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*Note:* Effective 1 January 2002, UNIDO introduced the euro as the single currency for budgeting, assessments, accounting and reporting for its regular budget. Activities financed from extrabudgetary resources, however, continue to be in United States dollars. As stated in document IDB.26/4, various options are being explored to provide consolidated information on regular budget and extrabudgetary activities in euros. The financial statements for the year ending 2002 will show consolidated information in euros for these activities.



## Message from the Director-General

I have great pleasure in presenting this annual report for the year 2002, the first year of my second term as Director-General of UNIDO. For UNIDO this was a year of consolidation, in which the gains of the previous four years of administrative and programmatic transformation were translated into further successes in strengthening the Organization's position as a key player in the international development community. These successes were marked in particular by the mainstreaming of UNIDO into intergovernmental and inter-agency processes, including increased cooperation with GEF, and the enhancement of UNIDO's profile vis-à-vis Member and non-member States.

The year began auspiciously with the Member States having renewed their confidence in the Organization and in my leadership of it at the ninth session of the General Conference in December 2001. The Conference approved the medium-term programme framework for 2002-2005, which—while remaining firmly rooted in the Business Plan endorsed at the seventh session—provided guidelines and priorities for UNIDO's activities in accordance with the objectives of the evolving international development agenda, and of the Millennium Development Goals in particular. This continued commitment of the Member States became apparent again in the latter half of the year, when they responded enthusiastically to an initiative by Japan to draft a set of strategic guidelines aimed at enhancing UNIDO's programme delivery, which was approved by the Industrial Development Board in November.

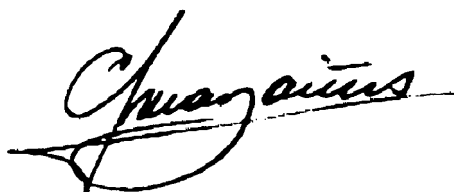
In order to be able to carry out the mandate given by the Member States more effectively, I introduced a further set of administrative refinements during the year. These included implementing the set of streamlined service modules, which had been reduced from 16 to 8, and an organizational restructuring aimed at reconfiguring UNIDO's two substantive divisions in a manner that would promote a coherence of efforts, strengthen a strategic approach and improve UNIDO's delivery and technical capacity. This restructuring process was concluded with the appointment of a new team of managing directors in August 2002 following an open and transparent recruitment process that has come to be seen as a best practice case within the United Nations system.

In terms of its technical cooperation activities, UNIDO continued to rely on the approach it has developed over the past five years to combine individual interventions from a varied set of service modules into an integrated package of services. In doing so, the Organization is able to ensure cross-organizational cooperation and the highest possible degree of synergy within UNIDO, while at the same time responding to the needs of the recipient countries in a holistic manner and linking their demands with donor priorities. In this context, UNIDO expanded the integrated programme approach during the course of 2002 into more broadly defined country service frameworks to address the more complex situations prevailing in some of the larger developing countries, such as China, India and Indonesia. As of December 2002, UNIDO had launched 51 integrated programmes and country service frameworks.

While proceeding with the formulation and implementation of essentially country-focused integrated programmes and country service frameworks, UNIDO has also begun to develop a number of new thematic initiatives to provide specialized assistance to developing countries and countries with economies in transition in meeting particularly pressing development needs. These initiatives are intended to address key subjects on the international development agenda while reflecting UNIDO's comparative advantages in the field of industrial development. In addition, they have been developed especially in areas where potential sources of additional funding for such activities had been identified, in line with the need to increase UNIDO's operational budget resources. Two particularly important initiatives of this kind, to promote trade facilitation and rural energy for productive use, were launched by UNIDO in the context of the International Conference on Financing for Development and at the World Summit on Sustainable Development.

In addition to offering a wide range of technical cooperation services, UNIDO has continued to make important conceptual contributions to the international development debate through its global forum activities. One of the highlights of the year in this connection was the introduction of a new series of the flagship *Industrial Development Report* in July with the theme of "Competing through innovation and learning". Another highlight was the hosting of a high-level meeting by UNIDO in Venice in October, at which an effort was made to identify and flesh out the missing links in the current international development agenda. The principal conclusion of this meeting, which represented a follow-up to a similar meeting held in September 2000, was that sustained productivity gains are the key determinant of sustainable and equitable development. This forms the basis for the formulation of UNIDO's corporate strategy, which seeks to help developing countries and economies in transition to participate in the world production system by raising their productivity and developing competitive economies, generating diversified and productive employment opportunities, and promoting environmentally sustainable industrial development.

The achievements of the past year that are documented in this report would not, of course, have been possible without the hard work and commitment of all UNIDO staff, to whom I wish to express my thanks. At the same time, I am well aware that we have no time to rest on our laurels, and that we must proceed, in the coming years, to enhance the impact of our services at the field level in the context of the Millennium Development Goals and other major priorities of the international development agenda. This was the subject of the Board of Directors retreat held at Baden in February 2003, at which some initial proposals on how to achieve these objectives were drawn up. The concretization of these proposals and the realization of these objectives constitute the challenge of the current year.



Carlos Magariños  
Director-General

# Contributing to the development debate

In the forum of the United Nations system and other international organizations, as well as with country representations to the United Nations, UNIDO made notable progress in consolidating its position. This was achieved through active participation and presentation of UNIDO programmes and activities at four levels:

- ❑ Mainstreaming UNIDO into intergovernmental processes;
- ❑ Mainstreaming UNIDO into inter-agency processes;
- ❑ Enhancing UNIDO's profile vis-à-vis Member and non-member States and the private sector;
- ❑ Realizing potential for cooperation with the Bretton Woods institutions and Global Environment Facility (GEF).

UNIDO involvement in major international conferences was also particularly pronounced in 2002, in particular the International Conference on Financing for Development and the World Summit on Sustainable Development. Moreover, follow-up to earlier conferences, such as the Third United Nations Conference on the Least Developed Countries (LDC III) and the Fourth World Trade Organization Ministerial Conference at Doha, demonstrated the important contribution that UNIDO can make to related global efforts.

The UNIDO Offices at New York and Geneva played a key role in enhancing the Organization's profile in these areas. The New York Office was indispensable in consolidating UNIDO's position at the forum of the United Nations and other international organizations, and with respect to country representations to the United Nations, particularly those from the African region. To secure UNIDO's contribution to the debate on trade-based development strategies, steps were taken to strengthen the Geneva Office. In line with the work plan established for that Office, priority was given to deepening the relationship with the three Geneva-based organizations in the field of trade: World Trade Organization (WTO), United Nations Conference on Trade and Development (UNCTAD) and International Trade Centre UNCTAD/WTO (ITC).

The present chapter highlights important elements of UNIDO's recent involvement in these components of the ongoing global development debate.

## A. Mainstreaming UNIDO into intergovernmental processes

At the fifty-seventh session of the United Nations General Assembly, UNIDO involvement took place primarily at the level of the Second Committee and included:

- Industrial development cooperation—The Director-General provided an overview of activities emphasizing positive results of the UNIDO reform and its major achievements. Resolution 57/243 welcomed the reform;
- Africa—UNIDO submitted a special report on the review of activities in implementing the Second Industrial Development Decade for Africa and took part in General Assembly debate on final review and appraisal of implementation of United Nations New Agenda for the Development of Africa in the 1990s. On Africa Industrialization Day (20 November), the President of the General Assembly and the United Nations Secretary-General delivered special statements. In December, UNIDO organized a special working luncheon for all African ambassadors in New York, focusing on industrial development challenges in the context of the New Partnership for Africa's Development (NEPAD);
- Global Biotechnology Forum (scheduled for March 2004 at Concepcion, Chile)—UNIDO cooperated with the Government of Chile in this initiative and addressed delegates at a special briefing. The General Assembly adopted resolution 57/237.

UNIDO provided contributions in the debates on macroeconomic policy issues, operational activities for development, follow-up to major conferences such as LDC III, International Conference on Financing for Development, and the World Summit on Sustainable Development (WSSD). In November, a working luncheon was organized for 30 permanent missions in New York on follow-up to WSSD in the area of technology and energy and the new UNIDO initiatives undertaken in that field.

UNIDO played an active part in the Economic and Social Council (ECOSOC) High-Level Segment, including an address by the Director-General on UNIDO activities in human resource development. Together with the Secretary of State, Ministry of Foreign Affairs of Denmark, the Director-General co-chaired the ministerial round-table breakfast on capacity-building for trade and investment. In February, UNIDO attended a roundtable discussion in preparation for the High-Level Segment and presented a case study on human resource development in quality and trade facilitation based on its Lake Victoria project for quality improvement in the fishing industry. This contribution was reflected in the Secretary-General's report on human resource development prepared for the High-Level Segment.

## B. Mainstreaming UNIDO into inter-agency processes

Close interaction with the Chief Executives Board (CEB) for Coordination paved the way for the Director-General's participation in the CEB meetings in Rome and New York as well as in the High-Level Committees on Programmes and Management (HLCP and HLCM). During the year, the Director-General successfully completed his function as HLCP Chairman. The work of CEB concentrated on discussion of the Millennium Declaration road map themes. The HLCP focused on follow-up to the Millennium Summit, especially in the context of launching the Millennium Project, follow-up strategies to financing for development and sustainable development, and the World Summit on Information Society, while HLCM dealt with staff security, reform of the pay and benefit system, information and communication technologies, and cooperation with the International Civil Service Commission (ICSC).



## United Nations Development Group

In 2002, UNIDO joined the United Nations Development Group (UNDG), which is supported operationally by the Development Group Office within a United Nations Development Programme (UNDP) framework. Practically all United Nations agencies participate in the work of UNDG, including the World Bank as an observer. UNIDO's presence facilitated its regular participation in the inter-agency dialogue and contribution to its work. UNDG aims at upgrading coordination and transparency among all participating agencies, especially at the field level, which should lead to strengthening country teams; promoting a unified approach in common country assessment (CCA) and programming (United Nations Development Assistance Framework or UNDAF), as well as expanding cooperation with the World Bank in the context of Poverty Reduction Strategy Papers and the European Union (EU).

UNIDO participated regularly in the UNDG Support Group (an umbrella body); Working Group on Millennium Development Goals; Programme Group and Inter-agency Advisory Panel on Selection of Resident Coordinators. It participated in an ad hoc task force on CCA/UNDAF guidelines revisions. Through its contribution, UNIDO managed to introduce a new indicator on manufacturing value added to the list of indicators used to monitor progress of the implementation of the UNDAFs. The revised CCA/UNDAF guidelines were used for training exercises in five countries (Benin, Ecuador, Kenya, Niger and Pakistan). The recommendations and implementation plan of an ad hoc task force on quality support and assurance system for CCA and UNDAF processes and products, in which UNIDO participated, were adopted by UNDG and tested at a CCA/UNDAF workshop at Bratislava in December.

### Core strategy for the implementation of the Millennium Development Goals

The Millennium Summit called for active participation of the entire United Nations system, including UNIDO, in the implementation of the Millennium Declaration and the Millennium Development Goals (MDGs). To facilitate the achievement of the MDGs, UNDG developed and adopted a core strategy consisting of four components:

- ❑ MDG reporting: country and global reports on MDG progress;
- ❑ Millennium Project: a major research effort headed by Professor Jeffrey Sachs;
- ❑ Millennium Campaign: creating a coalition for advocacy to raise the profile and awareness of the goals and targets;
- ❑ Operational support: what can the United Nations, at the country level, do in support of the MDGs?

As member of the United Nations Expert Group, UNIDO plays a coordinating role in the involvement of the system in the Millennium Project. Out of 10 task forces established within its framework, UNIDO was invited to participate in two: No. 1 on poverty eradication and No. 10 on technology transfer.

## C. Enhancing UNIDO's profile vis-à-vis Member and non-member States and the private sector

Addressing the scant awareness of UNIDO's technical work among New York delegations and other agencies, outreach efforts continued to promote the

Organization's achievements and new initiatives. For example, a presentation, working luncheon and press conference promoted the newly-published *Industrial Development Report* to permanent missions, agencies and the Millennium Project.

The drive to promote the interest of non-member States to consider membership in UNIDO received additional impetus with the adoption of a Board decision in May 2002. A special campaign, begun the previous year and concentrating on small island developing States, was stepped up in the form of discussions, written communications and a working luncheon in New York. The campaign will continue in 2003, with a mission programmed for South-East Asian countries and Pacific Island States. Contacts were maintained with representatives of Australia, Canada and the United States of America that included a high-level visit from Canada and a briefing at the State Department in Washington, D.C. In addition, European non-member States were contacted and the Director-General visited Monaco to discuss its possible membership in UNIDO.

Cooperation with the private sector included participation in the working session of the Global Compact initiatives of the Secretary-General and meetings of the United Nations Association of the United States of America and the Business Council for the United Nations, where UNIDO provided various types of information on its activities and modalities of cooperation with the private sector.

## **D. Cooperation with the Bretton Woods institutions and GEF**

Numerous contacts were established with Bretton Woods institutions, in particular the World Bank. UNIDO attended a special ECOSOC session with World Bank and International Monetary Fund (IMF) top management participation. Two visits were paid to World Bank headquarters and possibilities explored to expand cooperation in the field of energy for sustainable development, trade facilitation and market access, post-crisis reconstruction and rehabilitation as well as possible UNIDO cooperation in poverty reduction strategy paper (PRSP) implementation.

Cooperation with the World Bank was also realized at the project level. With the objective of improving the performance of SMEs in two states of Eastern Nigeria, a cluster development project will be jointly funded and executed by UNIDO, the World Bank and the International Finance Corporation. In another project, aimed at reducing the regulatory burden for SME entrepreneurs in Mozambique, UNIDO and the World Bank are coordinating their work in two provinces and developing joint strategies for data dissemination.

Through its New York Office, UNIDO was involved in establishing initial cooperation with selected Member States, parties of the Stockholm Convention, with a view to soliciting their cooperation with UNIDO and the GEF in the field of persistent organic pollutants (POPs). At Headquarters, a UNIDO corporate strategy for engagement with GEF is under development as an important element in the consideration by GEF of the strategies and business plans of implementing and executing agencies in 2003. To date, UNIDO's portfolio of GEF-funded projects has been in the areas of biodiversity, climate change, international waters and POPs. Selected highlights of GEF projects under implementation in 2002 are provided in chapter II.C.

## E. UNIDO involvement in major international conferences

UNIDO made significant contributions to major conferences in 2002, thereby enhancing its position in the global arena in key areas of its mandate. Moreover, its participation at various levels throughout the preparatory phase and follow-up to these conferences has shown results in improved cooperation with other actors in the international development debate. UNIDO activities linked to these major conferences are discussed below, as is recent UNIDO involvement in WTO trade-related activities emanating from the fourth WTO Ministerial Conference at Doha. Details concerning the extensive UNIDO follow-up to LDC III is provided in chapter II.A on least developed countries.

### **International Conference on Financing for Development, Monterrey, Mexico, 18-22 March**

UNIDO followed the preparatory process for the Conference from the beginning, and was actively involved in the meetings of the Preparatory Committee. Two specific UNIDO initiatives were presented at the level of the Preparatory Committee and were also covered in the statement of the Director-General to the plenary session of the ministerial segment:

- “Venture capital”, in response to the chapter “Mobilizing international resources for development: foreign direct investment and other private flows”, where innovative approaches to mobilize such funds were included. UNIDO had proposed this initiative originally to LDC III, and the first partnership with a private sector investor under the initiative was signed at the end of 2001. The initiative attracted considerable interest from the private sector during a side event to the final Preparatory Committee meeting in January 2002;
- “Enabling developing countries to participate in international trade—Strengthening the supply capacity”, under the chapter “International trade as an engine for development”. In an initial form also presented to LDC III, this initiative combines the strengthening and upgrading of productive capacities with the establishment of standards, quality, metrology, accreditation and certification capacities in developing countries.

A side event sponsored jointly with the European Commission was entitled “Enabling developing countries to participate in international trade—Strengthening the supply capacity”. Co-chaired by the European Union Commissioner for Development, the Minister for Economic Development of Burkina Faso and the Director-General of UNIDO, and attended by some 75 participants, the event presented the problem of technical barriers to trade and the urgent need to assist developing countries. A UNIDO strategy document was also presented, and the Director-General announced the creation of a trust fund as described in the strategy document, with a UNIDO contribution of \$1 million. By the end of the year, four countries had decided to contribute, for a total of about \$700,000. The first requests for funding are expected in early 2003, and further contributions are also expected. In addition, several larger country and regional projects have received funding or are under consideration by donors.

UNIDO also participated in the ministerial round table on partnerships in financing for development. Its intervention concerned mainly the venture capital initiative where the Organization intends to work together with private venture capital investors in order to channel private equity capital to small and medium enterprises (SMEs) in Africa.

### **World Summit on Sustainable Development, Johannesburg, South Africa, 26 August – 4 September**

UNIDO's participation in and contribution to the WSSD process occurred at four levels:

- ❑ Through the statement of the Director-General to the plenary and through the inclusion of a UNIDO representative as resource person for the "Partnership Plenaries" on cross-cutting issues and on energy for sustainable development;
- ❑ In consultations with interested government delegations to influence the negotiated outcome as enshrined in the Plan of Implementation;
- ❑ Through elaboration and promotion of Type 2 outcomes, in particular in the areas of access to energy and technology cooperation;
- ❑ Through the UNIDO stand at Ubuntu and the joint UNIDO/GEF/IMO (International Maritime Organization) stand at the WaterDome, through UNIDO's own side event and participation in those sponsored by others.

In his statement to the plenary, the Director-General advocated the enhanced use of technology cooperation in support of sustainable development, so that tomorrow's challenges need not be addressed with today's means.

In the Partnership Plenaries a UNIDO representative was asked to act as a technical resource person for the sessions on cross-cutting issues and on energy. Together with the energy experts of UNDP and the United Nations Department of Economic and Social Affairs, UNIDO had been previously invited to participate in the formulation of the brochure on energy.

UNIDO's networking and consultation efforts in the early stages of the global preparatory process contributed to the development of relevant recommendations in the Plan of Implementation, which contains text in several areas that are of concern to UNIDO and that strengthen UNIDO's overall mandate to work for sustainable development.

In fulfilment of the General Conference mandate requesting the Director-General to make contributions to WSSD in those areas in which the Organization has a comparative advantage, UNIDO formulated proposals for Type 2 outcomes in energy for sustainable development and technology cooperation, which corresponded to the criteria laid down by Member States. The UNIDO initiatives were announced in the relevant partnership forum on 30 August.

The UNIDO initiative on rural energy for productive use seeks to respond to the challenge of severe under-supply of energy services for the very poor. It was welcomed as a partner for the United Kingdom Foreign and Commonwealth Office initiative (Renewable Energy and Energy Efficiency Partnership) and the European Union Energy Initiative for Poverty Eradication and Sustainable Development. In recognition of UNIDO's comparative advantage, the E-7, an association of nine large utilities from G-7 countries, expressed interest in concluding a letter of agreement with UNIDO, which was signed in September.

The UNIDO initiative on technology transfer: Assessing needs—promoting action, launched on 2 September, is built on the realization that successful technology transfer

requires a widespread process of local capability-building needs throughout society and, in particular, at three important levels: nation, sector and enterprise.

Some 17 countries from Africa, Asia and Latin America have already engaged in a preparatory self-assessment exercise to identify their technology needs. The UNDP Special Unit for Economic and Technical Cooperation among Developing Countries as well as the World Business Council on Sustainable Development have indicated their readiness to contribute to the further unfolding of the initiative.

A stand at the Ubuntu exhibition focused on UNIDO's cleaner production programme and on its activities in energy and technology cooperation. In addition, UNIDO contributed to a common system exhibit displayed in the Sandton Convention Centre and to the exhibit at the WaterDome.

UNIDO held its own side events, which were well attended, at times even beyond the capacity of the allocated space, and were honoured by the presence of several ministers. These included:

- ❑ Rural energy for productive use;
- ❑ UNIDO initiative on technology transfer: Assessing needs—promoting action;
- ❑ Signature of project document for the new Cleaner Production Centre in South Africa, which is co-sponsored by Austria and Switzerland.;
- ❑ Signature of memorandum of understanding between UNEP, ILO, UNIDO and the Government of Switzerland on the incorporation of labour issues into the work of cleaner production centres.

## **WTO trade-related committees and working groups**

The Fourth WTO Ministerial Conference at Doha was an important landmark in the efforts to facilitate trade participation by developing countries. In particular, the Conference gave a new impetus to trade-related technical assistance. At Doha, participating countries decided to enter a new round of negotiations. The Ministerial Declaration places technical cooperation and capacity-building at the core of the development dimension of the multilateral trading system.

Following up the concerted effort to extend UNIDO's participation in the various WTO committees and working groups, additional steps were taken to establish a role for UNIDO as a partner in trade-related technical cooperation, particularly in relation to supply-side development issues. The November visit to UNIDO of the newly-appointed WTO Deputy Director-General who is also in charge of technical cooperation, was an indication of the potential for UNIDO to play a major role in trade-related technical assistance.

During the WTO Trade and Development Committee meeting in October, the WTO Director-General elaborated on his new approach to technical cooperation. Driven by a strong commitment to comply with needs expressed by developing countries—particularly the LDCs, the new approach features as its most innovative aspect and the one most relevant to UNIDO, the intention to include the development of supply side capabilities in WTO technical assistance delivery.

UNIDO is in the vanguard in identifying challenges faced by developing countries and countries with economies in transition related to technical barriers to trade (TBT). Based on its track record, UNIDO provided support to the WTO Technical Barriers to Trade Committee on the elaboration of a survey to identify and prioritize the needs of

developing countries in TBT. Upon finalization of the survey, UNIDO will identify its technical assistance contribution. Finally, as a result of interaction with the WTO secretariat, UNIDO participated in the WTO technical workshop on the agreements on TBT and sanitary and phytosanitary measures for Latin American countries, held in Ecuador in November.

Following a UNIDO presentation highlighting barriers to technology transfer and UNIDO's response to comply with the needs of developing countries, UNIDO was granted observer status at the Working Group on Trade and Transfer of Technology.

An important milestone was UNIDO's participation at the International Forum on Trade Facilitation, sponsored by the United Nations Economic Commission for Europe in Geneva in May. On that occasion, UNIDO introduced its approach to trade facilitation, underlining that trade facilitation and market access for the developing countries would not be realized until those countries had internationally recognized standards, infrastructures and competitive productive capacities.

With the financial support of Austria, a joint programme—for implementation in 2003—was developed with UNCTAD to assess the challenges and opportunities for LDCs arising from the recently-adopted Doha Development Agenda.

In December, an experience-sharing workshop with EuropAid and UNIDO took place at the EuropAid Co-operation Office in Brussels. UNIDO presented its market access initiative as well as case studies on investment promotion and on energy in order to broaden possible fields for cooperation with the European Commission.

### **Other United Nations conferences and meetings**

Among other meetings featuring UNIDO participation were the annual meetings of UNDP and the United Nations Population Fund, Forum on Forest, General Assembly Special Session on Children, Commissions on Sustainable Development and Social Development, Task Force on Information and Communication Technology, South-South cooperation (liaising with the Group of 77 and China in preparation of the next South-South Summit), preparatory process to the International Ministerial Conference on Transit Transport Cooperation, and numerous other informal meetings.

# II

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## Programme development and technical cooperation

In 2002, the substantive areas of the Organization involved in development and implementation of technical cooperation programmes were restructured into the Programme Development and Technical Cooperation Division (PTC). The aim was:

- ❑ To promote coherence of efforts, coordination and networking and avoid overlap among the substantive divisions;
- ❑ To strengthen a strategic approach;
- ❑ To enhance professionalism;
- ❑ To strengthen delivery and technical capacity of the Organization;
- ❑ To improve the responsiveness of the Organization in addressing the needs and requirements of both clients and Member States.

The Division was formed from six branches covering agro-industries and sectoral support; cleaner production and environmental management; industrial energy efficiency; industrial promotion and technology; the Montreal Protocol; and small and medium enterprises. As part of the restructuring, a new Managing Director was appointed to take over responsibility for the Division.

Despite the unavailability of funds from unutilized balances in 2002 and the reduced funding level of IDDA supplementary activities and UNDP Support Facility (STS and SPPD) in the first year of the biennium, the Division managed to deliver a level of implementation nearly the same as PTC's constituent units did in 2001.

In all subsectors covered, UNIDO made significant contributions in a number of countries. The following pages provide an overview of integrated programmes and country service frameworks, followed by selected illustrative examples of these contributions.

### A. Integrated programmes and country service frameworks

Among the key components of the Business Plan on the Future Role and Functions of UNIDO, adopted by Member States in 1997, was that UNIDO would provide its support primarily in comprehensive packages of integrated services. The approach subsequently developed resulted in a series of interlinked activities within client countries that would

draw on the cumulative expertise and resources of the Organization as a whole rather than individual organizational units. The goal was to design one tailor-made programme for each country that would reflect the priorities of the particular country. The result of that shift in approach was the launch of UNIDO's system of integrated programmes (IPs), and subsequently of country service frameworks (CSFs).

In 2002, six new IPs and CSFs were approved, bringing the total number to 51. At the end of 2002, total funds raised for these IPs and CSFs amounted to \$105 million, resulting in a total allotment of \$92 million, against a total current planning figure (without programme support costs) of \$256 million. Appendix C shows a list of approved IPs and CSFs with their funding status.

The past four years since the introduction of the integrated approach represents not only the time of implementing the first generation of IPs but also the development phase for this new methodology and the learning period from the new experience both for the UNIDO Secretariat and its Member States—donors as well as recipients.

Most of the IPs and CSFs deal with capacity-building, and many are geared towards increasing competitiveness with a particular emphasis on SMEs and special attention to environment protection. In terms of the Millennium Development Goals, they were developed and are being implemented in the context of promoting a global partnership for development to contribute to solving problems related to poverty reduction and environmental sustainability, and wherever possible introducing elements of promoting gender equality.

Integrated programmes and country service frameworks are under continuous monitoring and periodic review. Reviews were conducted early in 2002, at mid-year and in the fourth quarter. Since the introduction of IPs in 1998-1999, changes have occurred in the environment and conditions under which they were originally formulated. Accordingly, the necessary adjustments were introduced, also taking into account the actual funding.

In a thorough review conducted in October 2002, 14 IPs/CSFs were found to have shown good performance and good funding progress with only minor adjustments needed, while 9 were basically sound but had attracted lower levels of external funding and required some revision, and 20 had major problems mainly in terms of funding and in some cases implementation. The Executive Board subsequently approved the plan of adjustments based on the findings. For the first generation of IPs, these adjustments are being introduced normally in conjunction with their transition to the next phase. Others are being adjusted to the changing conditions with the aim of achieving better impact. Most adjustments will be formalized in the course of 2003.

Complementing the review process, the first series of in-depth evaluations were carried out in late 2002 with respect to the programmes for Guatemala, Mozambique, Sri Lanka and the United Republic of Tanzania, with reports to be issued in the course of 2003.

By the end of 2002, IPs and CSFs had already started to show some measurable impact through their direct or indirect contribution to increased exports (for example in the leather, textile, fish and food sectors), to creating or upgrading numerous enterprises, and to creating or saving jobs. In the case of Uganda and the United Republic of Tanzania, where UNIDO carried out capacity-building activities in fish safety, it is estimated that over 200,000 jobs have been saved through the lifting of a European Union ban on fish exports. As implementation progresses further with the necessary adjustments, it is expected that the impact of these UNIDO programmes will become increasingly visible.



## B. Agro-industries and sectoral support

In the food sector, the most significant contributions were in African countries. Food safety and quality assurance constituted the focus of UNIDO's assistance in Uganda, with a national food safety law submitted to the Parliamentary Council. In the context of the integrated programme, the first Annual Food Safety Week was organized. The programme's efforts to improve fish inspection and quality control contributed to having made fish the highest export earner for Uganda in 2001-2002. At the same time, it helped save more than 100,000 jobs in the industry as well as the income for some 700,000 persons benefiting from related activities.

Under the integrated programme for Burkina Faso, capacity-building for fruit and vegetable drying technology brought down production costs by 40 per cent while increasing quality for three groups of women entrepreneurs. The initiative also involved training of trainers and replication of the approach in Morocco, Senegal and Uganda.

Pollution control at six tanneries in the context of the integrated programme for Ethiopia represented significant strides in the leather sector, bringing the share of tanneries with pollution control systems in place to 50 per cent. The effluent treatment plant commissioned at the Awash tannery became one of Africa's most advanced pollution abatement facilities. The example set by these tanneries has influenced others to approach UNIDO or one of its counterpart institutions in Ethiopia for technical advice or assistance. While this illustrates one important area where success in many projects has been achieved in the leather sector, there are also others. For example, the Footwear and Leather Industry Service Centre in Egypt, established by UNIDO under Egypt's Social Fund for Development, provides fashion trends for micro- and small-scale shoe manufacturers, renders services in shoe design and pattern engineering using CAD/CAM technology, and in 2002 started laboratory testing for the entire leather-based industry.

As part of the integrated programme for Ghana, a garment and textile training centre was established at the Accra Technical Training Centre to provide a one-stop technical support service for marketing, training, design, fabric cutting and sewing for small and medium enterprises. A project was launched for the textile sector in Ghana to upgrade skills in marketing, product development, industrial textile engineering and applied research. In Guatemala, a garment centre was established to provide training courses and support services for garment enterprises. Within four months, the CAD/CAM department was amortized, and during 2002 worked double shifts to cope with the demand for its services.

In the wood sector, the inclusion of the rural population and enterprises into industrial production chains was the main target. In Guatemala, technical courses were conducted for rural carpenters to work as subcontractors for export-oriented companies. To create industrial linkages, cross-visits were organized and the association of micro-enterprises participated in an international furniture fair. In the Lao People's Democratic Republic, a sector analysis focused on the problems of logs and sawn-wood exports and the need for furniture industries to create rural employment and value added. The promotion of bamboo as a fast growing, environmentally sound and economically viable material for value added products resulted in the set-up of a demonstration unit in the Cane and Bamboo Technology Center, India, to provide services for technology diffusion, investment creation and product development.

In the agro-related metalworking industries sector, programmes for strengthening rural technology centres were defined and related sector studies identified or undertaken,

mainly in African countries. Special projects related to post-crisis assistance were identified in countries including Afghanistan, Malawi, Sudan and Zimbabwe. Particular attention was given to promoting tools and equipment for conservation agriculture, as well as to a new initiative for innovation-support programmes to improve products and packaging and reduce post-harvest losses.

## C. Cleaner production and environmental management

During the year, the UNIDO national cleaner production programme continued its expansion with the launching of the South African Cleaner Production Centre during the World Summit on Sustainable Development and the start of implementation by the Lebanese Cleaner Production Centre. In 2002, UNIDO assisted 30 National Cleaner Production Centres (NCPCs). In the framework of the integrated programmes, cleaner production-related activities continued in 36 countries.

A sector-based cleaner production strategy was prepared, and preliminary activities began with the organization of Latin American, African and global introductory seminars. Implementation of two projects in China—one on cleaner solid waste management and the other on transfer of environmentally sound technology—started in 2002, while another began in India on cleaner technology promotion.

