	<i>Other sources<sup>c</sup></i>	<i>Total</i>
<b>African Arab States</b>									
Djibouti	0	0	0	(8)	0	0	0	0	(8)
Somalia	0	0	0	0	0	0	0	0	0
Sudan	0	372	0	0	(1,974)	0	0	0	(1,602)
Subtotal	0	372	0	(8)	(1,974)	0	0	0	(1,611)
<b>West Asian Arab States</b>									
Yemen	0	(29)	0	0	(3,341)	0	0	0	(3,370)
Subtotal	0	(29)	0	0	(3,341)	0	0	0	(3,370)
TOTAL	961,274	36,183	0	3,827,636	(8,061)	0	5,060,440	536,727	10,414,200

<sup>a</sup> Does not include regional, interregional and global projects or individual fellowships and group training programmes in which LDCs have been involved together with other developing countries.

<sup>b</sup> Excluding 13 per cent overhead costs.

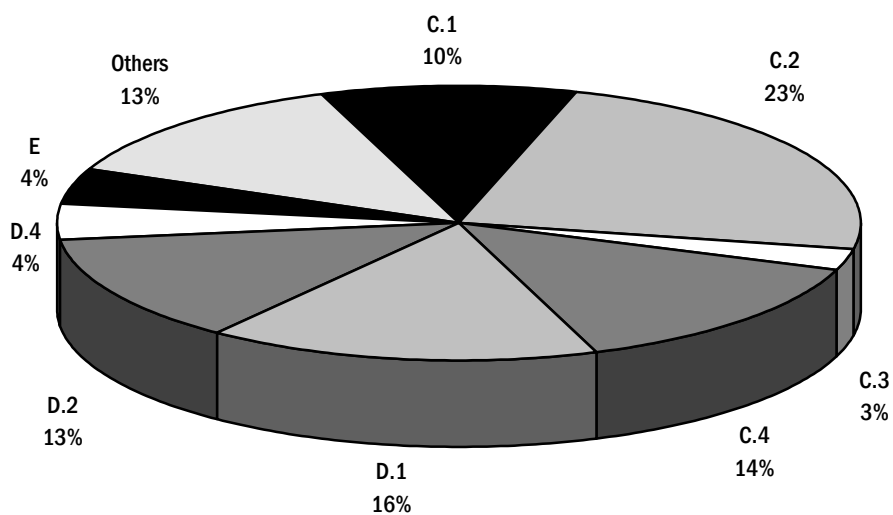
<sup>c</sup> Includes projects executed by other agencies for which UNIDO is the associated or cooperating agency.

## APPENDIX E

## REGULAR PROGRAMME OF TECHNICAL COOPERATION

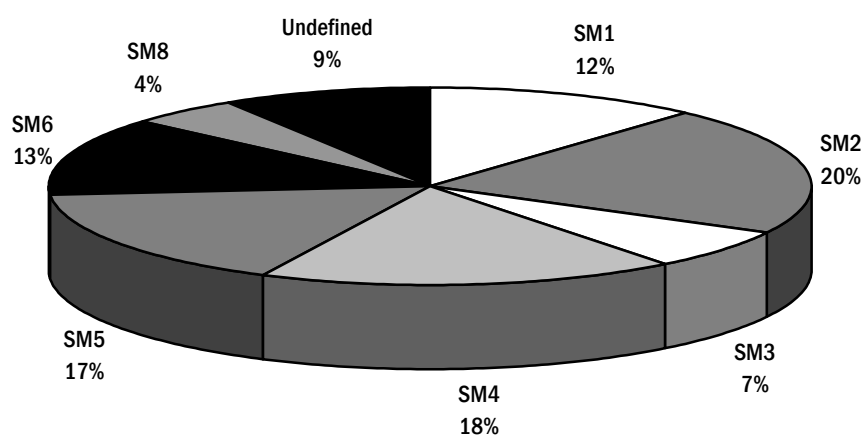
**Table 1**  
**Delivery by programme, 2004-2005**

		<i>In US \$1,000</i>	<i>Of which euro-based (In €1,000)</i>
Programme C.1	Industrial governance and statistics	514.1	342.6
Programme C.2	Investment and technology promotion	1,151.3	212.5
Programme C.3	Quality and productivity	124.3	27.0
Programme C.4	Small business development	673.7	265.3
Programme D.1	Agro-industries	783.1	56.6
Programme D.2	Industrial energy and Kyoto Protocol	632.2	170.7
Programme D.4	Environmental management	215.1	88.6
Major Programme E	Regional Programme	199.4	157.7
Others		646.4	471.1
TOTAL		4,939.6	1,792.1
		<i>Equivalent in euros</i>	
		3,959.4	



**Table 2**  
**Delivery by service module, 2004-2005**

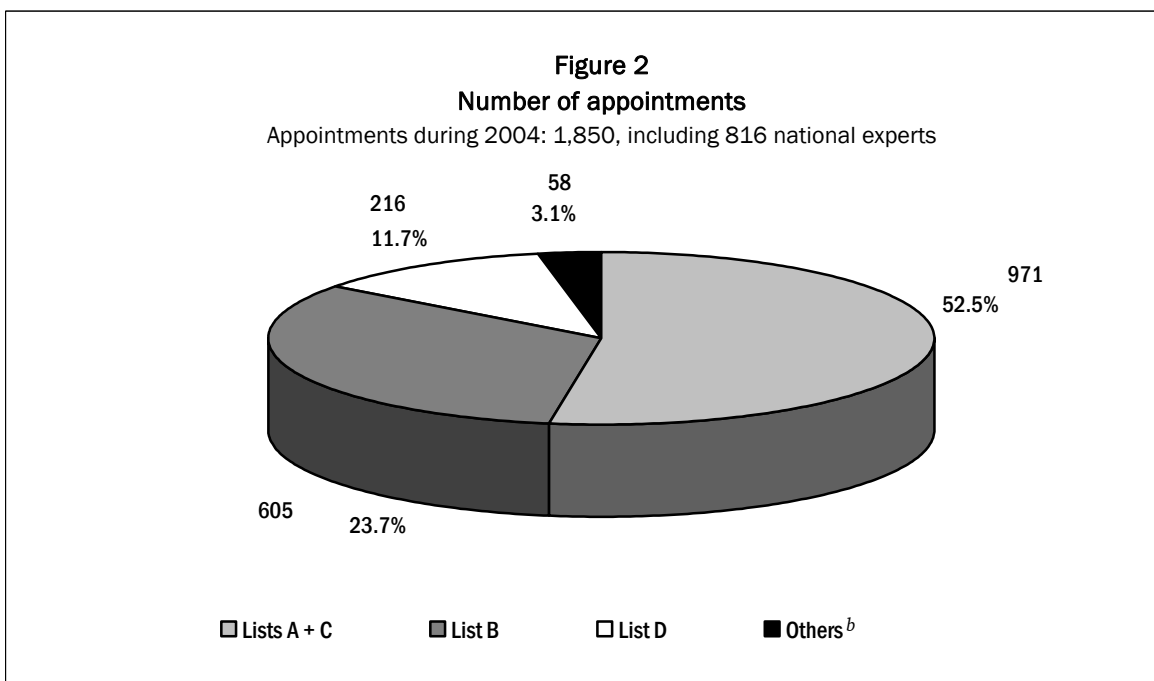
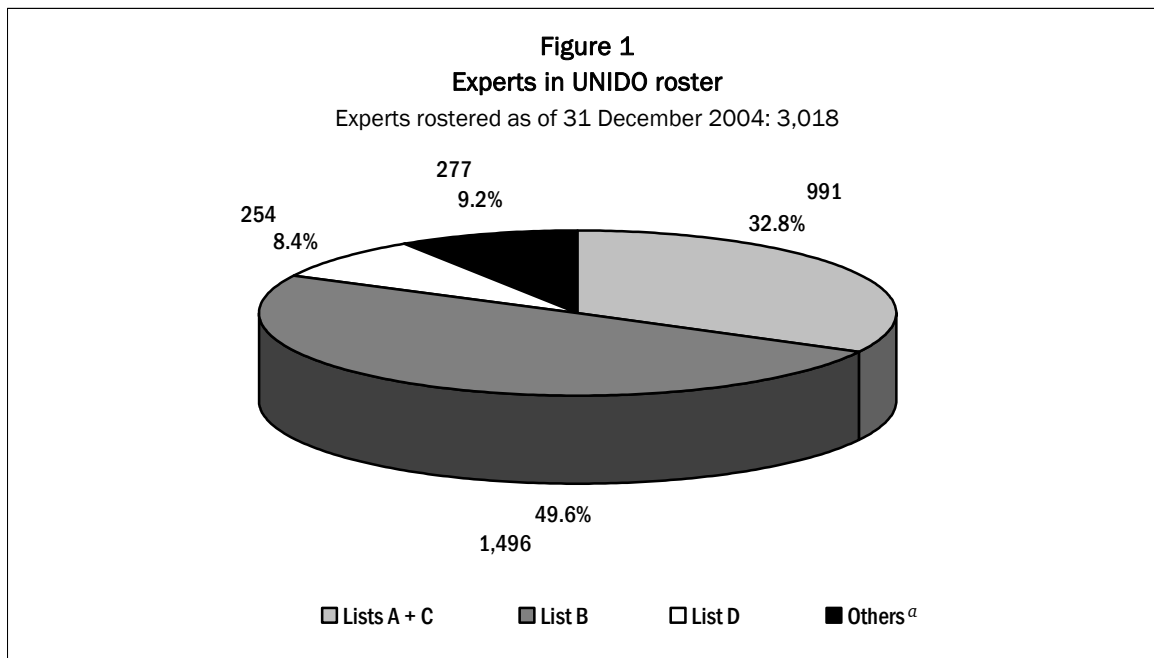
<i>Service modules (2004-2007)</i>	<i>In US \$1,000</i>	<i>Of which euro-based (In €1,000)</i>
Industrial governance and statistics (SM1)	572.7	342.5
Investment and technology promotion (SM2)	1,039.9	168.8
Industrial competitiveness and trade (SM3)	332.3	145.5
Private sector development (SM4)	877.3	426.5
Agro-industries (SM5)	818.8	88.9
Sustainable energy and climate change (SM6)	632.2	170.7
Environmental management (SM8)	220.5	88.6
Undefined	445.9	360.6
<b>TOTAL</b>	<b>4,939.6</b>	<b>1,792.1</b>
<i>Equivalent in euros</i>	<i>3,959.4</i>	



## APPENDIX F

### GEOGRAPHICAL DISTRIBUTION OF EXPERTS

Distribution of experts by regional groups of countries



<sup>a</sup> Includes candidates without clear indication of nationality and 46 candidates from Australia, 77 from Canada and 122 from USA.

<sup>b</sup> Includes 6 appointments from Australia, 10 from Canada and 34 from USA.

