



**Regional programme for Latin America and the Caribbean:
Reference framework¹
2006-2009**

30 November 2007

¹ This document has been officially edited.

**Regional programme for Latin America and the Caribbean,
2006-2009:
Reference framework**

30 November 2007

Executive summary

The regional programme forms part of the process of optimizing the technical cooperation provided by UNIDO in the Latin American and Caribbean (LAC) region. It is a regional programme whose ultimate objective is to ensure maximum cohesion between the technical assistance offered by UNIDO and the industrial development priorities of each Latin American and Caribbean country. The technical cooperation and assistance projects and initiatives arising out of this programmatic framework are accordingly consistent both with the countries' development agendas and with UNIDO's thematic areas of action.

The joint identification of areas of work and operation on the regional and subregional scales is reflected in specific technical projects jointly defined by the countries of the Latin American and Caribbean Group (GRULAC) and UNIDO. The implementation of these projects requires a clear strategy for the mobilization of technical, human and financial resources, which is an essential part of the regional programme.

1. Background and context

The regional programme has arisen in response to the request of the Latin American and Caribbean countries for the establishment of a mechanism to support, execute, follow up and strengthen the technical assistance activities provided by UNIDO in the region.

The General Conference of UNIDO, in resolution GC.11/Res.1, adopted at its eleventh session held in 2005, called upon its Director-General, taking into account the Organization's strategic long-term vision statement, to adopt, in consultation with the Latin American and Caribbean Member States, the necessary measures for the establishment of a regional programme.

The regional programme for Latin America and the Caribbean is the expression of the commitment to optimize the effectiveness and impact of technical assistance in the region, enhancing the role of UNIDO and promoting the sustainability of its technical cooperation activities. The regional programme is a reference framework for UNIDO's regional activities in Latin America and the Caribbean. It establishes the general profiles of activities that can be pursued by UNIDO in the region, complemented by national initiatives (such as the integrated programmes) and the promotion of cooperation between regions.

Within the framework of the United Nations system, UNIDO's comparative advantage as an agency specializing in the promotion of industrial development lies in its capacity to offer technical assistance in the following spheres:

- (A) Poverty reduction through productive activities;*
- (B) Trade capacity-building;*
- (C) Energy and environment.*

2. Objective of the regional programme

The specific objective of the regional programme is to establish a framework of medium- and long-term action by UNIDO to support the industrial development efforts of the countries of the region.

2.1. Expected outcomes

The regional programme seeks:

- To develop systematic and ongoing dialogue between UNIDO and GRULAC with a view to identifying and periodically reviewing the priorities of the region;
- To optimize the technical assistance provided by UNIDO to Latin America and the Caribbean;
- To establish a resource mobilization strategy that involves both external financing modalities and co-financing modalities using funds from recipient countries.

The implementation of the regional programme will make it possible to share experiences, increase cooperation between regions and strengthen alliances, thereby enhancing the region's productivity and competitiveness.

The programme will be periodically reviewed according to the industrial development needs of the region.

3. Methodology

The regional programme uses the tools designed by UNIDO to facilitate the analysis and preparation of initiatives and projects that are geared to the particular needs of each Latin American and Caribbean country, such as the CNA method,² STEP method³ and SWOT matrix,⁴ among others.

4. Thematic priorities

Within the framework of the thematic areas developed by UNIDO, the countries of the region have prioritized the following themes:

- Industrial innovation and competitiveness and foreign trade;
- Promotion of investment, innovation and technology;
- Cleaner production;
- Productive chains/value chains;
- Technology foresight;
- Business alliances;
- Services for the promotion and adaptation of international standards.

5. Support mechanisms

The following support mechanisms inter alia have been approved:

1. Technical assistance knowledge bank

The establishment of a tripartite technical assistance knowledge bank has been approved as a cross-cutting support tool based on contributions from countries through the sharing of expertise and experiences to foster horizontal cooperation.

The mechanism would operate through the provision of free hours of technical assistance and consultancy services by countries of the region in accordance with specific terms of reference agreed between the country requesting and the country offering the technical assistance and UNIDO. The scheme would be administered by UNIDO in conformity with its internal procedures, matching countries' supply and demand and proposing the necessary technical and financial support.

It is planned to extend the coverage of the technical assistance knowledge bank to other regions of the world with the aim of taking advantage of best practices in the industrial development process.

2. Observatory on renewable energy

This is a multidisciplinary tool for promoting the use of renewable energy with the assistance of national observatories set up with the support of UNIDO.