Under GEF international waters activities, capacities continued to be built in existing cleaner production institutions in Bulgaria, Croatia, Hungary, Romania and Slovakia in order to apply the UNIDO programme on transfer of environmentally sound technologies (TEST) for the Danube River Basin at 20 pilot enterprises.

Selected highlights of projects implemented during the year include:

- ❑ With nearly \$7 million from GEF, a project was initiated in Brazil, Indonesia, the Lao People's Democratic Republic, Sudan, the United Republic of Tanzania and Zimbabwe to assess the extent of mercury pollution from artisanal gold mining, introduce cleaner mining and extraction technology and develop capacities and regulatory mechanisms that will enable the sector to minimize negative environmental impacts;
- ❑ The preparatory phase began of a GEF-funded project on the development of a transboundary diagnostic analysis and strategic action programme in Chile and Peru to enhance national and regional efforts towards sustainable integrated management of the resources of the Humboldt Current Large Marine Ecosystem;
- ❑ The GEF-funded project continued to assist countries adjacent to the Guinea Current Ecosystem to achieve environmental and resource sustainability.

UNIDO built on its successful engagement with Member States in respect of the Stockholm Convention on Persistent Organic Pollutants. The Organization won approval from GEF for 22 enabling activities proposals for countries to meet their obligations under the Convention. This brought the total programme of work to a value in excess of \$15 million.

In biotechnology, the Convention on Biological Diversity selected UNIDO to be an official partner for establishing the Biosafety Clearinghouse Mechanism. As Task Manager of chapter 16 of Agenda 21 and in line with the medium-term programme framework, UNIDO launched preparations for the first Global Biotechnology Forum to discuss issues of importance for developing countries with respect to biotechnology.

## D. Industrial energy efficiency

The UNIDO energy programme expanded its global forum activities culminating in a strong presence at the World Summit on Sustainable Development, highlighted by the launch of an initiative on rural energy for productive use. Partnership links with the United Kingdom of Great Britain and Northern Ireland and European Union initiatives further strengthened UNIDO's position. With many delegations having emphasized the importance of project implementation, UNIDO's comparative advantage was reinforced because of its project execution capabilities.

The UNIDO initiative seeks to respond to the challenge of severe under-supply of energy for the very poor, especially in rural and remote areas such as small island developing States. In recognition of UNIDO's comparative advantage in the field, the E-7, an association of nine large utilities from G-7 countries, expressed interest in concluding a letter of agreement with UNIDO, which was signed by the Director-General at Johannesburg.

### **From careful planning to solid results: Motor system energy conservation programme in China**

That sound planning and good coordination constitute absolute preconditions for project success was recently demonstrated by the encouraging initial results of a motor system energy conservation programme in China. These included the completion of three system optimization training exercises in 10 factory sessions, during which training was provided to 15 experts. These experts will in turn be training up to 200 factory personnel from 30 more plants in the techniques of upgrading the efficiency of industrial energy systems.

Training is also provided to enable the Chinese experts to commercially market their services to industrial clients.

Collaborating with the United States Department of Energy, the American Council for an Energy Efficient Economy and the US-based Energy Foundation, UNIDO embarked in 2001 on a project with the following elements:

- Assemble an international team of experts;
- International team develops educational materials and application tools to assist motor system experts and factory engineers to assess and better optimize motor systems;
- Team trains Chinese engineers on systems approach;
- Chinese engineers apply knowledge to identify industrial energy efficiency opportunities;
- Chinese engineers provide training to factory personnel to build awareness of system opportunities;
- Factories undertake energy efficiency improvements;
- Results are documented in case studies and widely distributed.

Based on the UNIDO initiative, a number of new technical cooperation projects were developed and promoted, focusing on energy for income generation and capacity-building related to renewable energy technology. One of these projects is renewable

energy promotion through information and communication technology introduction in off-grid rural communities in Zambia. Another is local assembly of renewable energy equipment developed for solar photovoltaics in Gambia.

A major GEF-funded project on coal bed methane recovery and commercial utilization in India was under implementation, with UNIDO responsible for management of training, provision of expertise and procurement of equipment and related services. Equipment required to drill into the coal bed was identified and many of its components ordered. Design work related to the use of the methane gas to be extracted was also begun.

Within the energy programme, global forum activities continued on the United Nations Framework Convention on Climate Change and the Kyoto Protocol, with UNIDO having participated in the eighth Conference of the Parties, at New Delhi. Technical cooperation activities continued for capacity-building projects in developing countries under the Clean Development Mechanism.

## E. Investment promotion and technology

UNIDO's investment and technology promotion activities concentrated on promoting partnerships and organic ties, such as technology transfer, subcontracting, joint marketing and other forms of strategic agreements, between foreign and domestic enterprises as a route to generating foreign direct investment. The methodological selection, visiting and profiling of a substantial number of industrial enterprises provided UNIDO with the unique opportunity to assimilate these enterprises into the overall promotion framework, institutional support system and science and technology system. It also generated in-depth micro-level data that can be used for global forum analysis as well as country-level assistance. An investment promotion agency network was launched for sub-Saharan Africa and extensive project formulation conducted in Colombia, Cuba, Ethiopia, Ghana, Nigeria and the United Republic of Tanzania. UNIDO's investment and technology promotion training package was upgraded, and web-enabled systems for technology needs assessment and innovation survey were put in operation on a pilot basis. A guideline on setting up technology parks was also prepared.

Activities in investment and technology promotion continued to benefit from the network of Investment and Technology Promotion Offices (ITPOs). In the framework of decentralization, practical steps were taken to strengthen cooperation between ITPOs and field offices to enable them to complement and reinforce each other.

To capitalize on synergies between ITPOs and NCPCs, a conceptual basis was designed to strengthen capacities of the two networks. The aim was to establish a mechanism for targeted promotion by ITPOs of clean technology-related business partnership proposals identified and formulated in NCPCs.

Considerable progress was achieved in setting up regional investment and technology promotion networks. Preparatory work was completed for the Arab-Mediterranean area, while opportunities for developing a similar network in South-Eastern Europe were explored jointly with Organisation for Economic Cooperation and Development (OECD) within the Stability Pact.

Technology foresight activities were expanded, both in geographic coverage and in scope, to include production chains. An international conference on new advances of

technology foresight was organized at Kiev, while preparations for the Technology Foresight Summit in 2003 at Budapest were initiated.

To enable developing countries to share in the benefits of globalization and reduce poverty through increased participation in international trade, a UNIDO initiative was launched to help them gain market access, as a pivotal activity to assist them to compete, conform and connect with the market. Technical cooperation focused on:

- ❑ Developing standards, metrology and conformity assessment infrastructure;
- ❑ Assisting testing laboratories to obtain international accreditation;
- ❑ Supporting capacity development for ISO 9000 and ISO 14000 and for upgrading quality and productivity in Algeria, Lebanon, Sri Lanka, and the West African Economic and Monetary Union (UEMOA) region.

The International Centre for Materials Technology Promotion at Beijing represented a substantial expansion of UNIDO's network of international technology centres. A cooperation framework with the World Intellectual Property Organization (WIPO) was concluded to link technology commercialization and intellectual property rights. A new initiative, on technology transfer: assessing needs—promoting action, was launched at the World Summit on Sustainable Development. UNIDO was accredited with observer status to the WTO Working Group on Trade and Transfer of Technology.

#### **Ameena Ridha, entrepreneur in Bahrain**

Ameena Abbas Ghuloom Ridha, a housewife seeking a means to better support her family, had established a project for manufacturing perfumes with initial loan support from the Bahrain Development Bank. Having achieved success at the micro level but unable to cope with the growing demand for her perfumes, she approached UNIDO's Arab Regional Centre for Entrepreneurship and Investment Training (ARCEIT), where she was advised to join the entrepreneurship development programme sponsored by ARCEIT and the Bahrain Development Bank.

Through training and subsequent business counseling in the programme, Ameena was able to decide on an appropriate strategy and implementation plan. The next step, with the Centre's assistance, was to develop a business plan and approach the bank with a formal loan request, which was granted. Further support came as Ameena's project was also accepted for the business incubator set up by the bank and managed by UNIDO. The linkage with UNIDO also helped Ameena obtain a sales contract through the prestigious Bahrain Duty Free.

Ameena's micro-enterprise has grown into a small business entity with additional employees and operating on a commercial basis, with good prospects for further growth.

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Since the inception of the entrepreneurship development programme, ARCEIT has assisted more than 100 potential entrepreneurs through training and business counseling services. As a result, 30 entrepreneurs have established their enterprises covering a wide variety of manufacturing and service sectors. This success has established Bahrain as a focal point for entrepreneurship development in the region, and linkages have been established in Jordan, Kuwait, Oman, Saudi Arabia and the United Arab Emirates.

## F. Montreal Protocol

October 2002 marked 10 years of UNIDO participation as a prominent implementing agency in the Montreal Protocol.

By the end of 2002, UNIDO succeeded in phasing out 24,500 ozone depleting potential (ODP) tonnes of ozone depleting substances (ODSs). Moreover, UNIDO had developed 857 projects in 68 countries, with a total budget, including support costs, of more than \$317 million and completed 542 projects, with a value of \$183 million.

As in previous years, UNIDO's programme for 2002 was aimed to assist Article 5 countries to close ODS production plants, phase out and replace ODSs from application in industrial sectors such as aerosols, plastic foams, halons, refrigeration, solvents, process agents, and tobacco fluffing, as well as to substitute methyl bromide in agro-industrial subsectors. During the year the phase-out reached 3,370 ODP tonnes.

In 2002, the Montreal Protocol's Executive Committee approved 35 investment and 46 preparatory assistance projects for UNIDO implementation in various sectors and countries, at a total budget of approximately \$40 million, including support costs.

To ensure efficiency and sustainability of the ODS phase-out process for small-scale manufacturers of packaging and insulation plastic foams in China, a strategy plan to address 165 factories, through eight umbrella projects, was formulated by UNIDO and the State Environment Administration to phase out 5,553 tonnes of ODSs. Two umbrella projects applying a concept of industrial rationalization within the groups of enterprises were successfully completed.

Verification of technical and commercial data required for the preparation of a feasibility study for closure of ODS production of two plants in the Democratic People's Republic of Korea and one in Mexico was carried out in cooperation with the Governments, project beneficiaries and international consulting institutions.

A particularly successful investment project in the methyl bromide (MeBr) sector was completed in Brazil. The aim was to phase out 140.6 tonnes of MeBr, which represented 20 per cent of the total consumption of 143,715 farmers cultivating 240,218 hectares of tobacco.

A database identifying MeBr consumption by consumers in Argentina was prepared to enable formulation of an investment project to phase out 146 ODP tonnes from various agro-industrial subsectors in the country.

In line with the new policy and strategy of the Multilateral Fund for the Implementation of the Montreal Protocol, activities for preparation of sectoral and national ODS phase-out plans were included in the Montreal Protocol business plan for UNIDO for 2002 and future years.

## G. Small and medium enterprises

In 2002, the Small and Medium Enterprises Branch was reconstituted and significantly strengthened by bringing together specialized staff from previously separate areas of expertise: private sector development, industrial policies and strategies and information networking. This fostered a consolidated approach towards the diverse support requirements of small and medium enterprises and, in particular, embedding the

various services into the overall industrial development path of a country. As a manifestation of this broadened mandate, four specialized teams were formed to sharpen the focus of the Branch's programmes and to foster customized responses to the needs of different groups of enterprises:

- ❑ Industrial strategies and support institutions;
- ❑ Rural and women's entrepreneurship;
- ❑ Industrial clusters, networks and zones;
- ❑ Business partnerships and information services.

### **Triple bottom line demonstration project in four Asian countries**

Corporate social responsibility requirements are perceived as a threat to exporting SMEs in developing countries. These enterprises fear that they may not be able to meet the social and environmental requirements of global buyers and supply chains without losing their competitive edge in international markets. At the same time they are aware that if they do not meet these requirements, they will not be in a position to access new foreign markets or large international buyers that stipulate their own codes of corporate ethics. It was in this context that UNIDO explored, with a demonstration project, what support could be given to SMEs in developing countries to assist them in responding to the challenges.

UNIDO believes that it has found one such tool in the so-called triple bottom line (TBL) and sees the possibility of crafting an approach to TBL that builds on the successful method that it has been promoting for many years in the cleaner production area. Just as environmental and financial performance can both be improved through a cleaner production approach, so TBL could be crafted to look for opportunities for improvement not only on the environmental side but also on the social side that moreover reduces costs.

To test its approach, UNIDO undertook a TBL demonstration project in four Asian countries: India, Pakistan, Sri Lanka and Thailand. The TBL approach as crafted by UNIDO was not a code-driven process that can lead to some sort of certification. Rather, it developed a generic decision support system, based very much on the cleaner production assessment methodological approach that leads to continuous improvement, and a simple system for monitoring progress and generating compliance reports for international buyers. To sustain TBL efforts, TBL capacities of national technical institutions in the countries involved (for instance National Cleaner Production Centres) were built up through training and on the job experience.

The project demonstrated that SMEs can improve their environmental and social performance (primarily labour practices) in a manner that is financially advantageous, and not only because they can continue to be part of international supply chains. Project results suggest strongly that there is value in promoting the TBL approach on a much wider scale than was possible in the demonstration project. The software REAP (Responsible Entrepreneurs Achievement Programme), developed as a tool to support SMEs in their TBL efforts, will be finalized and proposed as a practical and effective tool to undertake new TBL projects.

Highlights of projects implemented during the year include:

- ❑ In the area of policy and strategy advice, competitiveness analyses were undertaken and policy recommendations provided, inter alia, to the Governments of Nepal, Thailand and the United Republic of Tanzania. In Tanzania, the institutional set-up for public-private partnership was strengthened by establishing the National

Business Council as a platform for dialogue and creating regional chambers of commerce and industry.

- ❑ Micro and small enterprises in Uganda benefited from the master craftsman programme, which provided enterprise-to-enterprise advisory services for various subsectors in six rural districts. In addition, an entrepreneurship training curriculum was developed and is now used in secondary and vocational training schools. In Mozambique, a one-stop shop for business regulations was established within a provincial government, improving efficiency and transparency for enterprise registration. Women entrepreneurs in the food sector in Rwanda benefited from the promotion of micro business development in a post-conflict situation.
- ❑ In the area of SME networking, significant impact was achieved in Nicaragua. A sample of the 500 enterprises assisted reported large productivity increases (ranging from 35 to more than 150 per cent) as well as the launching of new products and penetration of new export markets. In the machine tool cluster in Bangalore, India, the creation of networks and consortia to facilitate sharing of marketing information as well as promoting exports was a focus of support in 2002. Nearly \$500,000 was generated in confirmed new orders for the 60 assisted firms, together with another \$4.5 million worth of potential orders.
- ❑ New business partnership programmes were initiated for the automotive component industry in South Africa and for the textile industry in Morocco. The latter was implemented using an eco-efficiency assessment tool provided by a transnational corporation. SMEs in Uganda are now supported by the Uganda Business Information Network, a demand-driven service provider for business information and e-business solutions as well as information and communications information training.

Among the most significant new documents issued in 2002 were studies on corporate social responsibility, UNIDO's cluster development and networking approach, and manufacturing competitiveness in Thailand.



# III

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## Global forum

Activities undertaken within the global forum function of the Organization represent a key component of the UNIDO mandate to strengthen industrial capacities in developing countries and economies in transition. These are used as an important tool to increase common understanding on the contribution of industry to fight poverty and to connect the national economy to the global economy. They provide an analytical foundation for technical cooperation activities and help UNIDO identify and refine the global public goods to be supplied by the Organization. Global forum activities involve both strategic and action-oriented research, and focus on improving the understanding of how best to use sustainable industrial development to reduce poverty and ensure that the poor benefit from the process of globalization. A selection of activities undertaken in 2002 within the global forum function are highlighted in the present chapter.

UNIDO's contributions to the World Summit on Sustainable Development and the International Conference on Financing for Development are discussed in chapter I.

### A. Industrial Development Report

A highlight of the year was the introduction of a new series of the flagship *Industrial Development Report*, the first issue of which was launched in July. Promoted and presented in the press by regional offices and ITPOs in many countries, the report received positive feedback from Governments, the business community and international organizations. The *Industrial Development Report 2002-2003* assesses the diversity and divergence of industrial development throughout the world and introduces an industrial development scoreboard that reviews industrial performance and capabilities of 85 industrialized and developing countries.

The main theme of the report is "Competing through innovation and learning". In the present context of globalization and technological change, the only path to sustainable industrial development is to compete through innovation, which requires continuous learning to upgrade industrial capabilities. Developing countries can innovate by linking with outsiders to leverage their technologies and knowledge and to invest in learning in order to use and adapt them to local conditions. This process of linking, leveraging and learning is driven by firms and supported by institutions that provide the information, skills and other resources needed. The report concludes that the process of industrial innovation and learning requires not only macroeconomic stability, institutional reform and open trade and investment policies, but also a national strategy and support programmes developed and implemented by Governments and the private sector in tandem.

## B. COMPID

The strategic research programme, Combating Marginalization and Poverty through Industrial Development (COMPID), is a three-year programme funded by the Government of Denmark, which started in 2002 as part of UNIDO's contribution towards the implementation of the Millennium Development Goals, including that of halving extreme poverty between 1990 and 2015. The main focus of research is therefore on marginalized, low income countries. It endeavours to deepen the understanding of the dynamics of sustainable industrial development to enhance growth and alleviate poverty and explore the best means for making these countries share in the benefits of globalization.

Comprising five research projects (market failures and public goods, poverty alleviation, small-scale industries, social capital and technological development), the programme aims at improving the impact of UNIDO's technical cooperation activities. While each will be implemented in close cooperation with renowned international experts and research institutions, work on two projects (social capital, and market failures and public goods) is currently being carried out by the Institute of Social Studies, Netherlands, and the Overseas Development Institute, United Kingdom, respectively. A cross-organizational team has been set up within UNIDO to ensure that the research is relevant to UNIDO's global forum and technical cooperation activities.

## C. Support to CAMI

That global forum activities provide concrete support to the development of technical cooperation was demonstrated at the first subregional meeting of the Conference of African Ministers of Industry (CAMI). With the consensus reached on the New Partnership for Africa's Development (NEPAD), collective actions at the regional level and improvement of industrial performance became important in the process of improving Africa's industrial performance and diversifying the continent's manufactured exports. UNIDO was instrumental in raising awareness on perceived constraints limiting industrial performance, informing on experiences from other regions and offering solutions.

UNIDO encourages productivity growth and innovation in Africa in particular through the entry and upgrading of local clusters in global value chains. It calls for the networking of public and private institutions to enhance and support the capabilities of innovation and learning of competitive industrial clusters.

The first subregional CAMI meeting, held at Arusha, United Republic of Tanzania (24-25 October) for Eastern Africa, recommended an approach to improve the competitiveness and capabilities of the food, textile and leather sectors. As a follow-up to the recommendations of the Ministers, UNIDO is preparing a report entitled "Eastern Africa Productive Capacity Initiative: From Vision to Action", which presents the methodology and guidelines to assess industrial performance and capabilities and to develop industrial strategies, policies and programmes in the selected sectors.

## D. Research collaboration with CSAE

The research collaboration agreement between UNIDO and the Centre for the Study of African Economies (CSAE), University of Oxford, was renewed in June for a further two

years. The UNIDO Research Fellow at CSAE is currently undertaking research on topics such as export performance, firm efficiency and growth, investment and poverty alleviation. The memorandum of understanding also includes training programmes for civil servants and researchers from Francophone Africa, industrial surveys and a “rapid response mechanism” supporting the decision-making of UNIDO senior management.

UNIDO and CSAE jointly presented the results<sup>1</sup> of the Nigerian manufacturing enterprise survey at a national forum on competitiveness and private sector growth, held at Abuja in July. The objective is to identify policy issues that need to be tackled to reverse decades of poor economic performance. While the focus of most of the report is on issues specific to Nigeria, the study allows for international comparisons, drawing on both macro and micro data that can significantly enhance the understanding of Nigeria’s problems and opportunities.

## E. Industrial statistics

UNIDO continued to assume responsibility for compilation and dissemination of worldwide key industrial statistics at the detailed levels of industry classification. UNIDO collected data directly from non-OECD member countries while OECD collected data from its member countries and provided them to UNIDO to complete—supplemented with UNIDO estimates—the worldwide coverage of the UNIDO industrial statistics (INDSTAT) databases.

Other achievements included:

- ❑ Publication of the *International Yearbook of Industrial Statistics* (hardcopy, commercial version), and of statistical country briefs (Internet and UNIDO Intranet) and electronic subsets of the databases;
- ❑ Worldwide dissemination of:
  - ❑ 2002 versions of INDSTAT databases and derived databases, the industrial demand-supply balance databases, via CD-ROM sales versions of the databases;
  - ❑ CD-ROM versions of INDSTAT databases in accordance with 3- and 4-digit levels of Revision 2 of the International Standard Industrial Classification of All Economic Activities (ISIC);
- ❑ Development and dissemination of CD-ROM versions, equipped with user-friendly interface, of INDSTAT and IDSB (industrial demand-supply balance) databases in accordance with ISIC (Revision 3);
- ❑ Completion of draft version of redesigned country brief series by adding more comparable data and user-friendly functions.

The UNIDO database system was an important basis for the Organization’s economic analysis of industry, such as in the industrial development scoreboard introduced in the *Industrial Development Report*. Moreover, income in 2002 from the dissemination of the CD-ROM products and their electronic subsets alone amounted to €63,000.

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<sup>1</sup> “The performance of Nigerian manufacturing firms: Report on the Nigerian manufacturing enterprise survey 2001” can be accessed from the UNIDO web site: [www.unido.org/en/doc/4901](http://www.unido.org/en/doc/4901).

## F. Nordic Partnership

Collaboration with the Nordic Partnership initiative, comprising 17 major Nordic companies involved in the development of business models for sustainable development, was formalized through the signing of a memorandum of understanding in the spring of 2002. The objective is to determine how business can undertake global responsibility—socially, environmentally and financially. The Nordic Partnership will make important contributions to the follow-up process of the Johannesburg Summit and to the achievement of the United Nations Millennium Development Goals for developing countries and economies in transition by reaching out to those countries and making available new technologies for sustainable industrial development.

Lending its unique global expertise in furthering sustainable industrial development, UNIDO has supported the development of the initiative through the membership of the Director-General in the Advisory Board and by contributing to the innovative work of the network of the Nordic Partnership. UNIDO made a keynote presentation on building partnerships between the North and the South at the Nordic Partnership conference held at Copenhagen in April and contributed to the introduction of the initiative at the World Summit on Sustainable Development.

In early December the Nordic Partnership embarked on its second phase, moving from commitment to implementation and action. UNIDO has been nominated as one of two “knowledge partners” and thus represents the sole United Nations expertise on sustainable development. Participation of Nordic Partnership companies in a UNIDO corporate social responsibility/triple bottom line technical cooperation project in five countries in South-East Asia is presently being initiated (chap. II. G, box).

## G. International conference on the process of innovation and learning in dynamic city-regions of China

Attended by 65 participants representing 11 developing countries, several developed countries, international institutions and representatives of five dynamic city-regions from China and local institutions, this conference was convened at Shenzhen, China, from 7 to 9 December. The meeting proposed the establishment of a global network of innovating and learning city-regions to provide a platform to promote the sharing, transferring and dissemination of the experience gained from relevant innovative and learning systems throughout the world, to be further examined at a meeting planned in 2003 at Bangalore, India. As a follow-up, UNIDO is developing a database of policy instruments, institutions and systems of governance of innovative and learning dynamic city-regions.

## H. Environmentally sound technologies

As a contribution to the debate on how best to stimulate environmentally sound technological change in developing countries and as a direct input to UNIDO’s participation in the World Summit on Sustainable Development, UNIDO conducted a study<sup>2</sup> of the determinants of firm-level adoption of environmentally sound technology

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<sup>2</sup> “Assessing the uptake of environmentally sound technology” can be accessed from the UNIDO website: [www.unido.org/en/doc/5171](http://www.unido.org/en/doc/5171).

(EST) in nine countries. The objective was to document the factors that have influenced firms to adopt ESTs over the past decade, and to assess their relative importance in terms of company- and country-specific conditions. Insights gained will enable UNIDO to develop its policy advisory services with regard to industrial, technology and environmental policies and better orient its technical cooperation services.

## I. Venice II

UNIDO-sponsored meetings at Venice, Italy, in 2000 and 2002 addressed a major challenge for the international community that looms ominously ahead: how best to counteract trends resulting in a substantial proportion of the world population lagging further and further behind in economic, social and human development.

Venice I, in 2000, identified missing links in the current development agenda. Venice II (October 2002), was intended to generate ideas to flesh out and update the development agenda by filling its empty slots regarding the kind of public policy interventions for sustainable productivity growth, poverty eradication and equity that are called for under the current world economic order.

Both meetings drew on the contribution of outstanding private sector leaders, policy makers, scholars and experts who engaged in in-depth exchanges. In what might be named “The Venice Consensus”, the Venice II participants agreed on the urgent need for a new paradigm for development, built not on the rejection of the old one, but on the realization that its chief elements (macroeconomic stability, trade liberalization, good governance) do not suffice to bring about the productivity gains that translate into social benefits. They concurred in that the magnitude of this task is such that it requires the active involvement of the worlds of business, academia, civil society and development practitioners.



# IV

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## The regional dimension

The aims of the regional programmes are to develop a coherent regional programmatic approach to UNIDO's services and to ensure a response to countries' needs and requirements in an efficient manner. The Organization has been pursuing these aims by supporting the development of new integrated programmes, strengthening cooperation with other organizations—especially regional institutions—and promoting global forum activities.

More importantly, steps have been taken for the Regional Bureaux and field offices to play a more proactive role in programme development and implementation. A number of UNIDO Representatives have been given the responsibility to lead the formulation of integrated programmes, while the Regional Bureaux have been increasingly participating in the assessment and monitoring of technical cooperation activities.

Selected achievements of UNIDO activities by region are highlighted in the following sections.

### A. Least developed countries

Support to the least developed countries continued to be a principal UNIDO priority, in line with the Business Plan, as demonstrated in the proportionately high number of LDCs covered by integrated programmes and in a number of other activities.

As a follow-up to the Third United Nations Conference on Least Developed Countries (LDC III), various initiatives were pursued to implement the Brussels Declaration and Programme of Action. It outlines a broad range of measures to be taken in the form of a framework for partnership under seven specific commitments. UNIDO's contribution concentrated on commitments 4 (Building productive capacities to make globalization work for the LDCs) and 5 (Enhancing the role of trade and development).

Within that context, UNIDO's large-scale programme "Enabling developing countries to participate in international trade—strengthening the supply capacity", initially presented at LDC III, was further elaborated at the International Conference on Financing for Development at Monterrey. This initiative aims to facilitate LDC trade participation and enhance export competitiveness through upgrading quality and accreditation infrastructure and productive capacities, primarily in sectors of high export potential, such as food products, textiles and leather. A trust fund open to donor contributions was established to finance the implementation of this initiative. By the end of 2002, four countries had decided to contribute to the trust fund for a total of some \$700,000. The first submissions for funding are expected in the first months of

2003. In addition, several larger country and regional projects have received funding or are being considered by donors.

UNIDO's €8 million flagship trade facilitation and market access initiative, funded by the European Union, covering the eight UEMOA member States (of which seven are LDCs), is well under way. Its goals will be achieved by establishing a regional accreditation and certification system, strengthening existing standardization institutions and promoting quality.

A new UNIDO-UEMOA pilot programme, under finalization, on industrial restructuring and upgrading with a budget of \$12 million and duration of five years should enable hundreds of industrial enterprises to overcome international competition. It also aims at contributing to the regional integration process and is in line with the NEPAD objectives and goals to promote accelerated growth and sustainable development and to eradicate poverty.

A seminar at Abuja in April, hosted by the Economic Community of West African States (ECOWAS), finalized a UNIDO-ECOWAS market access programme for the seven of its member States not covered by the UNIDO-UEMOA-EU programme, six of which are LDCs (Cape Verde, Gambia, Ghana, Guinea, Liberia and Sierra Leone). The ECOWAS programme, which well reflects issues elaborated in the NEPAD market access initiative, will have a duration of five years and a budget in the vicinity of \$29 million. ECOWAS and UNIDO are actively seeking donor support. The UEMOA and ECOWAS programmes together will cover 14 of the 34 African LDCs. Furthermore, a programme covering seven Southern African Development Community (SADC) LDCs (Angola, Democratic Republic of the Congo, Lesotho, Malawi, Mozambique, United Republic of Tanzania and Zambia) is under development.

Collaboration with other organizations has also played an important role in the follow-up to LDC III. UNIDO has regular and close contacts with the WTO Committee on Trade and Development, the Subcommittee for LDCs and the Committee on Technical Barriers to Trade. UNIDO has been identified by WTO as a key partner on issues related to improving market access and supply-side constraints of developing countries. Moreover, UNIDO has been granted observer status at the Joint Integrated Technical Assistance Programme, with a view to ensuring coordination and complementarity.

In 2002, arrangements were made for two subregional workshops (East and West Africa) to be held jointly with UNCTAD in 2003 in the framework of the Doha Development Agenda and aimed at enhancing LDC participation in global trade and creating awareness of the implications of the forthcoming WTO negotiations. This joint UNIDO/UNCTAD programme will be realized through a contribution from the Government of Austria.

Together with UNCTAD, the Foreign Investment Advisory Service (FIAS) and the Multilateral Investment Guarantee Agency (MIGA), UNIDO is a partner to the Multi-Agency Programme on Investment Promotion, which aims to increase the level of foreign direct investment (FDI) flows into LDCs. The first phase has been initiated in four pilot countries (Cambodia, Mozambique, Uganda and the United Republic of Tanzania).

UNIDO's commitments for the promotion of sustainable energy systems in LDCs arose from its second major initiative at LDC III, the chairing of the Thematic Session on Energy. This has generated a wealth of projects and follow-up activities in the areas of rural energy supplies and industrial energy efficiency. Renewable energy projects promoting solar, wind, and biomass in rural areas have been formulated in six countries (Bhutan, Ethiopia, Gambia, Ghana, Myanmar and Zambia), of which the programme in Zambia has already been approved for GEF funding.



Another LDC III “deliverable”, the UNIDO-UNDP regional multi-functional platform programme, continued to confirm the effectiveness of the simple diesel engine that can power various tools. The engine can also generate electricity for lighting, refrigeration and water pumps. The platform offers rural women income-generating opportunities, management experience and an increase in their social status, with each one creating between 7 and 10 permanent viable jobs. A side effect is an automatic increase in the rate of school attendance for girls, since they are no longer obliged to permanently assist their mothers. While the programme is most advanced in Mali, where some 450 platforms will have been installed by the end of 2003, some 60 platforms have been installed in Burkina Faso and Guinea. Thanks to \$600,000 in UNDP financing approved in July, UNIDO will also disseminate the platforms in Senegal. The programme has attracted a number of sponsors, with two European donors having indicated their intention to support a large-scale five-year programme of some \$10 million to start in the second half of 2003, covering 14 African countries, most of them LDCs employing the South-South cooperation approach.