## Appointment of experts, 2004

<i>Country/area/territory</i>	<i>Number of appointments</i>	<i>Country/area/territory</i>	<i>Number of appointments</i>	<i>Country/area/territory</i>	<i>Number of appointments</i>
United Kingdom	112	Iran (Islamic Republic of)	12	Portugal	4
Italy	101	Niger	11	Azerbaijan	3
India	89	Canada	10	Burundi	3
Austria	85	Chile	10	Djibouti	3
France	81	Ghana	10	Finland	3
China	59	Pakistan	10	Mauritania	3
Russian Federation	57	South Africa	10	Norway	3
Germany	42	Zimbabwe	10	Rwanda	3
Burkina Faso	41	Sudan	9	Sierra Leone	3
Spain	41	Benin	8	Belarus	2
Sri Lanka	40	Ecuador	8	Bulgaria	2
Nigeria	39	Jordan	8	Gambia	2
United States of America	34	Lebanon	8	Greece	2
Hungary	30	Palestine	8	Lithuania	2
Egypt	28	Serbia and Montenegro	8	Madagascar	2
Argentina	25	Uzbekistan	8	Malawi	2
Belgium	25	Bosnia and Herzegovina	7	Mauritius	2
Kenya	25	Guinea	7	Namibia	2
United Republic of Tanzania	25	Indonesia	7	Qatar	2
Senegal	24	Syrian Arab Republic	7	Thailand	2
Switzerland	24	Uruguay	7	Bahrain	1
Uganda	23	Australia	6	Botswana	1
Colombia	22	Bolivia	6	Cape Verde	1
Viet Nam	22	Costa Rica	6	Cyprus	1
Mali	21	Cuba	6	Democratic People's Republic of Korea	1
Côte d'Ivoire	20	Ethiopia	6	Haiti	1
Netherlands	20	Nicaragua	6	Honduras	1
Tunisia	19	Republic of Korea	6	Kyrgyzstan	1
Armenia	18	Sweden	6	Lesotho	1
Ireland	18	Ukraine	6	Malta	1
Peru	18	Venezuela (Bolivarian Republic of)	6	New Zealand	1
Poland	18	Zambia	6	Yemen	1
Turkey	18	Bangladesh	5	Slovenia	1
Mozambique	17	Cameroon	5		
Cambodia	16	Guinea-Bissau	5	Total	1,850
Czech Republic	16	Mongolia	5		
Morocco	16	Nepal	5		
Algeria	15	Romania	5		
Mexico	15	Afghanistan	4		
Philippines	15	Democratic Republic of the Congo	4		
The former Yugoslav Republic of Macedonia	15	Denmark	4		
Slovakia	14	El Salvador	4		
Togo	14	Eritrea	4		
Brazil	13	Israel	4		
Japan	13	Libyan Arab Jamahiriya	4		
Lao People's Democratic Republic	13				
Croatia	12				
Guatemala	12				

## APPENDIX G

## TRAINING ACTIVITIES

**Table 1**  
**Group training programmes**

<i>Field of study</i>	<i>Type of programme</i>			<i>Host country/ territory</i>	<i>Number of participants of which</i>			
	<i>National</i>	<i>Regional</i>	<i>Inter- regional</i>		<i>From all countries<sup>a</sup></i>	<i>LDCs</i>	<i>Female</i>	<i>African participants<sup>b</sup></i>
ISO 9001 (quality audit)	X			Algeria	50		6	50
Food safety	X			Angola	20	20	10	20
COMFAR III Expert basic (2 activities)			X	Austria	25	3	6	8
COMFAR III Expert advanced (2 activities)			X	Austria	22	3	6	9
COMFAR III Expert advanced		X		Austria	4		1	
COMFAR			X	Austria	18	5	7	7
COMFAR		X		Bahrain	20		3	
GMP and GHP for food safety	X			Bangladesh	25	25	5	
GMP and GHP for food safety	X			Bhutan	26	26	9	
HACCP audit	X			Bhutan	20	20	4	
Advanced methods for monitoring mercury pollution emanating from small-scale gold mining			X	Brazil	7	3	3	3
Award quality for auditors		X		Burkina Faso	20	20	5	20
Consumerism and mass product quality for journalists		X		Burkina Faso	32	32	2	32
Conformity assessment (2 activities)		X		Burkina Faso	40	40	6	40
Training of trainers/ inspectors specialized in phytosanitation		X		Burkina Faso	19	19	1	19
HACCP		X		Burkina Faso	20	20	4	20
Building and construction materials		X		Burkina Faso	18	18	0	18
Training of trainers/ inspectors specialized in zoo sanitation		X		Burkina Faso	18	18	6	18
Hand-weaving, textile dyeing and dress-making	X			Burkina Faso	60	60	60	60
Tanning technology	X			Burundi	6	6		6
Hides and skins improvement	X			Burundi	20	20		20
Calibration of weights and verification of non-automatic weighing machines	X			Cambodia	15	15	2	

<i>Field of study</i>	<i>Type of programme</i>			<i>Host country/ territory</i>	<i>Number of participants of which</i>			
	<i>National</i>	<i>Regional</i>	<i>Inter- regional</i>		<i>From all countries<sup>a</sup></i>	<i>LDCs</i>	<i>Female</i>	<i>African participants<sup>b</sup></i>
Calibration of precision balances and weights	X			Cambodia	15	15	2	
Cleaner production in agro-chemicals: Seed treatment technology		X		China	50		11	
Pumping systems	X			China	25		3	
Compressed air systems	X			China	23		2	
Small hydropower development and maintenance			X	China	45	12	5	20
Corporate social responsibility		X		Costa Rica	13		3	
Management of hazardous products and substances		X		Costa Rica	30		12	
Refrigeration service sector		X		Croatia	8	8	2	
Sustainable industrial development: Process simulation, analysis, optimization and control		X		Cuba	26		8	
Training of trainers on the cleaner production toolkit		X		Cuba	31		16	
Technology foresight		X		Czech Republic	36	1	19	3
Cutting, costing, industrial engineering and productivity in the garment sector	X			Ecuador	250			
Competitiveness analysis	X			Ecuador	10		3	
SME cluster and network development: Entrepreneurship development	X			Ecuador	190		65	
SME cluster and network development: Product development/marketing	X			Ecuador	309		122	
SME cluster and network development: technical skills upgrading	X			Ecuador	398		161	
SME cluster and network development: personality and awareness-building	X			Ecuador	210		95	
Traceability project and quality standards	X			Egypt	40			40
Specifics of traceability project	X			Egypt	40			40
Footwear design and technology			X	Egypt	2			2
Quality and productivity: Strategic diagnostic and upgrading	X			Egypt	35		8	35



<i>Field of study</i>	<i>Type of programme</i>			<i>Host country/ territory</i>	<i>Number of participants of which</i>			
	<i>National</i>	<i>Regional</i>	<i>Inter- regional</i>		<i>From all countries<sup>a</sup></i>	<i>LDCs</i>	<i>Female participants<sup>b</sup></i>	<i>African participants<sup>b</sup></i>
ISO, standards and HACCP— quality management and HACCP systems	X			Egypt	14		3	14
PHAROS	X			Egypt	29		5	29
Industrial project preparation, evaluation and application of COMFAR		X		Egypt	14	3	1	7
Agricultural engineering with special emphasis on agricultural machinery and equipment	X			Eritrea	14	14	5	14
Food safety	X			Eritrea	40	40	15	40
Cereal products processing technology	X			Ethiopia	12	12	1	12
HACCP audit	X			Ethiopia	19	19		19
Food safety—role of government, food producers and consumers	X			Ethiopia	160	160	45	160
Mitigation of drought effects on subsistence agriculture	X			Ethiopia	2,100	2,100	1,050	2,100
Leather goods technology	X			Ethiopia	70	70	20	70
Leather garments technology	X			Ethiopia	70	70	30	70
Cleaner production technology		X		Ethiopia	50	40	5	50
Product costing, material handling, productivity improvement and engineer- ing for garment companies	X			Ethiopia	37			37
Women's entrepreneurship development	X			Ethiopia	40	40	30	40
Women's entrepreneurship development, training of trainers	X			Ethiopia	60	60	15	60
Technical skills upgrading	X			Ethiopia	121	121	35	121
Entrepreneurship development	X			Ghana	300		280	300
Technical skills upgrading	X			Ghana	180		160	180
GMP	X			Ghana	250		200	250
Project analysis and financial feasibility	X			Ghana	15		15	15
COMFAR III Expert		X		Ghana	11	4	1	9
Advanced COMFAR III Expert for investment project appraisals	X			Ghana	12		3	12
COMFAR III Expert		X		Guatemala	17		7	
COMFAR III Expert, training of trainers		X		Guatemala	15		7	

<i>Field of study</i>	<i>Type of programme</i>			<i>Host country/ territory</i>	<i>Number of participants of which</i>			
	<i>National</i>	<i>Regional</i>	<i>Inter- regional</i>		<i>From all countries<sup>a</sup></i>	<i>LDCs</i>	<i>Female</i>	<i>African participants<sup>b</sup></i>
Rural entrepreneurship development and technical skills upgrading	X			Guinea	380	380	245	380
ISO 9000 (lead audit)		X		India	20	20	3	
Welding technologies	X			India	43			
Manufacturing technologies (2 activities)	X			India	59			
Information technology applications in manufacturing			X	India	36			
Machine tool design	X			India	31			
Entrepreneurship development for SMEs			X	India	20			
CNC machine tool technology (3 activities)			X	India	74			
Marketing and service engineering	X			India	20			
Reverse engineering, rapid prototyping and rapid tooling	X			India	7			
Machinery condition monitoring for predictive and proactive maintenance	X			India	8			
Manual part programming (2 activities)	X			India	26			
Maintenance of CNC machines (2 activities)	X			India	22			
Calibration of dimensional measuring equipment	X			India	10			
Finite element method for mechanical design	X			India	20			
Tooling and manufacturing technology	X			India	7			
Enterprise resource planning solutions for SMEs	X			India	11			
Precision measurement and metrology	X			India	8			
CNC system maintenance	X			India	14			
Measuring machines and their applications	X			India	20			
Positive attitude, team culture and managerial capabilities		X		India	30			
Machine tool units	X			India	22			
Supply chain management for machine tool units		X		India	40			

<i>Field of study</i>	<i>Type of programme</i>			<i>Host country/ territory</i>	<i>Number of participants of which</i>		
	<i>National</i>	<i>Regional</i>	<i>Inter- regional</i>		<i>From all countries<sup>a</sup></i>	<i>LDCs</i>	<i>Female participants<sup>b</sup></i>
Export promotion of stone sector (2 activities)		X		India	220		
Schemes for machine tool units		X		India	40		
Kaizen		X		India	18		
Metal forming (2 activities)	X			India	400		
CAD and development of component level drawings (2 activities)		X		India	6		
Precision measurement and calibration (4 activities)		X		India	59		
Export of toy units		X		India	14		
Machine tool manufacturing, foundry technology and material engineering (2 activities)		X		India	32		
Total quality management and quality management system		X		India	12		
Machine tool assembly and testing		X		India	10		
Design development of toy units		X		India	6		
Design of machine tools		X		India	2		
CE certification and technical file preparation of toy units		X		India	8		
SME cluster and network development: entrepreneurship development	X			India	106		40
SME cluster and network development: product development/marketing	X			India	232		76
SME cluster and network development: technical skills upgrading	X			India	446		219
SME cluster and network development: personality and awareness-building	X			India	70		70
Best manufacturing practices	X			India	470		135
Industrial project preparation and appraisal			X	India	20		
COMFAR III Expert and application of COMFAR for project appraisal (2 activities)	X			Indonesia	43		11
COMFAR III Expert and project appraisal (2 activities)	X			Indonesia	43		8

