



United Nations Industrial Development Organization

Distr.: General
29 September 2009

Original: English

General Conference

Thirteenth session

Vienna, 7-11 December 2009

Item 11 of the provisional agenda

Implementation of the medium-term programme framework, 2008-2011, including:

- (a) Regional programme for Latin America and the Caribbean;
- (b) Regional programme for Africa;
- (c) Arab regional programme; and
- (d) Other regional programmes

Implementation of the medium-term programme framework, 2008-2011

Report by the Director-General

Supplements and updates of the report (GC.13/5-IDB.36/14) on the implementation of the medium-term programme framework, 2008-2011, including regional programmes, presented to the thirty-sixth session of the Industrial Development Board, 23-26 June 2009.

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I. Introduction

1. This document updates the information provided in document GC.13/5–IDB.36/14 on the implementation of the medium-term programme framework (MTPF) for 2008-2011, which was finalized in early May 2009. Since that report forms part of the documentation submitted by the Secretariat for the thirteenth session of the General Conference, this document should be seen as a supplementary document providing additional information on developments that have taken place since document GC.13/5–IDB.36/14 was prepared and also on latest activities undertaken in compliance with decision IDB.36/Dec.3 on the regional programme for Latin America and the Caribbean. The present document should therefore be read in conjunction with the prior one.

II. Programmes of technical cooperation

Poverty reduction through productive activities

2. Important activities took place in industrial policy formulation and implementation in the period under review. In connection with the major programme for Iraq referred to in paragraph 4 of document GC.13/5–IDB.36/14, a workshop was organized in Amman, Jordan in June 2009, followed by a full-scale round table in Vienna in August 2009. UNIDO also expanded its competitiveness programme in the Arab region. In order to strengthen such key institutions as the Palestine Trade Centre, the Palestinian Federation of Industries and the Ministry of the Economy, a training course was conducted in July 2009 on indicators of industry and trade competitiveness. This was the first of a series of activities designed to support these institutions in the design and implementation of industrial policies. In Africa, UNIDO provided ad hoc advice to the Southern African Customs Union (SACU) and the Southern African Development Community (SADC) to design regional industrial policies. At the country level, the Organization provided a combination of advisory services and medium-term capacity-building support, which will stimulate more evidence-based industrial policy decisions. In this context, an Industrial Studies Technical Unit/Industrial Observatory was established in Rwanda within the framework of the United Nations Delivering as One mechanism. Meanwhile, in Viet Nam a training workshop to review the new draft legislation on business registration was organized in the context of the ongoing Business Registration Reform project aimed at improving the business environment.

3. Policy advisory services were provided through an ongoing global project that seeks to improve access to essential drugs – notably those combating HIV/AIDS, malaria and tuberculosis – through the strengthening of local pharmaceutical production in developing countries. In Ghana and Kenya, UNIDO supported a process of multi-stakeholder consultations aimed at the adoption of a development strategy for the pharmaceutical sector, while in southern Africa it supported an initiative driven by the private sector to form a Southern African Generics Manufacturers Association (SAGMA) in its established support programme for business membership organizations.

4. UNIDO continued to support the development of small and medium enterprise (SME) clusters and networks in eight countries. In addition, a new project was

designed with India and Japan to combine the UNIDO cluster development approach with the One Village One Product (OVOP) approach in two African countries in collaboration with the UNIDO Centre for South-South Industrial Cooperation in India. A joint project proposal is also being formulated with the Inter-American Development Bank (IADB) for the Latin America region, with a view to disseminating local economic development and cluster development approaches to five countries. Also in relation to SME cluster development, UNIDO issued a joint publication in July 2009 with the Agence Française de Développement and conducted joint workshops with the International Training Centre of the International Labour Organization of the United Nations (ILO) in Turin, Italy, which included visits to clusters in Austria and Italy for professionals and policymakers from Latin America. Assessment studies on the impact of cluster and network development initiatives are under way in Ecuador, Ethiopia, and Senegal. In addition, a thematic evaluation of UNIDO's work in cluster development has been completed, and provides a strong endorsement of the programme as well as a set of recommendations to enhance its impact and dissemination.

5. Under the rural and women entrepreneurship programme, UNIDO has expanded its entrepreneurship curriculum programme (ECP) to secondary and vocational schools in the United Republic of Tanzania. In Namibia, more than 90,000 students were enrolled in the ECP in 2009, while in Angola, the syllabus for an ECP has been drafted. In Mozambique, UNIDO launched an ECP project in partnership with Portugal, combined with steps to establish One-Stop-Shops to enable entrepreneurs in these remote districts to gain access to comprehensive administrative support services for business promotion. In Viet Nam, UNIDO has initiated measures, in cooperation with ILO and with funding from the MDG Achievement Fund, to mainstream gender equality in the implementation of the SME Development Plan and the National Strategy on Gender Equality. Similar assistance with a focus on gender mainstreaming is being provided to Bhutan, Bolivia (Plurinational State of), Egypt and Pakistan. In China, UNIDO has initiated a joint programme with the State Ethnic Affairs Commission of China, ILO, the United Nations Development Programme (UNDP) and United Nations Educational, Scientific and Cultural Organization (UNESCO), with the financial support of the MDG Achievement Fund, to develop creative entrepreneurship opportunities for the ethnic minority population in the Guizhou and Yunnan provinces by integrating their cultural assets into competitive business development. Joint activities funded by the United Nations Trust Fund for Human Security have also been launched with UNDP, the United Nations Population Fund (UNFPA), United Nations High Commissioner for Refugees (UNHCR) and United Nations Children's Fund (UNICEF) in Armenia, with a view to improving the livelihood of vulnerable households by enhancing their entrepreneurial capabilities. In Sudan, UNIDO has expanded its assistance to strengthen the capacity of vocational training centres to develop entrepreneurial and technical skills and provide comprehensive business development services with the financial support of the Netherlands, the European Union, and the MDG Achievement Fund. Meanwhile, projects to develop an interregional network of business development services undertaken with the support of Perez-Guerrero Trust Fund have been completed in Eritrea, Kenya, Malawi, United Republic of Tanzania and Zimbabwe.