A UNIDO report on building productive capacity for poverty alleviation in LDCs identifies the potential contribution of industry to poverty alleviation in the light of the performance and structure of the LDC manufacturing sector. It analyses the scope for enhancing exports and domestic demand-oriented production in key industries (food manufacturing, textiles and apparel, footwear, agricultural machinery and industries utilizing information and communication technologies).

In addition to these major activities directly related to the implementation of the LDC III Plan of Action, LDCs were a focus of UNIDO integrated programmes. Of a total of 51 programmes, 15 are currently under implementation in LDCs: Burkina Faso, Eritrea, Ethiopia, Guinea, Lao People’s Democratic Republic, Madagascar, Mali, Mozambique, Nepal, Rwanda, Senegal, Sudan, Uganda, United Republic of Tanzania and Yemen. A programme for Djibouti was approved by the Prime Minister, and an additional four are under formulation (Burundi, Lesotho, Niger and Togo).

The total value of integrated programmes under implementation for LDCs amounted to \$75.5 million, of which 52 per cent have been mobilized. UNIDO delivery to LDCs in 2002 amounted to \$9.3 million, of a total of \$83.5 million, or a share of 11 per cent for LDCs. This represents an increase from the 10 per cent share of delivery to LDCs in the previous year. Country-specific delivery and approval information for LDCs is provided in appendix D.

Success has been recorded in the implementation of integrated programmes for a number of LDCs, such as Ethiopia, Lao People’s Democratic Republic, Senegal, Uganda and United Republic of Tanzania, where significant funding has been mobilized.

## B. Africa

Since the Millennium Summit there has been a greater resolve by African leaders to assume full ownership and control of the continent’s destiny. Indeed, African leaders have taken the lead in articulating a wide scope of new initiatives, including the launching of the African Union, destined to transform Africa into a dynamic and equal partner in the quest for global economic development. The New Partnership for Africa’s Development (NEPAD) was adopted for the promotion of rapid and sustainable economic development of the member States of the African Union. Important recent developments and events since that time that will have implications include the United Nations Conference on Financing for Development, the G-8 response unveiled at Kananaskis, Canada, and the World Summit on Sustainable Development.

Although the marginalization of sub-Saharan Africa and LDCs continued to be a cause for concern, these events contributed to the identification of new opportunities for UNIDO services in Africa. They are based on the requirements of building sustainable business linkages between private and public sectors and adherence to the principles of environmentally-friendly industrial production. They include rural energy for productive use, environmentally sound management of persistent organic pollutants, biotechnology and biodiversity, technology assessment and technology foresight, e-productivity and competitiveness, food security and post-crisis rehabilitation. In its overall programming activities for Africa, UNIDO started to address relevant sectoral priorities of the NEPAD programme, and linking its services to key elements of Africa's development goals (information and communication technologies, energy, poverty reduction, agriculture and the environment initiative).

Within that context, UNIDO technical cooperation in Africa emphasized institutional capacity-building for enhancement of industrial competitiveness and private sector development. This was also in accordance with basic objectives of the Millennium Declaration for Africa: (a) Bringing Africa into the mainstream of global economy and (b) Addressing the challenges of poverty eradication and sustainable development through technical assistance services. Nevertheless, in the course of 2001-2002, the Organization undertook a thorough reassessment and refocusing of its activities in Africa to ensure their higher potential impact and sustainability, also placing more emphasis on the quality of approved activities. The demand-driven nature of UNIDO assistance, strong client orientation and critical re-assessment of the accumulated experience became the main criteria in programming and operational activities. Also, the regional dimension of that work continued to enjoy the support of African Member States, which requested more regional and subregional activities. Through its response, UNIDO is among the first international agencies to address the new NEPAD orientations, where regional and subregional cooperation and pooling local resources are viewed as the major way to achieve the common goals of Africa's development.

### **Integrated programmes**

Africa accounts for 46 per cent of the countries covered by UNIDO integrated programmes or country service frameworks, of which 76 per cent are in sub-Saharan Africa. At the end of 2002, 14 programmes (Burkina Faso, Côte d'Ivoire, Eritrea, Ethiopia, Ghana, Guinea, Madagascar, Mali, Mozambique, Nigeria, Rwanda, Senegal, Uganda and United Republic of Tanzania) with a total value of \$89.8 million were under implementation in the region. In 2002, UNIDO developed two additional programmes: a country service framework for South Africa and an integrated programme for Kenya. Programmes for Cameroon, Lesotho and Namibia were under development and fact-finding missions to Niger and Togo were fielded. The first regional integrated programme for Africa, "Agro-industries in West Africa—Upgrading capabilities of intermediary civil society organizations", launched in 2001 with a total budget of over \$12 million, has been presented to potential donors.

### **Regional and subregional initiatives**

Within the context of NEPAD and its emphasis on regional and subregional cooperation, UNIDO continued to pay special attention to this dimension. A total of 39 regional projects were under implementation in sub-Saharan Africa with a total financing outlay of \$12.2 million. Among 45 African countries, 43 are beneficiaries of UNIDO regional activities.

UNIDO entered the implementation phase of its programme to establish a UEMOA system for accreditation, standardization and quality promotion. Within the framework

of its operational activities, UEMOA was assisted in preparing and finalizing the “Devis Programme 2002”, defining a detailed structure of UEMOA inputs. UNIDO was otherwise heavily involved in a wide scope of preparatory activities. As an acknowledgement of the relevance of its regional policies in Africa, UNIDO, at the request of UEMOA, also developed a \$12 million subregional pilot programme for restructuring and upgrading of industries.

Parallel to its joint activities with UEMOA, UNIDO has similar programmes at various stages of development for other African subregions. Thus, a programme on standardization, quality promotion, accreditation and metrology is planned for SADC countries. These include the regional programme on technology management for sub-Saharan Africa, facilitation of trade participation of selected ECOWAS countries, mainly LDCs, and product promotion for cleaner production in Kenya, United Republic of Tanzania and Zimbabwe.

### **Kilimanjaro Industrial Development Trust**

The Kilimanjaro Industrial Development Centre had been established between 1978 and 1993, with the assistance of Japan, as a Tanzanian public sector project. Its major objective was to transfer technology and technical skills to the Centre's staff and to SMEs in the region in the context of an integrated regional development plan. The Centre was handed over to the Government of Tanzania in 1993, which thenceforth funded its operating costs.

In 1999, the Centre was inactive, with most of its machinery lying under dust and almost no production or training, despite its original mandate to serve the SME sector in the Kilimanjaro region. Following a request by Japan to revitalize the Centre, a transformation implemented by UNIDO and financed by Japan and Tanzania achieved impressive results. Today, the Kilimanjaro Industrial Development Trust (KIDT) is a vibrant institution with all workshops open and functioning, most equipment repaired, the physical facilities rehabilitated and refurbished, and with a new management team in place.

- ❑ The legal status of the Centre was revised with its registration as an autonomous trust governed by a Board of Trustees;
- ❑ The previously loss-making ceramics factory at Same was revitalized by the new management, and accounted for 20% of KIDT's income during a six-month period in 2002;
- ❑ KIDT's income exceeded TSh 25 million during the same six-month period, representing a hundreds-fold increase over that of the former Centre;
- ❑ While the Centre had no management and financial control system in place, KIDT now boasts modern computerized management and financial control systems, personnel rules, computers, Internet connections, an internal communication system and a fax machine;
- ❑ The Centre was referred to as the “dead institute” by the local business community. Evidence of the change is the fact that a private company has just proposed to enter into a joint venture with KIDT for the production of briquettes.

As a result of the Director-General's 2002 visit to East Africa and responding to the emerging challenges in the subregion, UNIDO initiated a new programme addressing the post-conflict rehabilitation of industry in the Great Lakes region as well as one on rural energy development for productive use in Africa's post-conflict countries. Also, in response to an appeal by Ethiopia, UNIDO is undertaking a special initiative for the drought catastrophe and is preparing a proposal addressing agro-processing in the

three most severely affected areas. With \$1 million earmarked, the initiative targets a population of some 60,000.

UNIDO continued to emphasize promoting environment protection policies throughout Africa. Several proposals were elaborated, including one for strengthening capacities to address industrial technology issues under the Framework Convention for Climate Change and developing national capacities to implement industrial Clean Development Mechanism projects in Central Africa. As clear evidence of the demand for UNIDO services in this domain was a trust fund agreement with the Nigerian National Petroleum Corporation on assistance for the establishment of a cleaner catalysis research and development laboratory (\$3.1 million). As a result of the Director-General's visit to South Africa in April, UNIDO launched a National Cleaner Production Centre in that country, bringing their total number in Africa to seven.

The UNIDO Regional Industrial Development Centre—moved from Lagos to its new location at Abuja—continued to play a proactive role not only in the implementation of the UNIDO country service framework but serving as a focal point for UNIDO-ECOWAS cooperation at the regional level. A UNIDO-ECOWAS validation seminar on the regional programme for trade facilitation was one of the major events. The Centre initiated cooperation activities with the UNIDO International Centre for Small Hydro Power in Guangzhou, China, in order to commence programme development activities in Nigeria within the framework of technical cooperation among developing countries (TCDC). One of the initial outputs was a stakeholders forum on rural industrialization and development through renewable energy at Abuja. New cooperation arrangements were developed with the British High Commission in Abuja and the African Business Round Table.

An initiative launched in 2001 established the UNIDO-Africa Investment Promotion Agency (IPA) Network as a focus group of African IPAs with close linkages to UNIDO through ongoing integrated programmes. The objective is to conduct research and design effective, low-cost investment and technology promotion strategies that are in line with the financial, human and political resources available to most African IPAs. In this connection, a pilot survey of foreign investors in four countries was conducted to assess their perceptions and future plans and to use this information to design practical strategies. The survey's results were published and have been used to update ongoing UNIDO programmes in those countries.

### **Coordinating inter-agency action**

UNIDO maintained close working contacts with the United Nations Secretariat (particularly the Office of the Special Coordinator for Africa and the Least Developed Countries), the World Bank and other major agencies involved in development cooperation activities in Africa. With the launch of NEPAD, the focus of this cooperation moved to the development of joint activities and securing financial resources to support strategic goals. In this context, UNIDO participated in the Conference on the Financing of NEPAD, at Dakar in April. Upon completion of the Conference, the President of the African Business Round Table invited UNIDO to cooperate with ABR. Another NEPAD-ECOWAS summit, held at Yamoussoukro, confirmed the importance of the ECOWAS-UNIDO programme. The two organizations were encouraged to proceed with funds mobilization and to implement the programme in seven ECOWAS member States.

Another important event was UNIDO's participation in the thirty-fifth session of the Commission/Conference of African Ministers of Finance, Planning and Economic Development and the Committee of Experts at Johannesburg in October. As a follow-up to the Director-General's discussion with ECA at Addis Ababa in January, new working arrangements with ECA were elaborated.

Reflecting the Director-General's proposal to introduce a subregional approach to the work of CAMI, UNIDO developed an initiative on the formulation of subregional programmes to introduce a value-chain approach to industrialization in Africa. The objective is to identify a limited number of product chains that could be developed in a targeted manner and then—on the basis of subregional expert group meetings—to promote the concept among African stakeholders and to present proposals to CAMI and the regional economic commissions for funds mobilization and implementation jointly with UNIDO. In this context, the first CAMI subregional meeting took place at Arusha, Tanzania, in October. The thrust was how to translate the NEPAD objectives into achieving and sustaining an average GDP growth rate of about 7 per cent per annum for the next 15 years with a view to accelerating economic growth, reducing poverty, and enhancing international competitiveness and Africa's integration into the world market. On the basis of the UNIDO background paper and sectoral case studies, three sectors (agro-food processing, textiles and garments, and leather and leather products) in the subregion were found to have local comparative advantage as well as potential to compete globally. The meeting established an Eastern Africa productive capacity initiative and selected three strategic areas to be targeted: technology diffusion, capacity-building for market access, and agro-industry as a global value chain. Initial arrangements for a further four subregional meetings scheduled during 2003 were discussed at the second CAMI Bureau meeting in Vienna in November.

### **Research activities**

The research cooperation agreement with the Centre for the Study of African Economies at Oxford University, initiated in 1999, was renewed for a two-year period (2002-2003). The Centre continued to support UNIDO activities in Africa with analytical support and analysis of the industrial trends and economic development in Africa. Its 2002 publications included "The performance of Nigerian manufacturing firms: Report on the Nigerian manufacturing enterprise survey 2001".

## **C. Arab countries**

Assistance to the Arab region continued in the pursuit of integrated and sustainable industrial development, while addressing the diverse needs of countries characterized by an extremely varied economic basis. As demonstrated in the following paragraphs, UNIDO technical cooperation in the region was primarily through integrated programmes. Cooperation with some Gulf Cooperation Council countries continued within the framework of "stand alone" projects (Bahrain, Kuwait and Qatar), while discussions have reached an advanced stage with the Government authorities of other countries of the subregion for the finalization and the launching of integrated programmes (Oman and United Arab Emirates).

### **Integrated programmes**

The year marked the launching of one new integrated programme (Syrian Arab Republic), bringing to 11 the number of integrated programmes for the region with combined overall budgets of some \$58.4 million. The programme for the Syrian Arab Republic features an overall orientation on the improvement of industrial product competitiveness as well as the facilitation of their integration in the global value chain.

With its major thrust on the strengthening of national capacities in industrial upgrading and restructuring, the programme in Algeria has already achieved results, including the qualification of 40 auditors in ISO 9000 and the upgrading of 20 industrial enterprises.

Six enterprises and four laboratories have been certified to ISO 9000 and ISO 17025 respectively.

The highlight of cooperation with Egypt was the signature of the revised country service framework (CSF), which took place in November on the occasion of the visit of the Minister of Industry to UNIDO Headquarters. The CSF underwent a major refocusing to reflect changing country priorities and funding prospects, with emphasis placed on upgrading the competitiveness of priority industrial sectors. Progress was made during the year in investment promotion, resulting in the approval of \$3 million in loans for SMEs and the identification of some 70 investment projects for promotion. Achievements include the establishment of an operational service centre and a report on tannery design.

Progress in implementing the programme for Lebanon featured major efforts directed towards quality, standardization and consumer protection, leading to the establishment of a food safety panel and of a fully operational laboratory conforming to international standards. Substantial progress was also made in the areas of cleaner production and promotion of industrial partnerships with the establishment of an NCPC and of a Subcontracting and Partnership Exchange with European Union, Austrian and Lebanese Government funds.

Significant results in the programme for Morocco were evident. Eighty enterprises were assisted under the three clusters covered (leather, ceramics, food). In women's entrepreneurship development, 130 women were trained in the use of new technologies, 12 rural support institutions provided with training tools and methodology, and a network of 15 trainers created within a pilot project geared to olive oil production. In information networking, a comprehensive study was finalized and 40 nodal points selected. Impact was also achieved in cleaner production with the establishment of an NCPC, the preparation of a manual and the convening of a seminar. Forty-four investment opportunities were identified, of which 2 are under negotiation between potential partners, 10 under promotion and 8 under evaluation.

The extraordinary circumstances prevailing limited progress in the implementation of the programme for Palestine and in attracting additional funding. Nevertheless, new funding opportunities and strategic partnerships were explored in the course of the year that are likely to materialize as soon as the situation improves.

As a result of discussions held with the President of Sudan, the Minister of Industry and other high-level officials on the occasion of the Director-General's mission in January, the programme was refocused with emphasis on agro-industries and to reflect United Nations and major donor priorities. Another highlight was the establishment of a trust fund by the Government of Japan for the preparation of a full-scale project document on the rehabilitation of the rural area of Nuba.

Achievements in the programme for Tunisia included upgrading or restructuring 70 enterprises in the textile, leather and food sectors, formulating 54 industrial cooperation projects between Italian and Tunisian enterprises and establishing three export promotion consortia. A project document including all outputs and activities not yet implemented is under finalization at the request of the Government of Italy, which has approved the financing of the programme's remaining balance.

The analytical work completed during the year in the framework of the support programme for industrial capacity-building financed through UNDP SPPD resources was instrumental in identifying the priority areas for the implementation of the Yemen integrated programme. Five corresponding project proposals addressing specific priority sectors and areas were formulated. Workshops were convened at Sana'a, where project

proposals were presented to counterparts and the donor community with a view to fine-tuning them with stakeholders and to exploring funding opportunities.

### **Cooperation with other organizations**

Fostering cooperation throughout the Arab region is an important objective in the UNIDO strategy. In 2002, significant activities were undertaken at the regional level. Discussions are ongoing with the Economic and Social Commission for Western Asia (ESCWA) for the joint implementation of a technology foresight programme. Another pipeline initiative concerns the development of a cluster network in the garment and agro-food industries.

#### **Olive oil entrepreneurship for women in Morocco**

Women in the northern region of Morocco are very much involved in olive oil production. They harvest the olives, produce oil and sell it with their meagre resources and know-how.

Until the UNIDO project—funded by Spain—entered the Chefchaouen area, women picked the olives, crushed them under a heavy milling stone, turning laboriously in a small stone pool. The olive paste was then placed in a hole opened in the ground and covered with hand-carried water. The oil floating on the water was collected with spoons and bottled. Of the hard-won oil and water, 25% was lost to the soil and the end result was olive oil with a high degree of acidity that could pose long-term health hazards. Once bottled, women started waiting for customers to come to their doors and buy it.

Now, life is quite different for those same women: UNIDO introduced a mechanical olive oil production unit using simple but appropriate locally-available technology, and conducted training. Women are taught how to pick the olives, produce healthy olive oil, how to control the quality and the acidity, as well as the basics of managing the business and marketing. Oil produced during the training sessions was sold and proceeds were transferred to the target group, which is now building the premises to install the equipment. The women are being coached closely during the first harvest and production period following the initial project foundation. They have been assisted in the procurement of packaging materials, registration of a trade mark, preparation of labels, promotional materials such as flyers and in organizing an open door to directly market the produce in the initial stages.

During project implementation, a tight network of local support institutions has been built with the support of the Ministry of Industry, Commerce, Energy and Mines, as well as a network of trainers in production technology, business management and marketing. Arrangements have been formalized so that during the next harvest season the coaching will be left to these institutions and trainers. The project will then concentrate on other target groups to further expand the benefits in the region and in the country.

Cooperation was strengthened with the League of Arab States with respect to environment-related issues and industrial information networking. A series of programmes geared to investment and technology promotion was developed with the Arab Industrial Development and Mining Organization. A proposal for cooperation with the Gulf Organization for Industrial Consulting for the establishment of a Subcontracting and Partnership Exchange was discussed and is under consideration.

A comprehensive cooperative framework was finalized with the Organization of the Islamic Conference (OIC) on the occasion of its general meeting with the United Nations system in July. Within that context, UNIDO participated in the work of several

groups that were instrumental in identifying and agreeing on specific areas of cooperation with a number of OIC institutions whose activities are of direct relevance to UNIDO. A number of activities are already under way, entailing active collaboration in the context of specific events, such as a workshop on trade in mechanical products sponsored by the Islamic Centre for Development of Trade in the United Arab Emirates, and the congress on artisan craft development towards creating wealth and reducing poverty held by the Islamic Research Centre for Islamic History, Art and Culture (IRCICA) at Isfahan, Islamic Republic of Iran.

A detailed proposal to hold a regional forum in the Syrian Arab Republic in 2003 on promoting information technology and trade facilitation in the region was formulated and endorsed by the Syrian Minister of Industry. Moreover, a proposal for a conference on “mechatronics”<sup>3</sup> and its application in developing countries for enhanced industrial productivity and competitiveness, also foreseen for 2003, was formulated in cooperation with the Islamic Education, Scientific and Cultural Organization.

## D. Asia and the Pacific

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

Programme delivery in the region continued to rise as new activities were added to its portfolio of ongoing programmes and implementation of integrated programmes and country service frameworks developed in prior years gathered momentum. A total of six fact-finding or programming missions were undertaken, with a view to recommending programme strategies for Afghanistan, Bangladesh, Democratic People’s Republic of Korea, Orissa Province in India, Indonesia and Viet Nam. Visits of the Director-General to a number of countries in the region (Afghanistan, Indonesia, Islamic Republic of Iran, Malaysia, Pakistan, Philippines and Thailand) enhanced cooperation with them in a number of key areas.

As a country that has just emerged from two decades of war, the immediate need of Afghanistan is to generate employment opportunities through industrial development as a way to enhance social inclusion and reduce conflicts. UNIDO conducted several feasibility studies aimed at identifying viable industrial facilities for jump-starting industrial activity in the country. A subregional forum involving both the public and private sectors of Afghanistan, the Islamic Republic of Iran and Pakistan, to be held in 2003, is intended to promote investment in Afghanistan. In addition, UNIDO contributed some computer and communication equipment to upgrade the capacity of the Ministry of Industry.

In Bangladesh, a country service framework with the main objective of alleviating poverty through enhanced industrial competitiveness and productivity will be formulated based on the results of the fact-finding mission. For the Democratic People’s Republic of Korea, an integrated programme focusing on rural energy development, enhancing the performance of agro-based industry, waste management and industrial statistics and information networking will be developed.

The country service framework for Indonesia, approved in November, aims at providing a clear direction for UNIDO technical cooperation programmes for the period 2003-

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<sup>3</sup> As defined by the UNESCO Mechatronics Research and Application Center, mechatronics is the synergistic integration of mechanical engineering with electronics and intelligent computer control in the design and manufacture of products and processes.



2004. With a total budget of some \$8 million, of which \$1.5 million has been mobilized, the programme focuses on two main areas: development and growth of SMEs, and energy efficiency and environmentally sustainable industrial development.

Following a request from the national counterparts in December 2001, a review was launched to streamline the country service framework for the Islamic Republic of Iran into an integrated programme. This process, which is still ongoing, is intended to result in a redefinition of the various components of the programme in close consultation with the national counterparts. Meanwhile, implementation has focused on the components for SME development and agro-industry.

The integrated programme for the Lao People's Democratic Republic, launched in January, by March had met fully its funds mobilization target of \$1 million with the financial support of Luxembourg and France. In August, an additional contribution was received from the Republic of Korea to implement a critical SME decree, together with a contribution from Norway as part of a regional programme on trade facilitation and from Switzerland on cleaner production. These initiatives will be consolidated into a second phase of the UNIDO integrated programme, to be formulated in 2003. This rolling form of technical cooperation design retains the substantive benefits and cost-effectiveness of integration, while providing the flexibility required to adjust to changing circumstances and evolving patterns of official development assistance (ODA) support in the country.

#### **International accreditation for five Sri Lankan laboratories**

The removal of tariffs and subsidies by developed countries does not mean developing countries can access developed country markets. To get their products on the shelves in developed countries, the developing countries first have to be able to produce competitive products and have also to prove that their products conform to developed country standards. The need to build these capacities is the rationale behind UNIDO's market access initiative and the reason the UNIDO integrated programme for Sri Lanka has assisted five testing laboratories achieve ISO 17025 accreditation.

The Industrial Technology Institute (ITI) chemical testing laboratory was the first of the five to be accredited, in June 2002, and has the distinction of being the first laboratory in the country to be accredited.

UNIDO's integrated programme has been the beneficiary of Norway's peace initiative in Sri Lanka. NORAD, the Norwegian Development Agency, has been a generous donor to the programme, viewing the sustainability of peace as highly dependent on the country's economic viability, and thus on the development of its industry. The next step for the IP is the establishment and accreditation of an industrial metrology laboratory and a rubber/plastics laboratory at ITI. One novel aspect of the IP has been to encourage similar developments in other fields. A two-day seminar held in August presented the IP experience to professionals from government and private medical laboratories, research institutions, customs and the government forensic department. Subsequently, government medical laboratories agreed to participate in an accreditation pilot programme.

Following the signing of a memorandum of understanding in December 2001, technical cooperation with Mongolia was reactivated by implementing, in cooperation with UNDP, a project aiming at identifying policies and programmes for industry and trade development in the country in a long-term perspective.

In the case of the integrated programme for Pakistan, the main focus of implementation in 2002 was on institutional capacity-building for SME development. Despite financial constraints, significant progress was made in two projects: the establishment of an Internet-based Industrial Information Network (IIN) and preparatory activities for the implementation of a programme for the development of a selected group of SME clusters.

Now in its fourth year of implementation, the integrated programme for Sri Lanka has attracted significant donor interest. Of a total programme budget of \$12.9 million, \$6.3 million had been secured at year's end. Its impact on the economy and environment of Sri Lanka includes employment opportunities created through new joint venture companies, more efficient use of water and energy and a reduction in the discharge of polluted waste.

During the Consultative Group meeting in December, donors pledged a massive inflow of \$2.5 billion of ODA resources for Viet Nam in 2003 to support the Government's ambitious programme of modernization and industrialization of the economy. Therefore, the UNIDO integrated programme—approved in the second half of 2002—arrives at a strategic time. Designed for execution over the period 2003 to 2005, it has already mustered the financial support of a varied array of donors, including Belgium, Finland, Italy and Switzerland.

## E. Europe and NIS

### **Cleaner and sustainable industrial development**

The major regional forum event of the year was the International Forum on Strategies and Priorities for Environmental Industries, jointly organized with the Government of Slovakia. The Forum addressed common environmental issues shared by non-EU European countries and looked at opportunities for enhancing regional and subregional cooperation and possibilities for further partnerships between UNIDO, other international organizations and the countries of the region.

### **Integrated programmes**

During the year all the integrated programmes for the Russian Federation were successfully completed and, after consultation with the Government, it was decided to design a new country service framework based on the protocol of cooperation for 2002-2005.

The integrated programme for Uzbekistan focused on the components for business advisory services for SMEs and cleaner production. Successful results were achieved under both, including the establishment of the Business Advisory Centre in Tashkent, which also began functioning successfully during the year, and the establishment of the National Cleaner Production Centre.

Several achievements were realized under the investment and technology promotion component of the Armenian integrated programme during the year. The Government requested UNIDO to increase its support to the country under that component, as well as for environment (Clean Development Mechanism) and policy (accession to WTO).

Assistance to develop and formulate a national implementation plan for meeting obligations under the Stockholm Convention on Persistent Organic Pollutants was a major UNIDO initiative in the region. Such enabling activities were initiated and being

implemented in Armenia, Croatia, the Czech Republic, Hungary, the Former Yugoslav Republic of Macedonia, Poland and Romania, and implementation was planned to start early in 2003 for Turkey.

Under the Montreal Protocol, new projects increasingly focused on the phase-out of the use of methyl bromide, for which projects were ongoing in Croatia, Georgia, The former Yugoslav Republic of Macedonia, Romania and Turkey, and under preparation for Albania.

The GEF-funded UNIDO Danube Basin TEST (transfer of environmentally sound technology) programme entered phase II of its implementation. The programme worked in five countries (Bulgaria, Croatia, Hungary, Slovakia and Romania) to build capacity in counterpart institutions for analytical assessments to identify the least costly options for environmental compliance. Negotiations to obtain additional funding—including from emerging donors in the region—for the further development of the programme progressed positively during the year.

### **Strengthening industrial capacities**

An international study tour and workshop on food safety and the preservation of fruits and vegetables was carried out in Turkey (with joint UNIDO-Turkish funding) at the beginning of the year. Preparations are being completed for a follow-up seminar in early 2003 for participants from Latin America, Africa, and the Eastern Europe and NIS region. Preparatory assistance, in the form of a fact-finding mission, was also carried out in Ukraine to identify ways to strengthen the capacity of support institutions in the food-processing industry.

#### **Technology Foresight in Europe and NIS**

The UNIDO technology foresight initiative has generated significant interest in Europe and NIS. In the context of the need for a medium- and long-term development vision, the idea is also to bring a more technology-oriented focus to long-term economic, environmental and social development. In this context, the regional initiative is instrumental in assisting economies in transition in their efforts to achieve a more sustainable and innovative development process.

Jointly with the Government of Hungary, UNIDO conducted preparatory work for establishing an annual Technology Foresight Summit to take place in 2003, 2004 and 2005. Funded by Austria, Hungary and UNIDO, the first Summit is scheduled for March 2003 at Budapest.

Awareness of the importance of technology foresight as a decision-making tool was further promoted through an international conference on new advances of technology foresight at Kiev (September 2002), financed by Ukraine, the British Council and UNIDO. With that event, Ukraine launched a national foresight programme.

Activities under the regional programme for Central and Eastern Europe on technology foresight (TF) continued with an international conference at Kiev that focused on awareness-building. As part of the follow-up, preparatory work began for the development of a national TF programme in Ukraine. Preparatory work was also carried out for the high-level TF summit planned for the spring of 2003 at Budapest.

A UNIDO programming mission to Lithuania developed 20 project concepts for possible future development. Of these, five were singled out as priority projects for future

development and the corresponding project documents were under elaboration. Preparations were also under way for a programming mission to Yugoslavia, planned for 2003.

In Kyrgyzstan, implementation commenced of an investment promotion programme to improve the investment climate.

## F. Latin America and the Caribbean

### **Integrated programmes**

In 2002, five integrated programmes were under implementation in the region (Bolivia, Colombia, Cuba, Guatemala and Honduras). Concrete impact has been demonstrated in those for which significant funding is available, for example in terms of the important indicators “increase of exports”, “jobs created or saved” and “institutional upgrading”. In Cuba, there was an increase of food product exports from 6 to 16 per cent during the 2.5-year implementation period. In the same period, five institutions were upgraded and two new ones created, including a cleaner production network. In addition, the competitiveness of beneficiary enterprises was increased by 25 per cent and sales to the tourist market have risen significantly since 1999 when the programme commenced. Considerable improvements have also been made with regard to some environmental impact indicators in the enterprises addressed, such as water, oil and steam consumption and wastewater generation, also leading to a significant reduction of production costs.

On the basis of a 1999 working arrangement with UNDP towards joint implementation of the Cuban programme, and given its impact to date, UNDP Cuba has made a large-scale financial contribution from core resources which were matched by even larger contributions from UNIDO special-purpose donors.

Since its beginning, the integrated programme for Colombia has contributed to the creation or saving of more than 5,500 jobs, mainly in the growing and processing of achira (an Andean tuber) and in ceramics. In terms of institutional upgrading, 16 investment and technology promotion focal points were established in chambers of commerce. In Guatemala, a new centre for support services to micro-, small and medium enterprises (MSMEs) was opened at Quetzaltenango, and overall programme implementation is in line with the approved work plan.

A sixth integrated programme, for Ecuador, was approved and a country service framework for Brazil was under development. The programme for Ecuador is being co-funded significantly by the Government through a trust fund arrangement. Its main thrust is to evaluate the advancements of the National Competitiveness Council, to promote cluster development and render technical assistance in industrial investment and partnership promotion. In addition to Ecuador, the Governments of Colombia and Guatemala have continued to contribute significantly to the financing of their respective programmes.

The new integrated programme for Nicaragua, prepared in 2001, was endorsed by the new Government during a UNIDO revalidation mission in August and is presently being finalized for approval in early 2003. It is geared to helping Nicaraguan industry face the challenges of an opening economy. A cooperation programme developed for Peru started implementation and a similar one was prepared for Venezuela.

## Cleaner and sustainable industrial production

Within the region, the UNIDO Montreal Protocol programme continued to be a major area of operation, with good results in ODS phase-out. The Governments of Bolivia and Guatemala have selected UNIDO for the implementation of POPs enabling activities for the development of national implementation plans and other countries are considering requesting such assistance. A number of other projects were developed further and are close to submission for GEF approval.