<i>Field of study</i>	<i>Type of programme</i>			<i>Host country/ territory</i>	<i>Number of participants of which</i>			
	<i>National</i>	<i>Regional</i>	<i>Inter- regional</i>		<i>From all countries<sup>a</sup></i>	<i>LDCs</i>	<i>Female participants<sup>b</sup></i>	<i>African participants<sup>b</sup></i>
Food safety, technology upgrading	X			Iran (Islamic Republic of)	210		30	
Training of trainers for women/youth entrepreneurship development	X			Iran (Islamic Republic of)	33		16	
SME cluster and network development: principles and practice			X	Italy	24	2	3	7
Process simulation and sustainable industrial development: present state of the art			X	Italy	30		5	
COMFAR III	X			Japan	24		10	
COMFAR	X			Japan	30		16	
Quality and cleaner production (2 activities)	X			Kenya	47		13	47
Investment project appraisal and promotion	X			Kenya	12		5	12
Apiculture and hive products	X			Kenya	50		15	50
Fish inspection	X			Kenya	20		2	20
Upgrading the regulatory and coordination framework of fishery products	X			Kenya	33		5	33
Footwear technology	X			Kenya	20		20	20
Environmental impact assessment and environmental audit			X	Kenya	35	13		
Waste management	X			Kenya	33			
Testing system compliance for ISO 17025	X			Lao People's Democratic Republic	31	30	14	
Principles of laboratory accreditation, ISO 17025	X			Lao People's Democratic Republic	27	27	9	
Building the quality chain	X			Lebanon	100			
Business performance software and methodology for upgrading enterprises	X			Lebanon	40			
Food safety	X			Lebanon	250		90	
SME cluster and network development: principles and practice		X		Lebanon	30		13	
Investment project preparation and appraisal	X			Lithuania	23		10	
COMFAR basic and advanced (2 activities)	X			Lithuania	23		10	
GMP and GHP for food safety	X			Maldives	20	20	6	

<i>Field of study</i>	<i>Type of programme</i>			<i>Host country/ territory</i>	<i>Number of participants of which</i>		
	<i>National</i>	<i>Regional</i>	<i>Inter- regional</i>		<i>From all countries<sup>a</sup></i>	<i>LDCs</i>	<i>Female participants<sup>b</sup></i>
HACCP audit	X			Maldives	20	20	5
Karité and fruit/vegetable processing	X			Mali	27	27	27
Technology transfer and the role of joint ventures	X			Mongolia	24		
Fig/prune processing	X			Morocco	119		119
Fig/prune fumigation	X			Morocco	8		4
Leather goods design	X			Morocco	50		5
Export consortiums	X			Morocco	18		6
Women's entrepreneurship development in technical skills upgrading	X			Morocco	370		262
Women's entrepreneurship development in production management	X			Morocco	274		274
Investment promotion and the concept of business plans (2 activities)		X		Morocco	27		8
Design, corporate image and showrooms development		X		Morocco	10		
Introducing eco-efficiency		X		Morocco	17	4	2
SME cluster and network development: horizontal and vertical production linkages	X			Nicaragua	248		129
SME cluster and network development: supplier quality/value chains	X			Nicaragua	35		9
SME cluster and network development: local economic development and planning	X			Nicaragua	35		17
SME cluster and network development: business plans	X			Nicaragua	87		41
SME cluster and network development: legal procedures for cooperatives	X			Nicaragua	66		14
SME cluster and network development: marketing and export, fair trade	X			Nicaragua	112		79
Solar heat methodologies for industrial applications	X			Nicaragua	15		3
SME cluster and network development: technical skills upgrading	X			Nigeria	48		
SME cluster and network development: entrepreneurial skills upgrading	X			Nigeria	38		

Field of study	Type of programme			Host country/ territory	Number of participants of which			
	National	Regional	Inter- regional		From all countries <sup>a</sup>	LDCs	Female participants <sup>b</sup>	
Entrepreneurship development, management, wealth creation	X			Nigeria	85		6	85
Business information and computer training	X			Nigeria	162		52	162
Quality assurance in microbiology testing laboratories to be accredited under ISO 17025 (2 activities)	X			Pakistan	170		22	
Carbon tetrachloride phase-out	X			Pakistan	53	48	2	
Total maintenance management	X			Palestine	17		4	
Marketing	X			Palestine	118		25	
Industrial productivity	X			Palestine	300		50	
Management principles/skills	X			Palestine	23		3	
Total quality management	X			Palestine	18		5	
Continuous improvement and SMEs performance measurement (UNIDO software PHAROS/Produce Plus)	X			Palestine	22		3	
COMFAR III		X		Republic of Korea	10	3		
COMFAR III	X			Republic of Korea	14		2	
COMFAR		X		Republic of Korea	20		1	
COMFAR	X			Republic of Korea	20		3	
Food safety	X			Romania	26		18	
Refrigeration service sector		X		Romania	8	8	2	
Viable alternatives to ozone-depleting solvents (3 activities)	X			Romania	173		104	
Technology foresight	X			Russian Federation (Republic of Bashkortostan)	38		14	
COMFAR III Expert	X			Saudi Arabia	30			
SME development: organization and management tools	X			Senegal	44		27	44
Entrepreneurial skills upgrading: credit and finance	X			Senegal	80		36	80
SME development: promotion and networking	X			Senegal	165		63	165

<i>Field of study</i>	<i>Type of programme</i>			<i>Host country/ territory</i>	<i>Number of participants of which</i>			
	<i>National</i>	<i>Regional</i>	<i>Inter- regional</i>		<i>From all countries<sup>a</sup></i>	<i>LDCs</i>	<i>Female participants<sup>b</sup></i>	
Technical skills upgrading	X			Senegal	36		32	36
Market access coaching	X			South Africa	35		6	35
Metalworking/production of animal-drawn cultivators	X			Sudan	8	8		8
COMFAR III Expert	X			Sweden	20		8	
HACCP and food safety management	X			Tunisia	125		30	125
Labelling standards for foodstuffs	X			Tunisia	10			10
Olive oil standards	X			Tunisia	10			10
Laboratory quality assurance and ISO 17025 standards	X			Tunisia	14		4	14
ISO 14000 standards	X			Tunisia	10		3	10
Quality assurance in agro-food industries	X			Tunisia	10		3	10
Marketing in industrial enterprises	X			Tunisia	6			6
Technology foresight			X	Turkey	34	1	16	2
Fruit/vegetable drying	X			Uganda	17	17		17
Hand-weaving, surface design, garment construction, product development, sewing machine maintenance and business management	X			Uganda	100	100	100	100
COMFAR III Expert for investment project appraisal (7 activities)	X			Ukraine	140		64	
Refrigeration service sector		X		United Kingdom	8	8	2	
Investment project appraisal and promotion	X			United Republic of Tanzania	20	20	6	20
Value addition of agricultural raw materials	X			United Republic of Tanzania	40	40	18	40
Governance and economic management	X			United Republic of Tanzania	60	60	15	60
Mainstreaming gender in development and industry	X			United Republic of Tanzania	55	55	30	55
COMFAR III Expert	X			United Republic of Tanzania	29			29
Sisal project dissemination			X	United Republic of Tanzania	200	150	60	200

<i>Field of study</i>	<i>Type of programme</i>			<i>Host country/ territory</i>	<i>Number of participants of which</i>		
	<i>National</i>	<i>Regional</i>	<i>Inter- regional</i>		<i>From all countries<sup>a</sup></i>	<i>LDCs</i>	<i>Female participants<sup>b</sup></i>
Mercury as a health hazard	X			United Republic of Tanzania	18	18	7
Advanced methods for monitoring mercury pollution emanating from small-scale gold mining			X	United States of America	7	3	3
COMFAR III Expert	X			Venezuela	20		11
Women's entrepreneurship development in marketing and finance	X			Viet Nam	528		514
Women's entrepreneurship development in organization and facilitation of self-help groups	X			Viet Nam	95		93
Women's entrepreneurship development in technical skills upgrading	X			Viet Nam	459		452
Women's entrepreneurship development, training of trainers	X			Viet Nam	60		44
Environmental accounting		X		Viet Nam	152		
Cleaner production in the metal finishing sector	X			Viet Nam	18		
Cleaner production and hazardous waste management	X			Viet Nam	25		
Cleaner production for local authorities	X			Viet Nam	35		
Report writing skills	X			Viet Nam	9		

<sup>a</sup> Including participants from NIS.

<sup>b</sup> Including participants from African Arab States.



**Table 2**  
**Fellowships and study tours started in 2004 by**  
**nationality/home area, country or territory**

Number of individuals placed

Nationality/home area, country or territory	UNDP			Regular Programme			Other programmes			Total
	Male	Female	Total	Male	Female	Total	Male	Female	Total	
<b>AFRICA</b>										
Benin	0	0	0	0	0	0	2	0	2	2
Botswana	0	0	0	0	0	0	3	2	5	5
Burkina Faso	0	0	0	0	0	0	4	0	4	4
Burundi	0	0	0	0	0	0	6	0	6	6
Cameroon	0	0	0	0	0	0	3	2	5	5
Côte d'Ivoire	0	0	0	0	0	0	0	1	1	1
Eritrea	0	0	0	0	0	0	3	0	3	3
Ethiopia	0	0	0	0	0	0	9	0	9	9
Ghana	4	0	4	0	0	0	3	1	4	8
Guinea-Bissau	0	0	0	0	0	0	2	0	2	2
Guinea	0	0	0	0	0	0	2	0	2	2
Kenya	0	0	0	0	0	0	3	0	3	3
Malawi	0	0	0	0	0	0	1	0	1	1
Mozambique	0	0	0	0	0	0	2	0	2	2
Namibia	0	0	0	0	0	0	0	2	2	2
Nigeria	0	0	0	0	0	0	17	2	19	19
Senegal	0	0	0	0	0	0	1	0	1	1
South Africa	0	0	0	0	0	0	1	0	1	1
United Republic of Tanzania	0	0	0	1	1	2	0	0	0	2
Togo	0	0	0	0	0	0	3	0	3	3
Uganda	0	0	0	0	0	0	1	0	1	1
TOTAL	4	0	4	1	1	2	66	10	76	82
<b>ARAB REGION</b>										
Algeria	0	0	0	0	0	0	9	4	13	13
Egypt	0	0	0	3	1	4	6	1	7	11
Jordan	0	0	0	1	0	1	1	0	1	2
Lebanon	0	0	0	1	0	1	1	1	2	3
Morocco	0	0	0	1	0	1	19	3	22	23
Palestine	0	0	0	1	0	1	8	0	8	9
Sudan	0	0	0	0	1	1	0	0	0	1
Syrian Arab Republic	0	0	0	0	0	0	3	0	3	3
Tunisia	0	0	0	1	0	1	11	5	16	17
TOTAL	0	0	0	8	2	10	58	14	72	82