6. In agro-based industries, UNIDO's recent activities in the food processing sector have included the development of sectoral master plans, upgrading of value

chains and opening of market channels and rural development and productive capacity-building. The approach relies on linking rural producers with market distributors through the establishment of appropriate processing facilities and the required logistical infrastructure. Ongoing projects are being implemented in Burkina Faso (fruits and vegetables), Congo (fish, fruits and vegetables), Mali (shea-nuts, fruits and vegetables), Morocco (olive oil, cereals, fruits and vegetables) and Sudan (coastal fisheries). Additional projects have been prepared for Burkina Faso, Côte d'Ivoire, Madagascar and Mali, mostly in the dairy and meat value chains. Preparatory work is under way for the organization of a high-level conference in the first quarter in 2010 on agribusiness development in cooperation with the Food and Agriculture Organization of the United Nations (FAO), International Fund for Agricultural Development (IFAD), African Development Bank (AfDB) and African Union (AU). The objective of the conference is the establishment of a financial facility to enhance agribusiness in Africa. A benchmarking study for setting up a cotton yarn spinning operation in Africa was conducted with the objective of enabling selected cotton producing countries in sub-Saharan Africa to increase the value of cotton production within the region. In the leather sector, the main activities include the upgrading of the tanning and leather products industries in Bangladesh, Ethiopia, India, Mali, Nigeria and Rwanda. An international workshop on cleaner technology in the leather industry was conducted in Turkey for participants from Asia and Africa. Project development activities have also been carried out in China, India, Kenya, Lesotho, Mongolia and Pakistan, with the purpose of revitalizing the leather industries in these countries, with special emphasis on process optimization through cleaner technology techniques.

7. UNIDO has continued its efforts to promote industrial innovation. At the request of SADC, the Organization is designing a regional workshop to develop the capacities of senior government officials of the region to formulate science, technology and innovation policies. The regional workshop will be implemented in the first quarter of 2010 and is expected to be followed by a series of workshops at the national level to address the specific needs of the individual SADC member States. In this context, UNIDO has also entered into a dialogue with UNESCO to cooperate in innovation policy through the United Nations science and technology cluster. In the United Republic of Tanzania, UNIDO has been implementing a project to strengthen linkages between universities and the private sector, and to promote technology transfer originating from higher education, as a part of the One United Nations joint programme on education. In China, UNIDO has implemented a project involving six information and communication technology (ICT) parks to enhance the capacity and competitiveness of such parks.

8. UNIDO has continued to expand national capacities for new technologies and innovations through the operation of its International Technology Centres (ITCs) and through the development and implementation of sectoral technology upgrading programmes. In particular, the International Centre for Advancement of Manufacturing Technology (ICAMT) in India has developed and started to implement technology upgrading programmes in the machine tool, foundry and plastic sectors of India. The International Centre for Materials Technology Promotion (ICM) in China has developed large-scale national programmes to enhance the capacity of the manufacturing sectors of Bahrain and Morocco in the production of building materials based on local resources for affordable houses.

9. In its investment promotion activities, UNIDO has continued to implement the African regional investment programme. Since the programme was launched in late 2008, management and implementation structures have been established in the respective countries to ensure the follow-up of the programme. The fourth investor survey covering countries in Africa, revealed investment trends, the impact of investors on the respective economies, and investor characteristics and perceptions. It has been completed and the report containing an analysis of the results is being finalized. The online investment monitoring platform to host the survey database and serve as an investment promotion platform was launched in July 2009. Moreover, an e-learning programme is being developed to allow distance training of enterprise development and investment promotion (EDIP) and subcontracting and partnership exchange (SPX) staff members and entrepreneurs.

Trade capacity-building

10. With the financial support of the Italian Development Cooperation, and in accordance with the recommendations of previous evaluations, UNIDO assistance on export consortia has continued in Morocco and Peru. New project proposals have been developed for Algeria, Argentina, Armenia, Côte d'Ivoire, Egypt and Paraguay. The state of Jalisco in Mexico initiated an export consortia project using UNIDO methodology and expertise. The fourth session of the global training programme on export consortia took place in November. An e-learning training programme is being developed in order to reach more beneficiaries. Jointly with the Catholic University of Milan, a paper was published on "The strategic management of export consortia" reflecting UNIDO's experience in Morocco, Peru, Tunisia and Uruguay.

11. In the context of UNIDO's activities to promote corporate social responsibility (CSR), in Viet Nam, elements of the Responsible Entrepreneurs Achievement Programme (REAP) became the backbone of an European Union (EU)-funded project. With support from the Government of Croatia, UNIDO has developed plans to establish a CSR network for SMEs in Central, South, and Eastern Europe. The network was to be launched at a regional conference in Zagreb in October 2009 to foster the exchange of information, experiences and best practices in CSR, and to establish public-private partnerships in the region. A CSR component is also included in a project proposal to the MDG Achievement Fund on "Harnessing Sustainable Linkages for SMEs in Turkey's Textile Sector", jointly submitted by UNDP, ILO and UNIDO.

12. Given the changes that the automotive sector is undergoing globally, UNIDO is supporting small and medium-sized automotive component manufacturers in India, the Russian Federation, Serbia and South Africa to become more competitive and gain market access. A project was finalized in India to support more than 100 SMEs through the assistance of qualified local consultants trained in continuous improvement methodologies. UNIDO's assistance will be extended as part of the 2009-2014 Integrated Cluster Development Programme for India.

Environment and energy

13. The International Conference on Green Industry in Asia, which was held from 8 to 11 September 2009 in Manila and hosted by the Government of the Philippines in cooperation with the Economic and Social Commission for Asia and the Pacific (ESCAP), United Nations Environment Programme (UNEP) and UNIDO had the

theme, “Managing the Transition to Resource-Efficient and Low-Carbon Industries”. The conference focused on the issue that a low-carbon and resource-efficient pattern of industrial development would be the key to accelerating economic growth and environmental protection in the rapidly industrializing economies of Asia. Countries that follow a sustainable pattern of industrial development will be better placed to take advantage of the new market opportunities created by the shift towards resource-efficient and low-carbon production processes. After a series of technical discussions on various aspects of green industry, the Conference endorsed a Ministerial Declaration and Plan of Action that outlined the steps needed to reduce the resource intensity and greenhouse gas emissions of industries in Asia, and to track progress towards a low-carbon industrial future.