## Strengthening industrial capacities

Significant progress was made in the region with the development of the UNIDO initiative on facilitation of market access, for which the six Central American countries had signed a joint resolution in February 2001. In October 2002, three Vice-Presidents, a Minister of Industry and two senior government representatives from the six countries signed at UNIDO the programme document for "Market access facilitation for Central American countries". Its start is financed by UNIDO seed money and co-financing from the participating countries as well as from special-purpose donors is expected.

The UNIDO Subcontracting and Partnership Exchange (SPX) programme made significant progress in the region. With the Italy-financed large-scale regional project joining Central America (El Salvador, Nicaragua and Panama) with the Caribbean (Dominican Republic), technical expert missions proceeded to the four countries. The eleventh meeting of the Association of Latin American SPXs (ALABSUB) as well as a training seminar on the new "OUTSOURCING 2002" software were held at Arequipa, Peru, in October.

### Better footwear production for improved market position

The regional ECLAC-UNIDO project to improve production and commercialization in the footwear industry has led to significant concrete impact at the enterprise level, as shown below in the case of the shoe manufacturer Garvioli, Concepcion, Chile:

- Reduction of production sample by 40% to satisfy market niches not covered by Asian imports;
- As a consequence, 10% increase in efficiency resulting in national market leader position in comfort shoes and middle class sandals;
- Increase of productivity by 20% owing to production-oriented adjustments and new machinery;
- Improved management and sales promotion strategies;
- End result: Improved presence in national market and better competitive prospects.

The regional ECLAC-UNIDO project to improve the Argentinean and Chilean footwear industry in the areas of production and commercialization, implemented during 2000 and 2001, rendered further results in the course of 2002. A study has shown that product quality in several shoe companies assisted has improved significantly in Chile (also see box above for a concrete example). The project also triggered the preparation of a strategic development plan for the Chilean shoe industry. In Argentina, an export

promotion programme was prepared and received ministerial support. The project has also improved awareness of the need for and ways to improve national competitiveness by having provided the national shoe industry with the relevant benchmarking at the international level. Moreover, the project was an excellent example of successful inter-agency cooperation within UNDAF.

### **Global forum**

Within UNIDO's global forum function, a round table on economic development and the satisfaction of social demand in Latin America hosted at UNIDO Headquarters in September brought useful thought and inputs for further programming in the region with a view to the United Nations Millennium Declaration Goals.

## **G. Field representation**

In the field representation programme, 2002 was a year of improvement and increased pace to consolidate decentralization and the empowerment of field offices. These efforts were undertaken against the background of the consultations with Member States in 2000, when it was agreed to consolidate the current structure rather than expand it.

In line with this, the reporting period witnessed the creation of a Programme Coordination and Field Operations Division (PCF) at Headquarters. Functions include the provision of strategic directives and policy guidance for the field programme, inter-regional coordination, the promotion of networking and exercising oversight to ensure that established norms and policies are observed by the field offices.

The vision being developed is of an integrated UNIDO where field offices represent and support the whole of the Organization in the field, creating a "one UNIDO" presence. Closer cooperation, for instance with the ITPOs, is an example of this development.

Special efforts will be taken in 2003 to fill a maximum number of vacant posts, which remained high.

A number of meetings and consultations were convened to work out modalities for enhanced cooperation between ITPOs and UNIDO Representative offices, thereby strengthening the presence of the investment and technology promotion function in the field. Efforts were also made to enhance communication linkages between field offices as well as between field offices and Headquarters. Other initiatives improved the turnaround time for communication and reduction of bureaucracy in dealing with field offices.

A dedicated web page for UNIDO field representation was developed and launched during the year. The objective is to create and utilize this platform for fostering unrestricted exchange and flow of information between field units. It is also an attempt to bring field offices closer, thereby enhancing their interaction.

Adequate training and career development are vital to further enhance the effectiveness of the field programme. Besides improving the status of UNIDO Representatives, training develops the capabilities to carry out added responsibility resulting from decentralization and empowerment of field offices. The United Kingdom has agreed to financially support two senior management workshops for URs in 2003. The first will be for Africa and the Arab region, followed by one for Asia and the Pacific and Latin America and the Caribbean. The goal is to build on existing professional management

strengths and further develop excellence to successfully address strategic changes ahead.

A draft handbook for field operations was prepared and is under discussion prior to finalization. The first since the creation of an independent UNIDO field programme, the handbook is also a reaction to recommendations of the External Auditor. The handbook is designed to provide field offices with precise and detailed guidance for the accomplishment of their daily work, especially for administrative and operational matters.

As of 31 December 2002, UNIDO maintained an international representation in 20 country offices and 8 regional offices. In an additional 7 offices, UNIDO matters were being managed by national staff (or Junior Professional Officers).





# V

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## Performance management

Last year, UNIDO reported the high standards of performance achieved during the Director-General's first term of office over the period 1998–2001 and the significant turnaround from the difficult times experienced in the preceding years. UNIDO did not rest on its laurels in 2002. Further stepped improvements were made and important foundations laid for the future.

In March the Secretariat was reconfigured into three functional divisions that better align activity with the strategic objectives of the Organization and promote accountability for results. Managing Directors were competitively appointed in August, following which extensive internal and external consultations took place to confirm the programmatic direction of the Organization and to further fine-tune activity. As can be seen below, many of the organizational changes already made in 2002 or planned for the first part of 2003 mirror the key recommendations made in the United Nations Secretary-General's report, "Strengthening of the United Nations: an agenda for further change".

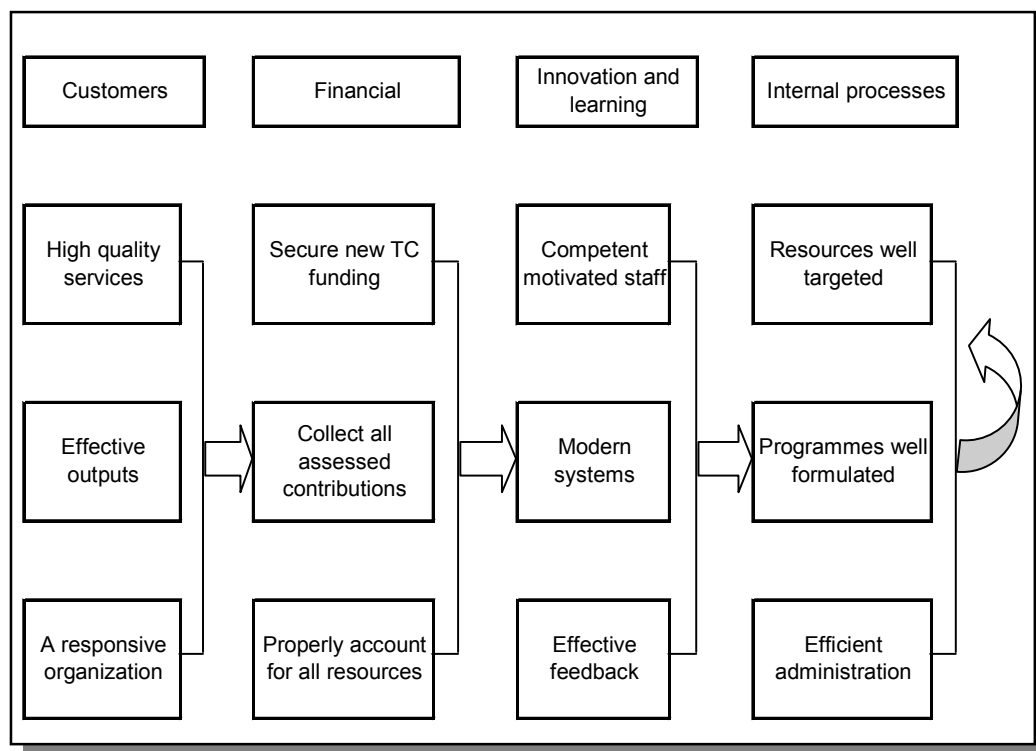
### A. Results-based management—Making the implementation of strategy everyday business

A robust and practical system of results based management is now regarded as an essential tool for any organization. The Secretary-General's report recommended that United Nations organizations should implement such a system if they have not already done so. The prototype system implemented by UNIDO in 2001—the UNIDO Balanced Scorecard—was improved in 2002.

The Scorecard is said to be balanced because it integrates strategic indicators from four perspectives covering all operations, thereby providing a balanced view of organizational performance in relation to its strategic objectives. Customer indicators assess where the Organization stands in meeting the needs of customers; financial indicators assess the financial position; innovation and learning indicators assess improvement strategies; and internal process indicators assess staff actions. The Balanced Scorecard approach minimizes information overload by forcing senior management to focus on critical but interdependent indicators and provides a highly effective means of communicating strategy by facilitating the cascading of these critical measures to branch level. As in 2001, it has also provided the structure for this chapter of the *Annual Report*.

The updated strategy map (shown in simplified format in figure 1) reflects the organizational changes made in 2002 and the medium-term programme framework, 2002-2005, and provides the basis for UNIDO's present Scorecard. Within the Division of Administration, the Balanced Scorecard will be supported in 2003 by branch work plans linked to a new staff appraisal system. This direct link between organizational strategy and branch-level activity and performance will make the delivery of strategy everyday business for divisional staff. The system will be further improved by the development of consolidated monitoring systems, thus providing a model for possible application throughout the Organization.

**Figure 1: UNIDO's simplified strategy map**



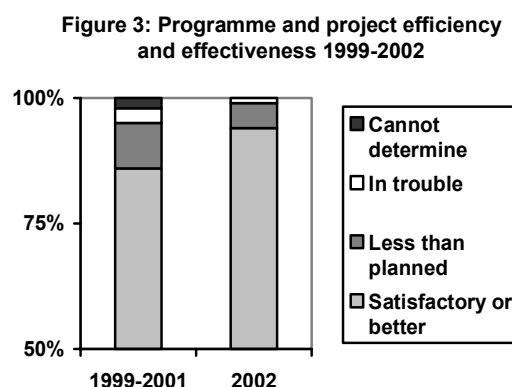
## B. Customers first

The organizational strategy map reflects UNIDO's deeply held belief that the needs of customers—the poor people of developing countries, Member States and the international community—must come first. The premise is that each shares the common desire for high quality and effective UNIDO services reflected in a high quality and effective technical cooperation (TC) programme that contributes to the achievement of the Millennium Development Goals. UNIDO is also aware that it needs to develop better indicators and/or more explicit ways of linking strategic and operational-level indicators as a means of ensuring that these needs are being met. Until these are available, UNIDO's indicators of performance under this perspective currently fall under three main categories: customer feedback, ratings from independent project and programme evaluations, and an ongoing assessment of the achievement of targets set for individual projects or programmes. The latter can take place through a process of independent evaluation or "self assessment", both of which involve consultation with recipients, donors and other stakeholders.

**Opinions matter**—Feedback is sought from all counterpart recipients as part of UNIDO’s participative evaluation process. An analysis of the responses received during 2002 compared with those received in 2001 is summarized in figure 2. Eighty-six per cent reported that UNIDO services either exceeded or met the required standard, which is broadly consistent with the figure of 88 per cent reported for the previous year. Feedback also revealed that customers were particularly pleased with the performance of UNIDO experts (97 per cent), the equipment provided (93 per cent) and headquarters services (92 per cent). The largest instance of dissatisfaction (seven cases) related to subcontractors. Eighty-one per cent said they would pay for UNIDO services and only one customer reported that it would be unlikely to use UNIDO again. The reason for this and other constructive comments received are being investigated and will be actively pursued to ensure that corrective action is taken to further improve UNIDO’s services.



**Efficient and effective outputs**—Systematic independent evaluation is also used to gauge efficiency and effectiveness and inform improved performance. The results are encouraging and consistent with customer feedback. Out of the 183 outputs that were evaluated in 2002, 94 per cent produced results as planned or more than planned (efficiency). This is a 10 per cent improvement over the average 84 per cent rating for 1999-2001. In terms of effectiveness, i.e. likely achievement of purpose, figure 3 shows that 94 per cent of outputs rated satisfactory or better compared with an average of 86 per cent in the previous three years.



## Improving performance indicators

Figure 4 provides a selection of TC achievements over the past few years focusing on investment promotion and aspects of environmental and small and medium enterprises (SME) activity undertaken by UNIDO’s investment, Montreal Protocol and SME branches respectively. It is by no means comprehensive and UNIDO acknowledges a need to improve TC performance reporting. To this end, UNIDO is presently consolidating and building upon the considerable amount of work that has been undertaken in this area over the past few years. Ongoing work includes:

- The UNIDO working group on TC performance indicators is developing a common framework of indicators for consistent application at the country, programme and project level. Among other things, this will ensure that a balanced view is taken and provide a methodology for aggregation and comparison where appropriate. The link between such indicators and the Millennium Development Goals is an integral part of the framework. An analytical tool to assist with both an assessment of national industrial performance and the application of indicators included in the common

framework, based on the scoreboard approach in the Industrial Development Report 2002-2003, is being developed and a prototype is scheduled for testing in the early part of 2003;

- The Evaluation Services Branch has developed prototype output reports that were applied for the first time during 2002 to an evaluation of the Tanzania integrated programme. The results of this exercise are extremely encouraging and the technique will be further applied in 2003 as a means of assessing performance and impact in relation to output as well as inputs. The Logical Framework is one of the tools being used to explicitly link output at the project level with outcome indicators at the level of country diagnosis and the Millennium Development Goals.

**Figure 4: Objective indicators**

	1999	2000	2001	2002
Competitive Economy	\$299 million investment generated	\$221 million investment generated	67 projects (39 for Africa, 39 for SMEs) including \$78.6 million investment generated for Africa	\$304 million investment generated
Sound Environment	3,577 tonnes ODS eliminated	4,000 tonnes ODS eliminated	2,480 tonnes ODS eliminated	3,370 tonnes ODS eliminated
Productive Employment	656 SMEs started 370 SMEs expanded business activities 3,069 women entrepreneurs assisted Some 4,200 jobs created through investment promotion	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

## C. Consolidating finances

From those engaged in mobilizing funds to those responsible for administering the collection of assessed contributions through to those engaged in administrative support functions, everyone in UNIDO has a part to play, large or small, in ensuring that the sound financial position achieved over the past five years is maintained.

### Continued increase in technical cooperation approvals

Figure 5 shows that during 2002 net TC project and programme approvals from all sources of funds amounted to \$93.4 million as compared with \$85.6 million in 2001, an increase of some 9 per cent. This healthy growth level demonstrates the continuing

process of better defining and focusing on the core strengths of UNIDO, which in turn increases the attractiveness of UNIDO activities for external donors.

### Healthy growth rate of funds mobilized

As described in previous annual reports, the net approval figure given above, which is based on the issuance of project expenditure authority, does not fully reflect the total volume of funds mobilized during the year. As in previous years, the level of “not yet allocated but available funds” changed during the year, and new agreements were signed in the course of the year that include future year instalments, which are not included in the approval figure given above. The total of these future instalments related to agreements signed in 2002 amounts to \$7 million. On the other hand, a total of \$2.8 million of what was reported last year as “future year instalments” was included in the net approvals for this year and should be deducted in order not to double count. In addition, at the end of 2002, the volume of available but not yet allocated donor resources amounted to \$4.7 million, a decrease of \$1 million over the year. Taking these amounts together, total net financial resources mobilized in 2002 amount to \$96.7 million.

Funding through the Industrial Development Fund (IDF) reached \$21.7 million, about the same as in the previous year. Funding through trust fund mechanisms reached \$21.6 million, an increase of \$4.2 million, and the highest since 1996. The total of these funds that essentially originate from governmental sources amounted to \$43.3 million, also the highest since 1996. The distribution of IDF and trust fund approvals by region and subject is given in appendix B.

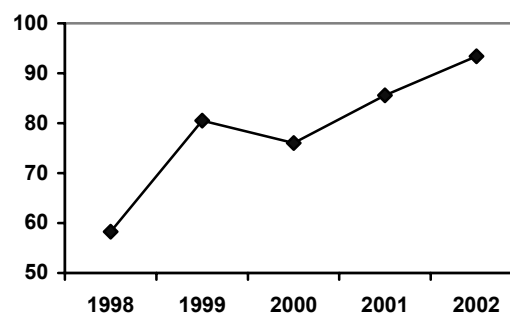
Overall the level of voluntary contributions by Governments is gradually increasing. Major governmental donors included Austria, Denmark, India, Italy, Japan, Norway, Republic of Korea, Spain, Switzerland and the United Kingdom, each of which contributed or committed \$1 million or more.

The integrated programmes have also again proven that they respond to the national priorities of the countries concerned. In 2002, important contributions were received from Algeria, Colombia, Côte d'Ivoire, Ecuador, Egypt, Guatemala and Lebanon, sharing the cost of the integrated programmes developed for those countries. Similar contributions were also received from China and India for specific activities under the country service frameworks for those countries.

Net approvals under the Multilateral Fund for the Montreal Protocol amounted to \$27.3 million. When taking into account a large project that was approved in 2002 but issued in 2003, annual net approval levels have stabilized at around \$30 million, enabling UNIDO to maintain the annual delivery under this source of funds at approximately the same level.

The breakthrough achieved in 2000 in terms of obtaining direct access to GEF funding as “executing agency with expanded opportunities”, and the finalization of administrative arrangements with the GEF secretariat in 2001 started to result in increasing levels of funding in 2002. Net approvals from GEF sources amounted to \$20.2 million, almost double the level in 2001. Most of this funding related to relatively small “enabling activities” and project preparation activities in the areas of persistent

Figure 5: Technical cooperation approvals, 1998-2002 (millions US\$)



organic pollutants and climate change. It can be expected that these will start to result in large-scale projects being developed and approved, possibly already in 2003. However, strong support from UNIDO Member States in the GEF governing bodies continues to be critical, as UNIDO is still disadvantaged in respect of the implementing agencies.

Net approvals from UNDP Target for Resource Assignment from the Core (TRAC) funds remained at a very low level (\$0.7 million). Also funding from the technical support facilities not included in the above totals remained low at \$0.9 million. It is anticipated that, in view of the continuing low level of UNDP core funding, no rapid recovery in project funding from UNDP can be expected, despite good levels of interest of UNDP field offices in the work of UNIDO.

During 2002, an important innovation was introduced in UNIDO's funds mobilization approaches. Building on two ideas launched during LDC III and as reflected in chapter I, UNIDO developed two initiatives that were introduced in the context of two major international conferences in 2002. The first one was launched during the International Conference on Financing for Development, which took place in Monterrey, Mexico in March 2002. The initiative "Enabling developing countries to participate in international trade—Strengthening the supply capacity", presented jointly with the European Commission, was well received and has attracted a high level of interest. At the same time a dedicated trust fund was established which would allow UNIDO to programme the funds within a defined set of activities. Already in 2002 four countries (Austria, Finland, Italy and the United Kingdom) agreed to contribute to the trust fund, which is aimed at small, urgent and preparatory activities, for a total of more than \$700,000, and other contributions are expected to follow. In addition, under the same initiative, separate special-purpose contributions were made for larger projects, one for Cambodia (Austria) and another one covering the Mekong countries (Norway).

A similar trust fund established at the end of 2002 related to the initiative "Rural energy for productive use", which was launched during the World Summit on Sustainable Development at Johannesburg in September. This trust fund received the first commitment of €1 million from Austria at the beginning of 2003. It is expected that, following a promotion campaign in 2003, further contributions will be received, also in view of the fact that parallel initiatives were launched by donors, demonstrating a high level of donor interest in this subject.

These developments are in line with the new strategy for the mobilization of resources. This aims at developing closer and more substantive cooperation with interested donors, focusing on specific areas or initiatives of interest to each donor. In 2002, agreement was reached between UNIDO and the Swiss Agency for Development Cooperation on thematic cooperation in the area of SME networking and cluster development. This includes not only the implementation of specific activities at the SME/cluster level, but also analytical and research work on the conceptual approach. It is the intention of UNIDO to develop similar cooperation arrangements with other donors.

Funding mobilized for the integrated programmes during 2002 in terms of authority issued amounted to \$19 million, comparable with the previous year. Including future payments under signed agreements, and funds available but not yet allocated, the total amount mobilized for the implementation of the integrated programmes until the end of 2002 amounted to \$104.9 million (excluding support costs).

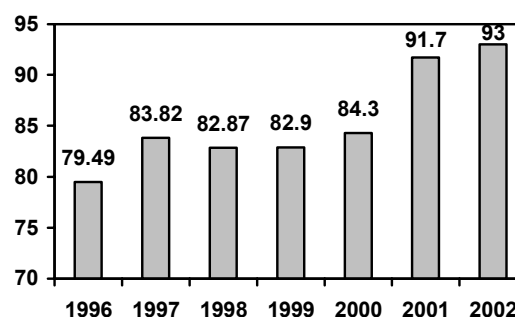
## More assessed contributions collected

The tight budget position means that it is essential that UNIDO avoid any income shortfalls. This would particularly affect TC delivery. Figure 6 shows that the collection rate of assessed contributions increased for the fifth year running to 93 per cent during 2002. This is also regarded as an indicator of Member State satisfaction with UNIDO services and provides a further encouragement to UNIDO to improve performance.

## All assets accounted for

UNIDO takes great care and pride in its efforts to ensure that all the Organization's assets, financial and non-financial, are fully accounted for. The External Auditor, appointed by Member States, provides independent confirmation that this objective has been achieved. It was therefore reassuring that the report of the External Auditor for the biennium 2000-2001 reported that UNIDO's financial statements reflect properly the recorded financial transactions for the biennium and present fairly, in all material respects, the Organization's financial position as at 31 December 2001. It was particularly pleasing that the external audit report also gave an independent opinion that UNIDO had achieved relevance, financial stability, and improved TC and delivery through more focused activities during the last four years. A recommendation by the External Auditor that UNIDO oversight functions be strengthened to enable more in-depth reviews to be undertaken as a means of enhancing levels of assurance will be implemented through the establishment of a new Comptroller-General's Office that will have access to a greater pool of resources for such tasks. UNIDO will spare no effort to ensure that assets continue to be fully accounted for and that levels of internal independent assurance improve.

**Figure 6: Percentage collection rate of assessed contributions on 31 December**



## D. Innovation and learning

### Human resource management—developing staff matters

In recognition that the Organization's staff are its greatest resource and provide the key to innovation, UNIDO is actively encouraging the further development of the Human Resources Management Framework (HRMF) while ensuring its effectiveness and efficiency. The HRMF was adopted in June 2001 and is being implemented in three phases. Phase 1 focuses on recruitment, selection and placement processes; phase 2 on career and performance management; and phase 3 on organizational learning and staff development. In 2002, the implementation of phase 1 was concluded and aspects of phases 2 and 3 were launched. Implementation of the remaining phases will also ensure that those recommendations of the United Nations Secretary-General's report of September 2002 relevant to human resources management in the context of UNIDO are adequately addressed where this has not already been done. Notable results achieved in 2002 include:

- A 50 per cent reduction in the time from advertising a post to the appointment of staff;

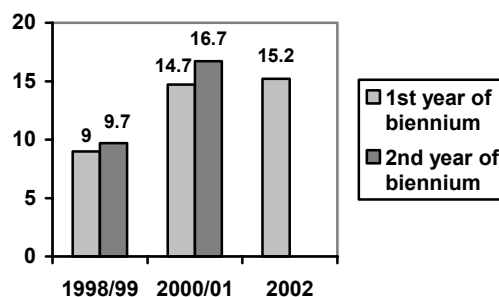
- ❑ Of total Professional-level appointments since the last recruitment drive, 35 per cent were from Asia and the Pacific, 30 per cent were from Africa, 5 per cent were from Eastern Europe and NIS and 30 per cent were from Western Europe and other States. Forty per cent of such appointments were female Professionals, compared to a previous maximum of 25 per cent;
- ❑ The implementation of appointments of limited duration as a new contractual modality;
- ❑ A new performance appraisal system was adopted;
- ❑ In order to reflect changes in jobs performed, a major job reclassification exercise was undertaken linked to vacancy announcement competition and career growth recognition. Out of 13 promotions, 9 were female Professionals (4 to the P-3 level and 5 to the P-4 level);
- ❑ A programme was launched to promote managerial and organizational competencies and professional excellence. This was supported by the initiation of a Management Development Programme, attended by senior-level staff, which draws on current management techniques and provides practical pointers for professional excellence. The definition of managerial competencies provided a useful tool for the assessment and selection of candidates and was applied during an open competition for Managing Director positions. The International Civil Service Commission is also looking at the UNIDO model of competencies as a basis for developing advice on system-wide competencies.

In accordance with the principles and aims of HRMF, the further development of career management and staff development tools will continue.

### The priority of continuous learning

The UNIDO competencies approach helps UNIDO to align managerial and technical profiles with services. It also provides a guide to management and staff on how to strengthen managerial and technical capabilities through the essential input of continuous learning. Figure 7 shows that levels of training have grown significantly over the past few years. Figures for 2002 show that the upward trend is continuing, given that 2001 can be regarded as exceptional because of the large number of information technology (IT) training courses that accompanied the introduction of the new accounting and budgeting system. As in earlier periods, an increase in the second year of the biennium can also be expected. A staff development plan is currently being implemented to ensure that future training increasingly addresses competencies and the needs of individual career development. This should also encourage increased levels of training in 2003 and beyond.

Figure 7: Average training hours per staff member, 1998-2002



### Looking forward with modern information and communications technology

Continuous improvements in information management and communications are a prerequisite to meeting UNIDO's strategic objectives, providing customers with best



value for money services and increasing administrative efficiency. Furthermore, innovative information and communication systems not only support UNIDO's services, they often provide the impetus for further service innovation. It is not surprising therefore that UNIDO is a strong advocate of taking full advantage of modern technology subject to an analysis of cost benefit.

During 2002, UNIDO's strategy was largely concerned with providing high-quality services to internal customers, including the coordination of ICT projects and replacing old mainframe systems by prudently investing in modern interactive computer systems. Only 20 per cent of legacy systems—those relating to human resources and the payroll—will be operational by the end of 2003.

Besides reducing operating costs, the process of modernizing systems has also provided the opportunity to introduce new and more efficient procedures as evidenced in the implementation of the new accounting system. This strategy will therefore continue over the coming years. UNIDO will also keep abreast of the latest developments to ensure that internal and external customers continue to receive the best services available within the available budget.

Notable achievements in 2002 include:

- ❑ The ICT strategy was updated for the medium-term programme framework;
- ❑ Implementation of the new accounting system was completed;
- ❑ A new Intranet-based travel system prototype was completed;
- ❑ A new database model was prepared in readiness for migrating industrial statistics from the mainframe to a modern interactive system;
- ❑ The specification and tender documents were prepared for the new Human Resources Management System;
- ❑ 90 per cent of the UNIDO field, liaison and Investment and Technology Promotion Offices were provided with the facility to access all of UNIDO's information resources on the Headquarters Intranet and Infobase;
- ❑ A field office information portal was developed to facilitate information exchange among field offices and with Headquarters.
- ❑ New network software was introduced to increase e-mail security and filter out unsolicited commercial e-mail (spam);
- ❑ Five staff members received "Red Hat" LINUX accreditation;
- ❑ Regular training courses were delivered by staff in respect of Web publishing and on aspects of the new accounting system;
- ❑ A production control system was implemented on the UNIDO Web server to facilitate interactive and e-commerce features;
- ❑ A total of 36 Canon copiers were equipped with local area network (LAN) printing and scanning facilities as an efficiency measure and as a precursor for a UNIDO-wide electronic document management system;
- ❑ The UNIDO Library and Knowledge Management Centre provided access to over 170 printed journals, 290 new books and 20 commercial online information services.

## **The importance of independent feedback to the learning process**

UNIDO recognizes the importance that internal oversight, evaluation services and other control functions have to play not only in providing assurances on compliance and accountability but also in providing objective and independent feedback to improve performance across the board. Activity levels increased in each of these areas during 2002 and in November UNIDO announced further steps to improve the position through the establishment of a new Comptroller General's Office. Among other things, the new office will promote improvements in a more coordinated manner and in a way that makes optimal use of available resources while retaining the necessary degree of independence.

## **Learning lessons from internal oversight**

The year was a busy one for the Internal Oversight Group. Eighteen internal oversight reports were issued during 2002 comprising compliance audits, value for money audits, reviews of economy and operational efficiency, financial audits (the Vienna-based operations of catering services and the major repair fund) and confidential investigations. Implementing the recommendations of these reports has resulted in improved systems and increased operational assurances. Advice was regularly provided in response to management inquiry including TC projects. Seven audit comments and one audit observation were also communicated on organizational issues as inputs to the decision-making processes.

The Organization provided comments on six Joint Inspection Unit (JIU) draft reports and notes, as well as on the JIU work programme for 2003. In addition, information and advice to the External Auditor was provided upon request. The professional competencies of oversight staff in the office were strengthened through their participation in meetings, professional accreditation and other external training with institutions including the Institute of Internal Auditors and the Fraud Prevention Institute. The latter was recommended in the report of the External Auditor for 2000-2001.

During the year, UNIDO implemented a new approach to sharing information on oversight work with other oversight offices in the Vienna-based organizations. This is intended to foster exchanges in innovative ideas within the profession, as well as the exchange of information and standards directly applicable to United Nations work. The approach followed initiatives that arose following UNIDO's participation in the thirty-second meeting of Representatives of Internal Audit Services, which considered the development of a standardized set of United Nations internal auditing standards based on those of the Institute of Internal Auditors. It is expected that uniform standards will be adopted by the system and implemented during 2003.

## **Continuous improvement through evaluation**

It was also a busy year for Evaluation Services. At the beginning of 2002, new evaluation guidelines were issued and promoted, which cover for the first time programmes and projects. UNIDO also produced prototype self-evaluation tools for integrated programmes and a prototype output/outcome-based performance report. Advice was regularly provided on the development of procedures and the draft revisions of administrative instructions.

To maximize learning both at Headquarters and in the field, the Branch's work is based on the following principles each of which are embedded in the evaluation guidelines:

- Continuous improvement;

- ❑ Participation of stakeholders throughout the evaluation exercise;
- ❑ Support management and staff to exercise their collective responsibility for the quality of UNIDO's programmatic services.

UNIDO hosted the annual United Nations Interagency Working Group on Evaluation in Vienna with over 20 evaluation office representatives participating. The meeting appointed UNIDO as the co-coordinator of a subgroup to develop a methodology to evaluate progress towards the achievement of the Millennium Development Goals. This will involve a follow-up expert group meeting planned for early 2003.