Nationality/home area, country or territory	UNDP			Regular Programme			Other programmes			Total
	Male	Female	Total	Male	Female	Total	Male	Female	Total	
<b>ASIA AND THE PACIFIC</b>										
Bangladesh	0	0	0	0	0	0	8	1	9	9
Bhutan	0	0	0	0	0	0	5	0	5	5
Cambodia	0	0	0	0	0	0	2	0	2	2
China	1	0	1	0	0	0	48	14	62	63
Democratic People's Republic of Korea	18	0	18	0	0	0	17	2	19	37
India	19	0	19	0	0	0	28	1	29	48
Indonesia	1	0	1	0	0	0	0	0	0	1
Iran (Islamic Republic of)	0	0	0	1	0	1	13	0	13	14
Lao People's Democratic Republic	0	0	0	0	0	0	1	0	1	1
Maldives	0	0	0	0	0	0	5	0	5	5
Myanmar	1	0	1	0	0	0	0	0	0	1
Nepal	1	0	1	0	0	0	3	1	4	5
Pakistan	0	0	0	0	0	0	1	1	2	2
Republic of Korea	0	0	0	0	0	0	21	1	22	22
Sri Lanka	0	0	0	0	0	0	12	2	14	14
Thailand	0	2	2	0	0	0	0	1	1	3
Viet Nam	1	0	1	0	0	0	11	2	13	14
TOTAL	42	2	44	1	0	1	175	26	201	246
<b>EUROPE AND NIS</b>										
Azerbaijan	0	0	0	0	0	0	4	1	5	5
Belarus	0	0	0	0	0	0	1	0	1	1
Bosnia	0	0	0	0	0	0	9	0	9	9
Bulgaria	0	0	0	0	0	0	1	0	1	1
Croatia	0	0	0	0	0	0	1	0	1	1
Georgia	0	0	0	0	0	0	2	0	2	2
Kyrgyzstan	0	0	0	1	1	2	0	0	0	2
Romania	0	0	0	0	0	0	0	1	1	1
Russian Federation	1	0	1	1	1	2	16	3	19	22
TOTAL	1	0	1	2	2	4	34	5	39	44
<b>LATIN AMERICA AND THE CARIBBEAN</b>										
Argentina	0	0	0	0	0	0	1	0	1	1
Bolivia	0	0	0	0	0	0	1	1	2	2
Brazil	0	0	0	0	0	0	0	1	1	1
Colombia	0	0	0	0	0	0	1	0	1	1
Costa Rica	0	0	0	0	0	0	3	0	3	3
Cuba	0	0	0	0	0	0	4	2	6	6
Dominican Republic	0	0	0	0	0	0	8	0	8	8
Ecuador	0	0	0	0	0	0	9	3	12	12
El Salvador	0	0	0	0	0	0	6	1	7	7
Guatemala	0	0	0	0	0	0	1	1	2	2
Mexico	0	0	0	0	0	0	1	0	1	1
Nicaragua	0	0	0	0	0	0	0	1	1	1
Peru	0	0	0	0	0	0	1	0	1	1
Venezuela	0	0	0	0	1	1	0	0	0	1
TOTAL	0	0	0	0	1	1	36	10	46	47
GRAND TOTAL	47	2	49	12	6	18	369	65	434	501

**Table 3**  
**Fellowships and study tours started in 2004 by country,**  
**geographical area or territory of study**

Number of individuals placed

Country/geographical area/ territory of study	UNDP			Regular Programme			Other programmes			Total
	Male	Female	Total	Male	Female	Total	Male	Female	Total	
Argentina	0	0	0	0	0	0	1	0	1	1
Austria	8	0	8	0	1	1	20	3	23	32
Bahrain	0	0	0	0	0	0	2	0	2	2
Belgium	0	0	0	0	0	0	13	5	18	18
China	18	0	18	0	0	0	37	7	44	62
Colombia	0	0	0	0	0	0	10	0	10	10
Croatia	0	0	0	0	0	0	9	0	9	9
Egypt	0	0	0	1	1	2	3	0	3	5
Ethiopia	0	0	0	0	0	0	5	0	5	5
France	0	0	0	0	0	0	23	3	26	26
Germany	0	0	0	0	0	0	68	15	83	83
Greece	0	0	0	0	0	0	6	1	7	7
Guatemala	0	0	0	0	0	0	12	3	15	15
India	11	2	13	1	1	2	43	6	49	64
Indonesia	0	0	0	0	0	0	1	1	2	2
Italy	0	0	0	2	0	2	124	26	150	152
Japan	1	0	1	0	0	0	1	0	1	2
Jordan	0	0	0	0	0	0	6	0	6	6
Kenya	0	0	0	1	1	2	3	2	5	7
Lebanon	0	0	0	0	0	0	3	0	3	3
Malawi	0	0	0	0	0	0	1	0	1	1
Malaysia	0	0	0	0	0	0	2	1	3	3
Malta	0	0	0	0	0	0	1	0	1	1
Mexico	0	0	0	0	0	0	1	0	1	1
Morocco	0	0	0	0	0	0	0	1	1	1
Netherlands	0	0	0	0	0	0	25	5	30	30
Philippines	0	0	0	0	0	0	1	0	1	1
Portugal	0	0	0	0	0	0	2	0	2	2
Republic of Korea	0	0	0	0	0	0	1	1	2	2
Senegal	0	0	0	0	0	0	5	0	5	5
South Africa	3	0	3	0	0	0	12	6	18	21
Spain	0	0	0	0	0	0	17	2	19	19
Switzerland	0	0	0	2	1	3	35	16	51	54
Thailand	6	0	6	0	0	0	0	0	0	6
Tunisia	0	0	0	0	0	0	6	0	6	6
Turkey	1	0	1	8	2	10	4	1	5	16
United Arab Emirates	0	0	0	0	0	0	9	0	9	9
United Kingdom	0	0	0	0	0	0	15	2	17	17
United States of America	12	0	12	0	0	0	20	4	24	36
TOTAL	60	2	62	15	7	22	547	111	658	742

## APPENDIX H

### AGREEMENTS, MEMORANDUMS OF UNDERSTANDING AND JOINT COMMUNIQUÉS CONCLUDED IN 2004\*

#### I. Agreements with States

##### **Afghanistan**

*Agreement between the United Nations Industrial Development Organization and the Government of Afghanistan regarding settlement of outstanding assessed contributions under a payment plan, signed on 21 May.*

##### **Argentina**

*Memorandum of understanding between the United Nations Industrial Development Organization and the Government of the Cordoba Province of the Republic of Argentina, signed on 10 November.*

##### **Austria, the International Atomic Energy Agency (IAEA), the United Nations Office at Vienna (UNOV) and the Preparatory Commission for the Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO)**

*Memorandum of understanding between the Republic of Austria on the one hand, and the United Nations represented by the United Nations Office at Vienna, the International Atomic Energy Agency, the United Nations Industrial Development Organization and the Preparatory Commission for the Comprehensive Nuclear-Test-Ban Treaty Organization on the other, regarding additional conference facilities, signed on 18 October.*

##### **Bulgaria**

*Trust fund agreement between the United Nations Industrial Development Organization and the Ministry of Education and Science of the Republic of Bulgaria regarding the implementation of a project in the Republic of Bulgaria, entitled "Seminar on Technology Foresight for the Republic of Bulgaria", signed on 21 and 22 October.*

##### **Ecuador**

*Minutes of undertaking between the Director-General of the United Nations Industrial Development Organization, H.E. Mr. Patricio Zuquilanda Duque, Minister for Foreign Affairs, and H.E. Mr. Eduardo López Robayo, Minister for Energy and Mines, for the Execution of the Microcentral Hydroelectric Project for the Southern Border, signed on 7 October.*

##### **India**

*Memorandum of understanding between the United Nations Industrial Development Organization and the Ministry of Urban Development and Poverty Alleviation of the Government of the Republic of India, signed on 12 January.*

*Trust fund agreement between the United Nations Industrial Development Organization and the Ministry of Urban Development and Poverty Alleviation (Department of Urban Employment and Poverty Alleviation) of the Government of the Republic of India regarding the implementation of a project, entitled "Interregional Programme on Capacity-Building for Transfer of Energy-Efficient and Eco-Friendly Technologies and Promotion of Local Investments in the Area of Materials based on Local Resources for Low-Cost Housing in Africa, Asia and Latin America".*

---

\* This list contains signed Agreements that have been sent to the Legal Office for safe keeping.

*Trust fund agreement between the United Nations Industrial Development Organization and the Department of Heavy Industry, Ministry of Heavy Industries and Public Enterprises of the Government of the Republic of India, regarding the implementation of a project, entitled “Supporting Small and Medium-sized Manufacturers in the Automotive Component Industry in India—UNIDO Partnership Programme—Phase III”, signed on 25 May and 3 June, respectively.*

#### **Iran (Islamic Republic of)**

*Trust fund agreement between the United Nations Industrial Development Organization and the Department for Hi-Tech Industries, Ministry of Industry and Mines of the Government of the Islamic Republic of Iran, regarding the implementation of a project, entitled “Seminar on Technology Foresight Methods and Practices for the Islamic Republic of Iran”, signed on 11 October and 2 November.*

#### **Italy**

*Trust fund agreement between the United Nations Industrial Development Organization and the Government of the Italian Republic regarding the implementation of a project in the People’s Republic of China, entitled “Strategies to Reduce Unintentional Production of POPs in China”, signed on 31 March and 15 April, respectively.*

*Agreement between the United Nations Industrial Development Organization and the Government of the Italian Republic regarding the implementation of a project in Ethiopia, entitled “Assistance to the Leather and Leather Products Technology Institute (LLPTI) for the Development of its Managerial and Operative Capacities”, signed on 29 September.*

*Agreement between the United Nations Industrial Development Organization and the Directorate-General for Development Co-operation of the Italian Ministry of Foreign Affairs regarding the implementation of a project in Jordan, entitled “Assistance to the Jordan Investment Board in the Attraction of Foreign Direct Investment and Market Access for Local SME Development”, signed on 30 November.*

#### **Italy and the International Institute for the Unification of Private Law (UNIDROIT)**

*Memorandum of understanding between the United Nations Industrial Development Organization, the Government of the Italian Republic and the International Institute for the Unification of Private Law regarding the establishment of a UNIDO Investment Technology Promotion Office in Rome, signed on 25 May.*

#### **Kazakhstan**

*Agreement between the United Nations Industrial Development Organization and the Government of the Republic of Kazakhstan regarding settlement of outstanding assessed contributions under a payment plan, signed on 29 November.*

#### **Mexico**

*Letter of intent between the United Nations Industrial Development Organization and the Government of the United Mexican States for the establishment of an Investment and Technology Promotion Office in Mexico, signed on 21 October.*

#### **Morocco**

*Agreement between the United Nations Industrial Development Organization and the Government of the Kingdom of Morocco regarding the establishment of the UNIDO Office in Rabat, signed on 8 October.*

*Trust fund agreement between the United Nations Industrial Development Organization and the Government of the Kingdom of Morocco regarding the implementation of an agreement, entitled “Establishment of the UNIDO Office in Rabat”, signed on 8 October.*

#### **Norway**

*Trust fund agreement between the United Nations Industrial Development Organization and the Norwegian Ministry of Foreign Affairs covering the Norwegian financial support to the UNIDO programme: Agro-processing and private sector development, phase II, regarding the implementation of a programme in Uganda, entitled “Agro-processing and Private Sector Development, Phase II”, signed on 19 November.*

#### **Paraguay**

*Memorandum of understanding between the United Nations Industrial Development Organization and the Government of the Republic of Paraguay, signed on 15 June.*