14. Project proposals to establish new National Cleaner Production Centres (NCPC) have been developed for Albania, Indonesia and the United Arab Emirates, as has a project proposal to strengthen the existing centre in Tunisia. A proposal to establish a knowledge-management network for the Arab Region has been approved, and is supported by the Government of Switzerland. UNIDO is also continuing to promote regional networks to link NCPCs and related centres in a given region, and has strengthened the global UNIDO-UNEP network of resource-efficient and cleaner production centres by hosting a meeting of NCPC Directors in Switzerland in October 2009.

15. In its water related programmes, UNIDO has continued to implement various water and sanitation projects funded by the Spanish MDG Achievement Fund. The Blacksmith Project supported by the European Commission and UNIDO has begun to identify and prioritize industrially polluted sites around the world, with the aim of developing remediation projects. Meanwhile, UNIDO has joined a multi-agency project, to be jointly implemented by UNEP, UNDP, UNIDO, International Maritime Organization (IMO), FAO, the World Food Programme (WFP) and UNESCO, and financed by the UNDP-Spain MDG Achievement Fund, to support sustainable forest management in Senegal. UNIDO’s contribution will involve technical cooperation to support capacity-building for the development of local communities in the form of social investments, equipment and environmental infrastructure.

16. The Multilateral Fund for the Implementation of the Montreal Protocol approved funding for more countries for the preparation of national hydrochlorofluorocarbons (HCFCs) phase-out management plans (HPMPs) by UNIDO, bringing the total number of countries for which UNIDO will prepare HPMPs to 42. In addition, UNIDO has been awarded nine tranches of multi-year agreements for the implementation of national and sectoral plans for the complete phase-out of chlorofluorocarbons (CFCs), as well as three institutional strengthening projects in Mexico, Syrian Arab Republic and Turkey. With respect to persistent organic pollutants (POPs), UNIDO was scheduled to hold a ministerial meeting to launch a forum on best available technologies and best environmental practices (BAT/BEP) for the Countries of Central and Eastern Europe, the Caucasus and Central Asia (CEECCA) in Bucharest, Romania, on 5 November 2009, in cooperation with the Government of Romania. The Forum was expected to issue a ministerial declaration, develop a regional action plan, and establish a trust fund.

17. As part of UNIDO’s activities under the energy efficiency cluster of UN-Energy, it is proposed to hold a side event and launch a publication on industrial

energy efficiency and climate change mitigation at the United Nations Framework Convention on Climate Change (UNFCCC) conference in Copenhagen in December 2009. UNIDO has also been instrumental in initiating the development of a knowledge management system for UN-Energy in order to enhance its operational capacity and visibility.

18. UNIDO and the United Nations Department of Economic and Social Affairs (UN-DESA) have been invited by the United Nations to serve as co-conveners of a United Nations working group on technology transfer. The aim is to enhance system-wide coherence and cooperation on climate change-related technology development and transfer. In this context, UNIDO has undertaken studies in South-East Asia to demonstrate how the role of existing centres and institutions can be augmented with regard to low carbon technology innovation and diffusion. In addition, UNIDO joined UNFCCC and infoDev, a World Bank initiative, in developing a study on technology innovation centres and networks, aimed at identifying options to enhance low-carbon innovation systems.

19. In June 2009 the Secretary-General of the United Nations established an Advisory Group on Energy and Climate Change under the chairmanship of the Director-General of UNIDO. The Group's mandate is to advise the Secretary-General on energy issues that are critical to a new climate change agreement and its effective implementation. UNIDO was invited to join this group, which is composed of about 20 experts, mainly from Chief Executive Officers from relevant companies, international financial institutions and other United Nations organizations. The group is scheduled to hold several meetings and prepare a set of recommendations for the Secretary-General in preparation for the UNFCCC climate change conference in Copenhagen.

20. In June 2009 a regional workshop on geothermal energy was held in Addis Ababa, Ethiopia. As a result, a declaration on geothermal energy was signed by ten East African countries, which agreed on the important potential of geothermal energy for East Africa's energy supply. As a follow up, the International Centre for Science and High Technology (ICS) and UNIDO were requested to develop a regional programme for "the promotion, exploration, exploitation and development of the geothermal energy resource". Following an invitation from the Government of Mexico, a study tour has been arranged for East African participants to visit geothermal sites in Mexico.

21. The International Energy Conference was held from 22 to 24 June 2009 in Vienna, and jointly organized by UNIDO with the Government of Austria and the International Institute for Applied Systems Analysis (IIASA). The Conference attracted more than 700 policy and decision makers from government institutions, multilateral organizations, the private sector, civil society and academia, including many renowned scientists and high-level experts in the field of energy and climate change. A report summarizing the conference and its joint recommendations has been issued. The Global Renewable Energy Forum (GREF 2009) was scheduled to be held from 7 to 9 October 2009 in León, Guanajuato, Mexico, in cooperation with the Mexican Ministry of Energy and was expected to provide the regional and international audience with high-level discussions related to renewable energy. Furthermore, a number of associated activities, including a Business and Technology Exhibition and other side events, are planned. The GREF 2009 provided a unique and timely opportunity to strengthen interregional cooperation and

encourage innovative multi-stakeholder partnerships aimed at scaling up renewable energy in Latin America and elsewhere, as well as a platform for the promotion of renewable energy.

22. Another important initiative launched by UNIDO is a sustainable energy programme for Small Island Developing States, which aims at supporting these countries in moving towards low carbon economies. The programme identifies key areas of intervention, provides the framework for the implementation of pilot projects, promotes the adoption of sound sustainable energy policies, and actively contributes to developing regional networks of key energy stakeholders. This programme includes UNIDO's "Global Sustainable Energy Islands Initiative" in selected Caribbean countries and the project "Renewable Energy Development for Electricity Generation and Productive Uses in Selected Pacific Islands States".