During the early part of 2002, Evaluation Services Branch participated in a number of project evaluations, collated, assessed and disseminated the results of these and of customer feedback on projects and programmes. Most of the Group's activity during the latter half of the year was taken up with in-depth evaluations of four integrated programmes and testing of the self-evaluation tools and performance report developed earlier in the year. These were fully participative and involved recipients, donors and other stakeholders. A summary of the results of the exercises will be available in early 2003. In the meantime, emerging lessons to be learned include:

- ❑ Programme integration is the way forward for UNIDO—Integrated programmes provide the basis for a focused yet comprehensive response to the problems faced by UNIDO clients; they have facilitated a team-based approach and promoted synergy within and between UNIDO, counterparts and other stakeholders; and they have encouraged ownership and enhanced the profile of—and thereby the interest level in—UNIDO and the issue of sustainable industrial development in the poverty debate;
- ❑ Capacity-building and policy-related interventions are UNIDO's forte and are likely to have high potential for impact on national sustainable industrial development. That said, UNIDO services should always be tailored to meet country circumstances;
- ❑ UNIDO has also had success at the grass-roots level of development, although such interventions generally offer relatively limited potential for short- and medium-term socio-economic impact at the national level, can lead to long-term issues of sustainability and do not usually represent the best use of UNIDO's expertise in terms of cost:benefit;
- ❑ The funding position of some IPs was disappointing and on occasion limited funds were spread too thinly. There is a particular need to meet the challenges posed by new donor funding mechanisms introduced in some parts of Africa;
- ❑ Although the relevance of and demand for UNIDO services was validated, improvements to programme design are required to improve focus, better assess impact and make programmes more attractive to donors;
- ❑ UNIDO's in-country presence and Headquarters support systems need strengthening—particularly monitoring and quality assurance. Likewise, coordination efforts and synergy with the United Nations system should be strengthened.

## E. Internal processes

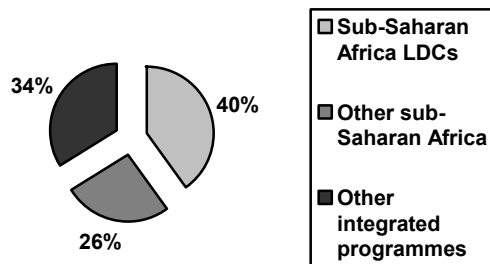
### Targeting resources

UNIDO is committed to increasing the focus of its TC in favour of LDCs, with a particular emphasis on Africa. One way of achieving this goal is to target UNIDO programmable resources on Africa and LDCs. Figure 8 shows that in 2002, 66 per cent

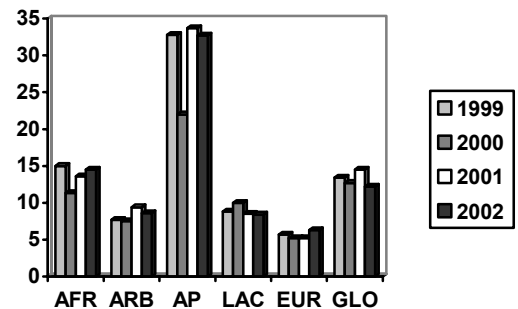
of the programmable resources allocated to UNIDO's integrated programmes went to countries in sub-Saharan Africa, including 40 per cent to African LDCs. It is hoped that increased activity in these countries will stimulate further activity, including international protocols for which UNIDO has little control over allocation.

Figure 9 shows that the overall position on TC expenditure remains very similar to previous years, with the Asia and Pacific region having the highest share of TC (40 per cent) largely due to the high volume of Montreal Protocol projects. Africa continued to be the second largest beneficiary of UNIDO services at 18 per cent (a small increase over the previous year).

**Figure 8: Distribution of programmable resources to integrated programmes 2002**



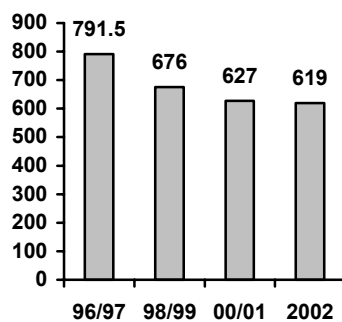
**Figure 9: Technical cooperation delivery by region 1999-2002 ('000 US\$)**



### Efficient administration

It is essential that efficient use be made of the administrative budget and that costs be constrained if the painful downsizing of the last five years is not to be in vain. UNIDO's tight system of budgetary control ensures that expenditure limits are not exceeded and that value for money is obtained at all times. The climate of continuous improvement also provides for further efficiency improvements in meeting strategic targets. As can be seen from figures 10 and 11, one basic indicator of efficiency is that UNIDO staff numbers continued to decline during 2002 while TC delivery per staff member increased by 8 per cent over 2001, thus continuing the trend of recent years.

**Figure 10: Average number of UNIDO staff, 1996-2002**



**Figure 11: Average TC delivery per staff member ('000 US\$)**

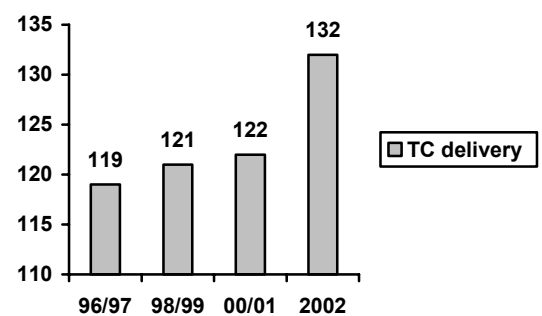


Figure 12 incorporates both TC approval and delivery performance. It shows the same order of difference between approvals and delivery in 2002 as that experienced at this stage in the biennium 2000-2001. It is expected that, as approvals exceed delivery, the portfolio of TC projects and programmes "in hand" is increasing. This sets the stage for an increase in delivery levels as well. A second indicator of efficient programme delivery is the leverage ratio shown in figure 13. This ratio, which shows the amount of

TC services delivered for one dollar of regular and operational budget, improved by some 7 per cent during 2002 to 1.45, the highest level of performance since 1996.

Figure 12: Technical cooperation approvals and delivery, 1998-2002 ('000 US\$)

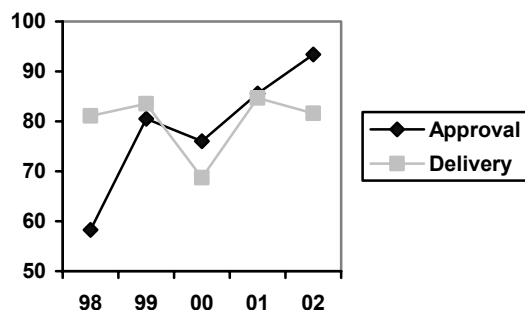
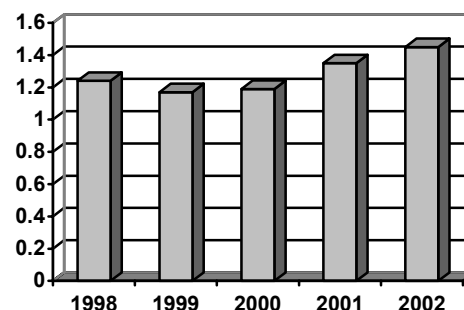


Figure 13: Leverage ratio, 1998-2002 (TC vs. RB+OB)



**Building Management Services (BMS) under control**—BMS provides common services to all VIC-based organizations. The costs of BMS account for approximately one quarter of the regular budget and it is therefore very important that these services are managed efficiently and costs kept under control. This was confirmed by a recent JIU report that commended BMS on its performance, a view shared by senior management in each of the VIC-based organizations. As can be seen from figure 14, the total BMS budget has declined steadily over the past three bienniums. The budget for 2002-2003 is some 17 per cent lower than that for 1998-1999, with no reduction in the high quality of services provided. This is a result of continuous efforts to improve management processes and co-ordination. Efficiency savings in the areas of electricity and maintenance costs have also played a major role.

Looking to the future, BMS will be vigilant in seeking further efficiencies, but first and foremost its strategy will be to consolidate improvements made to date and ensure that all staff working in the VIC are provided with the secure and comfortable working environment that is necessary for them to deliver the high-quality services expected by their customers.

Looking to the future, BMS will be vigilant in seeking further efficiencies, but first and foremost its strategy will be to consolidate improvements made to date and ensure that all staff working in the VIC are provided with the secure and comfortable working environment that is necessary for them to deliver the high-quality services expected by their customers.

#### IT operating costs efficiently managed

Prudent investment in modern interactive computer systems has reduced UNIDO's dependency on relatively expensive and inefficient mainframe systems. As can be seen from figure 15, the net result has been a steady decline in IT operating costs over the past few years. UNIDO expects the trend to continue in the next biennium. Efficiency savings will be used on further IT developments and improvements to existing systems.

Figure 14: Total BMS budget 1998-2002 (millions US\$)

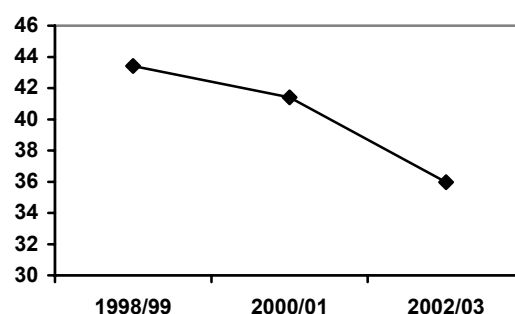
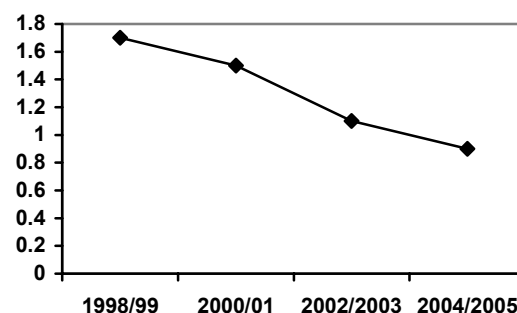


Figure 15: IT operating costs 1998-2002 (millions US\$)





# Appendices

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- C. Status of integrated programmes and country service frameworks
- D. Technical assistance to the least developed countries
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- M. Selected publications
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## APPENDIX A

### OPERATIONAL STATISTICS

#### List of tables

1. Expenditure, 1999 to 2002
2. Technical cooperation programmes: project budget approvals and expenditure, 1999 to 2002
- 3A. Technical cooperation activities: project approvals in 2001 and 2002, by source of funds
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**Table 1**  
**Expenditure, 1999 to 2002**

	1999	2000	2001	2002
	(In millions of US\$)			
Technical cooperation programmes <sup>a</sup>				
UNIDO regular budget <sup>b</sup>	5.8	1.4	5.9	1.6
UNDP/core funds <sup>c</sup>	10.7	7.0	5.2	3.3
UNDP-administered trust funds	1.4	0.3	3.5	0.1
IDF	19.1	18.3	19.2	18.4
Montreal Protocol	35.3	27.1	31.9	27.8
Self-financed trust funds	1.5	2.2	1.5	2.3
Third party-financed trust funds	6.7	9.7	11.7	15.0
Other trust funds <sup>d</sup>	<u>3.0</u>	<u>2.6</u>	<u>6.0</u>	<u>13.1</u>
Total technical cooperation programmes <sup>a</sup>	83.5	68.6	84.9	81.6
	(In millions of US\$)			(In millions of euros) <sup>e</sup>
Headquarters				
Regular budget (excluding technical cooperation)	57.8	51.1	55.7	54.5
Programme support costs	<u>10.7</u>	<u>8.7</u>	<u>8.5</u>	<u>10.9</u>
Total Headquarters	<u>68.5</u>	<u>59.8</u>	<u>64.2</u>	<u>65.4</u>
GRAND TOTAL	152.0	128.4	149.1	

<sup>a</sup> Total delivery in 2002 would amount to \$83.47 million, including IDDA supplementary, SPPD and STS projects.

<sup>b</sup> Includes Regular Programme for Technical Cooperation and Industrial Development Decade for Africa.

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

<sup>d</sup> Includes UNDCP, COMFAR funds, projects financed from other United Nations agencies and funds, World Bank loans, CFC, unutilized balances and GEF.

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

**Table 2**  
**Technical cooperation programmes: project budget approvals and expenditure, 1999 to 2002**  
(In millions of US dollars)

	1999	2000	2001	2002	1999	2000	2001	2002	1999	2000	2001	2002
	All sources of funds				UNIDO regular budget				UNDP/core funds <sup>d</sup>			
Residual value of projects brought forward	131.0	127.4	135.7	137.3	1.7	0.0	1.8	0.9	23.7	19.7	17.4	12.9
Value of project budgets approved in the year (net)	81.6	76.9	86.5	93.4	5.8	3.2	5.0	2.3	6.7	4.7	0.7	0.7
Total of approved projects under implementation	212.6	204.3	222.2	230.7	7.5	3.2	6.8	3.2	30.4	24.4	18.1	13.6
Expenditure	83.5	68.6	84.9	81.6	5.8	1.4	5.9	1.6	10.7	7.0	5.2	3.3
Residual value of projects carried forward	127.4	135.7	137.3	149.1	0.0 <sup>a</sup>	1.8	0.9	1.6	19.7	17.4	12.9	10.3
	UNDP-administered trust funds <sup>b</sup>				IDF				Montreal Protocol			
Residual value of projects brought forward	2.0	0.6	9.7	15.2	35.3	38.6	31.6	34.0	52.5	49.1	51.5	49.7
Value of project budgets approved in the year (net)	0.0	9.4	9.0	0.0	22.4	11.3	21.6	21.7	31.9	29.5	30.1	27.3
Total of approved projects under implementation	2.0	10.0	18.7	15.2	57.7	49.9	53.2	55.7	84.4	78.6	81.6	77.0
Expenditures in the year	1.4	0.3	3.5	0.1	19.1	18.3	19.2	18.4	35.3	27.1	31.9	27.8
Residual value of projects carried forward	0.6	9.7	15.2	15.1	38.6	31.6	34.0	37.3	49.1	51.5	49.7	49.2
	Self-financed trust funds				Third party-financed trust funds				Other trust funds <sup>c</sup>			
Residual value of projects brought forward	2.2	3.7	3.1	3.4	9.2	13.0	15.8	14.9	4.4	2.7	4.8	6.3
Value of project budgets approved in the year (net)	3.0	1.6	1.8	2.6	10.5	12.5	10.8	17.1	1.3	4.7	7.5	21.7
Total of approved projects under implementation	5.2	5.3	4.9	6.0	19.7	25.5	26.6	32.0	5.7	7.4	12.3	28.0
Expenditure	1.5	2.2	1.5	2.3	6.7	9.7	11.7	15.0	3.0	2.6	6.0	13.1
Residual value of projects carried forward	3.7	3.1	3.4	3.7	13.0	15.8	14.9	17.0	2.7	4.8	6.3	14.9

<sup>a</sup> Excludes the value of projects approved but not implemented within the biennium.

<sup>b</sup> Includes United Nations Trust Fund for Sudano-Sahelian Activities, United Nations Financing System for Science and Technology for Development, UNDP trust fund for projects financed by the United Nations Development Fund for Women, United Nations Capital Development Fund and third-party trust funds.

<sup>c</sup> Includes UNDCP, COMFAR funds, projects financed from other United Nations agencies and funds, World Bank loans, CFC, unutilized balances and GEF.

<sup>d</sup> Includes UNDP-funded projects executed by other agencies or Governments for which UNIDO is the associated, cooperating or implementing agency, formerly reported under non-UNIDO funds. Figures for previous years corrected.

**Table 3A**  
**Technical cooperation activities: project approvals in 2001 and 2002, 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 (\$000)	Average value of projects (\$000)	Number of projects	Value of revisions (\$000)	Average value of revisions (\$000)	
<b>2001</b>							
UNIDO regular budget	78	4,612	59	42	340	8	4,952
UNDP/core funds <sup>c</sup>	7	874	125	96	(1,217)	(13)	(343)
UNDP-administered trust funds	6	2,662	444	12	6,380	532	9,042
IDF	92	15,894	173	193	5,702	30	21,596
Montreal Protocol	146	29,395	201	327	725	2	30,120
Self-financed trust funds	14	1,849	132	25	0	0	1,849
Third party-financed trust funds	26	4,649	179	95	6,174	65	10,823
Other trust funds <sup>b</sup>	36	7,058	196	61	488	8	7,546
<b>TOTAL</b>	<b>405</b>	<b>66,993</b>	<b>165</b>	<b>851</b>	<b>18,592</b>	<b>22</b>	<b>85,585</b>
<b>2002</b>							
UNIDO regular budget	59	2,894	49	212	(599)	(3)	2,295
UNDP/core funds <sup>c</sup>	11	2,130	194	260	(1,417)	(5)	713
UNDP-administered trust funds	0	0	n.a.	5	34	7	34
IDF	75	15,000	200	365	6,720	18	21,720
Montreal Protocol	64	25,626	400	541	1,633	3	27,259
Self-financed trust funds	15	1,964	131	54	608	11	2,572
Third party-financed trust funds	40	5,600	140	153	11,553	76	17,153
Other trust funds <sup>b</sup>	31	19,359	624	147	2,330	16	21,689
<b>TOTAL</b>	<b>295</b>	<b>72,573</b>	<b>246</b>	<b>1,737</b>	<b>20,862</b>	<b>12</b>	<b>93,435</b>

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

<sup>b</sup> Includes UNDCP, COMFAR funds, projects financed from other United Nations agencies and funds, World Bank loans, CFC, unutilized balances and GEF.

**Table 3B**  
**Technical cooperation activities: value of net project approvals in 2002, by region and source of funds**  
(In thousands of US dollars)

Source of funds	Africa (excluding Arab States)		Africa Arab States		Asia and the Pacific (excluding Western Arab States)		Asia and the Pacific Arab States		Western Asian Arab States		Arab regional		Europe and NIS		Latin America and Caribbean		Global and interregional		Total
UNIDO regular budget	616		(52)		329		38		0		330		247		787		2,295		
UNDP/core funds <sup>a</sup>	1,492		(1,451)		166		442		6		(87)		145		0		713		
UNDP-administered trust funds	0		0		34		0		0		0		0		0		34		
IDF	4,288		2,076		4,897		579		0		422		3,612		5,846		21,720		
Montreal Protocol	873		3,200		13,741		1,576		0		494		7,375		0		27,259		
Self-financed trust funds	211		111		270		150		0		21		905		904		2,572		
Third party-financed trust funds	2,393		936		3,317		70		0		1,960		112		8,365		17,153		
Other trust funds <sup>b</sup>	5,083		940		4,079		(73)		0		2,034		1,291		8,335		21,689		
TOTAL	14,956		5,760		26,833		2,782		6		5,174		13,687		24,237		93,435		
Total Africa			20,716																
Total Arab States			8,548																

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

<sup>b</sup> Includes UNDCP, COMFAR funds, projects financed from other United Nations agencies and funds, World Bank loans, CFC, unutilized balances and GEF.

**Table 4**  
**Expenditure on technical cooperation activities in 2001 and 2002, by source of funds and project component**

Source of funds	Project personnel							Total \$000
	Number of experts' work-months <sup>a</sup>	\$000	Subcontracts \$000	Fellowships and training \$000	Equipment \$000	Miscellaneous expenses \$000		
<b>2001</b>								
UNIDO regular budget	109.9	2,684	837	1,325	728	335	5,909	
UNDP/core funds <sup>b</sup>	101.7	2,161	940	433	1,427	215	5,176	
UNDP-administered trust funds	20.0	555	125	67	2,698	109	3,554	
IDF	832.6	12,538	1,428	1,838	2,388	1,006	19,198	
Montreal Protocol	45.3	1,689	22,758	397	6,757	304	31,905	
Self-financed trust funds	40.4	911	134	95	223	168	1,531	
Third party-financed trust funds	727.0	7,203	1,374	1,485	1,081	518	11,661	
Other trust funds <sup>c</sup>	186.8	2,612	1,630	352	1,138	238	5,970	
<b>TOTAL</b>	<b>2,063.7</b>	<b>30,353</b>	<b>29,226</b>	<b>5,992</b>	<b>16,440</b>	<b>2,893</b>	<b>84,904</b>	
<b>2002</b>								
UNIDO regular budget	41.8	709	201	259	382	76	1,627	
UNDP/core funds <sup>b</sup>	93.1	2,096	306	398	273	186	3,259	
UNDP-administered trust funds	0.9	24	0	0	51	(3)	72	
IDF	611.4	12,858	1,205	1,617	1,764	985	18,429	
Montreal Protocol	39.1	1,640	19,491	185	7,817	(1,325)	27,808	
Self-financed trust funds	35.2	1,566	221	146	187	232	2,352	
Third party-financed trust funds	386.3	7,422	2,244	1,172	1,836	2,292	14,966	
Other trust funds <sup>c</sup>	151.2	3,621	4,636	275	4,471	98	13,101	
<b>TOTAL</b>	<b>1,359.0</b>	<b>29,936</b>	<b>28,304</b>	<b>4,052</b>	<b>16,781</b>	<b>2,541</b>	<b>81,614</b>	

<sup>a</sup> Categories are as follows:

	Work-months:
International experts and consultants	1,264.5
National experts	94.5
	<u>1,359.0</u>

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

<sup>c</sup> Includes UNDCP, COMFAR funds, projects financed from other United Nations agencies and funds, World Bank loans, CFC, unutilized balances and GEF.

**Table 5**  
**Expenditure on technical cooperation activities in 2002, by service module and geographical area**  
(In thousands of US dollars)

New service modules (2002-2005)	Africa (excluding African Arab States)		Asia and the Pacific (excluding Western Asian Arab States)		Western Asian Arab States		Arab regional		Europe and NIS		Latin America and Caribbean		Global and interregional		Total
	African Arab States	African Arab States	Western Asian Arab States	Asia and the Pacific (excluding Western Asian Arab States)	Western Asian Arab States	Arab regional	Europe and NIS	Latin America and Caribbean	Global and interregional	Total					
Industrial governance and statistics (NS01)	1,189	107	668	381	0	13	142	374	2,874						
Investment and technology promotion (NS02)	1,419	771	841	496	2	455	595	9,826	14,405						
Quality and productivity (NS03)	1,410	405	1,051	269	0	(5)	396	33	3,559						
Small business development (NS04)	2,915	642	1,385	131	0	100	468	242	5,883						
Agro-industries (NS05)	2,195	723	881	17	0	53	926	112	4,907						
Industrial energy and Kyoto Protocol (NS06)	578	0	5,865	51	0	20	247	206	6,967						
Montreal Protocol (NS07)	376	1,749	19,170	2,315	0	2,977	4,309	0	30,896						
Environment management (NS08)	3,402	527	2,900	30	0	2,679	1,313	1,274	12,125						
Other	0	0	(92)	0	0	(18)	(26)	134	(2)						
TOTAL	13,484	4,924	32,669	3,690	2	6,274	8,370	12,201	81,614						
Total Africa	18,408														
Total Arab States	8,616														

**Table 6**  
**Expenditure on technical cooperation activities, by geographical area, 1999 to 2002**  
(In thousands of US dollars)

Area	1999	2000	2001	2002
Africa (excluding African Arab States)				
Country projects	11,545	9,539	11,107	11,274
Regional projects	3,573	1,774	2,491	2,210
Subtotal	15,118	11,313	13,598	13,484
African Arab States	3,332	3,654	5,527	4,924
Asia and the Pacific (excluding Western Asian Arab States)				
Country projects	31,133	21,136	32,381	32,287
Regional projects	1,665	903	1,329	382
Subtotal	32,798	22,039	33,710	32,669
Western Asian Arab States	4,333	3,594	3,842	3,690
Arab regional	9	223	53	2
Europe and NIS				
Country projects	5,180	4,839	3,709	5,183
Regional projects	548	342	1,535	1,091
Subtotal	5,728	5,181	5,244	6,274
Latin America and the Caribbean				
Country projects	7,907	9,326	7,372	7,848
Regional projects	857	628	1,082	522
Subtotal	8,764	9,954	8,454	8,370
Global and interregional projects	13,447	12,705	14,476	12,201
TOTAL	83,529	68,663	84,904	81,614

**Table 7**  
**Technical cooperation activities: project expenditure in 2002, by geographical area**  
(In thousands of US dollars)

	Africa (excluding African Arab States)		Africa Arab States		Asia and the Pacific (excluding Western Asian Arab States)		Western Asian Arab States		Arab regional		Europe and NIS		Latin America and Caribbean		Global and interregional		Total		
	%		%		%		%		%		%		%		%		%		
A. By source of funds																			
UNIDO regular budget	511	3.8	25	0.5	160	0.5	66	1.8	0	0.0	105	1.7	100	1.2	660	5.4	1,627		
UNDP/core funds <sup>a</sup>	1,181	8.8	170	3.5	1,245	3.8	441	12.0	2	100.0	32	0.5	179	2.1	9	0.1	3,259		
UNDP-administered trust funds	0	0.0	0	0.0	72	0.2	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	72		
IDF	4,446	33.0	1,039	21.1	3,543	10.8	409	11.1	0	0.0	756	12.0	2,255	26.9	5,981	49.0	18,429		
Montreal Protocol	376	2.8	1,178	23.9	17,499	53.6	2,316	62.8	0	0.0	2,131	34.0	4,308	51.5	0	0.0	27,808		
Self-financed trust funds	486	3.6	73	1.5	434	1.3	57	1.5	0	0.0	30	0.5	890	10.6	382	3.1	2,352		
Third party-financed trust funds	3,482	25.8	2,233	45.3	3,724	11.4	385	10.4	0	0.0	1,027	16.4	108	1.3	4,007	32.8	14,966		
Other trust funds <sup>b</sup>	3,002	22.3	206	4.2	5,992	18.3	16	0.4	0	0.0	2,193	35.0	530	6.3	1,162	9.5	13,101		
TOTAL	13,484		4,924		32,669		3,690		2		6,274		8,370		12,201		81,614		
Total Africa	18,408																		
Total Arab States	8,616																		
B. By project component																			
Project personnel	7,421	55.0	1,990	40.4	5,913	18.1	1,259	34.1	2	100.0	1,544	24.6	2,764	33.0	9,043	74.1	29,936		
Subcontracts	2,001	14.8	1,603	32.6	15,912	48.7	1,405	38.1	0	0.0	3,555	56.7	2,775	33.2	1,053	8.6	28,304		
Fellowships and training	1,293	9.6	364	7.4	918	2.8	222	6.0	0	0.0	110	1.8	371	4.4	774	6.3	4,052		
Equipment	2,056	15.2	771	15.7	9,342	28.6	683	18.5	0	0.0	932	14.9	2,240	26.8	757	6.2	16,781		
Miscellaneous	713	5.3	196	4.0	584	1.8	121	3.3	0	0.0	133	2.1	220	2.6	574	4.7	2,541		
TOTAL	13,484		4,924		32,669		3,690		2		6,274		8,370		12,201		81,614		

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

<sup>b</sup> Includes UNDCP, COMFAR funds, projects financed from other United Nations agencies and funds, World Bank loans, CFC, unutilized balances and GEF.



**Table 8**  
**Support services for policy and programme development and**  
**technical support services at the project level, 2001 and 2002**  
(In UNIDO staff work-months)

	<i>2001</i>	<i>2002</i>
<b>Africa</b>		
Country <sup>a</sup>	17.9	16.3
Regional	<u>0.0</u>	<u>0.0</u>
Subtotal	17.9	16.3
<b>Arab States</b>		
Country	5.2	4.0
Regional	0.0	0.0
Country (African Arab States) <sup>b</sup>	<u>(2.6)</u>	<u>3.8</u>
Subtotal	2.6	7.8
<b>Asia and the Pacific</b>		
Country	12.4	9.2
Regional	<u>0.0</u>	<u>0.0</u>
Subtotal	12.4	9.2
<b>Europe and NIS</b>		
Country	4.3	6.0
Regional	<u>0.0</u>	<u>0.0</u>
Subtotal	4.3	6.0
<b>Latin America and the Caribbean</b>		
Country	1.9	2.4
Regional	<u>0.0</u>	<u>0.0</u>
Subtotal	1.9	2.4
<b>Global and interregional</b>		
	0.0	0.0
<b>TOTAL</b>	<b>39.1</b>	<b>41.7</b>

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

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

**Table 9**  
**Regular and operational budget expenditure by programme**  
**and object of expenditure in 2002**  
(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	7.7					1,210.2	1,217.9
A.2 Secretariat of Governing Bodies and External Relations	599.2					40.5	639.7
Subtotal	606.9					1,250.7	1,857.6
<b>B GENERAL MANAGEMENT</b>							
B.1 Executive Direction and Management	2,704.0	155.9	91.0	165.8		80.7	3,197.4
B.2 Internal Oversight	495.0			3.1			498.1
B.3 United Nations System Coordination	1,114.7	21.6		41.1		202.6	1,380.0
B.4 Communication and Information	482.9	57.9		39.3		104.1	684.2
Subtotal	4,796.6	235.4	91.0	249.3		387.4	5,759.7
<b>C STRENGTHENING OF INDUSTRIAL CAPACITIES</b>							
C.1 Industrial Governance and Statistics	3,258.9	119.1		53.3	659.0	414.6	4,504.9
C.2 Investment and Technology Promotion	3,324.7	21.8		68.1	558.3	202.1	4,175.0
C.3 Quality and Productivity	1,290.3	39.7		16.6	399.0	60.3	1,805.9
C.4 Small Business Development	2,657.9	17.2	52.4	44.6	779.9	280.8	3,832.8
C.5 Information Networks and Knowledge Management	1,665.0			2.8		1,741.2	3,409.0
C.6 Direction and Management	280.5			14.5		9.9	304.9
Subtotal	12,477.3	197.8	52.4	199.9	2,396.2	2,708.9	18,032.5
<b>D CLEANER AND SUSTAINABLE INDUSTRIAL DEVELOPMENT</b>							
D.1 Agro-industries	2,557.9	36.5		23.6	273.8	199.6	3,091.4
D.2 Industrial Energy and Kyoto Protocol	2,516.9			85.8	274.2	73.1	2,950.0
D.3 Montreal Protocol	2,474.5	5.0		33.1		450.5	2,963.1
D.4 Environment Management	2,795.5	5.9	9.2	38.3	193.2	187.1	3,229.2
D.5 Direction and Management	514.8			14.5		0.3	529.6
Subtotal	10,859.6	47.4	9.2	195.3	741.2	910.6	12,763.3
<b>E REGIONAL PROGRAMME MANAGEMENT</b>							
E.1 Regional Bureaux	3,669.6	89.6		107.4	156.1	86.2	4,108.9
E.2 Field Offices	7,036.8	32.4		104.3	688.9	2,600.1	10,462.5
E.3 Direction and Management	1,870.6			16.8		6.2	1,893.6
Subtotal	12,577.0	122.0		228.5	845.0	2,692.5	16,465.0

	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>
F ADMINISTRATION							
F.1 Human Resource Management	2,730.2	1.4		14.5		105.5	2,851.6
F.2 Financial Services	3,010.8	23.0		5.8		6.8	3,046.4
F.3 General Services	2,572.4					754.2	3,326.6
F.4 Legal Services	421.0	9.0				0.2	430.2
F.5 Direction and Management	1,194.9	0.6		25.2		41.3	1,262.0
Subtotal	9,929.3	34.0		45.5		908.0	10,916.8
H.1 Indirect Costs	225.3					5,223.8	5,449.1
TOTAL expenditure	51,472.0	636.6	152.6	918.5	3,982.4	14,081.9	71,244.0

**Income**

E REGIONAL PROGRAMME MANAGEMENT							
E.2 Field Offices						579.9	579.9
Miscellaneous income						1,277.0	1,277.0
TOTAL income						1,856.9	1,856.9
NET GRAND TOTAL	51,472.0	636.6	152.6	918.5	3,982.4	12,225.0	69,387.1

**BUILDINGS MANAGEMENT****Expenditure**

G BUILDINGS MANAGEMENT							
G.1 Common Buildings Management	5,564.8			3.6		7,332.8	12,901.2
G.2 Joint Buildings Management	152.7					538.5	691.2
Total expenditures	5,717.5			3.6		7,871.3	13,592.4

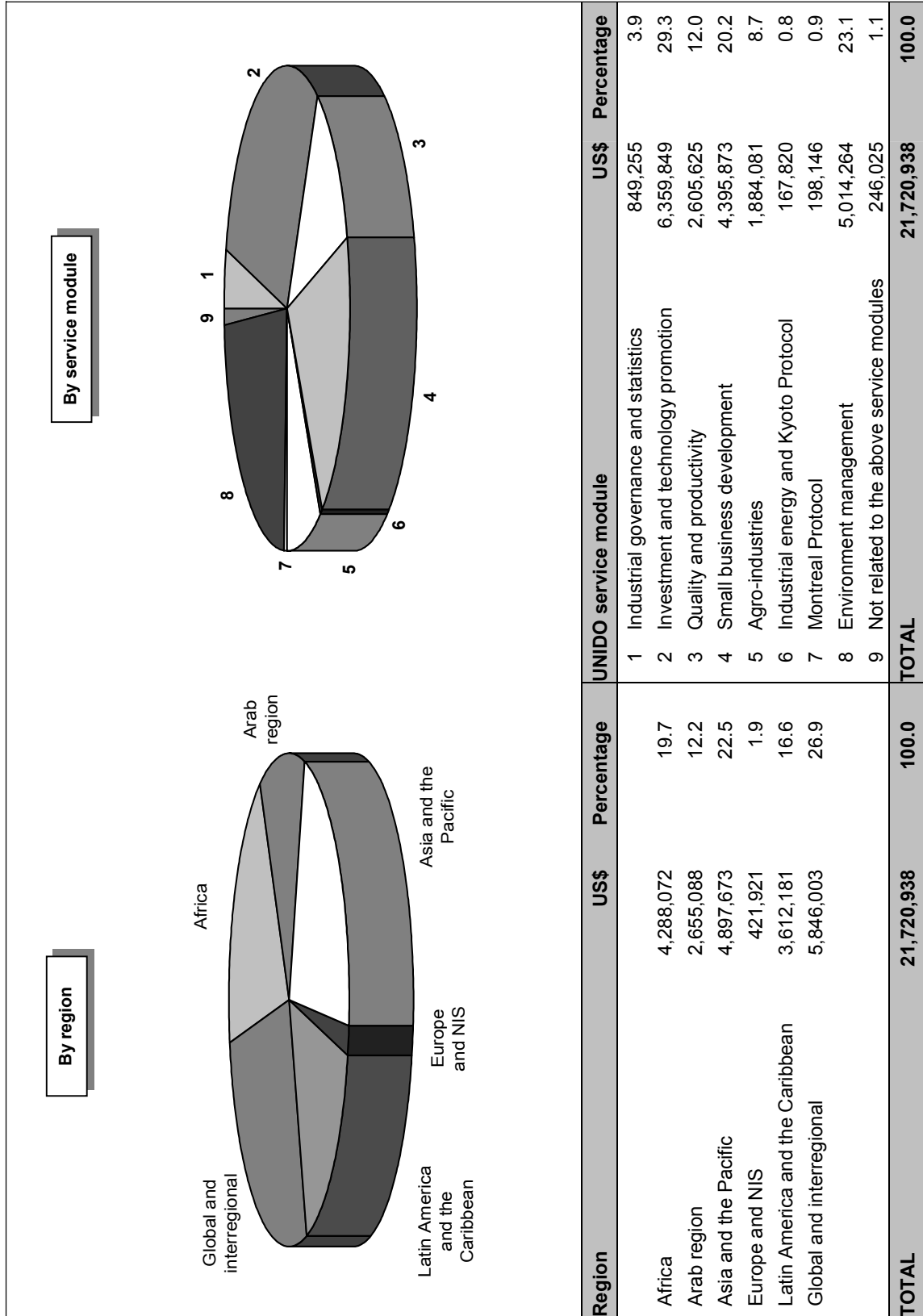
Please note that the total costs of Buildings Management Services are being cost-shared between all users and the above expenditures are being fully recovered. UNIDO's net share is included under programme H above.