#### **Russian Federation**

*Agreement between the United Nations Industrial Development Organization and the Ministry of Education and Science of the Russian Federation, signed on 15 and 24 June.*

#### **Saudi Arabia**

*Contract between the United Nations Industrial Development Organization and the Ministry of Commerce and Industry in the Kingdom of Saudi Arabia for the implementation of the integrated programme “Strategies to Enhance Industrial Competitiveness and Diversification in the Kingdom of Saudi Arabia”, signed on 28 June.*

#### **Slovenia**

*Agreement between the United Nations Industrial Development Organization and the Government of the Republic of Slovenia regarding settlement of outstanding assessed contributions under a payment plan, signed on 20 October.*

#### **Spain**

*Framework agreement between the United Nations Industrial Development Organization and the Kingdom of Spain, signed on 15 December.*

#### **Ukraine**

*Framework programme on cooperation between the United Nations Industrial Development Organization and Ukraine for the period 2003-2007, signed on 18 March.*

## **II. Agreements with the United Nations and specialized agencies**

#### **Food and Agriculture Organization of the United Nations (FAO)**

*Inter-agency letter of agreement between the United Nations Industrial Development Organization and the Food and Agriculture Organization of the United Nations, signed on 15 November and 17 December.*

**International Atomic Energy Agency (IAEA), the United Nations Office at Vienna (UNOV) and the Preparatory Commission for the Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO)**

*Supplementary memorandum of understanding between the International Atomic Energy Agency and the United Nations Office at Vienna, the United Nations Industrial Development Organization, and the Preparatory Commission for the Comprehensive Nuclear-Test-Ban Treaty Organization concerning administrative arrangements and common services for the Child Care Centre at the Vienna International Centre, signed on 25, 29 and 30 March and 8 April, respectively.*

**United Nations Development Programme (UNDP)**

*Cooperation agreement between the United Nations Industrial Development Organization and the United Nations Development Programme, signed on 23 September.*

### **III. Agreements with other intergovernmental organizations**

**Common Fund for Commodities (CFC) and the Intergovernmental Sub-Group on Hides and Skins represented by the Food and Agriculture Organization (FAO) of the United Nations**

*Project agreement between the United Nations Industrial Development Organization, the Common Fund for Commodities and the Intergovernmental Sub-Group on Hides and Skins represented by the Food and Agriculture Organization of the United Nations regarding the hides and skins improvement scheme in selected West African countries (Burkina Faso, Mali, Niger and Senegal) (CFC/FIGHS/04), signed on 18 May, 3 and 16 June, respectively.*

**Global Environment Facility (GEF)**

*Memorandum of understanding between the United Nations Industrial Development Organization and the Secretariat of the Global Environment Facility on direct access to GEF resources, signed on 20 July.*

**International Bank for Reconstruction and Development (IBRD)**

*Financial procedures agreement between the United Nations Industrial Development Organization and the International Bank for Reconstruction and Development, as Trustee of the Global Environment Facility Trust Fund, signed on 20 July.*

### **IV. Agreements with other entities**

**Centro de Investigaciones Textiles (CIT)**

*Trust fund agreement between the United Nations Industrial Development Organization and the Centro de Investigaciones Textiles, San Martin, Republic of Argentina, regarding the implementation of a project in Argentina, entitled "Assistance to Centro de Investigaciones Textiles, San Martin, Republic of Argentina", signed on 20 February and 11 March, respectively.*

**Complutense University**

*Memorandum of understanding between the United Nations Industrial Development Organization and Universidad Complutense—Instituto Complutense de Estudios Internacionales, Madrid, Spain, signed on 15 December.*

**Harvard University**

*Memorandum of understanding between the United Nations Industrial Development Organization and the Center for Business and Government/President and Fellows of Harvard College, Cambridge, United States of America, signed on 8 and 20 June.*

**International Laboratory Accreditation Cooperation (ILAC) and the International Accreditation Forum (IAF)**

*Memorandum of understanding between the United Nations Industrial Development Organization, the International Laboratory Accreditation Cooperation and the International Accreditation Forum, signed on 10 October.*

**Kuwait Finance House**

*Trust fund agreement between the United Nations Industrial Development Organization and the Kuwait Finance House, Bahrain, regarding the implementation of a project in Bahrain, entitled "Assistance to Kuwait Finance House for the Development of a Business Plan to set up a technology park in Bahrain", signed on 3 October.*

**MAGFA Information Technology Development Center**

*Trust fund agreement between the United Nations Industrial Development Organization and the MAGFA Information Technology Development Center, Iran, Islamic Republic of, regarding the implementation of a project in Iran, Islamic Republic of, entitled "Advisory Assistance to MAGFA in the Monitoring and Assessment of the Business Plan Preparation for the Set-up of an Information and Communication Technology Park in Tehran", signed on 27 April.*



## APPENDIX I

## COUNTRY PROMOTION PRESENTATIONS

<i>Country/region promoted</i>	<i>Venue</i>	<i>Number of presentations</i>
Argentina	Argentina (6), Italy (2)	8
Brazil	Brazil (1), France (2), Japan (1)	4
Bosnia and Herzegovina	Italy (1)	1
Bulgaria	Belgium (7)	7
Cameroon	France (6)	6
China	France (3), Italy (6)	9
Colombia	Belgium (1)	1
Croatia	Croatia (1), Japan (1)	2
Democratic Republic of the Congo	Belgium (14)	14
Egypt	Italy (2), Japan (2)	4
Greece	Greece (2)	2
Ecuador	France (1)	1
Equatorial Guinea	Equatorial Guinea (1)	1
India	India (1), Japan (1)	2
Lithuania	Belgium (7)	7
Mali	France (1)	1
Mexico	Belgium (7), France (2)	9
Morocco	Italy (1), Japan (2)	3
Mozambique	Mozambique (1), Republic of Korea (2)	3
Namibia	Namibia (1), Republic of Korea (2)	3
Pakistan	Belgium (7)	7
Poland	Japan (1)	1
Romania	Belgium (7)	7
Russian Federation	Japan (4), Russian Federation (1)	5
Senegal	France (3), Senegal (1)	4
Serbia	Greece (2)	2
Slovenia	Belgium (1)	1
Sweden	Sweden (1)	1
Tunisia	Italy (1)	1
United Kingdom	United Kingdom (1)	1
United Republic of Tanzania	Japan (1)	1
Arab region	Japan (3)	3
Africa	France (2), Japan (1)	3
Asia	Belgium (1)	1
Central Europe	Belgium (5)	5
Latin America	France (1)	1
Southern Europe	Japan (2)	2
TOTAL		134

Total: 37 countries/regions promoted at 134 presentations held in 17 countries.

## APPENDIX J

## PROCUREMENT

## I. Purchase of equipment, materials and supplies

a. Technical cooperation		Purchase orders placed	US\$ equivalent <sup>b</sup>	Euros
List A <sup>a</sup>		34	1,920,138	1,550,477
List B		208	10,404,548	8,396,778
List C		12	273,661	220,534
List D		9	275,262	220,205
Other		20	579,996	473,030
	Total	283	13,453,605	10,861,024
b. Headquarters				
	Total	787	1,795,599	1,431,063
TOTAL PURCHASES		1,070	15,249,204	12,292,087

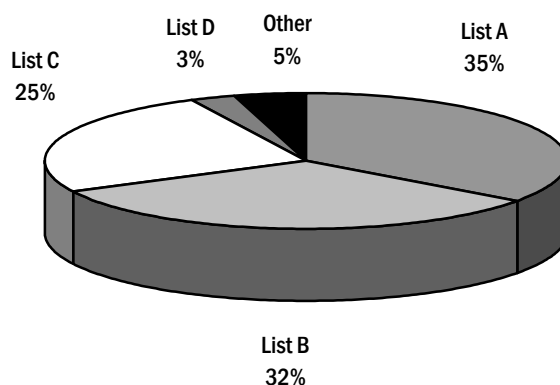
## II. Contracts for services and work

a. Technical cooperation		Contracts awarded	US\$ equivalent <sup>b</sup>	Euros
List A <sup>a</sup>		116	15,570,509	12,497,957
List B		34	5,731,084	4,613,747
List C		36	12,375,222	10,354,713
List D		24	1,065,721	860,045
Other		13	1,695,768	1,392,305
	Total	223	36,438,304	29,718,767
b. Headquarters				
	Total	105	18,067,940	14,119,709
TOTAL CONTRACTS		328	54,506,244	43,838,476
GRAND TOTAL		1,398	69,755,448	56,130,563

<sup>a</sup> Refers to the Lists of States in Annex I to the Constitution of UNIDO (GC.10/18).

<sup>b</sup> On basis of monthly United Nations rate of exchange.

2004 technical cooperation procurement  
according to Lists of States



## APPENDIX K

### FIELD REPRESENTATION

(As of 31 December 2004)

	<i>UR</i>	<i>STA/IDO</i>	<i>UND</i>	<i>UNFP</i>	<i>NPO/APO</i>	<i>AE</i>	<i>JPO</i>	<i>GS</i>	<i>Total</i>
<b>AFRICA</b>									
Cameroon	1	0	0	0	0	0	0	2	3
Côte d'Ivoire	1	0	0	0	0	0	0	2	3
Ethiopia	1	0	0	0	0	0	1	2	4
Ghana	1	0	0	0	0	0	1	2	4
Guinea	1	0	0	0	0	0	0	2	3
Kenya	0	0	0	0	0	0	1	2	3
Madagascar	0	0	0	0	0	0	0	1	1
Mozambique*	0	0	0	1	0	0	1	2	4
Nigeria	0	2	0	0	2	0	0	5	9
Senegal	1	0	0	0	0	0	0	1	2
Togo*	0	0	0	1	0	0	0	0	1
Uganda*	0	0	0	1	0	0	0	0	1
United Republic of Tanzania	1	0	0	0	0	0	0	2	3
Zimbabwe	1	0	0	0	0	0	0	2	3
<b>TOTAL</b>	<b>8</b>	<b>2</b>	<b>0</b>	<b>3</b>	<b>2</b>	<b>0</b>	<b>4</b>	<b>25</b>	<b>44</b>
<b>ARAB STATES</b>									
Algeria	1	0	0	0	0	0	0	1	2
Egypt	1	0	0	0	0	0	1	3	5
Lebanon	0	0	0	0	0	0	0	2	2
Morocco	1	0	0	0	0	0	0	0	1
Sudan	1	0	0	0	0	0	0	2	3
Tunisia	1	0	0	0	0	0	0	0	1
<b>TOTAL</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>8</b>	<b>14</b>
<b>ASIA AND PACIFIC</b>									
China	1	1	0	0	1	0	0	4	7
India	1	1	0	0	0	0	0	3	5
Indonesia	1	0	0	0	0	0	0	2	3
Iran (Islamic Republic of)	1	0	0	0	0	0	0	2	3
Pakistan	0	0	0	0	0	0	0	2	2
Philippines	1	0	0	0	0	0	0	2	3
Sri Lanka*	0	0	0	1	0	0	0	0	1
Thailand	1	1	0	0	0	0	0	2	4
Viet Nam	1	0	0	0	0	1	1	2	5
<b>TOTAL</b>	<b>7</b>	<b>3</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>19</b>	<b>33</b>

	UR	STA/IDO	UND	UNFP	NPO/APO	AE	JPO	GS	Total
<b>EUROPE AND NIS</b>									
Turkey*	0	0	1	0	0	0	0	2	3
Ukraine*	0	0	0	1	1	0	0	1	3
Russian Federation*	0	0	0	1	1	0	0	0	2
TOTAL	0	0	1	2	2	0	0	3	8
<b>LATIN AMERICA AND THE CARIBBEAN</b>									
Argentina*	0	0	0	0	0	0	0	1	1
Bolivia	0	0	0	0	0	0	0	1	1
Colombia	1	0	0	0	0	0	1	3	5
Mexico	1	0	0	0	1	0	0	2	4
Uruguay	1	0	0	0	0	0	0	3	4
TOTAL	3	0	0	0	1	0	1	10	15
<b>UNIDO HEADQUARTERS</b>									
Austria	0	0	0	0	0	7	1	0	8
TOTAL	0	0	0	0	0	7	1	0	8
GRAND TOTAL	23	5	1	6	6	8	8	65	122

\* Countries where the Organization does not maintain a country or a regional office but has field presence.