III. Other programme activities

New and emerging technologies

23. A project promoting the establishment of an International Industrial Biotechnology Network, which is intended to foster the application of sustainable biotechnology-related industrial practices in developing countries was approved in June 2009. It is financed through a Trust Fund Agreement with the Federal State of Flanders in Belgium. Additional financial inputs from the Institute of Plant Biotechnologies for Developing Countries (Ghent, Belgium) have been pledged to implement capacity-building activities. Separately, UNIDO is scheduled to hold an expert group meeting on "Knowledge-based bioeconomy as driver of economic development and industrial sustainability" in the last quarter of 2009 in Colombia.

24. UNIDO and the Government of the Islamic Republic of Iran have concluded an agreement to establish a \$3 million International Centre on Nanotechnology to be funded by the Government of the Islamic Republic of Iran under a Trust Fund Agreement with UNIDO. The main initial focus of the Centre will be on water waste and purification management. Meanwhile, an international workshop related to nanotechnology has been scheduled for December 2009 in cooperation with the Government of Turkey.

Human security and post-crisis rehabilitation

25. UNIDO has continued to offer support to secure the livelihoods and develop the productive capacities of people facing immediate risks and threats resulting from sudden disruptions in the pattern of daily life or chronic threats and vulnerabilities arising from their economic circumstances. In this context, UNIDO has mobilized \$14 million from the United Nations Trust Fund for Human Security for twelve projects in Afghanistan, Armenia, Bangladesh, Ghana, Guinea, Indonesia, Lao People's Democratic Republic (PDR), Malawi, Sri Lanka, Sudan, Uganda and the United Republic of Tanzania.

26. Particular emphasis is placed on cooperation with sister agencies of the United Nations system in the implementation of these projects. Thus, in cooperation with ILO and WHO, one project will seek to address livelihood, health and environmental risks faced by populations living in, and downstream from, artisanal

gold mining sites in Mozambique. Another proposed project in cooperation with UNODC will aim to tackle drug dependency, poverty and crime among the urban youth in the Lao PDR. Both projects aim to address structural problems resulting in chronic insecurities for the vulnerable people.

27. In designing its programmes aimed at reducing the vulnerabilities of the poorest segments of the population, UNIDO is continuing to adopt a people-centred approach, targeting female and male youth in particular. In this context, UNIDO has continued to implement activities to promote productive and decent work for youth in the Mano River Union countries of Côte d'Ivoire, Guinea, Liberia and Sierra Leone in a joint programme with ILO, UNDP and the Youth Employment Network (YEN). In addition to funding by the Government of Japan and complementary to already ongoing activities under the programme, a productive work model to create employment for marginalized youth has been given additional funds by the Government of Austria. It assists poor urban and rural youth to become active contributors to the economy and to contribute to stability and growth. The approach aims to complement the human security approach by reducing vulnerabilities to socio-economic risks and threats incurred by youth in the entire subregion through a long period of time.

28. In China, UNIDO is cooperating with other United Nations agencies in the implementation of the programme on protecting and promoting the rights of China's vulnerable migrants, and in particular the young migrants from rural to urban areas who are becoming an increasingly larger proportion of the informal sector in China.

Research and statistics

29. In view of the global capital and financial crisis unfolding since 2007, country studies were carried out during 2009 in selected developing countries to ascertain the effects of the crisis on manufacturing industry. Together with the country studies, sectoral studies were initiated in 2009 to identify how the effects of the crisis, and the prospects for the development of these sectors, have been influenced by the particular characteristics of these sectors and the conditions prevailing in the countries concerned. The results of the studies were to be presented in the forum "Rising to the Challenge of the Global Financial Crisis: Opportunities and Options for Competitive Asian Industries" organized jointly by UNIDO and Seoul National University, Republic of Korea, in November 2009. A compendium report will be produced during 2009.

30. In line with the ongoing research programme, the workshop on "Pathways to Industrialization in the 21st Century: New Challenges and Emerging Paradigms" was organized jointly with the MERIT and WIDER institutes of the United Nations University in October 2009. The event examined the issue of whether present paths to development through industrialization and structural change are still relevant for the bulk of developing countries, and considered appropriate policy implications.

31. As a significant achievement of its long-term efforts to produce a historically comparable data series, UNIDO launched its new INDSTAT2 database in 2009. Unlike the other databases, which contain data by different classification codes for different time periods and countries, this product presents business structure statistics from 1963 onwards by a single classification scheme and allows the user

to carry out long-term business structure data analysis for a large number of countries.

32. In 2009, UNIDO initiated some new activities aimed at expanding the coverage of its database and statistical products. These activities cover recent estimates of production data, pilot publication of mining and utility data, collection of quarterly production indices through secondary data sources, and the development of a methodology for energy statistics.

33. UNIDO contributed a methodological paper to the fourth East Asia Expert Meeting on Manufacturing Statistics in June 2009 in Cebu, Philippines, which further strengthened the cooperation with ASEAN. UNIDO has been recognized as a front-runner in the international statistical data and metadata system.

34. After a series of consultative meetings with the United Nations Statistics Division and other United Nations entities, UNIDO's industrial statistics database has now been successfully integrated into the One United Nations data system.¹

Partnership with the private sector and civil society

35. In recognition of the relevance of partnerships with the private sector as innovative sources of expertise, know-how and finance, UNIDO is continuing to promote initiatives with transnational corporations, with a particular focus on information and communication technologies (ICT). The partnership between UNIDO and Microsoft to provide affordable, high-quality secondary computers to rural small-scale entrepreneurs is being expanded to several countries in Africa and the Caribbean, and is being linked to larger recycling programmes to narrow the digital divide and to address the growing challenge of waste electrical and electronic equipment (WEEE). In this context, UNIDO is initiating additional partnerships with other corporations including Dell, Unicode and Hewlett-Packard to promote the development of green industries. The "Graduate Entrepreneurship Training through Information Technology" (GET-IT) programme launched in cooperation with Hewlett-Packard has also been expanded and now covers eight countries in Africa and the Middle East, namely Algeria, Egypt, Kenya, Morocco, Nigeria, Saudi Arabia, South Africa and the United Arab Emirates. Substantive synergies have also been developed between the enterprise development and investment promotion programme of the UNIDO ITPO Bahrain and the UNIDO entrepreneurship curriculum programme.