<sup>a</sup> Represents the full 2002 appropriations which have been transferred to the special account for RPTC.

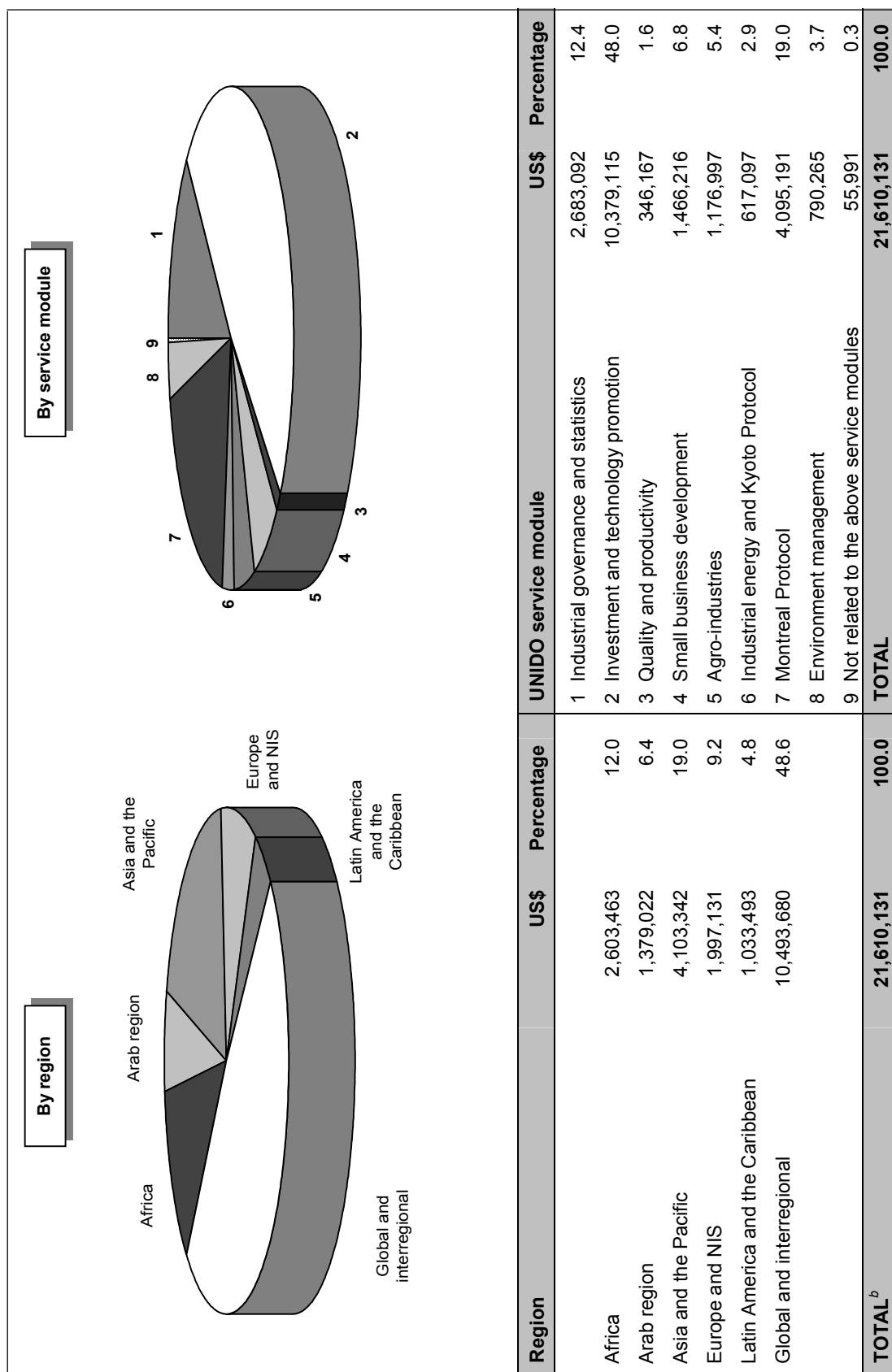
APPENDIX B

PROJECT APPROVALS UNDER VOLUNTARY CONTRIBUTIONS

B.1 INDUSTRIAL DEVELOPMENT FUND: NET APPROVALS IN 2002  
(Excluding programme support costs)



**B.2 TRUST FUNDS: NET APPROVALS IN 2002<sup>a</sup>**  
(Excluding programme support costs)



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

<sup>b</sup> Includes Associate Expert programme/JPO travel funds (\$2,307,759).

## APPENDIX C

STATUS OF INTEGRATED PROGRAMMES AND COUNTRY SERVICE FRAMEWORKS —  
31 DECEMBER 2002

(In US\$ including support costs)

Region	Programme for	Current planning figures (Including 13% support costs)	Total funds allocated (Including support costs)	Open for funding
AFRICA	Burkina Faso	4,419,667	3,917,123	502,544
	Côte d'Ivoire	5,359,364	1,592,600	3,766,764
	Eritrea	7,594,730	1,762,195	5,832,535
	Ethiopia	10,506,503	8,832,581	1,673,922
	Ghana	5,669,945	4,639,062	1,030,883
	Guinea	3,359,603	1,602,662	1,756,941
	Kenya	4,536,385	-	4,536,385
	Madagascar	4,520,000	490,894	4,029,106
	Mali	5,871,655	1,083,267	4,788,388
	Mozambique	9,936,655	5,264,965	4,671,690
	Nigeria	14,325,010	2,921,187	11,403,823
	Rwanda	5,571,917	2,223,309	3,348,608
	Senegal	8,834,340	3,753,834	5,080,506
	South Africa	5,277,100	2,057,730	3,219,370
	Uganda	7,291,325	6,451,646	839,679
	United Republic of Tanzania	8,212,681	4,838,400	3,374,281
	Subtotal	111,286,880	51,431,455	59,855,425
AFRICAN ARAB STATES	Algeria	11,442,000	2,591,454	8,850,546
	Egypt	11,928,283	3,877,203	8,051,080
	Morocco	9,194,810	6,703,612	2,491,198
	Sudan	3,807,535	767,140	3,040,395
	Tunisia	7,558,510	3,615,424	3,943,086
	Subtotal	43,931,138	17,554,833	26,376,305
ARAB REGION	Jordan	3,312,878	1,671,102	1,641,776
	Lebanon	6,735,365	1,247,150	5,488,215
	Palestine	4,803,430	1,415,557	3,387,873
	Saudi Arabia	1,504,595	-	1,504,595
	Syrian Arab Republic	3,932,683	531,165	3,401,518
	Yemen	1,820,543	364,832	1,455,711
	Subtotal	22,109,494	5,229,806	16,879,688
ASIA AND THE PACIFIC	China	*	28,718	*
	India	*	3,505,567	*
	Indonesia	9,093,381	-	9,093,381
	Iran (Islamic Republic of)	8,292,505	447,009	7,845,496
	Lao People's Democratic Republic	1,313,009	1,279,020	33,989
	Nepal	2,328,930	414,001	1,914,929
	Pakistan	6,816,386	421,000	6,395,386
	Sri Lanka	14,565,361	6,042,575	8,522,786
	Thailand	3,794,879	608,162	3,186,717
	Viet Nam	10,034,400	3,360,084	6,674,316
	Subtotal	56,238,851	16,106,136	43,667,000

<i>Region</i>	<i>Programme for</i>	<i>Current planning figures (Including 13% support costs)</i>	<i>Total funds allocated (Including support costs)</i>	<i>Open for funding</i>
<b>EUROPE AND NIS</b>	Armenia	1,932,413	277,512	1,654,901
	Russian Federation (Bashkortostan)	994,475	281,143	713,332
	Russian Federation (Federal level)	2,324,609	764,697	1,559,912
	Russian Federation (Komi)	1,134,075	437,088	696,987
	Russian Federation (Moscow)	1,402,462	271,680	1,130,782
	Russian Federation (St. Petersburg)	2,357,052	852,804	1,504,248
	Uzbekistan	2,958,340	418,626	2,539,714
	Subtotal	13,103,426	3,303,550	9,799,876
<b>LATIN AMERICA AND CARIBBEAN</b>	Bolivia	4,503,276	482,446	4,020,830
	Brazil	6,300,680	202,063	6,098,617
	Colombia	1,797,830	1,351,108	446,722
	Cuba	6,114,430	2,569,317	3,545,113
	Ecuador	4,714,360	820,421	3,893,939
	Guatemala	10,914,331	3,775,805	7,138,526
	Honduras	5,541,294	527,040	5,014,254
	Programme for Regional Latin America	518,700	459,000	59,700
	Subtotal	40,404,901	10,187,200	30,217,701
	GRAND TOTAL	287,074,690	103,812,980	186,795,995

\* Planning figures for country service frameworks for China and India still under discussion.

## APPENDIX D

## TECHNICAL ASSISTANCE TO THE LEAST DEVELOPED COUNTRIES

**Table 1**  
**Delivery, by country and source of funds, 2002<sup>a</sup>**  
(In US dollars)

Region/country	Regular budget	UNDP	Trust funds	IDP <sup>b</sup>	Montreal Protocol	Other sources <sup>c</sup>	Total
<b>Africa</b>							
Angola	19,850	0	0	0	0	0	19,850
Benin	0	2,474	0	0	0	0	2,474
Burkina Faso	22,258	0	20,788	161,812	22,467	0	227,325
Burundi	0	0	0	0	0	0	0
Cape Verde	0	0	0	0	0	0	0
Central African Republic	0	0	0	0	0	155,364	155,364
Chad	0	369,411	0	0	0	0	369,411
Comoros	0	0	0	0	0	0	0
Democratic Republic of the Congo	0	0	0	0	0	0	0
Equatorial Guinea	0	0	0	0	0	0	0
Eritrea	28,002	0	74,259	377,020	0	0	479,281
Ethiopia	0	0	219,593	982,802	0	0	1,202,395
Gambia	0	0	0	0	0	0	0
Guinea	39,175	22,022	(1,255)	30,448	0	0	90,390
Guinea-Bissau	0	0	0	0	0	0	0
Lesotho	0	(7,162)	0	0	0	149,697	142,535
Liberia	0	0	0	0	0	0	0
Madagascar	4,000	187,759	54,410	74,565	0	0	320,734
Malawi	0	0	0	70,030	0	0	70,030
Mali	0	0	68,127	81,783	2,038	0	151,948
Mauritania	0	13,860	0	0	0	0	13,860
Mozambique	180,787	0	575,557	192,966	0	0	949,310
Niger	0	0	0	0	0	165,682	165,682
Rwanda	0	0	41,342	199,596	0	0	240,939
Sao Tome and Principe	0	0	0	0	0	0	0
Senegal	0	230,751	202,843	239,417	16,972	0	689,982
Sierra Leone	0	0	0	0	0	0	0
Togo	0	(12,678)	0	0	0	249,926	237,248
Uganda	0	(29,010)	801,832	574,383	11,010	0	1,358,215
United Republic of Tanzania	0	70,129	300,419	316,903	(97,873)	230,499	820,077
Zambia	0	0	0	0	0	210,024	210,024
Subtotal	294,071	847,556	2,357,915	3,301,727	(45,386)	1,161,191	7,917,073



Region/country	Regular budget	UNDP	Trust funds	IDP <sup>b</sup>	Montreal Protocol	Other sources <sup>c</sup>	Total
<b>Asia and the Pacific</b>							
Afghanistan	0	0	0	77,695	0	(12,500)	65,195
Bangladesh	0	0	0	0	0	0	0
Bhutan	0	(628)	0	0	0	0	(628)
Cambodia	0	0	0	0	0	0	0
Kiribati	0	0	0	0	0	0	0
Lao People's Democratic Republic	0	0	0	604,151	0	84,592	688,742
Maldives	0	0	0	0	0	0	0
Myanmar	0	0	0	0	0	0	0
Nepal	0	0	0	22,288	0	24,938	47,225
Samoa	0	0	0	0	0	0	0
Solomon Islands	0	0	0	0	0	0	0
Tuvalu	0	0	0	0	0	0	0
Vanuatu	0	0	0	0	0	0	0
Subtotal	0	(628)	0	704,133	0	97,029	800,535
<b>Latin America and the Caribbean</b>							
Haiti	0	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0	0
<b>African Arab States</b>							
Djibouti	0	0	0	0	0	0	0
Somalia	0	0	0	0	0	0	0
Sudan	0	0	33,095	0	4,178	0	37,273
Subtotal	0	0	33,095	0	4,178	0	37,273
<b>West Asian Arab States</b>							
Yemen	0	0	0	0	559,657	0	559,657
Subtotal	0	0	0	0	559,657	0	559,657
TOTAL	294,071	846,928	2,391,010	4,005,860	518,449	1,258,221	9,314,538

<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, 2002<sup>a</sup>**  
(In US dollars)

Region/country	Regular budget	UNDP	Trust funds	IDF <sup>b</sup>	Montreal Protocol	Other sources <sup>c</sup>	Total
<b>Africa</b>							
Angola	19,823	0	0	0	0	0	19,823
Benin	0	1,750	0	0	0	0	1,750
Burkina Faso	22,258	0	0	0	0	0	22,258
Burundi	0	0	0	0	0	0	0
Cape Verde	0	0	0	0	0	0	0
Central African Republic	0	0	0	0	0	164,050	164,050
Chad	0	0	0	0	0	0	0
Comoros	0	0	0	0	0	0	0
Democratic Republic of the Congo	0	0	0	0	0	0	0
Equatorial Guinea	0	0	0	0	0	0	0
Eritrea	28,002	0	74,259	0	0	0	102,261
Ethiopia	0	0	0	65,508	0	0	65,508
Gambia	0	0	0	0	0	0	0
Guinea	39,467	0	0	24,503	0	0	63,970
Guinea-Bissau	0	0	0	0	0	0	0
Lesotho	0	0	0	0	0	186,233	186,233
Liberia	0	0	0	0	0	0	0
Madagascar	4,000	0	64,904	74,938	0	0	143,843
Malawi	0	0	0	0	0	0	0
Mali	0	0	0	0	2,039	0	2,039
Mauritania	0	14,000	0	0	0	0	14,000
Mozambique	182,300	0	356,502	0	0	0	538,802
Niger	0	0	0	0	0	166,095	166,095
Rwanda	0	0	0	207,600	0	0	207,600
Sao Tome and Principe	0	0	0	0	0	0	0
Senegal	0	423,303	30,365	36,835	0	0	490,503
Sierra Leone	0	0	0	0	0	0	0
Togo	0	0	0	0	0	290,850	290,850
Uganda	0	0	0	63,279	0	0	63,279
United Republic of Tanzania	0	0	0	124,379	0	250,700	375,079
Zambia	0	0	0	0	0	0	0
<b>Subtotal</b>	<b>295,850</b>	<b>439,053</b>	<b>526,030</b>	<b>597,043</b>	<b>2,039</b>	<b>1,057,928</b>	<b>2,917,942</b>

Region/country	Regular budget	UNDP	Trust funds	IDF <sup>b</sup>	Montreal Protocol	Other sources <sup>c</sup>	Total
<b>Asia and the Pacific</b>							
Afghanistan	0	0	0	77,407	0	0	77,407
Bangladesh	0	0	0	0	0	0	0
Bhutan	0	0	0	0	0	0	0
Cambodia	0	0	0	0	0	0	0
Kiribati	0	0	0	0	0	0	0
Lao People's Democratic Republic	0	0	0	234,625	0	134,677	369,302
Maldives	0	0	0	0	0	0	0
Myanmar	0	0	0	0	0	0	0
Nepal	0	0	0	0	0	100,425	100,425
Samoa	0	0	0	0	0	0	0
Solomon Islands	0	0	0	0	0	0	0
Tuvalu	0	0	0	0	0	0	0
Vanuatu	0	0	0	0	0	0	0
Subtotal	0	0	0	312,032	0	235,102	547,134
<b>Latin America and the Caribbean</b>							
Haiti	0	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0	0
<b>African Arab States</b>							
Djibouti	0	0	0	0	0	0	0
Somalia	0	0	0	0	0	0	0
Sudan	0	0	33,095	0	0	0	33,095
Subtotal	0	0	33,095	0	0	0	33,095
<b>West Asian Arab States</b>							
Yemen	0	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0	0
TOTAL	295,850	439,053	559,125	909,074	2,039	1,293,030	3,498,171

<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, 2002<sup>a</sup>**  
(In US dollars)

Region/country	Regular budget	UNDP	Trust funds	IDP <sup>b</sup>	Montreal Protocol	Other sources <sup>c</sup>	Total
<b>Africa</b>							
Angola	160,000	0	0	0	0	0	160,000
Benin	0	176,168	0	0	0	0	176,168
Burkina Faso	(23,810)	0	0	(410)	0	(19,752)	(43,972)
Burundi	0	0	0	0	0	0	0
Cape Verde	0	0	0	0	0	0	0
Central African Republic	0	0	0	0	0	479,000	479,000
Chad	0	58,510	0	0	0	493,000	551,510
Comoros	0	0	0	0	0	0	0
Democratic Republic of the Congo	0	0	0	0	0	0	0
Equatorial Guinea	0	0	0	0	0	0	0
Eritrea	(791)	0	109,515	70,000	0	0	178,724
Ethiopia	(6,236)	0	46,806	374,128	0	465,182	879,880
Gambia	0	0	0	0	0	0	0
Guinea	(20,789)	(192,313)	0	105,000	(9,000)	0	(117,102)
Guinea-Bissau	0	0	0	0	0	0	0
Lesotho	0	0	0	0	0	488,950	488,950
Liberia	0	0	0	0	0	0	0
Madagascar	(20,047)	30,860	129,808	160,000	0	0	300,621
Malawi	0	0	0	0	0	0	0
Mali	566	0	0	60,000	30,000	(25,524)	65,042
Mauritania	0	(45,047)	0	0	0	0	(45,047)
Mozambique	23,497	0	741,687	0	(247,401)	0	517,783
Niger	0	0	0	0	0	475,000	475,000
Rwanda	10,845	0	0	210,000	0	(4,081)	216,764
Sao Tome and Principe	0	0	0	0	0	0	0
Senegal	(24,004)	952,148	86,499	115,000	0	(21,024)	1,108,619
Sierra Leone	0	0	0	0	0	0	0
Togo	0	0	0	0	0	499,000	499,000
Uganda	5,036	0	168,783	171,527	(607)	0	344,739
United Republic of Tanzania	(1,593)	48,277	91,214	200,969	(101,782)	498,095	735,180
Zambia	0	0	0	0	0	0	0
Subtotal	102,674	1,028,603	1,374,312	1,466,214	(328,790)	3,327,846	6,970,859

Region/country	Regular budget	UNDP	Trust funds	IDP <sup>b</sup>	Montreal Protocol	Other sources <sup>c</sup>	Total
<b>Asia and the Pacific</b>							
Afghanistan	0	0	0	144,000	0	0	144,000
Bangladesh	0	0	0	0	0	0	0
Bhutan	0	0	0	0	0	0	0
Cambodia	0	0	0	619,400	0	0	619,400
Kiribati	0	0	0	0	0	0	0
Lao People's Democratic Republic	0	0	0	655,145	0	493,799	1,148,944
Maldives	0	0	0	0	0	0	0
Myanmar	0	0	0	0	0	0	0
Nepal	0	0	0	556	0	469,500	470,056
Samoa	0	0	0	0	0	0	0
Solomon Islands	0	0	0	0	0	0	0
Tuvalu	0	0	0	0	0	0	0
Vanuatu	0	0	0	0	0	0	0
Subtotal	0	0	0	1,419,101	0	963,299	2,382,400
<b>Latin America and the Caribbean</b>							
Haiti	0	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0	0
<b>African Arab States</b>							
Djibouti	0	0	0	0	0	0	0
Somalia	0	0	0	0	0	0	0
Sudan	(41,326)	0	42,477	0	(7,489)	0	(6,338)
Subtotal	(41,326)	0	42,477	0	(7,489)	0	(6,338)
<b>West Asian Arab States</b>							
Yemen	0	0	0	0	10,000	0	10,000
Subtotal	0	0	0	0	10,000	0	10,000
TOTAL	61,348	1,028,603	1,416,789	2,885,315	(326,279)	4,291,145	9,356,921

<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.

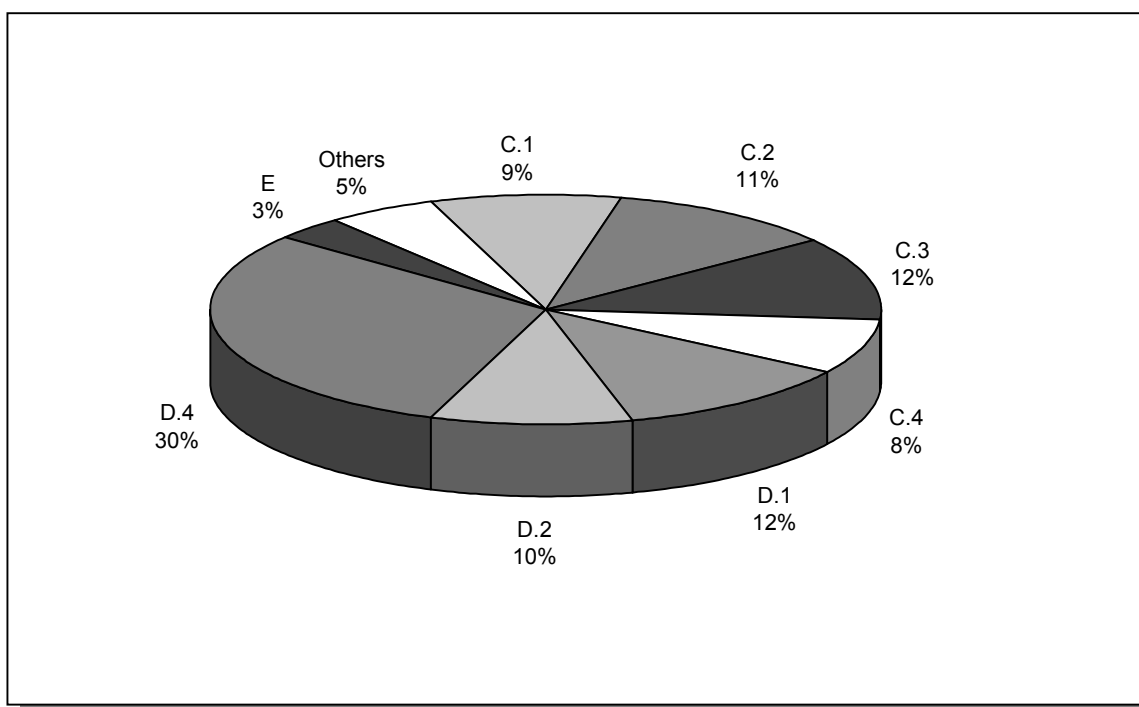
<sup>c</sup> Includes projects executed by other agencies for which UNIDO is the associated or cooperating agency.