The objectives of this mechanism are:

- (i) To combine renewable energy efforts within and outside the region;

² CNA: country needs assessment method, i.e. analysis by individual country, identifying factors that can be scaled up at the regional level, with biennial reviews.

³STEP: method of multiple analysis from a social, technological, economic and political perspective.

⁴SWOT matrix: framework of analysis of strengths, weaknesses, opportunities and threats.

- (ii) To increase investment in renewable energy sources for productive and industrial applications;
- (iii) To provide technical and scientific capacities in the area of sustainable and affordable energy, an essential requirement for sustainable industrial and productive development and poverty reduction;

taking into consideration the work carried out by UNIDO (annex).

3. Consultative mechanism

Dialogue mechanisms have been set up in the form of, inter alia, thematic and subregional expert group meetings to generate opportunities for sharing information with the different stakeholders involved in development projects (UNIDO, GRULAC and public and private sector counterparts) with a view to defining strategic and priority action areas for the region, identifying resources for their execution and follow-up and assessing the evolution of the regional programme.

The network of UNIDO offices in the region will serve as a facilitator for these dialogue mechanisms.

4. Establishment of a virtual community, with videoconferencing capability, on the themes of advanced technologies and competitiveness and updating of UNIDO's activities in the region.

6. **Implementation**

Starting out from the existing mechanisms (Industrial Development Fund, voluntary donations, an agreement with the Organization of American States, an agreement with the Ibero-American Secretariat, etc.), the UNIDO strategy for the mobilization of resources consists in:

(1) Continuing to negotiate with bilateral and multilateral donors on the submission of projects defined by countries of the region on the basis of the support instruments approved under this programme for the channelling of fresh financial resources;

(2) Intensifying the dialogue with the countries of the LAC region with a view to identifying priorities and the national financial resources that can be assigned to supporting UNIDO activities;

(3) Developing a partnership between the LAC countries and potential financing bodies (such as the Global Financial Facility (GEF), the Montreal Protocol, the Industrial Development Fund, donor countries and the European Union).

These resource mobilization activities, for this area or other areas of interest to the region, need to be continued and strengthened. A fundamental role must be played by the LAC States in the implementation of the resource mobilization strategy. If there is an interest on the part of the LAC countries in obtaining support from UNIDO for meeting the priorities of the region with EU funds, a clear manifestation of such interest should be communicated to both UNIDO and the EU delegation in each LAC region. Based on this, UNIDO will be in a position to continue the follow-up and begin the concrete preparation of cooperation programmes.

In addition to financial resources, the Regional Programme envisages access to other resources that are equally important for the successful carrying out of initiatives and projects. The limitations of the region with regard to financing require the introduction of alternative, innovative mechanisms for the implementation of technical cooperation projects. The UNIDO proposal to the region has a horizontal character and foresees the establishment of (1) an ongoing mechanism for consultation and programming with the regional counterparts (consultative groups) and (2) a mechanism for technical cooperation between the regions and with the industrial knowledge bank being developed in UNIDO, referred to respectively in the methodological section and in the section on projects under way.

The success of the technical assistance projects requires the active participation of the beneficiary, contributing material, human and technical resources and playing a leadership role in the implementation

of the cooperation, adjusted to the beneficiary's specific needs. The LAC region has certainly developed its human capital significantly, and would consequently like to see an increased contribution of the human resources of the region to the development of the various projects to be identified jointly in the context of this Regional Programme. The participation of personnel from the region is very important in view of their greater understanding of and sensitivity to the needs for sustainable industrial development in harmony with social cohesion of which LAC is increasingly becoming aware.

In order to identify the resources both at the individual and institutional level available to the beneficiary for the implementation of projects, it would be important for the countries of the region to involve the relevant stakeholders and centres in the public and private sector (for example, cooperation managers, technological centres, entrepreneurial chambers) in the mechanisms proposed here for dialogue with UNIDO. This will also reinforce horizontal cooperation bodies (including bodies with an extraregional scope, such as those that are being created between Brazil and Africa and between Colombia and Africa) which make possible the exchange of experience and of best practices.