IV. Programme coordination and regional dimension

Country-level and regional coherence

36. UNIDO has continued to participate actively in endeavours to promote United Nations system-wide coherence in the Delivering as One (DaO) pilot countries and the United Nations Development Assistance Framework (UNDAF) roll-out countries. The Organization participated in the meeting of the United Nations Development Group (UNDG) on United Nations system-wide coherence and in the meeting of the UNDG Working Group for Resident Coordinators System Issues

¹ International data users can now access UNIDO industrial data through www.undata.org.

(WG-RCSI) in New York in June, and provided UNIDO-specific inputs on issues related to Resident Coordinators (RCs), Humanitarian Coordinators (HCs), and United Nations Country Teams (UNCTs). On that occasion UNIDO also participated with the United Nations Conference on Trade and Development (UNCTAD) in a meeting held by the United Nations Development Operations Coordination Office to review the status of the workplan for Non-Resident Agencies (NRAs). UNIDO is also involved in the UNDG Toolkit Reference Group, which provides support to countries in the utilization of the UNDG Toolkit.

37. UNIDO has received its first One Fund allocations for three DaO pilot countries, Albania, Pakistan and Viet Nam. In Viet Nam, the Organization received \$1,790,072 for its five programme components in the One Programme. In Pakistan, it received \$841,000 for the Joint Programme Component “Gender Equality Interventions for the One United Nations in Pakistan”. In Albania, the UNIDO component of the One Programme was approved and a One Fund allocation of \$215,000 received. In Uruguay, UNIDO received another \$231,281 from the Uruguay Coherence Fund in August for its ongoing technical cooperation programme for the design of public policies promoting sustainable production and employment. In the same month, 75 per cent of UNIDO’s 2009 allocation from the One Fund, amounting to \$139,491, became available. By now, UNIDO has received significant One Fund contributions for all DaO pilot countries. Meanwhile, in July 2009 the MDG Achievement Fund approved an allocation of \$81.5 million for the DaO pilot countries and several self-starters under the expanded “Delivery as One” funding window.

38. In addition to the establishment of the “DaO Monitoring Group” to coordinate and monitor the implementation of UNIDO’s commitments in the One Programmes of the DaO countries, UNIDO has been monitoring activities on the ground in all DaO pilot countries where it has been implementing technical cooperation programmes and projects since 2008. Such field missions will also be sent to some self-starter countries in Southern Africa to obtain information on their experience in developing DaO operations without the UNDG support received by the eight pilot countries, and to promote UNIDO technical cooperation programmes. Meanwhile, further steps are being taken to enable the Organization to participate in the Regional Directors Teams (RDTs) and Regional Managers Teams (RMTs) to support their important functions in the oversight and support of UNCTs.

39. After agreeing in principle in 2008 to pilot the Harmonized Approach to Cash Transfers (HACT) in the DaO pilot countries if applicable and in line with its rules and regulations, UNIDO began to test HACT in Mozambique, a DaO pilot country, in August. The Organization is presently participating in the identification process of the national counterpart agencies, which after a rigorous assessment will participate in HACT.

40. Efforts to strengthen the UNIDO field office network are continuing. In 2009 an additional two UNIDO Desks (UDs) were established in Mozambique and Uganda, taking the number of operational UD in the UNIDO field network to 17. Meanwhile, the programme and budgets for the biennium 2010-2011 provide for the establishment of up to two new Country Offices and for an increase in the number of National Programme Officers (NPOs), both of which will add great value to the field network.

41. The Secretariat is continuing to strengthen the substantive relationship and interaction of the technical branches and regional programmes at Headquarters with the decentralized UNIDO field offices. Detailed workplans have been developed for most of the countries covered and concrete efforts are being made to align the workplans for the development and implementation of technical cooperation activities with the workplans of the field offices.

42. The allocation of the programmatic support funds to the field offices has continued during the reporting period, with emphasis being given to supporting the formulation of technical cooperation activities raising funds for their implementation.

43. The joint evaluation of the UNIDO-UNDP Cooperation Agreement which provides, inter alia, for the enhancement of UNIDO's field presence through the establishment of UNIDO Desks, has been completed (document GC.13/6 and GC.13/7 refer).

South-South cooperation

44. A draft South-South cooperation strategy was completed in the second quarter of 2009, and is under internal review by the senior management of UNIDO. Similarly, the UNIDO Centre for South-South Industrial Cooperation (UCSSIC) in India has drafted a strategy paper for review and approval by the centre's Steering Committee, which was due to be established with the Government India and hold its first meeting in December 2009. Meanwhile, the UCSSIC in China has launched an initiative for bringing together Chinese and Latin American investors, with the first of these meetings expected to be held in early 2010 in the Bolivarian Republic of Venezuela. The expansion of the UCSSIC network is expected to continue, with further centres projected to be established in the Islamic Republic of Iran and in Morocco, where the Government has agreed to support the establishment of such a centre with a budget allocation of \$3 million.

Support for least developed countries

45. This year's least developed countries (LDC) Ministerial Conference was scheduled to take place from 3 to 4 December 2009 and will concentrate on the impact of the economic crisis on LDCs, as well as a series of impact studies on four agribusiness sectors in various LDCs in Africa and Asia.

V. Programme support and management services

46. UNIDO has continued its efforts to become fully compliant with the International Public Sector Accounting Standards (IPSAS) by 1 January 2010. The essential policies on property, plant and equipment, employee benefits, revenue recognition, intangible assets and inventories, which have implications across the Organization, have been completed. The development of system-related processes on these standards and testing is under way. Preparations are also under way to initiate a comprehensive training programme on IPSAS for UNIDO staff. A progress report on IPSAS is presented in document GC.13/10.