## APPENDIX E

## REGULAR PROGRAMME OF TECHNICAL COOPERATION

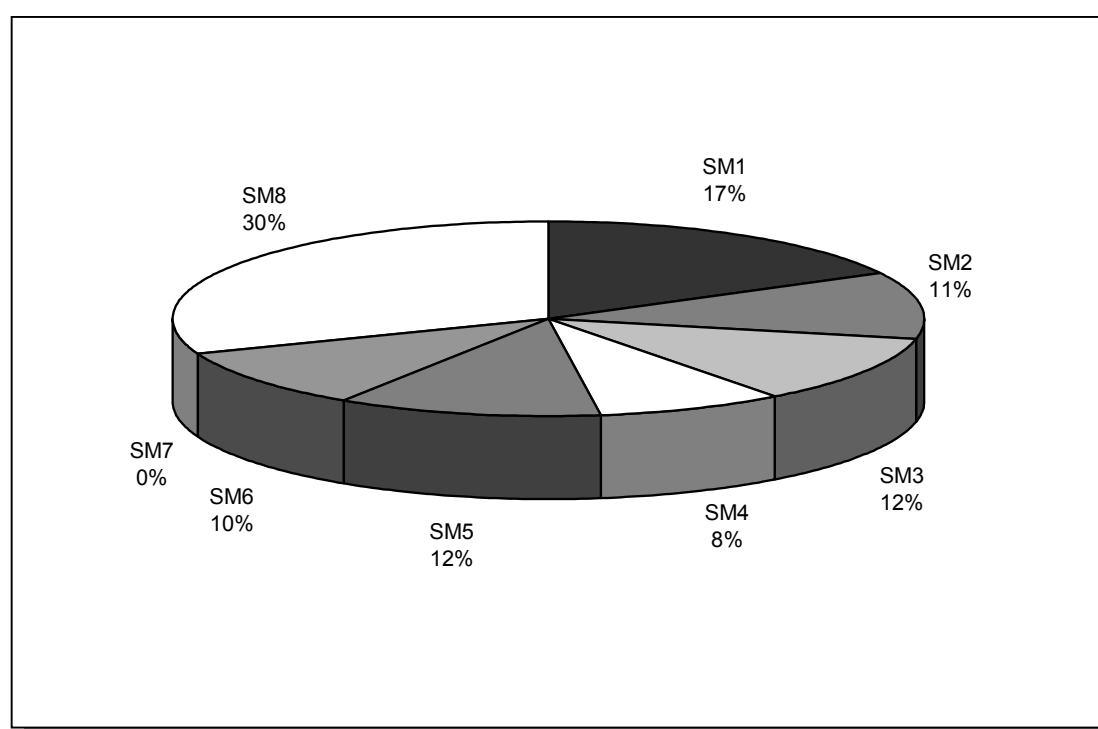
**Table 1**  
**Delivery by programme, 2002**  
(In thousands of US dollars)

	<i>UNIDO priorities</i>	<i>IDDA</i>	<i>TOTAL</i>
Programme C.1 Industrial Governance and Statistics	74.2	76.2	150.4
Programme C.2 Investment and Technology Promotion	179.4	-	179.4
Programme C.3 Quality and Productivity	16.0	172.7	188.7
Programme C.4 Small Business Development	72.7	54.6	127.3
Programme D.1 Agro-industries	46.0	142.9	188.9
Programme D.2 Industrial Energy and Kyoto Protocol	102.0	57.8	159.8
Programme D.4 Environment Management	492.3		492.3
Major Programme E: Regional programme	55.4	0.7	56.1
Others	53.2	30.8	84.0
<b>TOTAL</b>	<b>1,091.2</b>	<b>535.7</b>	<b>1,626.9</b>
Equivalent in euros	1,123.9	573.6	1,697.5



**Table 2**  
**Delivery by service module, 2002**  
(In thousands of US dollars)

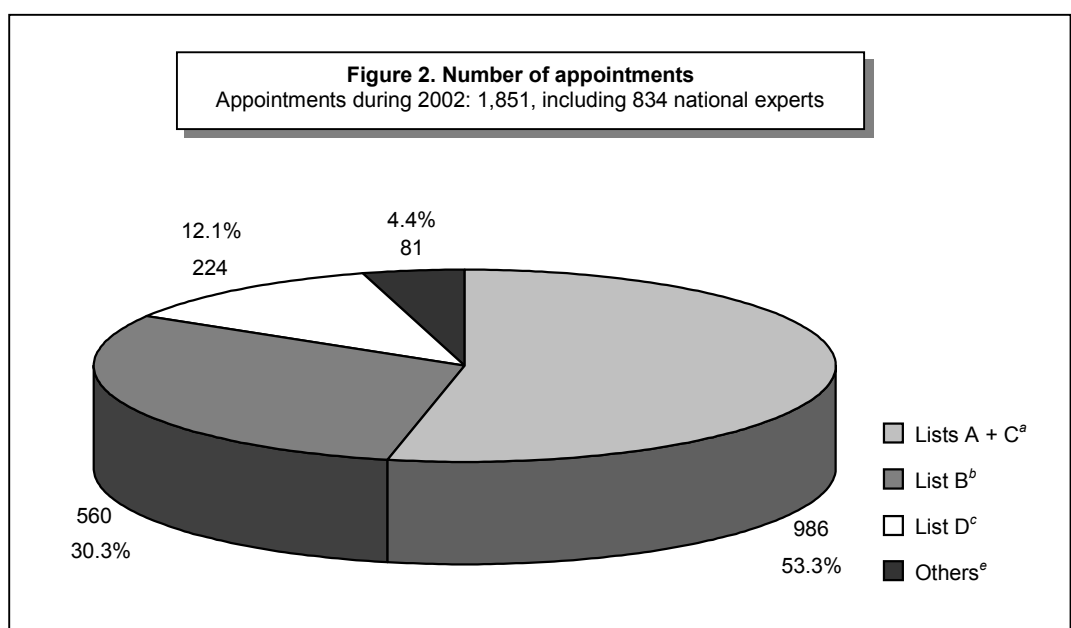
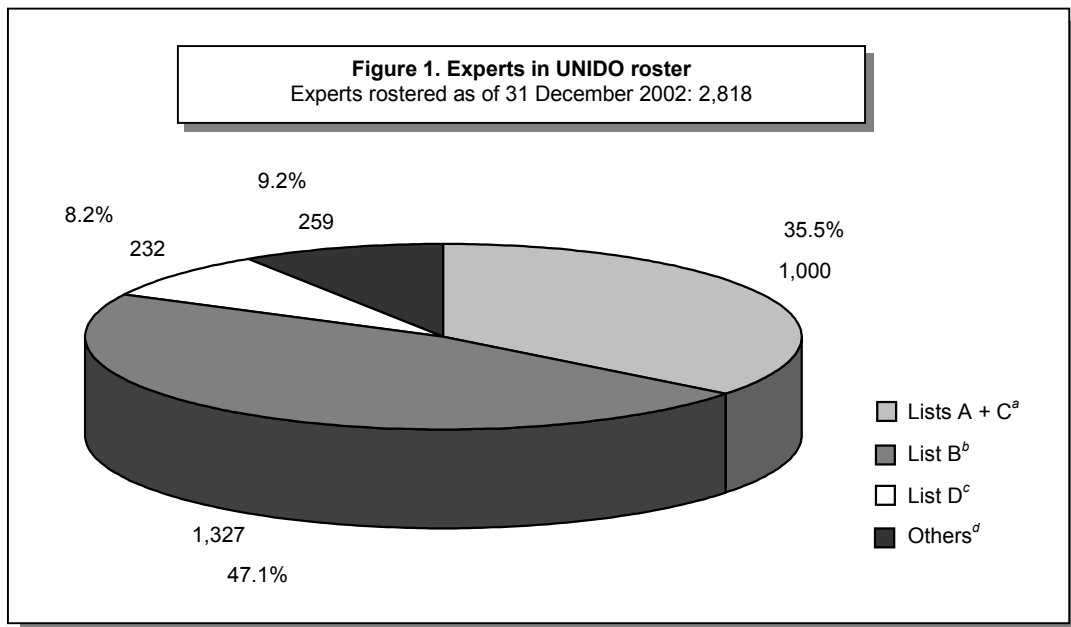
<i>New service modules (2002-2005)</i>	<i>UNIDO priorities</i>	<i>IDDA</i>	<i>Total</i>
Industrial governance and statistics (SM1)	172.0	107.7	279.7
Investment and technology promotion (SM2)	179.4	-	179.4
Quality and productivity (SM3)	16.0	172.7	188.7
Small business development (SM4)	72.7	54.6	127.3
Agro-industries (SM5)	46.0	142.9	188.9
Industrial energy and Kyoto Protocol (SM6)	102.0	57.8	159.8
Montreal Protocol (SM7)	-	-	-
Environment management (SM8)	503.1	-	503.1
	<b>TOTAL</b>	<b>1,091.2</b>	<b>1,626.9</b>
	Equivalent in euros	1,123.9	1,697.5



**APPENDIX F**

**GEOGRAPHICAL DISTRIBUTION OF EXPERTS**

Distribution of experts by regional groups of countries



<sup>a</sup> States in Lists A and C of Annex I to the UNIDO Constitution plus Albania, Cyprus, Greece, Malta, Portugal, Romania and Turkey.

<sup>b</sup> States in List B of Annex I to the UNIDO Constitution excluding Cyprus, Greece, Malta, Portugal and Turkey.

<sup>c</sup> States in List D of Annex I to the UNIDO Constitution excluding Albania and Romania.

<sup>d</sup> Includes candidates without clear indication of nationality and 43 candidates from Australia, 66 from Canada and 117 from the United States of America.

<sup>e</sup> Includes 4 appointments of experts from Australia, 16 from Canada and 57 from the United States of America.



## Appointment of experts, 2002

<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>
Italy	124	Syrian Arab Republic	11	Portugal	2
India	113	Ukraine	11	Singapore	2
France	88	Uruguay	11	Yemen	2
United Kingdom	74	Yugoslavia	11	Afghanistan	1
Austria	63	Argentina	10	Bangladesh	1
United States of America	57	Eritrea	10	Botswana	1
China	55	Kenya	10	Democratic People's Republic of Korea	1
Russian Federation	55	Sudan	10	Djibouti	1
United Republic of Tanzania	44	Croatia	9	Ecuador	1
Senegal	41	Norway	9	Guinea-Bissau	1
Nigeria	40	New Zealand	8	Libyan Arab Jamahiriya	1
Switzerland	36	Peru	8	Mauritius	1
Sri Lanka	35	The former Yugoslav Republic of Macedonia	8	Niger	1
Netherlands	34	Uzbekistan	8	Paraguay	1
Uganda	33	Greece	7	Slovenia	1
Burkina Faso	31	Honduras	7		
Morocco	31	Jordan	7	<b>Total</b>	<b>1,851</b>
Poland	31	Pakistan	7	(119 countries)	
Germany	27	Turkey	7		
Philippines	26	Venezuela	7		
Viet Nam	26	Zambia	7		
Hungary	24	Nicaragua	6		
Spain	24	Zimbabwe	6		
Bosnia and Herzegovina	22	Bolivia	5		
Colombia	22	Cameroon	5		
Guatemala	21	Côte d'Ivoire	5		
Czech Republic	20	Sweden	5		
Mexico	20	Australia	4		
Brazil	19	Nepal	4		
Ireland	19	Republic of Korea	4		
Lebanon	19	Romania	4		
Denmark	18	Togo	4		
Ethiopia	17	Finland	3		
Ghana	17	Malaysia	3		
Iran (Islamic Republic of)	17	Mongolia	3		
Belarus	16	Thailand	3		
Canada	16	Albania	2		
Belgium	15	Bhutan	2		
South Africa	15	Bulgaria	2		
Egypt	14	Burundi	2		
Mali	14	Chad	2		
Tunisia	14	Costa Rica	2		
Japan	13	Dominican Republic	2		
Madagascar	13	El Salvador	2		
Rwanda	13	Gambia	2		
Guinea	12	Indonesia	2		
Slovakia	12	Israel	2		
Algeria		Kyrgyzstan	2		
Chile	11	Lithuania	2		
Lao People's Democratic Republic	11	Malawi	2		
Mozambique	11	Malta	2		
		Palestine	2		

## APPENDIX G

## TRAINING ACTIVITIES

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

<i>Field of study</i>	<i>Type of programme</i>				<i>Number of participants of which</i>			
	<i>National</i>	<i>Regional</i>	<i>Inter-regional</i>	<i>Host country/territory</i>	<i>From all countries<sup>a</sup></i>	<i>LDCs</i>	<i>Female</i>	<i>African participants<sup>b</sup></i>
Upgrading	X			Algeria	40		10	40
Quality	X			Algeria	42		8	42
Food safety	X			Angola	51		18	
Laboratory accreditation	X			Australia	3		2	
Financial analysis of investment projects and application of COMFAR III Expert			X	Austria	13		7	
Methodology refresher course			X	Austria	5	2	2	2
Basic COMFAR III Expert (2 activities)			X	Austria	20	5	4	6
Advanced COMFAR III Expert (2 activities)			X	Austria	17	4	3	7
COMFAR software for project appraisal		X		Bahrain	16			
Technology management*		X		Bahrain	54		11	51
ISO 15161	X			Burkina Faso	45	44	8	
Quality		X		Burkina Faso	20		4	20
Laboratory management		X		Burkina Faso	20		4	20
Laboratory audit		X		Burkina Faso	20		4	20
Hand weaving, textile dyeing and dress-making	X			Burkina Faso	57	57	30	
Food processing	X			Burkina Faso	10		8	
Methodology and basic COMFAR III Expert	X			Cambodia	19	19	4	
Biotechnology			X	Chile	17		6	
Investment project identification, formulation and financial appraisal		X		China	80		15	

<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>
Bamboo technology	X			China	3			
PHAROS business navigator (4 activities)	X			Colombia	89		36	
Formulation of investment projects for international promotion	X			Colombia	24		10	
Investment project identification, evaluation, preparation and appraisal; COMFAR III Expert	X			Colombia	26		13	
Promotion of foreign invest- ment, application of UNIDO tools and UNIDO exchange	X			Colombia	25		11	
Methyl bromide alternatives	X			Colombia	50			
Cleaner production			X	Costa Rica	33	3	11	4
Women's entrepreneurship development	X			Côte d'Ivoire	25		25	25
Laser diagnostics of combustion processes*			X	Egypt	36	1	3	28
Business development and consultancy services	X			Ethiopia	77	77	12	77
Business extension services	X			Ethiopia	49	49	9	49
Women's entrepreneurship development	X			Ethiopia	38	38	38	38
Technical skills development for EMPRETEC (UNCTAD Training Programme for Entrepreneurship Development and Business Development Services)	X			Ethiopia	19	19	2	19
EMPRETEC	X			Ethiopia	41	41	8	41
Training of enterprise trainers	X			Ethiopia	16	16	3	16
Business development services, training of trainers	X			Ethiopia	38	38	10	38
Technical skills upgrading and business training	X			Ethiopia	40	40	10	40

<i>Field of study</i>	<i>Type of programme</i>				<i>Number of participants of which</i>			
	<i>National</i>	<i>Regional</i>	<i>Inter-regional</i>	<i>Host country/territory</i>	<i>From all countries<sup>a</sup></i>	<i>LDCs</i>	<i>Female</i>	<i>African participants<sup>b</sup></i>
Energy management for small- and medium-scale private industries: energy audit (2 activities)	X			Ethiopia	65	65		65
Investment promotion in leather manufacturing industries			X	Ethiopia	30	30	30	30
Food safety and technology	X			Ethiopia	70		10	
Post-harvest technology and loss prevention for farmers	X			Ethiopia	786		503	
Post-harvest and food micro-processing	X			Ethiopia	6			
Metrology	X			Germany	2			
Investment promotion	X			Ghana	27		9	27
Food safety and quality audits	X			Ghana	30			
Women's entrepreneurship development in food processing	X			Guatemala	30		30	
CAD/CAM garment techniques		X		Guatemala	3		3	
Integrated coastal area management*		X		Honduras	28		4	
Technology needs assessment	X			Honduras	35		15	
Compressor redesign and conversion			X	Hungary	6			
Improved quarrying techniques (3 activities)	X			India	142			
Locksmithy (3 activities)	X			India	60			
Entrepreneurship	X			India	24			
Good manufacturing practices (2 activities)	X			India	59			
TQM/ISO 9001 awareness	X			India	23			
Lock design techniques	X			India	20			

<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>
Improved packaging of toys	X			India	10			
Improved toy design development	X			India	17			
Improved plastic processing	X			India	38			
Testing of toys	X			India	32			
CE certification for toys (2 activities)	X			India	45			
CNC retrofitting in machine tools (2 activities)	X			India	65			
Aesthetics and ergonomics in machine tools	X			India	36			
Machine tool manufacture	X			India	17			
Machine tool design	X			India	12			
Technology management*	X			India	46			
Materials design and production processes for low-cost housing*		X		India	22	6	2	
Small and medium enterprises cluster development	X			India	326		72	
Sustainable bamboo plantation management and harvesting	X			India	35			
Entrepreneurship development	X			India	30			
Agricultural engineering	X			India	5	5		5
COMFAR III Expert and application of COMFAR for project appraisal	X			Indonesia	17		6	
Optical fibre communications*			X	Indonesia	39		5	1
COMFAR III		X		Iran (Islamic Republic of)	90			
Maintenance and operation of optical fibre communication systems*			X	Iran (Islamic Republic of)	53	1	4	48
Instrumentation*			X	Italy	34		8	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>
Image processing and remote sensing for monitoring industrial development in coastal areas*		X		Italy	21		11	
Molecular design and computer-assisted combinatorial chemistry*		X		Italy	31		14	
Polyurethane foaming technologies			X	Italy	5			
Methyl bromide alternatives in the horticulture sector			X	Italy	21			
Pre-investment study methodology and investment project appraisal with COMFAR III Expert			X	Japan	15		5	
Methodology and basic COMFAR III Expert		X		Japan	12			
COMFAR III	X			Japan	14		2	
Private financing for infrastructure	X			Lao People's Dem. Republic	20	20		
Investment promotion	X			Lao Peoples' Dem. Republic	8	8	2	
COMFAR III	X			Lebanon	15		7	
Business management	X			Lebanon	185		185	
Sericultural techniques	X			Madagascar	15			15
Instrumentation support	X			Malawi	10	10		
Cane and bamboo technology	X			Malaysia	5			
CAD/CAM garment techniques		X		Mexico	3		3	
Business opportunities	X			Micronesia	157		42	
Investment project identification, formulation and financial appraisal		X		Mongolia	20		9	
"OUTSOURCING 2002" software			X	Morocco	10	1		8
Technical skills upgrading for women entrepreneurs	X			Morocco	168		168	168

<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>
Business management and marketing for women entrepreneurs	X			Morocco	50		50	50
Olive oil production	X			Morocco	217		215	
Methodology and basic COMFAR III Expert (2 activities)	X			Myanmar	23	9	4	
Project monitoring tools	X			Nicaragua	45		26	
Analysis of production chains	X			Nicaragua	40		18	
COMFAR III	X			Nigeria	15			15
Food processing	X			Nigeria	100			
Quality control and standardization of herbal drugs*		X		Panama	38		19	
“OUTSOURCING 2002” software		X		Peru	13	1	1	
Methodology and tools for investment promotion: project appraisal and COMFAR	X			Peru	20		7	
Evaluation of investment projects using COMFAR III Expert (2 activities)	X			Poland	19		7	
Methodology and basic COMFAR III Expert	X			Republic of Korea	28			
Metrology	X			Republic of Korea	3			
Cleaner production			X	Republic of Korea	13	1	1	1
Women’s entrepreneurship development in food processing	X			Rwanda	22	22	22	22
Investment project preparation and appraisal, including COMFAR III Expert	X			Saudi Arabia	11			
Investment analysis and appraisal techniques for industrial projects, including COMFAR III Expert (advanced features)	X			Saudi Arabia	9			

<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>
Technology management*	X			Senegal	55		7	53
Women's entrepreneurship development in fish processing	X			Senegal	60		60	60
Participatory feasibility studies for selection of eligible villages for platform installation	X			Senegal	38	38	16	38
Food processing	X			Senegal	47		40	
Business English for Ministry of Enterprise Development, Industrial Policy and Investment Promotion	X			Sri Lanka	130			
Project appraisal and COMFAR III Expert software	X			Sudan	25	25	1	25
Basic COMFAR III Expert (3 activities)			X	Sweden	75		26	
Sustainable industrial development: process simulation, analysis, optimization and control*			X	Thailand	24	4	7	1
"OUTSOURCING 2002" software			X	Turkey	6			1
Food processing and safety			X	Turkey	10	1	3	5
Entrepreneurship development	X			Turks and Caicos Islands	55		10	
Short-term skills training	X			Turks and Caicos Islands	215		54	
Business advisory services	X			Turks and Caicos Islands	150		32	
Entrepreneurship development and business advisory services, training of trainers	X			Turks and Caicos Islands	13			
Hand weaving, surface design, garment construction, product development, sewing machine maintenance and business management	X			Uganda	100	100	90	
Leather products manufacturing			X	Uganda	30	30	30	30



<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>
Food processing	X			Uganda	45		10	
Metrology	X			United Kingdom	2			
Business training for women entrepreneurs in food processing	X			United Republic of Tanzania	152	152	152	152
Business training and food processing, training of trainers	X			United Republic of Tanzania	38	38	20	38
Business training and food processing, training of trainers	X			Viet Nam	41		32	
Self-help groups for small and medium enterprises	X			Viet Nam	334		334	

\* International Centre for Science and High Technology.

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

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

**Table 2**  
**Fellowships and study tours started in 2002 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	1	0	1	1
Botswana	0	0	0	1	0	1	0	0	0	1
Burkina Faso	0	0	0	0	0	0	6	1	7	7
Burundi	0	0	0	1	0	1	0	0	0	1
Cameroon	0	0	0	1	0	1	0	0	0	1
Chad	0	2	2	1	0	1	0	0	0	3
Comoros	0	1	1	0	0	0	0	0	0	1
Côte d'Ivoire	0	0	0	0	0	0	1	0	1	1
Eritrea	0	0	0	1	0	1	4	0	4	5
Ethiopia	0	0	0	1	0	1	40	2	42	43
Ghana	0	0	0	0	0	0	2	0	2	2
Guinea-Bissau	0	0	0	0	0	0	1	0	1	1
Guinea	0	0	0	0	0	0	1	0	1	1
Kenya	0	0	0	1	1	2	0	0	0	2
Madagascar	3	2	5	0	0	0	0	0	0	5
Malawi	0	0	0	2	0	2	0	0	0	2
Mali	0	0	0	1	0	1	1	0	1	2
Mauritius	0	0	0	0	0	0	1	0	1	1
Mozambique	0	0	0	0	0	0	2	1	3	3
Namibia	0	0	0	1	0	1	0	0	0	1
Niger	0	0	0	0	1	1	2	0	2	3
Nigeria	0	0	0	1	0	1	11	0	11	12
Rwanda	0	0	0	0	1	1	0	0	0	1
South Africa	0	0	0	0	0	0	1	0	1	1
Senegal	1	0	1	1	0	1	6	0	6	8
Seychelles	1	0	1	0	0	0	0	0	0	1
Togo	0	0	0	0	0	0	1	0	1	1
Uganda	0	0	0	1	0	1	10	3	13	14
United Republic of Tanzania	0	1	1	1	0	1	10	3	13	15
Zambia	0	0	0	1	0	1	0	0	0	1
Zimbabwe	19	0	19	1	0	1	0	0	0	20
<b>TOTAL</b>	<b>24</b>	<b>6</b>	<b>30</b>	<b>17</b>	<b>3</b>	<b>20</b>	<b>101</b>	<b>10</b>	<b>111</b>	<b>161</b>
<b>ARAB REGION</b>										
Algeria	6	6	12	1	0	1	3	0	3	16
Egypt	0	0	0	1	0	1	10	3	13	14
Libyan Arab Jamahiriya	0	0	0	1	0	1	1	0	1	2
Jordan	0	0	0	0	0	0	19	2	21	21
Lebanon	0	0	0	0	0	0	10	4	14	14
Morocco	0	0	0	1	0	1	2	1	3	4
Oman	0	0	0	0	0	0	1	0	1	1
Palestine	0	0	0	0	0	0	6	0	6	6
Qatar	0	0	0	0	0	0	2	0	2	2
Syrian Arab Republic	10	1	11	0	0	0	0	0	0	11
Tunisia	0	0	0	0	0	0	27	8	35	35
Yemen	0	0	0	0	0	0	3	0	3	3
<b>TOTAL</b>	<b>16</b>	<b>7</b>	<b>23</b>	<b>4</b>	<b>0</b>	<b>4</b>	<b>84</b>	<b>18</b>	<b>102</b>	<b>129</b>

Nationality/home area, country or territory	UNDP			Regular Programme			Other programmes			Total
	Male	Female	Total	Male	Female	Total	Male	Female	Total	
<b>ASIA AND PACIFIC</b>										
Bangladesh	1	0	1	0	0	0	0	0	0	1
Cambodia	1	0	1	0	0	0	3	0	3	4
China	10	4	14	0	0	0	28	2	30	44
India	10	1	11	0	1	1	2	0	2	14
Indonesia	1	0	1	0	0	0	2	0	2	3
Iran (Islamic Republic of)	0	1	1	0	0	0	10	0	10	11
Lao People's Democratic Republic	1	0	1	0	0	0	15	1	16	17
Myanmar	2	0	2	0	0	0	0	0	0	2
Nepal	2	0	2	0	0	0	0	0	0	2
Pakistan	10	1	11	0	0	0	0	0	0	11
Philippines	1	1	2	0	0	0	0	1	1	3
Republic of Korea	2	0	2	0	0	0	0	0	0	2
Sri Lanka	0	0	0	0	0	0	12	3	15	15
Thailand	0	2	2	0	0	0	1	0	1	3
Viet Nam	0	1	1	0	0	0	2	4	6	7
TOTAL	41	11	52	0	1	1	75	11	86	139
<b>EUROPE AND NIS</b>										
Belarus	0	0	0	0	0	0	1	0	1	1
Bosnia and Herzegovina	1	0	1	0	0	0	0	0	0	1
Bulgaria	0	0	0	0	0	0	1	0	1	1
Romania	0	0	0	0	0	0	11	9	20	20
Russian Federation	0	0	0	0	0	0	4	0	4	4
Uzbekistan	0	0	0	0	0	0	1	0	1	1
TOTAL	1	0	1	0	0	0	18	9	27	28
<b>LATIN AMERICA AND CARIBBEAN</b>										
Argentina	0	0	0	0	0	0	2	0	2	2
Bolivia	0	0	0	0	0	0	1	1	2	2
Brazil	0	0	0	0	0	0	1	0	1	1
Chile	0	0	0	0	0	0	2	0	2	2
Colombia	0	0	0	0	0	0	2	2	4	4
Costa Rica	0	0	0	0	0	0	3	1	4	4
Cuba	5	11	16	0	0	0	7	5	12	28
El Salvador	0	0	0	0	0	0	3	0	3	3
Guatemala	0	0	0	0	0	0	3	0	3	3
Honduras	0	0	0	0	0	0	2	0	2	2
Mexico	0	0	0	0	0	0	2	0	2	2
Nicaragua	0	0	0	0	0	0	2	5	7	7
Panama	0	0	0	0	0	0	1	0	1	1
Paraguay	0	0	0	0	0	0	1	1	2	2
Peru	0	0	0	0	0	0	5	0	5	5
Trinidad and Tobago	0	0	0	0	0	0	0	2	2	2
Uruguay	0	0	0	0	0	0	2	0	2	2
TOTAL	5	11	16	0	0	0	39	17	56	72
GRAND TOTAL	87	35	122	21	4	25	317	65	382	529

**Table 3**  
**Fellowships and study tours started in 2002 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	2	1	3	3
Australia	0	0	0	0	0	0	5	4	9	9
Austria	2	2	4	7	3	10	25	5	30	44
Bahrain	0	0	0	0	1	1	4	0	4	5
Belgium	0	0	0	2	2	4	13	2	15	19
Benin	0	0	0	0	0	0	0	1	1	1
Brazil	0	0	0	0	3	3	2	0	2	5
China	0	0	0	0	9	9	1	0	1	10
Costa Rica	0	0	0	0	0	0	9	5	14	14
Czech Republic	0	0	0	0	0	0	3	0	3	3
Denmark	0	0	0	0	0	0	1	0	1	1
Finland	0	0	0	0	0	0	1	0	1	1
France	0	0	0	17	8	25	9	3	12	37
Germany	0	0	0	3	2	5	23	1	24	29
Ghana	0	0	0	0	0	0	1	0	1	1
Guatemala	0	0	0	0	3	3	0	0	0	3
Honduras	0	0	0	0	0	0	1	0	1	1
Hong Kong SAR	0	0	0	0	0	0	2	1	3	3
Hungary	0	0	0	0	0	0	10	0	10	10
India	0	0	0	4	4	8	22	2	24	32
Italy	0	0	0	4	2	6	120	35	155	161
Japan	0	0	0	0	0	0	3	1	4	4
Jordan	0	0	0	0	0	0	3	0	3	3
Malawi	0	0	0	0	0	0	12	0	12	12
Malaysia	0	0	0	4	1	5	10	1	11	16
Mauritius	0	0	0	2	2	4	11	0	11	15
Mexico	0	0	0	5	8	13	0	0	0	13
Monaco	0	0	0	0	0	0	6	0	6	6
Morocco	0	0	0	0	0	0	5	0	5	5
Netherlands	0	0	0	7	2	9	0	0	0	9
Nigeria	0	0	0	0	0	0	8	0	8	8
Peru	0	0	0	0	0	0	23	2	25	25
Poland	0	0	0	0	1	1	0	0	0	1
Portugal	0	0	0	2	2	4	6	0	6	10
Republic of Korea	0	0	0	0	0	0	3	0	3	3
Romania	0	0	0	1	1	2	0	0	0	2
South Africa	0	0	0	0	0	0	17	1	18	18
Singapore	0	0	0	0	0	0	6	0	6	6
Slovakia	0	0	0	0	1	1	3	0	3	4
Spain	0	0	0	0	2	2	0	0	0	2
Sri Lanka	0	0	0	0	0	0	4	1	5	5
Sweden	0	0	0	0	0	0	1	0	1	1
Switzerland	0	0	0	0	0	0	4	1	5	5
Thailand	0	0	0	0	3	3	21	2	23	26
Tunisia	0	0	0	21	3	24	1	0	1	25
Turkey	0	0	0	0	0	0	16	3	19	19
United Kingdom	0	0	0	0	0	0	5	1	6	6
United States of America	0	0	0	0	0	0	6	1	7	7
Viet Nam	0	0	0	12	1	13	13	0	13	26
Zimbabwe	0	0	0	0	19	19	4	0	4	23
<b>TOTAL</b>	<b>2</b>	<b>2</b>	<b>4</b>	<b>91</b>	<b>83</b>	<b>174</b>	<b>445</b>	<b>74</b>	<b>519</b>	<b>697</b>

**APPENDIX H****AGREEMENTS CONCLUDED****Agreements, memorandums of understanding and joint communiqués with States****Argentina**

Memorandum of understanding between the United Nations Industrial Development Organization and the Secretariat for Trade and International Economic Relations of the Argentine Republic, signed on 2 August.

**Egypt**

Agreement between the United Nations Industrial Development Organization and the Government of the Arab Republic of Egypt regarding the establishment of a UNIDO regional office in Egypt, signed on 19 November.

**Guatemala**

Basic cooperation agreement between the United Nations Industrial Development Organization and the Government of the Republic of Guatemala, signed on 11 October.

**Peru**

Cooperation agreement between the United Nations Industrial Development Organization and the Republic of Peru, signed on 25 March.

**Republics of Central America (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama)**

Memorandum of understanding between the United Nations Industrial Development Organization and the Republics of Central America (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama), signed on 1 October.

**Russian Federation**

Protocol on the framework cooperation programme between the United Nations Industrial Development Organization and the Russian Federation for the period 2002-2005, signed on 14 October.

**Ukraine**

Protocol on cooperation between the United Nations Industrial Development Organization and the Government of Ukraine, signed on 10 September.

**Agreements with other entities****University of Bologna**

Memorandum of understanding between the United Nations Industrial Development Organization and the University of Bologna, signed on 24 May.

**University of Oxford**

Renewal of memorandum of understanding between the United Nations Industrial Development Organization and The Chancellor, Masters and Scholars of the University of Oxford, signed on 24 May and 10 June.

**Volunteers Association for International Service (AVSI)**

Memorandum of understanding between the United Nations Industrial Development Organization and the Volunteers Association for International Service, signed on 11 October.

**World Wide Fund for Nature (WWF)—Denmark, and Huset Mandag Morgen**

Memorandum of understanding on collaboration between the United Nations Industrial Development Organization, the World Wide Fund for Nature—Denmark, and Huset Mandag Morgen regarding the Nordic Partnership, signed on 21 May and 10 June.

**APPENDIX I**  
**COUNTRY PROMOTION PRESENTATIONS**

<i>Country/region promoted</i>	<i>Venue</i>	<i>Number of presentations</i>
Algeria	France (1)	1
Argentina	Argentina (2), France (2), Italy (5)	9
Belarus	Poland (3)	3
Brazil	France (5)	5
Bulgaria	Japan (1), Poland (1)	2
Cambodia	Japan (2)	2
Chile	France (1)	1
China	France (3), Italy (3)	6
Colombia	France (5)	5
Costa Rica	France (1), Japan (1)	2
Côte d'Ivoire	France (1)	1
Croatia	Japan (3)	3
Ecuador	France (5)	5
Egypt	Egypt (3), Italy (1)	4
Gabon	Japan (1)	1
Ghana	France (5), Ghana (1)	6
Greece	China (1)	1
Guatemala	France (1)	1
India	France (1), Japan (1)	2
Italy	China (1)	1
Jamaica	Jamaica (2)	2
Jordan	Italy (2), Japan (1), Jordan (4)	7
Kazakhstan	Poland (1)	1
Kenya	China (2), Italy (1)	3
Lao People's Democratic Republic	Japan (2)	2
Madagascar	France (1)	1
Malawi	Japan (1)	1
Mali	France (2)	2
Mauritius	China (1)	1
Mexico	France (1)	1
Mongolia	Japan (1)	1
Morocco	Italy (1), Morocco (4)	5
Nicaragua	France (1)	1
Niger	France (2)	2
Nigeria	France (1), Japan (1)	2

<i>Country/region promoted</i>	<i>Venue</i>	<i>Number of presentations</i>
Pakistan	Japan (1)	1
Philippines	Japan (3)	3
Poland	China (1), Japan (5)	6
Region Mediterranean	Italy (11)	11
Romania	Japan (1)	1
Russian Federation	China (2), Greece (1), Poland (2)	5
Senegal	France (6), Senegal (1)	7
Slovakia	France (2)	2
South Africa	China (1)	1
South-Eastern Europe	Japan (2)	2
Southern African Development Community (SADC)	Japan (1)	1
Sri Lanka	Japan (3)	3
Tunisia	Italy (6), Tunisia (1)	7
Uganda	Belgium (1), India (5), Italy (1), France (8), Malaysia (38), South Africa (3), Uganda (1)	57
Ukraine	Poland (2)	2
Viet Nam	Italy (1), Japan (1), Viet Nam (1)	3
	Total	205

Total: 51 countries/regions promoted at 205 presentations held in 20 countries.