AE Associate Expert  
 APO Associate Programme Officer  
 GS General Service  
 IDO Industrial Development Officer  
 JPO Junior Professional Officer  
 NPO National Programme Officer  
 STA Special Technical Adviser  
 UND UNIDO National Director  
 UNFP UNIDO National Focal Point  
 UR UNIDO Representative

## APPENDIX L

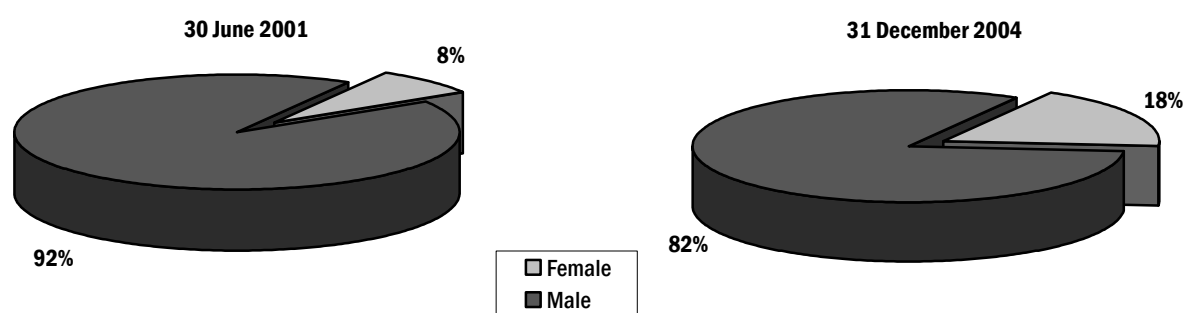
### COMPOSITION OF THE SECRETARIAT AND PERSONNEL-RELATED INFORMATION

**Table 1**  
**Composition of Headquarters staff,<sup>a</sup> 31 December 2004**  
 (Including Geneva and New York Offices)

<i>Grade</i>	<i>Male</i>	<i>%</i>	<i>Female</i>	<i>%</i>	<i>Total</i>
D-2	4		1		5
D-1	15		5		20
Subtotal	19	76	6	24	25
P-5	46		6		52
P-4	43		20		63
P-3	35		18		53
P-2/1	6		4		10
Subtotal	130	73	48	27	178
Professional and above	149	74	54	26	203
General Service	129	40	202	60	331
TOTAL	278	53	256	47	534

<sup>a</sup> Includes staff members serving under the 200 series of staff rules.

### Composition of Professional and higher categories staff at Headquarters and other established offices (at D-1 level and above)



**Table 2**  
**Recruitment for advertised vacancies since introduction of HRM Framework**  
 (5 June 2001 – 31 December 2004)

	<i>Male</i>	<i>%</i>	<i>Female</i>	<i>%</i>
Professional-level post at D-1 level and above	6	50	6	50
Total number of Professional-level posts	45	67	22	33

**Table 3**  
**Promotion of staff since introduction of HRM Framework**  
 (5 June 2001 – 31 December 2004)

	D-2		D-1		P-5		P-4		P-3		P-2		G-6		G-5		G-4		G-3		Total	%
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F		
2001	-	-	-	-	-	-	-	-	-	1	1	-	3	11	5	26	2	1	5	-	55	
2002	-	-	-	-	-	-	1	5	3	4	-	-	-	9	5	26	7	-	3	-	63	
2003	2	-	1	1	9	1	4	2	1	-	-	-	2	15	6	27	3	1	16	-	91	
2004	-	-	1	-	1	-	1	3	-	-	1	1	2	3	1	1	1	2	-	-	18	
TOTAL	2	-	2	1	10	1	6	10	4	5	2	1	7	38	17	80	13	4	24	-	227	37

**Table 4**  
**Composition of staff at Headquarters and other established offices,**  
**31 December 2004**

	Headquarters	Geneva/ New York	Field	Mission assignments	ITPOs <sup>a</sup>	Total
Professional	201	2	26	1	22	252
National Officer	-	-	3	-	5	8
General Service	328	3	55	-	-	386
TOTAL	529	5	84	1	27	646

<sup>a</sup> Investment and Technology Promotion Offices.

**Table 5**  
**Composition of staff in posts subject to geographical distribution,**  
**31 December 2004**

Grade	Male	%	Female	%	Total
D-2	3		1		4
D-1	17		5		22
Subtotal		20	77		26
P-5	57		7		64
P-4	44		20		64
P-3	37		18		55
P-2/1	5		4		9
Subtotal		143	74		192
TOTAL		163	75		218

## APPENDIX M

SELECTED PUBLICATIONS ISSUED<sup>a</sup>

<i>Title</i>	<i>Reference</i>	<i>Co-publisher</i>	<i>Language</i>
A blueprint for the African leather industry. A development, investment and trade guide for the leather industry in Africa		CFC (Technical paper No. 30), FAO, ITC UNCTAD/WTO	E
An examination of emerging financial markets—Identifying potential new roles for UNIDO	V.03-90712		E
Annual Report of UNIDO, 2003 and	ISSN 1020-7651		A C E F R S
List of UNIDO technical cooperation activities, 2003	ISSN 1020-7716		
Buyers Guide published during ToyBiz, Kolkata		Toy Association of India	E
Buyers Guide published during ToyBiz, Mumbai		Toy Association of India	E
Cahier d'auto-évaluation pour les femmes chefs de microentreprises agro-industrielles	V.04-56550		F
Clean development mechanism. Guideline document. Methodology for baseline and additionality analysis for multiple project categories	V.04-50219		E
Cleaner production newsletter			E
Corporate social responsibility and the development agenda: Should SMEs care? (Small and Medium Enterprises Branch, Technical working paper series No. 13)	V.04-57300		E
Effective policies for small business. A guide for the policy review process and strategic plans for micro, small and medium enterprise development		OECD	E
Environmental management as a tool to access global trade: Case of vegetable oil	V.04-56984		E
Eritrea. Integrated industrial policy for sustainable industrial development and competitiveness. Part I. Industrial development—An analytical framework	V.04-55089		E
Eritrea. Integrated industrial policy for sustainable industrial development and competitiveness. Part II. Policy framework	V.04-55090		E

<i>Title</i>	<i>Reference</i>	<i>Co-publisher</i>	<i>Language</i>
Eritrea. Review of industrial and trade performance. Macro-economy. Total manufacturing. Industrial subsectors	V.04-56775		E
Estimating the economic benefits of the Kyoto Protocol for the Nigerian economy	V.04-57527		E
Ethiopia. Sustainable industrial development and competitiveness. Analysing competitiveness, growth potentials and investment opportunities	V.04-54816		E
Etude de marché du secteur environnemental marocain. Rapport final		Centre Marocain de Production Propre	F
Ghana. Review of industrial and trade performance. Macro-economy. Foreign trade. Industrial subsectors. Non-traditional exports. Energy	V.04-57735		E
Impact of European Union integration on the agro-food industry in the countries of Central and Eastern Europe	V.03-89194		E
Industrial clusters and poverty reduction. Towards a methodology for poverty and social impact assessment of cluster development initiatives	V.04-50495		E
Industrial Development Report 2004: Industrialization, environment and the Millennium Development Goals in sub-Saharan Africa—The new frontier in the fight against poverty	ISBN 92-1-106428-7		E
Industrial Development Report 2004: Industrialization, environment and the Millennium Development Goals in sub-Saharan Africa—The new frontier in the fight against poverty—Executive summary	V.04-53873		E F S
Industrial Promotion and Technology Branch's integrated institutional capacity-building services and programmes for technology centres and parks	V.04-56972		E
International Yearbook of Industrial Statistics 2004	1 84376 593 4	Edward Elgar Publishing Ltd., Cheltenham, UK	E
Investisseurs étrangers en Afrique. Enquête 2003. Motivations, activités, perceptions et projets futurs. Incidences sur la promotion des investissements	V.04-53694		F
Malaysian electronics: At the crossroads (Small and Medium Enterprises Branch, Technical working paper series No. 12)			E



<i>Title</i>	<i>Reference</i>	<i>Co-publisher</i>	<i>Language</i>
Manual for the in vitro culture of agaves. Technical paper No. 38	V.04-58084	Common Fund for Commodities (CFC)	E
Operationalizing UNIDO's corporate strategy—Services and priorities for the medium term, 2004-2007	V.04-50802		E
Outils de suivi des résultats des entreprises à l'usage des facilitatrices et facilitateurs (Vol. II)	V.04-56549		F
Partnerships for small enterprise development		UNDP	E
Renforcement de capacités pour la mise en réseau de l'information aux entreprises	V.04-50270		F S
Sélection d'indicateurs pour le suivi et l'évaluation d'impact (Vol. I)	V.04-56542		F
Sous-traitance internationale ou délocalisation? Un aperçu de la littérature et études de cas en provenance du réseau SPX/BSTP	V.03-90702		F S
Strategies for management of pollution and sedimentation in the Nigerian inland waterways	ISBN-978-017-638-1	University of Lagos	E
Survey of small and medium enterprises in the Global Compact	V.04-50787		E
Tahineh and halaweh. Hazard analysis critical control point	V.04-57669		E
Tahineh and halaweh. Project report. Enhancing competitiveness of the Lebanese industry and its integration in the global market	V.04-57277		E
Technology Foresight Summit 2003— Technical report	V.03-90684		E
The role of industrial development in the achievement of the Millennium Development Goals—Proceedings of the Industrial Development Forum and associated round tables, Vienna, 1-3 December 2003	V.04-54862		E
Training package on investment and technology promotion: Technology transfer operations, including agreement formulation and negotiation	V.03-90774		E
UNIDO in Guatemala. Integrated programme to support the productive sector of Guatemala	V.03-90771		E

---

<i>Title</i>	<i>Reference</i>	<i>Co-publisher</i>	<i>Language</i>
UNIDO information document on cleaner production for chemicals management	V.04-56987		E
United Republic of Tanzania. Review of industrial and trade performance. Macro-economy. Commodities. Industrial subsectors. Export processing zones	V.04-55036		E

---

<sup>a</sup> Includes publications prepared jointly with other organizations. A more complete list, including CDs, databases, software and videos, can be accessed from the UNIDO website ([www.unido.org/doc/6397](http://www.unido.org/doc/6397)).