47. UNIDO's efforts to attain compliance with the fiduciary standards set by the Global Environment Facility (GEF) are also continuing. PricewaterhouseCoopers (PWC), appointed by GEF to conduct a comparative analysis of the initial assessment submitted by the GEF agencies and to prepare a final report for presentation to the GEF Council, submitted its final summary report on the Fiduciary Standards Review in May 2009. UNIDO is rated as fully compliant by PWC on the standards of Internal Audit, Procurement, Evaluation Function and Investigation Function. In four other standards it significantly meets the requirements (60-70 per cent). With regard to the standard on Financial Management and Control Framework, it has been decided to engage a consulting agency to carry out the documentation of the internal control framework and to introduce an enterprise risk management system. The Joint Advisory Committee will finalize the Code of Ethics, the policy on protection against retaliation and the financial disclosure policy, to bring UNIDO into compliance with these three standards. Full project appraisal and monitoring mechanisms, including projects at risk, are also being prepared to meet the standards. It was foreseen that a revised and updated monitorable action plan was to be submitted to the GEF Council for review in mid-October 2009.

48. UNIDO's Enterprise Resource Planning (ERP) system was successfully upgraded on 1 July 2009. The new version is equipped with an IPSAS enabling inventory management module and fixed assets module. In the future, the new version will also enable web features that will support, inter alia, both better automation at Headquarters and the connectivity of UNIDO field offices.

49. The execution of the comprehensive procurement training programme aimed at raising awareness of staff of the Procurement Manual and compliance with the requirements, has made further progress. About 80 per cent of relevant staff had taken the basic procurement test with self-certification by 20 August 2009. In addition, five different procurement training modules were introduced as planned. The first module, an overview of the procurement process for staff, started with two sessions in June 2009. The second module, on terms of reference and technical evaluations was offered in September 2009. Further modules on decentralized procurement, procurement ethics, and fiduciary standards were being administered to specific target groups in the remaining months of 2009.

50. Additional training sessions of the Professional Development Programme were held throughout 2009. These were attended by staff at the P-1 to P-4 levels as well as National Programme Officers. Six-monthly follow-up evaluations of the programme have also been introduced to monitor the feedback and evaluate the intervention over time.

51. The selection process for the Young Professionals Programme has been completed. Ten candidates have been endorsed by the selection panel and approved by the Director-General and were expected to report for duty between 1 October and 1 December 2009.

52. The Joint Advisory Committee (JAC), the formal staff-management consultative body, continued its work and held eleven meetings between May and 15 August 2009, during which it reviewed various staff related matters and various policies of human resource management.

53. Following the tradition set by the Director-General, the Managing Director of the Programme Support and General Management Division (PSM) introduced a practice of meeting with staff of the Division.

VI. Regional programme for Latin America and the Caribbean

54. During the period under review, promotional activities were undertaken with regard to the UNIDO Technical Assistance Knowledge Bank (UKB). Contributions from the Plurinational State of Bolivia, Peru and the Bolivarian Republic of Venezuela were added to the Bank, and a number of technical cooperation activities were implemented in Peru in SME development with the support of the Bolivarian Republic of Venezuela. The UKB is becoming a valuable tool for South-South cooperation and currently has more than 40 offers of technical assistance from several LAC countries, including Argentina, Chile, Cuba and Mexico.

55. After a successful funds mobilization campaign for the UNIDO Renewable Energy Observatory for Latin America, the implementation phase of this regional project was started and the first technical workshop was held in Medellin, Colombia, in July 2009 with the participation of Brazil, Colombia, Costa Rica, the Dominican Republic, Ecuador, Mexico, Paraguay and Uruguay. The workshop provided the opportunity for representatives to hold a proactive dialogue oriented towards guaranteeing an effective start of operations for the Observatory for Renewable Energy in each country. The programme has also succeeded in securing further funds for its operations in 2010, and a Memorandum of Understanding covering cooperation for this project has been signed with the Latin American Energy Organization (OLADE).

56. The overall resource mobilization activities performed by UNIDO from January 2006 to August 2009 for the implementation of activities in the LAC region have been continued and strengthened. In recent years, significant financial resources for all the regional programmes for LAC were mobilized for the implementation of various initiatives and projects in relevant priority areas.

57. As indicated in paragraph 21, GREF 2009 was held in October 2009 in Leon, Guanajuato, Mexico, hosted jointly by UNIDO and the Ministry of Energy in coordination with the Ministry of Foreign Affairs of Mexico. Participants included the main stakeholders, ministries of energy from all over the world, key institutions from the LAC region such as the United Nations Economic Commission for Latin America and the Caribbean (ECLAC) and OLADE, and relevant institutions from other regions. In support of South-South cooperation activities, a study tour focusing on geothermal issues was organized for twelve delegates from African countries to visit Mexico and take advantage of this event. The UNIDO Renewable Energy Observatory platform was officially presented at this Forum, which also highlighted the work performed by participating countries in setting up their national Observatories.

58. Further measures have been taken during the reporting period to promote subregional technical cooperation programmes, as indicated below:

(a) UNIDO has been in communication with CARICOM/CARIFORUM with regard to scheduling a validation seminar on the UNIDO/CDE assessment which will serve as a basis for the development of a programme for the Caribbean region;

(b) Progress has been made in connection with the UNIDO-CARIBBEAN Partnership for the Creative Audiovisual Industries. Negotiations have also been initiated with the EU-APC window to support creative industries. In addition, UNIDO is exploring the potential for cooperation with the Latin American and Caribbean Economic System (SELA) for joint programmes with the Caribbean region/CARICOM. A plan of action is being developed for 2010;

(c) Consultations are continuing with the Community of Andean Nations (CAN) to define the scope for further regional cooperation with UNIDO;

(d) Following a two-year preparatory assistance exercise undertaken by UNIDO, the final assessment report by the Secretary-General of the Secretariat for the Central American Economic Integration (SIECA) was presented to the Council of Central American Ministers of Economic Integration (COMIECO) in June 2009. It served as a basis for the ongoing formulation of the Central American regional programme to support the creation of a regional system for quality control and the application of sanitary and phytosanitary measures in Central America in 2010-2014, to be funded by the EU and with SIECA as a regional counterpart. Discussions are under way to provide additional support to SIECA in this area.

59. UNIDO organized several meetings during the period under review with partner organizations in order to finalize the design of the new regional programme for the purpose of increasing the global competitiveness of the Latin American leather industry. A concept note was sent to the European Commission for consideration and further steps will be taken based on the response received.