## APPENDIX J

## PURCHASES AND CONTRACTS

*Purchase of equipment, materials and supplies*

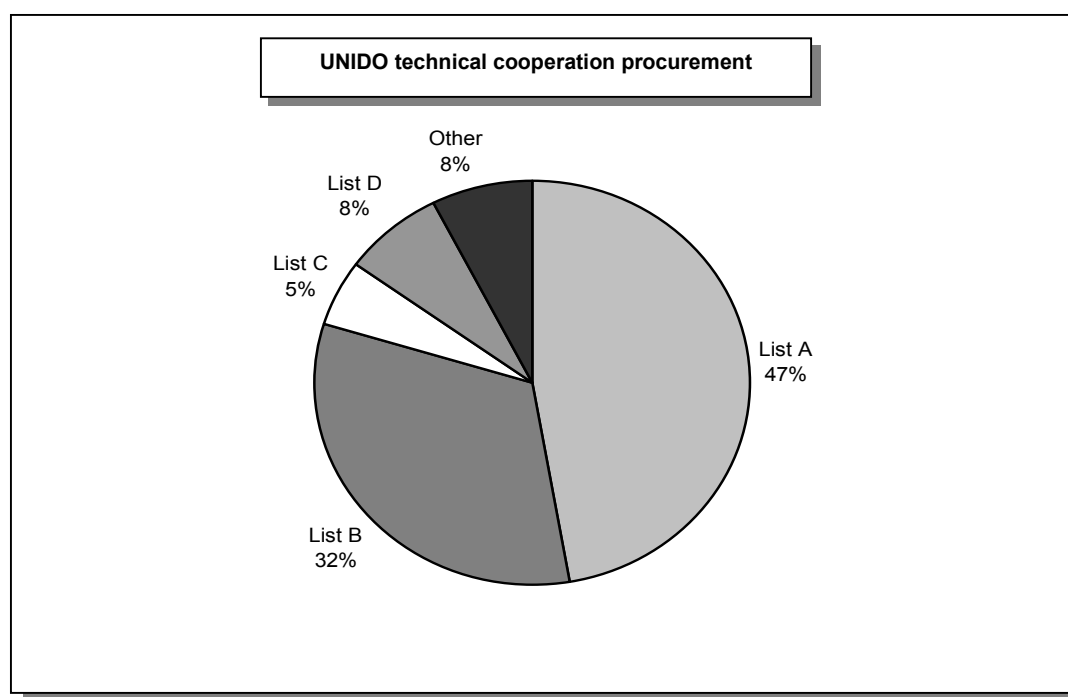
<i>a. Technical cooperation</i>	<i>Purchase orders placed</i>	<i>US\$ equivalent<sup>b</sup></i>	<i>Euro</i>
<sup>a</sup> List A	25	1,429,644	1,486,693
List B	223	5,979,456	6,350,073
List C	13	561,541	614,977
List D	6	29,355	32,156
Other	28	764,094	816,378
<b>Total</b>	<b>295</b>	<b>8,764,088</b>	<b>9,300,278</b>
<i>b. Headquarters</i>			
<b>Total</b>	<b>626</b>	<b>1,362,797</b>	<b>1,434,654</b>
<b>Total purchases</b>	<b>921</b>	<b>10,126,886</b>	<b>10,734,932</b>

*Contracts for services and work*

<i>a. Technical cooperation</i>	<i>Contracts awarded</i>	<i>US\$ equivalent<sup>b</sup></i>	<i>Euro</i>
<sup>a</sup> List A	147	18,085,884	19,247,652
List B	83	7,462,687	7,954,130
List C	40	1,657,924	1,730,872
List D	53	3,080,679	3,367,549
Other	10	2,344,409	2,408,476
<b>Total</b>	<b>333</b>	<b>32,631,582</b>	<b>34,708,679</b>
<i>b. Headquarters</i>			
<b>Total</b>	<b>115</b>	<b>8,633,167</b>	<b>9,274,849</b>
<b>Total contracts</b>	<b>448</b>	<b>41,264,749</b>	<b>43,983,528</b>
<b>UNIDO total</b>	<b>1369</b>	<b>51,391,635</b>	<b>54,718,460</b>

<sup>a</sup> Refers to the Lists of States in Annex I to the Constitution of UNIDO (GC.9/16).

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



## APPENDIX K

## UNIDO FIELD REPRESENTATION

(As of 31 December 2002)

	UR	STA/IDO	UND/UNFP	NPO/APO	AE	JPO	Driver	Other GS	Total
<b>AFRICA</b>									
Cameroon	1	0	0	0	0	0	1	1	3
Côte d'Ivoire	1	0	0	0	0	1	1	1	4
Eritrea <sup>a</sup>	0	0	0	0	0	1	0	0	1
Ethiopia	1	0	0	0	1	1	1	1	5
Ghana	1	0	0	0	0	1	1	1	4
Guinea	1	0	0	0	0	0	1	1	3
Kenya	1	0	0	0	0	0	1	1	3
Madagascar	1	0	0	0	0	1	1	1	4
Mozambique <sup>a</sup>	0	0	1	0	0	1	0	0	2
Nigeria	1	1	0	1	0	0	2	3	8
Senegal	1	0	0	0	0	1	1	1	4
United Republic of Tanzania	1	0	0	0	0	1	1	1	4
Togo <sup>a</sup>	0	0	1	0	0	0	0	0	1
Uganda <sup>a</sup>	0	0	1	0	0	0	0	0	1
Zimbabwe	0	0	0	0	0	0	1	1	2
<b>TOTAL</b>	<b>10</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>8</b>	<b>12</b>	<b>13</b>	<b>49</b>
<b>ARAB STATES</b>									
Algeria	1	0	0	0	0	0	0	1	2
Egypt	1	0	0	0	0	1	1	2	5
Lebanon	1	0	0	0	0	0	0	2	3
Morocco	0	0	0	0	1	0	0	0	1
Sudan	1	0	0	0	0	0	1	0	2
Tunisia	0	0	0	0	0	1	0	0	1
<b>TOTAL</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>5</b>	<b>14</b>
<b>ASIA AND PACIFIC</b>									
China	1	0	0	0	0	0	0	0	1
India	1	1	0	0	2	1	1	2	8
Indonesia	1	0	0	0	0	0	1	2	4
Iran (Islamic Republic of)	1	0	0	0	0	0	1	1	3
Pakistan	1	0	0	0	0	0	1	1	3
Philippines	1	0	0	0	0	0	1	1	3
Sri Lanka <sup>a</sup>	0	0	0	1	0	0	0	0	1
Thailand	1	1	0	0	0	1	1	1	5
Viet Nam	1	0	0	0	1	0	1	1	4
<b>TOTAL</b>	<b>8</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>7</b>	<b>9</b>	<b>32</b>

	UR	STA/IDO	UND/UNFP	NPO/APO	AE	JPO	Driver	Other GS	Total
<b>EUROPE AND NIS</b>									
Turkey	0	0	1	1	0	0	1	1	4
Ukraine <sup>a</sup>	0	0	1	2	0	0	0	0	3
TOTAL	0	0	2	3	0	0	1	1	7
<b>LATIN AMERICA AND CARIBBEAN</b>									
Argentina <sup>a</sup>	0	0	0	0	0	0	0	1	1
Bolivia	0	0	0	0	0	0	0	2	2
Colombia	1	0	0	0	0	0	1	2	4
Cuba <sup>a</sup>	0	0	0	1	0	0	0	0	1
Guatemala <sup>a</sup>	0	0	0	0	0	1	0	0	1
Mexico	0	0	0	0	0	0	1	0	0
Uruguay	1	0	0	0	0	0	0	2	3
TOTAL	2	0	0	1	0	1	2	7	12
<b>UNIDO HEADQUARTERS</b>									
Austria	0	0	0	0	8	1	0	0	9
TOTAL	0	0	0	0	8	1	0	0	9
GRAND TOTAL	24	3	5	6	13	14	23	35	123

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

<sup>a</sup> Countries where the Organization does not maintain a country or a regional office but has field presence.

## APPENDIX L

## PERSONNEL-RELATED INFORMATION

**Table 1**  
**Composition of Headquarters staff, 31 December 2002**

(Including Geneva and New York Offices)

<i>Grade</i>	<i>Male</i>	<i>%</i>	<i>Female</i>	<i>%</i>	<i>Total</i>	
D-2	5		1		6	
D-1	17		3		20	
P-5	45		8		53	
	Subtotal	67	85	12	15	79
P-4	55		16		71	
P-3	35		20		55	
P-2/1	4		5		9	
	Subtotal	94	70	41	30	135
Professional <sup>a</sup> and	161	75	53	25	214	
General Service	120	38	195	62	315	
	TOTAL	281	53	248	47	529

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

**Table 2**  
**Recruitment of Professional staff in 2002**

	<i>Male</i>	<i>%</i>	<i>Female</i>	<i>%</i>
Professional candidates rostered <sup>a</sup>	239	73	87	27
Recruitment—Professional-level posts during 2002 <sup>b</sup>	8	53	7	47
Recruitment at P-5 level and above <sup>c</sup>	3	75	1	25

<sup>a</sup> Includes 214 rostered from List A and List C (155 Male, 59 Female).

<sup>b</sup> Includes 11 recruitments from List A and List C (5 Male, 6 Female).

<sup>c</sup> Includes 1 recruitment from List A (Male) and 3 from List B (2 Male, 1 Female).

**Table 3**  
**Promotion of staff since introduction of HRM Framework (5 June 2001)**

	P-4		P-3		P-2		GS6		GS5		GS4		GS3		Total Promoted	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	No.	%
	2001 HQ	-	-	-	1	-	-	3	11	5	19	1	1	-	-	41
2002 HQ	1	5	3	4	-	-	-	9	5	25	7	-	3	-	62	12
2001 Field	-	-	-	-	1	-	-	-	-	8	1	-	5	-	15	18
2002 Field	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**Table 4**  
**Composition of staff at Headquarters and other established offices, 31 December 2002**

	Headquarters	Geneva/ New York	Field	Mission assignments	ITPOs <sup>a</sup>	Total
Professional	210	4	26	1	3	244
National Officer			2		3	5
General Service	314	1	58	3	5	381
TOTAL	524	5	86	4	11	630

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

**Table 5**  
**Composition of staff in posts subject to geographical distribution, 31 December 2002**

Grade	Male	%	Female	%	Total	
D-2	5		1		6	
D-1	20		2		22	
P-5	49		9		58	
Subtotal		74	86	12	14	86
P-4	52		16		68	
P-3	35		20		55	
P-2/1	3		2		5	
Subtotal		90	70	38	30	128
TOTAL	164	77	50	23	214	

**APPENDIX M**  
**SELECTED PUBLICATIONS<sup>a</sup>**

<i>Title</i>	<i>Reference</i>	<i>Co-publisher</i>	<i>Language</i>
Análisis parcial de las bolsas de subcontratación y de alianzas industriales de América Latina en 2002	V.02-57142		S
Annual Report of UNIDO, 2001, and List of UNIDO technical cooperation activities, 2001	ISSN 1020-7651 ISSN 1020-7716		A, C, E, F, R, S
Assessing the uptake of environmentally-sound technology—Highlights from a UNIDO survey in nine developing countries	V.02-56407		E
China in the WTO—The birth of a new catching-up strategy	ISBN 0-333-99930-4	Palgrave Macmillan	E
Corporate social responsibility—Implications for small and medium enterprises in developing countries	V.02-58498		E
Developing countries and technology cooperation—An industrial capacity-building perspective	V.02-56318	World Business Council for Sustainable Development	E
Developing countries and technology cooperation: Ten business cases	V.02-54934	World Business Council for Sustainable Development	E
Eco-efficiency for small and medium enterprises in the Moroccan dyeing industry	V.02-60179	BASF, UNEP	E
Environmentally sustainable development in the West and Central African region		University of Lagos	E
Exemples de succès des bourses de sous-traitance et de partenariat en 2001	V.02-51460		F, S
Fighting marginalization through sustainable industrial development	ISBN 92-1-106422-8		E
Foreign direct investor perceptions in sub-Saharan Africa—UNIDO pilot survey in Ethiopia, Nigeria, Uganda, United Republic of Tanzania	V.02-55669		E
Guide méthodologique: Restructuration mise à niveau et compétitivité	V.02-51280		F
Guide to supplier development	V.02-60535		E, F, S

<i>Title</i>	<i>Reference</i>	<i>Co-publisher</i>	<i>Language</i>
Industrial Development Report 2002/2003— Competing through innovation and learning	ISBN 92-1-106420-1		E, F, S
Industry and Clean Development Mechanism background studies in Indonesia, Malaysia, the Philippines, Thailand and Viet Nam—Financing large-scale Clean Development Mechanism projects	V.02-55020 through V.02-55025		E
Innovative technology transfer framework linked to trade for UNIDO action	V.02-54935		E
International practice in technology foresight	ISBN 92-1-106423-6		E
International Yearbook of Industrial Statistics 2002	ISBN 1-84064-372	Edward Elgar Publishing Ltd., Cheltenham, UK	E
Investir en Guinée		STE Tirage (91) France	F
Markets and industrialization (intra-Africa trade- exports diversification): Synergies between government policies and company strategies— Essentials for competing in a global economy			E
Municipal solid waste management in Asia and Africa: A comparative analysis		Asian Institute of Technology, Thailand	E
Private equity funds in African emerging markets			E
Regional initiative on technology foresight for Central and Eastern Europe and the Newly Independent States	V.02-60551		E
Report of the expert group meeting on technology foresight for Central and Eastern Europe and the Newly Independent States, Vienna, 18-19 June 2001	V.02-57986		E
Summary report of the regional conference on technology foresight for Central and Eastern Europe and the Newly Independent States, Vienna, 4 to 5 April 2001	V.01-88397		E
Sustainable industrial utilization of the neem tree ( <i>Azadirachata indica</i> ) in Nigeria		University of Lagos	E
Technology and processes for sustainable development and pollution reduction/prevention	ISBN 80-214-2151-7	Brno University of Technology	E
Technology needs assessment for developing countries	V.02-55939		E

<i>Title</i>	<i>Reference</i>	<i>Co-publisher</i>	<i>Language</i>
Thailand's manufacturing competitiveness: Promoting technology, productivity and linkages—Small and Medium Enterprises Branch—Technical working paper series, No. 8	V.02-56989		E
The Gulf of Guinea Large Marine Ecosystem	ISBN 0-444-51028-1	Elsevier	E
Women's entrepreneurship training manuals			E, S
Vol. I Selection of indicators for monitoring and impact evaluation	V.01-89872		
Vol. II A tool for monitoring results obtained in enterprises for facilitators	V.01-89873		
Vol. III Handbook on self-evaluation for women entrepreneurs of agro-industrial micro-enterprises	V.02-53565		
Compendium of Indian stones*		Centre for Development of Stones, India	E
Market trends in the machine tool sector in Europe (BIMU 2002)*			E
Technology trends in the machine tool sector*			E
Annual Report of ICS, 2001**			E
Project portfolio of ICS, 2002**			E
Statistics of ICS, 2001**			E

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

\*\* International Centre for Science and High Technology (ICS).

<sup>a</sup> Includes publications prepared jointly with other organizations. A more complete list can be accessed from the UNIDO website ([www.unido.org/publications](http://www.unido.org/publications)).



## APPENDIX N

EXPERT GROUP MEETINGS, SYMPOSIUMS, SEMINARS, WORKSHOPS,  
COURSES AND OTHER MEETINGS\*

<i>Date</i>		<i>Place</i>
14-16 January	Workshop on technologies and processes for sustainable development and pollution reduction/prevention***	Brno Czech Republic
15-17 January	Regional workshop on alternatives to methyl bromide	Amman Jordan
29 January	Seminar on the Industrial Subcontracting and Partnership Exchange	Kandy Sri Lanka
30 January	Seminar on the Industrial Subcontracting and Partnership Exchange	Matarra Sri Lanka
6 February	Seminar on capacity-building in Uganda	Kuala Lumpur Malaysia
6-10 February	Buyer seller meet at STONA (Fifth International Granite and Stone Fair) 2002**	Bangalore India
6-10 February	International architect seminar on innovative use of natural stone at STONA 2002**	Bangalore India
6-10 February	Shilpgram at STONA 2002**	Bangalore India
7 February	Food safety bill stakeholders' workshop	Kampala Uganda
26 February	Persistent organic pollutants: ways to solve the problem	St. Petersburg Russian Federation
1 March	Seminar on business opportunities in Senegal and Tanzania	Kuala Lumpur Malaysia
1 March	Workshop for directors and coordinators of National Cleaner Production Centres on a new cleaner production approach	Havana Cuba
5 March	Conference on the Industrial Subcontracting and Partnership Exchange	Dakar Senegal
9-11 March	Investment and technology market (Intechmart) for the leather goods sector	Calcutta India
14-15 March	African round table for cleaner production and sustainable consumption	Arusha United Republic of Tanzania
19-27 March	Second Asia Africa Investment and Technology Promotion Centre (AAITPC) business mission to Senegal and Tanzania	Dakar Senegal and Dar-es-Salaam United Republic of Tanzania

<i>Date</i>		<i>Place</i>
25 March	Expert meeting on total quality management and standardization in ASEAN countries	Ho Chi Minh City Viet Nam
11 April	National conference on investment	Khartoum Sudan
11-12 April	Validation seminar on trade participation of seven selected ECOWAS countries through enhancement of standards, metrology, testing, promotion of quality and related services	Abuja Nigeria
22-23 April	Expert group meeting on an integrated approach for the remediation of polluted sites***	Trieste Italy
22-24 April	Eighth All-Africa Trade Fair	Cairo Egypt
24-25 April	Seminar on Gregarious bamboo flowering	Jorhat India
24-27 April	Workshop on alternatives to the use of methyl bromide in the tobacco sector	Ohrid Macedonia
29-30 April	Expert group meeting on perspectives on cleaner technologies for sustainable chemistry***	Trieste Italy
29-30 April	Seventh international high-level seminar on cleaner production	Prague Czech Republic
9-11 May	Cane sugar processing seminar	Intibúca Honduras
10 May	Workshop on the role of process simulation for sustainable industrial development in cleaner production centres***	Abuja Nigeria
17 May	Seminar on processing cassava	Olancho Honduras
23-24 May	Cashew food processing seminar	Choluteca Honduras
27-29 May	Workshop on photovoltaic applications***	Cairo Egypt
28 May-1 June	Expert group meeting on best available technologies for the exploitation and recycling of inorganic materials—management of construction and demolition waste in the building industry***	Iglesias Italy
29-31 May	Methyl bromide substitution awareness workshop	Boquete Panama
10-11 June	Symposium on the development of a transport scheme with low-cost motorized vehicles	Lagos Nigeria
12-14 June	International forum on strategies and priorities for environmental industries	Bratislava Slovakia
20 June	Cleaner production round table	Havana Cuba

<i>Date</i>		<i>Place</i>
20-22 June	Expert group meeting on wireless web applications in Mediterranean countries: technologies and regulatory issues***	Tunis Tunisia
24-26 June	Workshop on remediation technologies application for heavily polluted sites in Central and East European countries***	Bratislava Slovakia
25 June	Workshop on the role of process simulation for sustainable industrial development in cleaner production centres***	Rio de Janeiro Brazil
25-27 June	Project steering committee meeting and stakeholders' workshop on renewable energy-based electricity generation for isolated mini-grids in Zambia	Lusaka Zambia
27-28 June	Workshop on the role of process simulation for sustainable industrial development in cleaner production centres***	Quito and Guayaquil Ecuador
3-5 July	Inception meeting of the integrated management of the Humboldt Current large marine ecosystem	Lima Peru
8-9 July	Round table on local manufacturing of photovoltaic modules***	Tunis Tunisia
12-15 July	Tracking manufacturing performance: towards an early warning system of the real economy	Bangkok Thailand
19 July	Workshop on alternatives to the use of methyl bromide in grain storage	Bangkok Thailand
28-29 July	Toy Biz 2002—buyer seller meet**	New Delhi India
30 July	Food safety bill stakeholders' workshop to identify training needs for food inspectors	Kampala Uganda
30 July	Seminar on processed soya bean food	Ichikawa Japan
15-16 August	Workshop on testing laboratory accreditation according to ISO 17025 requirements	Wadduwa Sri Lanka
19-20 August	Seminar on planning for food processing and handicraft activities for enterprises	Tuxtla Gutierrez Mexico
19-23 August	Seminar on good manufacturing practices for the preparation of food processing products	Quetzaltenango Guatemala
21 August	Seminar on trade facilitation in the globalized economy—the role of laboratory accreditation	Colombo Sri Lanka
23 August	Buyer seller meet at the National Manufacturing Technology Show 2002**	Bangalore India
29 August	National convention on small-scale toy industries**	New Delhi India
5-6 September	Expert group meeting on environmentally degradable plastics: state-of-the-art and outlook***	Trieste Italy

<i>Date</i>		<i>Place</i>
10-11 September	International conference on technology foresight for Ukraine	Kiev Ukraine
18 September	Seminar on the Laotian garment industry's competitive position	Vientiane Lao People's Democratic Republic
18-20 September	Workshop on environmental pollution and application of remediation technologies in East Asian countries***	Nanjing China
18-21 September	Cleaner production round table on prevention of contamination	Guanajuato Mexico
23-27 September	Seminar on good manufacturing practices for the preparation of food processing products	Quetzaltenango Guatemala
24-26 September	Seminar on bamboo technology and awareness (BAMTECH 2002)	Bangkok Thailand
26-28 September	Meeting on the role of the Trieste system in the global initiatives of the United Nations and other international organizations***	Trieste Italy
27 September	Marketing meet for Agarbatti manufacturers	Bangalore India
27 September- 2 October	Expert group meeting on development of information support systems for biotechnology and chemical safety	Concepción Chile
30 September- 2 October	Meeting of the consultative group for solar energy research and application (COSERA)***	Marrakech Morocco
30 September- 5 October	Seminar on best available technologies and innovations in ceramics production***	Faenza Italy
1 October	Meeting of Vice-Presidents of Republics of Central America to sign the Memorandum of Understanding on Developing and Implementing a Regional Integrated Programme for Market Access and Trade Facilitation	Vienna Austria
3-4 October	Updating and fleshing out the development agenda	Venice Italy
6-13 October	Expert group meeting on trade development in the leather industry in Africa—"Meet in Africa"	Tunis Tunisia
7-9 October	Seminars on assistance in technology transfer and adaptation for SME clusters and funding opportunities for technologically oriented projects from Central European countries***	Belgrade Yugoslavia
10-11 October	Workshop on technology management	Hyderabad India
11-12 October	Conference on the Industrial Subcontracting and Partnership Exchange	Casablanca Morocco
14-15 October	Launching seminar of the Industrial Development Report 2002-2003	Bangkok Thailand
15-16 October	Seminar on hygienic handling of food for commercial cooking	Santa Elena Guatemala

<i>Date</i>		<i>Place</i>
16-17 October	Launching seminar of the Industrial Development Report 2002-2003	Jakarta Indonesia
17-18 October	Programme on technology management**, ***	Bangalore India
17-20 October	Meeting on Dnieper river strategic action plan—project for identification and analysis of sources of pollution (hot spots)	Yalta Ukraine
21-23 October	Workshop on plastics recycling and development of environmentally degradable plastics***	Bangkok Thailand
23-26 October	Eleventh meeting of the Latin American Association of the Industrial Subcontracting and Partnership Exchange	Arequipa Peru
24-25 October	Eastern African subregional meeting of the Conference of African Ministers of Industry (CAMI)	Arusha United Republic of Tanzania
24-26 October	Methodology for coordination of the integrated management of the Humboldt Current large marine ecosystem	Viña del Mar Chile
25-27 October	Workshop on sustainable development and environmentally degradable plastics***	Beijing China
28-29 October	Meeting on innovative enterprises and technology centres with focus on business alliances***	Zagreb Croatia
31 October	Consultation workshop on a national upgrading programme for Senegalese enterprises	Dakar Senegal
31 October	Seminar on cleaner production conception	St. Petersburg Russian Federation
10-17 November	National food safety week	Addis Ababa Ethiopia
11-12 November	Launching seminar of the Industrial Development Report 2002-2003	New York USA
14-15 November	National food safety conference	Addis Ababa Ethiopia
18-20 November	Workshop on regulations for production and marketing of medicinal plant products***	Trieste Italy
18-23 November	National food safety week	Kampala Uganda
21-23 November	Workshop on trends and applications of combinatorial chemistry and combinatorial technologies***	São Carlos Brazil
22 November	Seminar on the Industrial Subcontracting and Partnership Exchange	Colombo Sri Lanka
25 November	UNIDO-Austrian business forum	Vienna Austria
25-27 November	Workshop on environmentally degradable plastics, plastics recycling and polymers wastes management***	Concepción Chile

<i>Date</i>		<i>Place</i>
26-27 November	Workshop on the leather industry in the new millennium: a Tanzanian perspective (environmental issues affecting the leather industry in Africa)	Dodoma United Republic of Tanzania
29 November	Workshop on toy industry**	Chennai India
4 December	Launching seminar of the Industrial Development Report 2002-2003	Beijing China
5-7 December	Workshop on computer aided materials engineering***	Trieste Italy
7-9 December	International conference on the process of innovation and learning in dynamic city regions of China	Shenzhen China
7-12 December	Workshop on general marketing principles for the footwear and leather garments products sectors	Addis Ababa Ethiopia
9-11 December	Workshop on cleaner technologies for sustainable chemistry***	Cape Town South Africa
9-14 December	Expert group meeting on cluster and network development	New Delhi India
10-12 December	Workshop on phase-out of methyl bromide in the fumigation of dates	Biskra Algeria
10-12 December	Workshop to raise awareness on the use of methyl bromide in the tobacco sector	Ouagadougou Burkina Faso
12-13 December	Expert group meeting on infrastructure and methodology for data communication networks in East and Central Africa***	Trieste Italy
15-16 December	Expert group meeting on technology roadmapping	Cairo Egypt
15-18 December	Workshop on photovoltaic and renewable energy applications in Yemen***	Sana'a Yemen
16-17 December	Workshop on introduction of information and communication technologies in rural areas***	Blantyre Malawi
16-19 December	Preliminary transboundary diagnostic analysis of the integrated management of the Humboldt Current large marine ecosystem	Lima Peru
17-19 December	Workshop on catalytic technologies for sustainable industrial processes utilizing crop-derived renewable raw materials***	Bandar Baru Bangi Malaysia
20-21 December	Global biotechnology forum consultative meeting	Vienna Austria

\* Includes meetings sponsored jointly with other organizations.

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

\*\*\* ICS meeting (International Centre for Science and High Technology).

## ABBREVIATIONS

### A

AAITPC	Asia-Africa Investment and Technology Promotion Centre
ABR	African Business Round Table
AE	Associate Expert
ALABSUB	Association of Latin American Subcontracting and Partnership Exchanges
APO	Associate Programme Officer
ARCEIT	Arab Regional Centre for Entrepreneurship and Investment Training
ASEAN	Association of Southeast Asian Nations
AVSI	Volunteers Association for International Service

### C

CAD	Computer aided design
CAM	Computer aided manufacturing
CAMI	Conference of African Ministers of Industry
CCA	common country assessment
CEB	Chief Executives Board
CD	compact disk
CE	Conformité Européenne
CFC	Common Fund for Commodities
CNC	computer numerical control
COMFAR	Computer Model for Feasibility Analysis and Reporting
COMPID	combating marginalization and poverty through industrial development
COSERA	Consultative group for solar energy research and application
CSAE	Centre for the Study of African Economies (University of Oxford)
CSF	country service framework

### D

D	Director
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### E

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
EMPRETEC	UNCTAD Training Programme for Entrepreneurship Development and Business Development Services
ESCWA	United Nations Economic and Social Commission for Western Asia
EST	environmentally sound technology
EU	European Union

**F**

FDI	foreign direct investment
FIAS	Foreign Investment Advisory Service

**G**

GC	General Conference
GDP	gross domestic product
GEF	Global Environment Facility
GS	General Service

**H**

HLCM	High-level Committee on Management
HLCP	High-level Committee on Programmes
HQ	headquarters
HRMF	Human Resources Management Framework

**I**

ICAMT	International Centre for Advancement of Manufacturing Technology
ICS	International Centre for Science and High Technology
ICSC	International Civil Service Commission
ICT	information and communication technology
IDDA	Industrial Development Decade for Africa
IDF	Industrial Development Fund
IDO	Industrial Development Officer
IDSB	industrial demand-supply balance
IIN	industrial information network
ILO	International Labour Organization
IMF	International Monetary Fund
IMO	International Maritime Organization
INDSTAT	industrial statistics
IP	integrated programme
IPA	investment promotion agency
IRCICA	Organization of the Islamic Conference (OIC) Research Centre for Islamic History, Art and Culture
ISIC	international standard industrial classification of all economic activities
ISO	International Organization for Standardization
IT	information technology
ITC	International Trade Centre (UNCTAD/WTO)
ITPO	Investment and Technology Promotion Office
ITI	Industrial Technology Institute

**J**

JIU	Joint Inspection Unit
JPO	Junior Professional Officer

**K**

KIDT	Kilimanjaro Industrial Development Trust
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**L**

LDC	least developed country
LDC III	Third United Nations Conference on the Least Developed Countries

**M**

MDG	Millennium Development Goal
MeBr	methyl bromide
MIGA	Multilateral Investment Guarantee Agency
MSME	micro, small and medium enterprise

**N**

NCPC	National Cleaner Production Centre
NEPAD	New Partnership for Africa's Development
NIS	Newly Independent State
NORAD	Norwegian Development Agency
NPO	National Programme Officer

**O**

OB	operational budget
ODA	official development assistance
ODP	ozone-depleting potential
ODS	ozone-depleting substance
OECD	Organization for Economic Cooperation and Development
OIC	Organization of the Islamic Conference

**P**

P	Professional
PCF	Programme Coordination and Field Operations Division
POP	persistent organic pollutant
PRSP	poverty reduction strategy paper
PTC	Programme Development and Technical Cooperation Division

**R**

RB	regular budget
REAP	Responsible Entrepreneurs Achievement Programme
RO	Regional Officer
RPTC	Regular Programme of Technical Cooperation

**S**

SADC	Southern African Development Community
SME	small and medium enterprise
SPPD	support services for policy and programme development
SPX	subcontracting and partnership exchange
STA	Special Technical Adviser
STONA 2002	Fifth International Granite and Stone Fair
STS	support for technical services

**T**

TBL	triple bottom line
TBT	technical barrier to trade
TC	technical cooperation
TCDC	technical cooperation among developing countries
TEST	transfer of environmentally sound technologies
TF	technology foresight
TICAD	Tokyo International Conference on African Development
TQM	total quality management
TRAC	Target for Resource Assignment from the Core

**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
UNDCP	United Nations International Drug Control Programme
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFIP	United Nations Fund for International Partnerships
UNFP	UNIDO National Focal Point
UR	UNIDO Representative

**V**

VIC	Vienna International Centre
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**W**

WIPO	World Intellectual Property Organization
WSSD	World Summit on Sustainable Development
WTO	World Trade Organization
WWF	World Wide Fund for Nature