## APPENDIX N

### EXPERT GROUP MEETINGS, SYMPOSIUMS, SEMINARS AND OTHER MEETINGS<sup>a</sup>

<i>Date</i>		<i>Place</i>
23 January	Expert group meeting on the development of a commercial multimedia decision support system for environmental impact assessment of biotechnology applications	Vienna Austria
26 January	National food safety day	Beirut Lebanon
26-30 January	Sectoral technical meeting on building and construction material	Ouagadougou Burkina Faso
27-28 January	Kick off seminar on responding to the Doha Development Agenda—UNIDO and WTO technical cooperation programme for Cambodia	Phnom Penh Cambodia
28 January	Energy efficiency and conservation in industry	Makati City Philippines
28-30 January	Fourth meeting on harmonization methods for analysing food products	Ouagadougou Burkina Faso
2-3 February	National workshop on the phase-out of methyl bromide for soil fumigation	Kutaisi Georgia
5 February	Seminar on industrial energy efficiency	Bangkok Thailand
9-11 February	Meeting on harmonization of common criteria related to the national quality award	Ouagadougou Burkina Faso
11 February	Kick off seminar on responding to the Doha Development Agenda—UNIDO and WTO technical cooperation programme for Cuba	Havana Cuba
12-13 February	Meeting on improvement of assessment criteria for UEMOA quality award	Ouagadougou Burkina Faso
12-15 February	First international conference on building material and construction technologies*	New Delhi India
16-18 February	Third coordination meeting on standardization bodies	Ouagadougou Burkina Faso
25-27 February	Regional workshop on capacity-building in food exports through regional harmonization of safety and quality systems in Eastern Africa	Kampala Uganda
2-5 March	Global Biotechnology Forum	Concepción Chile
3 March	Seminar on investment opportunities in Namibia and Mozambique	Mumbai India
5 March	Seminar on investment opportunities in Namibia and Mozambique	Chennai India
9 March	Seminar on investment opportunities in Namibia and Mozambique	Kuala Lumpur Malaysia

<i>Date</i>		<i>Place</i>
11 March	Seminar on investment opportunities in Namibia and Mozambique	Jakarta Indonesia
15-16 March	Financing small and medium-scale enterprises	Accra Ghana
15-17 March	Meeting on definition of a common position regarding technical barriers to trade	Ouagadougou Burkina Faso
16-17 March	Kick off seminar on responding to the Doha Development Agenda—UNIDO and WTO technical cooperation programme for Bolivia	La Paz Bolivia
22-24 March	Meeting on harmonization of technical inspection criteria	Ouagadougou Burkina Faso
22-26 March	Technical workshop on the regional network of cleaner production in Latin America and the Caribbean	San José Costa Rica
24 March	Meeting with All India Plastics Manufacturers Association on formulating interventions for development of plastic sector*	Mumbai India
24 March	Seminar on investment opportunities in Namibia and Mozambique	Shanghai China
26 March	Seminar on investment opportunities in Namibia and Mozambique	Hangzhou China
29-31 March	First meeting on definition of a common food sanitary position	Ouagadougou Burkina Faso
6 April	Meeting on formulation of interventions for development of the foundry, pump and motor sectors*	Coimbatore India
8 April	Meeting on initiating unit level intervention for the machine tool industry*	Bangalore India
15-16 April	Industrial Subcontracting and Partnership Exchange awareness seminar and official opening of SPX Chongqing	Chongqing China
19 April	Seventh advisory committee meeting of ICAMT*	New Delhi India
22 April	Steering committee meeting on national programme for the development of the Indian toy industry	New Delhi India
22-23 April	First bureau meeting of the Conference of African Ministers of Industry (CAMI)	Abuja Nigeria
26-29 April	Country task force meeting and workshop on communication of environmental and health situations in selected gold mining hotspots in the Tapajós area	Manaus Brazil
28 April	Round table on comprehensive investment promotion programme	Bishkek Kyrgyzstan
6 May	Workshop on technical barriers to trade	Hanoi Viet Nam
10-12 May	Final review meeting and dissemination workshop of the project “Biotechnological application of enzymes for making paper pulp from green jute/kenaf”	Dhaka Bangladesh

<i>Date</i>		<i>Place</i>
10-12 May	International forum on competitiveness policies for the productive sector in the context of free trade agreements	Bogota Colombia
17-18 May	Kick off seminar on responding to the Doha Development Agenda—UNIDO and WTO technical cooperation programme for Egypt	Cairo Egypt
17-20 May	Third African round table on sustainable consumption and production	Casablanca Morocco
20-21 May	Partners and donor conference on UNDP/GEF Dniper Basin environment rehabilitation programme	Kiev Ukraine
20-23 May	Establishment of quality assurance in laboratories in the field of food industries	Tunis Tunisia
25-27 May	Industrial Development Board, twenty-eighth session	Vienna Austria
29 May	Workshop on machine tool units	Ludhiana India
31 May	Inauguration of China's second Industrial Subcontracting and Partnership Exchange	Beijing China
5-12 June	Eighth annual meeting of UNIDO-UNEP National Cleaner Production Centres and programmes	Interlaken Switzerland
7-11 June	Competitiveness conference on global value chains and production networks: Promoting capability formation in South Africa	Pretoria South Africa
9 June	Steering committee meeting on national programme for the development of the Indian machine tool industry	New Delhi India
9-10 June	Kick off seminar on responding to the Doha Development Agenda—UNIDO and WTO technical cooperation programme for Mauritania	Nouakchott Mauritania
11 June	Meeting on machine tool manufacturing and selling*	Rajkot India
14-18 June	2004 Technology Fair of the Future	São Paulo Brazil
24 June	Workshop on toy industry upgrading	New Delhi India
29 June	Ethiopia—A market to discover. Economic investment opportunities	Padova Italy
2 July	Second bureau meeting of the Conference of African Ministers of Industry (CAMI)	Nairobi Kenya
8 July	Meeting on launch of national programme for the development of the machine tool industry	Pune India
9 July	Kick off seminar on responding to the Doha Development Agenda—UNIDO and WTO technical cooperation programme for Kenya	Nairobi Kenya

<i>Date</i>		<i>Place</i>
20 July	Launch of the 2004 Industrial Development Report	Vienna Austria
21 July	Kick off seminar on responding to the Doha Development Agenda—UNIDO and WTO technical cooperation programme for Jordan	Amman Jordan
29 July	Meeting with machine tool units on funding schemes for modernization of industry	Batala India
30 July	Meeting with machine tool units on Small Industries Development Bank of India schemes	Ludinana India
2 August	Meeting on upgrading of machine tool cluster	Pune India
12-13 August	Second national round table on cleaner production	Ho Chi Minh City Viet Nam
17-18 August	Expert group meeting for review of UNIDO-formulated GEF international waters project proposals	Lagos Nigeria
22-27 August	International seminar and exhibition on managing low-cost and innovative housing technologies*	Ahmedabad India
25 August	Seminar on energy efficiency in industry	Bucharest Romania
31 August- 3 September	Workshop on the phase-out of methyl bromide uses	Douala Cameroon
31 August- 4 September	Seminar on technology foresight methods and practices for Ukraine	Kiev Ukraine
8-9 September	Programme and Budget Committee, twentieth session	Vienna Austria
11-12 September	Regional workshop on water technology management	Manama Bahrain
12 September	Seminar on laboratory management from global laboratory practice to ISO 17025	Hanoi Viet Nam
16 September	Seminar on requirements for international accreditation of microbiology laboratories	Hanoi Viet Nam
17 September	Meeting on setting up a toy design and development institute	New Delhi India
21 September	Round table on investment	Bishkek Kyrgyzstan
21 September	National consultative meeting on industrial development, competitiveness and policy development	Kampala Uganda
21-23 September	Regional conference on resource sustainability—Closing the materials loop	Hyderabad India
22 September	Workshop on Netherlands management cooperation programme—technology upgrading	Udaipur India

<i>Date</i>		<i>Place</i>
27-29 September	Fifth internal technical workshop on coordination	Ouagadougou Burkina Faso
28 September	Awareness and information seminar on different issues related to quality in the food industries	Algiers Algeria
28-30 September	UNIDO-Iraq consultation seminar on programme planning of women/youth entrepreneurship development and SME counselling	Amman Jordan
30 September- 1 October	Fourth meeting of regional steering committee	Ouagadougou Burkina Faso
4-6 October	Workshop on strategic cost management sensitization for small and medium enterprises in the chemical and paper cluster*	Vapi India
4-8 October	Business meeting of the leather sector in Ethiopia with Italy and Spain 2004	Addis Ababa Ethiopia
7-13 October	Meeting on development of stone industry*	Cararra Italy
14 October	Kick off seminar on responding to the Doha Development Agenda—UNIDO and WTO technical cooperation programme for Armenia	Yerevan Armenia
18 October	Inauguration of Netherlands management cooperation programme—technology upgrading for the stone industry	Udaipur India
18 October	Country task force meeting on communication of environmental and health situations in small-scale gold mining hotspots in the Geita District, Lake Victoria area	Dar es Salaam United Republic of Tanzania
18-20 October	Fourth coordination meeting on standardization bodies	Ouagadougou Burkina Faso
25-27 October	Meeting on harmonization of technical zoo sanitary criteria	Ouagadougou Burkina Faso
27-29 October	Validation meeting on a draft law for the protection and information of consumers	Ouagadougou Burkina Faso
28-29 October	Second Climate Technology Initiative joint seminar on technology diffusion in Eastern Europe and the CIS	Vienna Austria
1 November	Subcontracting and partnership exchange seminar	Doha Qatar
2 November	Kick off seminar on responding to the Doha Development Agenda—UNIDO and WTO technical cooperation programme for Ghana	Accra Ghana
3-5 November	Subregional conference on improving industrial performance and employment promotion in West Africa	Dakar Senegal
8-10 November	Meeting on establishing responsibilities and regional procedures for accreditation	Ouagadougou Burkina Faso
9 November	Dissemination seminar on cleaner production and metal finishing industry	Hanoi Viet Nam

<i>Date</i>		<i>Place</i>
9-11 November	Industrial Development Board, twenty-ninth session	Vienna Austria
10-17 November	Third national food safety week	Addis Ababa Ethiopia
11 November	Seminar on accreditation for governmental audiences	Hanoi Viet Nam
12 November	Seminar on accreditation for industrial audiences	Hanoi Viet Nam
16 November	Development of corporate social responsibility in Croatia: The need for a comprehensive policy framework	Zagreb Croatia
16-19 November	Africa World Business Congress	Dakar Senegal
17 November	Technical seminar on energy efficiency in boilers	Hanoi Viet Nam
17-18 November	International seminar on emerging technologies for manufacturing excellence*	Bangalore India
18 November	Steering committee meeting of national programme for the development of the Indian stone industry	New Delhi India
18-19 November	Second international dissemination workshop on findings of the project "Biotechnological application of enzymes for making paper pulp from green jute/kenaf"	Hyderabad India
22 November	Seminar on industrial competitiveness	Ufa Russian Federation (Republic of Bashkortostan)
26-29 November	Seminar on technology foresight for the Republic of Bulgaria	Bansko Bulgaria
30 November- 1 December	Tumen River Investor Services (TRIS) network workshop	Vienna Austria
1-2 December	Workshop on validation of studies on rehabilitation and restarting of textile sector	Bujumbura Burundi
2 December	Traceability and impact on food industry	Tunis Tunisia
2-3 December	Workshop on methyl bromide alternatives	Gaborone Botswana
6-8 December	Meeting on establishing common criteria for national certification schemes	Ouagadougou Burkina Faso
6-8 December	First meeting on comparative analysis related to standards needed for trade exchange	Ouagadougou Burkina Faso
6-15 December	Workshop on food safety and processing (UNISWORK III)	Gebze/Kocaeli Turkey



<i>Date</i>		<i>Place</i>
8-10 December	Sixth internal technical workshop on coordination	Ouagadougou Burkina Faso
13 December	Seminar on industrialization and market access—metrology and testing requirement for export	Colombo Sri Lanka
13 December	Seminar on information technology network for the industrial sector	Algiers Algeria
13-14 December	Fifth meeting of the regional steering committee	Ouagadougou Burkina Faso
13-15 December	Meeting of UEMOA industrial sector experts	Ouagadougou Burkina Faso
15 December	Country task force meeting and workshop on communication of environmental and health situations in selected gold mining hotspots in Indonesia	Jakarta Indonesia
16-17 December	National workshop on the phase-out of methyl bromide alternatives	Havana Cuba
20 December	Stockholders forum on consumer representation in standardization and comparative testing	Islamabad Pakistan

\* ICAMT meeting (International Centre for Advancement of Manufacturing Technology).