60. Under the second phase of the Global Mercury Programme, initial activities were launched in Colombia in mid-2009 in the framework of a self-financed trust fund agreement between UNIDO and the regional authorities in Antioquia, Colombia, through which UNIDO is giving preliminary assistance to the artisanal gold mining communities in the region of Segovia. In addition, UNIDO has made further efforts to mobilize additional funds for this programme. These funds mobilization activities have focused on the Global Environment Facility, the EU and bilateral donors, and aimed at securing resources for mercury abatement projects in the artisanal gold mining sector in Latin America.

61. UNIDO has noted the need for a third meeting of experts as a means to update the existing initiatives and define new activities. Accordingly, planning for this event will commence upon the finalization of the preliminary report currently being prepared. It is anticipated that the report will be completed by the first quarter of 2010.

VII. Regional programme for Africa

62. Within the Enhanced Integrated Framework (EIF) for Trade-Related Technical Assistance to least-developed countries (LDCs), UNIDO is formulating programme proposals to strengthen productive capacities in selected countries such as Benin, Lesotho, Rwanda and Senegal. The programme aims at addressing issues pertaining

to support regulatory and institutional capacities, capacity-building in technical barriers to trade (TBT) and sanitary and phytosanitary measures (SPS), as well as improving productivity and competitiveness in priority sectors. The programme is a natural complement to existing UNIDO services such as the upgrading and restructuring programme.

63. UNIDO is also extending the regional coverage of the Uganda computer refurbishment programme to Kenya, Nigeria and Senegal in order to narrow the digital divide. The project also aims at contributing to the sustainable economic and social development of sub-Saharan Africa, with a view to reduce poverty, increase productive employment, and promote a global partnership for development.

64. In another important development, UNIDO is supporting the efforts of the Federal Government of Nigeria and the Bank of Industry in Nigeria to strengthen the productive and trade capacities of the cotton, textile and garment industry in Nigeria through a value chain development approach. In particular, the project aims at promoting the conformity of these products to international standards, and to enhance their access to national, regional and international markets.

65. Following a meeting at the eleventh African Union (AU) Summit in Sharm El-Sheikh, Egypt, in June 2008, the Executive Secretary of International Conference of the Great Lakes region expressed interest in the UNIDO youth employment skills development initiatives, similar to the Multi-stakeholder Programme for Productive and Decent Work for Youth in the Mano River Union. The UNIDO methodology in addressing this request will consist in following a subregional approach in two clusters of countries comprising Burundi, Democratic Republic of Congo (North and South Kivu provinces) and Rwanda in Cluster 1, and Malawi, Zambia and Zimbabwe in Cluster 2. The project will contribute to the achievement of sustainable development and peace consolidation by creating opportunities for productive work for under- and unemployed youths in the subregion.

66. UNIDO is also continuing to implement important energy-related projects in Africa, including mini-hydro projects in Burundi and Rwanda, and renewable energy systems (RES) projects in Kenya focusing on the provision of electricity to off-grid areas from renewable energy technologies, such as micro-hydro, biogas, wind, solar and straight vegetable oil (SVO) fed generators. Further projects currently being developed focus on RES in Benin and Uganda, and local manufacturing of micro hydropower turbines in Nigeria. In August 2009 UNIDO launched a large industrial energy efficiency project in South Africa, funded by Switzerland.

VIII. Arab regional programme

67. Within the framework of the regional programme for the Arab Countries, a preparatory assistance proposal has been formulated for the development of a comprehensive technical cooperation programme in the Mediterranean region. This programme will be implemented by UNIDO in cooperation with the Union for the Mediterranean (UfM) in the context of the Mediterranean Business initiative.

68. In August 2009 a joint declaration was signed between UNIDO, the Egyptian Ministry of Trade and Industry, and South Africa as chair of the eighteenth session

of the Conference of African Ministers of Industry (CAMI 18) for the purpose of creating industrial initiatives that lead to the realization of the MDGs and promoting South-South cooperation.

69. Also in August 2009 UNIDO hosted a legislative round table in Vienna dedicated to the legislative assessment of the legal framework for private sector development in Iraq.

IX. Regional programme for Asia and the Pacific

70. In the Asia and Pacific region UNIDO has continued to provide a variety of services at the subregional and national levels in all of the Organization's three thematic areas of poverty reduction through productive activities, trade capacity-building, and environment and energy.

71. In poverty reduction, a project to conduct a survey of post-harvest losses of the main food commodities in the countries of the Association of Southeast Asian Nations (ASEAN) will be funded by the Republic of Korea. The project aims to conduct a baseline study for the development of technical cooperation projects for the reduction of post-harvest losses in Cambodia, Indonesia, Lao PDR, the Philippines, Thailand and Viet Nam. The project will identify the policy, economic and technological frameworks governing selected branches of the agricultural and food industries in the countries covered. This will allow a comparison of different approaches in similar climatic areas and the results achieved, and enable the identification of successful interventions as well as gaps and specific needs.

72. A project has been formulated in cooperation with IFAD to produce a value chain development tool for practitioners in India, Indonesia and Thailand, and IFAD has expressed interest in providing financial support. The project aims at consolidating value chain analysis methods and tools in the Asia and the Pacific Region, and at increasing the number of practitioners and stakeholders familiar with the approach. It also aims at sharing knowledge and best practices between UNIDO and IFAD to support pro-poor value chain development.

73. In July 2009 UNIDO and the Government of India signed the Integrated Cluster Development Programme (2009-2014) for India, which will address poverty issues and contribute to environmental sustainability. The programme is designed to provide a comprehensive, integrated response to a variety of constraints affecting the performance of small and medium enterprises in pre-selected clusters, including business expansion, income and job creation, product quality, environmental sustainability and community development. The \$5.9 million cluster development programme will focus on technology, management, skills development, and the environment. It will be implemented by 2014 at sites in Pithampura, Chennai, Pune, Ankhleswar, Kanpur, and New Delhi, matching the specific needs of each industrial location.

74. In the context of the thematic priority of trade capacity-building, the subregional programme for LDCs of the South Asian Association for Regional Cooperation (SAARC) has been implemented smoothly. In addition, UNIDO has recently initiated a study in Bangladesh, India, Indonesia, Malaysia, Nepal, Pakistan, the Philippines, Sri Lanka, Thailand, and Viet Nam for the period of

May 2009 to September 2010, aiming to assess the impact of ISO 9001 in developing Asian economies.