In terms of time, fixing the time horizon for projects requires the prior joint identification of the initiatives needed in the priority thematic areas. After the definition of their geographical scope and their adjustment to cooperation agreements such as those being promoted with the EU, and taking into account the availability of financial and technical resources, the necessary temporal planning of the projects will take place, including provision for periodic reports to be prepared by UNIDO (as stipulated in its regulations), in order to give the cooperation agreements transparency and sustainability. It is important to note, in the first place, that projects on a regional or subregional scale such as those now being promoted, although they are of great value as development tools, require a more complex and lengthy maturation process, to the extent that they must reconcile the interests, not always convergent, of different countries. Secondly, in order to increase the short-term impact of UNIDO technical assistance, giving priority to complementary initiatives at the regional level becomes a key factor in the process of the joint identification of projects. Since many variables in this common process are not within the control of UNIDO alone, the tools for dialogue proposed in this Regional Programme and all the tools that will contribute to intensifying the dialogue in question are a necessary condition for achieving the objective of sustainable industrial development for the region.

Support rendered by UNIDO to LAC in the process of negotiating association agreements such as those envisaged with the EU will make it possible to enhance their significance in the interests of the industrial development of the region. To the extent that such agreements are aimed at strengthening technological, industrial and innovative capacity, productive coordination and environmental and social sustainability, UNIDO can be a key ally in these processes, contributing its experience in the field of industrial, technological and innovative development in the present global context.

The commitment of UNIDO to LAC, backed up by its record and its experience in the management of development cooperation, facilitates access to resources inasmuch as donors attach great importance to the participation of an organization like UNIDO in the management and support of projects, and helps to ensure continuity in the assistance provided by donors. This offers the framework for UNIDO to develop the competitive capacities of the region.

7. Indicators for monitoring and evaluation

As this is a medium- and long-term programme, mechanisms have been foreseen since the time of its formulation for the periodic evaluation of the initiative (annual meetings on particular thematic areas in the region, consultation mechanisms, conduct and updating of surveys on national needs, permanent dialogue between GRULAC and UNIDO, annual country reports, digital communication mechanisms such as "virtual" groups and videoconferences which allow coordination of the field assessments of the regional offices and desks) with the objective of updating the RP priorities periodically in line with the experience and needs of the region and of the Organization. It is hoped that the countries of the region will make their contribution towards intensifying these activities. Their decisive support for the regional

dialogue will make possible appropriate monitoring of the technical assistance programme with the help of indicators developed by UNIDO.

In this connection, it is important to stress that the results achieved through the various technical assistance initiatives will be evaluated in conformity with UNIDO evaluation policies. Consequently, each project will include a description of its objectives, direct effects and outputs, and a system of indicators will be used to check the progress of the project towards the agreed objectives.

The system of indicators will also permit continuous monitoring of progress on the part of the technical officials assigned. At the same time, this supervision will ensure that the programme contributes towards the objectives defined in the strategy and budget for each UNIDO project/programme. The indicators provided for in the new results-based management (RBM) system will be used. The results and indicators stipulated for standardization projects represent an example to illustrate their application.⁵

⁵ Some of the indicators to be used in technical assistance programmes whose results would make possible an ongoing evaluation of the progress and implementation of the RP could be, by way of example:

- Number of training sessions for technical personnel of the National Standards Bodies (in NSBs);
- Number of countries participating on a sustained basis in global, common standardization activities;
- Number of requests made by the private sector, on a sustained basis, for developing standards;
- Standardization of activities adjusted to private sectors identified/products (in line with TBT (Technical Barriers to Trade/SBS (Society for Biomolecular Screening) obligations, as well as with domestic market priorities);
- Number of standards adopted in priority sectors or number of meetings of the Technical Committee (TC) involved;
- Involvement of the private sector and consumers in these TCs;
- NSB marketing: increased income generated through NSB activities (e.g., the number of standards sold per annum);
- Linked services provided by Centres for Standards Documentation;
- Dynamic database and management of the information system (updating of standards and regulations);
- Sustained assistance from the standards database in the private sector;
- Knowledge/training sessions given by NSB technical personnel (number of meetings with the private sector, governmental services and civil society), special events, information/communication campaigns;
- Increase in certification activity output.

Glossary

EU:	European Union
GC:	General Conference
GEF:	Global Environment Facility, a trust fund financing environmental protection projects
Global Compact:	An initiative launched by the United Nations in the framework of the Millennium Development Goals, involving enterprises, non-governmental organizations and academic institutions in the promotion of corporate social responsibility
IDB:	Industrial Development Board of UNIDO
LAC:	Latin America and the Caribbean
MDGs:	United Nations Millennium Development Goals
NSB:	National Standards Body
PCF/RFC/LAC:	UNIDO Programme for Latin America and the Caribbean
RP:	Regional Programme
TC:	Technical Committee
UNDP:	United Nations Development Programme