<sup>a</sup> Includes meetings sponsored jointly with other organizations.

## APPENDIX O

### INDUSTRIAL STATISTICS

<i>Title</i>	<i>Description</i>
The International Yearbook of Industrial Statistics 2004	Provides worldwide statistics on current performance and trends in the manufacturing sector and facilitates detailed international comparisons relating to the manufacturing sector.
UNIDO Industrial Statistics Database at the 3-digit level of ISIC (Revision 2) (INDSTAT3), 2004 edition	CD-ROM sales version of the UNIDO database on selected key industrial statistics at the 3-digit level of revision 3 of ISIC (comprising 28 industrial branches) with user-friendly interfaces for data search, exporting and manipulation. For a summary description please consult the UNIDO website.
UNIDO Industrial Statistics Database at the 4-digit level of ISIC (Revisions 2 and 3) (INDSTAT4), 2004 edition	CD-ROM sales version of the UNIDO database on selected key industrial statistics at the most detailed level of ISIC (comprising 128 industries) with user-friendly interfaces for metadata reference, data search, exporting and manipulation. For a summary description please consult the UNIDO website.
UNIDO Industrial Demand-Supply Balance Database at the 4-digit level of ISIC (Revisions 2 and 3) (IDSB), 2004 edition	CD-ROM sales version of the UNIDO database on production, trade and consumption, in United States dollars, at the most detailed level of ISIC (comprising 128 industries) with user-friendly interfaces for data search, exporting and manipulation. For a summary description please consult the UNIDO website.

## ABBREVIATIONS

### A

AACC	Asia Africa Chamber of Commerce
AAITPC	Asia-Africa Investment and Technology Promotion Centre
ABR	African Business Round Table
AE	Associate Expert
AfrIPANet	Africa Investment Promotion Agency Network
ALABSUB	Association of Latin American Subcontracting and Partnership Exchanges
APCI	African Productive Capacity Initiative
APO	Associate Programme Officer

### B

BCIE	Central American Economic Integration Bank
BMS	Buildings Management Services
BPP	business partnership programme

### C

CAD	computer aided design
CAMI	Conference of African Ministers of Industry
CD	compact disk
CDM	Clean Development Mechanism
CDP	Committee for Development Policy
CE	Conformité Européenne
CEB	Chief Executives Board for Coordination
CEE	Central and Eastern Europe
CEMAC	Communauté Économique et Monétaire de l'Afrique
CFC	Common Fund for Commodities
CIT	Centro de Investigaciones Textiles
CITE	Technical and Economic Information Centre
CNC	computer numerical control
COMESA	Common Market of Eastern and Southern Africa
COMFAR	Computer Model for Feasibility Analysis and Reporting
COMPID	combating marginalization and poverty through industrial development
CP	cleaner production
CSAE	Centre for the Study of African Economies (University of Oxford)
CSER	corporate social and environmental responsibility
CSF	country service framework
CSO	civil society organization

**C** *(continued)*

CSR	corporate social responsibility
CTC	carbon tetrachloride

**D**

D	Director
DAC	Development Assistance Committee
DFID	Department for International Development (United Kingdom)
DFP	Dmitrov Food Park

**E**

EAE	energy and environment
EC	European Community
ECA	United Nations Economic Commission for Africa
ECLAC	United Nations Economic Commission for Latin American and the Caribbean
ECOSOC	United Nations Economic and Social Council
ECOWAS	Economic Community of Western African States
EDM	executive development and management
EMS	environment management systems
ESALIA	Eastern and Southern Africa Leather Industries Association
ESCAP	Economic and Social Commission for Asia and the Pacific
ESCWA	United Nations Economic and Social Commission for Western Asia
EU	European Union
EVG	Evaluation Group (UNIDO)

**F**

FAO	Food and Agriculture Organization of the United Nations
FDI	foreign direct investment
FICC	Federation of Indian Chambers of Commerce

**G**

GDP	gross domestic product
GEF	Global Environment Facility
GFP	Global Facilitation Partnership for Transport and Trade
GHG	greenhouse gas
GHP	good hygiene practices
GMP	good manufacturing practices
GNP	gross national product
GS	General Service

**H**

HACCP	hazard analysis and critical control point
HLCP	High-Level Committee on Programmes
HQ	headquarters
HRM	Human Resource Management Branch (UNIDO)

**I**

IAF	International Accreditation Forum
IBRD	International Bank for Reconstruction and Development
ICAMT	International Centre for Advancement of Manufacturing Technology
ICM	Information and Communication Management (UNIDO)
ICMET	International Centre for Materials Evaluation Technology
ICS	International Centre for Science and High Technology
ICSHP	International Centre for Small Hydropower
ICT	information and communication technology
IDDA	Industrial Development Decade for Africa
IDF	Industrial Development Fund
IDO	Industrial Development Officer
IDR	Industrial Development Report
IDSB	industrial demand-supply balance
IF	Integrated Framework
IIA	Institute of Internal Auditors
IITPP	Industrial Investment and Technology Promotion Profile
ILAC	International Laboratory Accreditation Cooperation
ILO	International Labour Organization
IMAAC	International Materials Assessment and Application Centre
IMF	International Monetary Fund
IMTS	International Manufacturing Technology Show
INDSTAT	industrial statistics
IOG	Internal Oversight Group (UNIDO)
IP	integrated programme
IPU	Investment Promotion Unit
ISIC	international standard industrial classification of all economic activities
ISO	International Organization for Standardization
IT	information technology
ITC	International Trade Centre (UNCTAD/WTO)
ITP	investment and technology promotion
ITPO	Investment and Technology Promotion Office

**J**

JPO Junior Professional Officer

**L**

LDC least developed country

LDC III Third United Nations Conference on the Least Developed Countries

LLPTI Leather and Leather Products Technology Institute

**M**

MDG Millennium Development Goal

MEF multilateral effectiveness framework

MENA Middle East and North Africa

MERCOSUR Mercado Común del Sur

MP Montreal Protocol

MSME micro, small and medium enterprise

MSRE micro and small rural enterprises

MTPF medium-term programme framework

**N**

NCPC National Cleaner Production Centre

NEPAD New Partnership for Africa's Development

NGO non-governmental organization

NIS Newly Independent State

NORAD Norwegian Development Agency

NP Nordic Partnership

NPO National Programme Officer

**O**

OB operational budget

OCG Office of the Comptroller General (UNIDO)

ODA official development assistance

ODP ozone depletion potential

ODS ozone-depleting substance

OECD Organisation for Economic Cooperation

OHCHR Office of the United Nations High Commissioner for Human Rights

OIC Organization of the Islamic Conference

OSCE Organization for Security and Co-operation in Europe

**P**

P	professional
PAC	Programme Approval Committee
PC	personal computer
POP	persistent organic pollutant
PREPAO	Regional Programme for West Africa
PRP	poverty reduction through private sector development
PRSP	Poverty Reduction Strategy Paper
PTC	Programme Development and Technical Cooperation Division (UNIDO)

**R**

RB	regular budget
RBM	results-based management
RIDC	UNIDO Regional Industrial Development Centre
RPTC or RP	Regular Programme of Technical Cooperation

**S**

SAARC	South Asian Association for Regional Cooperation
SADC	Southern African Development Community
SHP	small hydropower
SIPC	Shanghai Investment Promotion Centre
SM	service module
SME	small or medium enterprise
SPPD	support services for policy and programme development
SPS	sanitary and phytosanitary standards
SPX	subcontracting and partnership exchange
SRA	Special Resources for Africa
STA	Special Technical Adviser
STDF	Standards and Trade Development Facility
STS	support for technical services

**T**

TBT	technical barriers to trade
TC	technical cooperation
TCB	trade capacity-building
TF	trust fund
TICAD	Tokyo International Conference on African Development
TQM	total quality management
TRTA	trade-related technical assistance

**U**

UEMOA	West African Economic and Monetary Union
UNCTAD	United Nations Conference on Trade and Development
UND	UNIDO National Director
UNDAF	United Nations Development Assistance Framework
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
UNECE	United Nations Economic Commission for Europe
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNFIP	United Nations Fund for International Partnerships
UNFP	UNIDO National Focal Point
UNODC	United Nations Office on Drugs and Crime
UNOPS	United Nations Office for Project Services
UR	UNIDO Representative
USA	United States of America

**W**

WIPO	World Intellectual Property Organisation
WSSD	World Summit on Sustainable Development
WTO	World Trade Organization



GOVERNING BODIES

Office of the Comptroller General—OCG  
Internal Oversight Group  
Evaluation Group  
Information and Communication  
Management Services

**DIRECTOR-GENERAL**  
**Mr. C. Magariños**

Office of the Director-General  
Personal Office of DG  
UN, other Multilateral Bodies, Inter-  
agency Affairs and Public Information  
Strategic Direction, Management and  
Coordination

Geneva  
Office

New York  
Office

**Programme Development and Technical  
Cooperation Division—PTC**

**Programme Coordination and Field Operations  
Division—PCF**

**Division of Administration—ADM**

Industrial Promotion and  
Technology Branch

Multilateral Environmental  
Agreements Branch

Agro-industries and Sectoral  
Support Branch

Energy and Cleaner Production  
Branch

Small and Medium Enterprises  
Branch

Strategic Research and  
Economics Branch

Arab Bureau

Field Coordination and Resource  
Mobilization Branch

Asia and the Pacific Bureau

Africa Bureau

Europe and NIS Bureau

Latin America and the Caribbean  
Bureau

Investment & Technology  
Promotion Offices

Field Offices

Human Resource Management  
Branch

Secretariat of Governing Bodies

Financial Services Branch

Legal Services

Procurement Services

Buildings Management  
Services



**UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION**

Vienna International Centre

P.O. Box 300, 1400 Vienna, Austria

Telephone: (+43-1) 26026-0

Fax: (+43-1) 26926-69

E-mail: [unido@unido.org](mailto:unido@unido.org), Internet: <http://www.unido.org>