75. With regard to renewable energy and energy efficiency, UNIDO has developed and implemented a series of projects in the subregions of South-East Asia and South Asia in cooperation with the countries of these regions. The funding for these projects has been derived mainly from the Global Environment Facility.

X. Regional programme for Europe and the Newly Independent States

76. Within the framework of its Regional Programme for Europe and the NIS, UNIDO has continued to participate actively in the formulation of new United Nations Development Assistance Framework (UNDAF) documents. This process has been successfully completed and the resulting documents have been approved by the respective Governments of Armenia, Bosnia and Herzegovina, Kazakhstan, the former Yugoslav Republic of Macedonia, Turkmenistan and Uzbekistan. UNIDO's input has been duly provided and reflected in the UNDAF documents. At present the work continues on preparing the new UNDAF documents for five 2009 roll-out countries (Azerbaijan, Belarus, Georgia, Serbia and Turkey).

77. UNIDO has officially joined the One United Nation Programme in Albania, under which the first joint UNIDO-UNEP project for the establishment of a National Cleaner Production Centre will be implemented. The project, which was approved by the Government of Albania in June 2009, will be funded from the One United Nations Coherence Fund established in Albania.

78. An Administrative Agreement has been signed between UNIDO and the Russian Federation on the provision of an annual special purpose contribution to the Industrial Development Fund of \$2.6 million. Four projects have been selected for funding from this voluntary contribution of the Russian Federation to UNIDO.

XI. Action required of the Conference

79. The Conference may wish to take note of the information provided in the present document.

List of abbreviations

A

AfDB	African Development Bank
AIDS	acquired immune deficiency syndrome
ASEAN	Association of Southeast Asian Nations
AU	African Union

B

BAT	best available techniques
BEP	best environmental practices

C

CAMI	Conference of African Ministers of Industry
CAN	Community of Andean Nations
CARICOM	Caribbean Community
CARIFORUM	Caribbean Forum of ACP States (Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, St. Kitts and Nevis, Saint Lucia, St. Vincent and the Grenadines, Suriname and Trinidad and Tobago)
CDE	Centre for the Development of Enterprise
CEECCA	Countries of Central and Eastern Europe, the Caucasus and Central Asia
CFC	chlorofluorocarbon
COMIECO	Council of Central American Ministers of Economic Integration
CSR	corporate social responsibility

D

DaO	Delivering as One
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E

ECLAC	Economic Commission for Latin America and the Caribbean of the United Nations
ECP	entrepreneurship curriculum programme
EDIP	enterprise development and investment promotion
EIF	enhanced integrated framework
ERP	Enterprise Resource Planning
ESCAP	Economic and Social Commission for Asia and the Pacific of the United Nations

EU	European Union
F	
FAO	Food and Agriculture Organization of the United Nations
G	
GC	General Conference
GEF	Global Environment Facility
GET-IT	Graduate Entrepreneurship Training through Information Technology
GREF	Global Renewable Energy Forum
H	
HACT	Harmonized Approach to Cash Transfers
HC	Humanitarian Coordinator
HCFC	hydrochlorofluorocarbon
HIV	human immunodeficiency virus
HPMP	hydrochlorofluorocarbon phase-out management plan
HRM	human resource management
I	
IADB	Inter-American Development Bank
ICAMT	International Centre for Advancement of Manufacturing Technology
ICM	International Centre for Materials Technology Promotion
ICT	information and communication technology
ICS	International Centre for Science and High Technology
IFAD	International Fund for Agricultural Development
IIASA	International Institute for Applied Systems Analysis
ILO	International Labour Organization of the United Nations
INDSTAT	industrial statistics database
infoDev	Information for Development Programme
IMO	International Maritime Organization
IPSAS	International Public Sector Accounting Standards
ISO	International Organization for Standardization
ITC	International Technology Centre
ITPO	Investment and Technology Promotion Office

J

JAC Joint Advisory Committee

L

LAC Latin America and the Caribbean

LDC least developed country

M

MDG Millennium Development Goal

MERIT Maastricht Economic and Social Research and Training Centre on Innovation and Technology of the United Nations University

MTPF medium-term programme framework

N

NCPC National Cleaner Production Centre

NIS Newly Independent State

NPO National Programme Officer

O

OLADE Organización Latinoamericana de Energía

OVOP One Village One Product

P

PDR People's Democratic Republic

POP persistent organic pollutant

PSM Programme Support and General Management Division of UNIDO

PWC PricewaterhouseCoopers

R

RC Resident Coordinator

RDT Regional Directors Team

REAP Responsible Entrepreneurs Achievement Programme

RES renewable energy system

RMT Regional Managers Team

S

SAARC South Asian Association for Regional Cooperation

SACU Southern African Customs Union

SADC Southern African Development Community

SAGMA	Southern African Generics Manufacturers Association
SELA	Latin American and Caribbean Economic System
SIECA	Secretariat for the Central American Economic Integration
SME	small and medium enterprise
SPS	Sanitary and phytosanitary measures
SPX	subcontracting and partnership exchange
SVO	straight vegetable oil
T	
TBT	technical barriers to trade
U	
UCSSIC	UNIDO Centre for South-South Industrial Cooperation
UD	UNIDO Desk
UfM	Union for the Mediterranean
UKB	UNIDO Technical Assistance Knowledge Bank
UN	United Nations
UNCT	United Nations Country Team
UNCTAD	United Nations Conference on Trade and Development
UN-DESA	United Nations Department of Economic and Social Affairs
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNEP	United Nations Environment Programme
UNDAF	United Nations Development Assistance Framework
UNDG	United Nations Development Group
UNFCCC	United Nations Framework Convention on Climate Change
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNODC	United Nations Office on Drugs and Crime
US	United States of America
W	
WEEE	waste electrical and electronic equipment
WFP	World Food Programme of the United Nations

WG-RCSI	Working Group for Resident Coordinators System Issues of the United Nations Development Group
WHO	World Health Organization
WIDER	World Institute for Development Economics Research of the United Nations University
Y	
YEN	Youth Employment Network
