



Industrial Development Board 28th Session
25 - 27 May 2004

**Targeting Human Security in Post Crisis Industrial
Rehabilitation and Reconstruction: 2004 – 2005 Agenda**

Presented by: Director of Administration, Renato Fornocaldo

Contribution of Interventions to Human Security

- Presentation inspired by:
 1. Issue & discussion paper
 2. Discussions of Round Table # 4
 3. Need to contribute to Human Security Goals
- Agenda for Biennium 2004 - 2005

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Excellencies, distinguished guests, ladies and gentlemen.

This presentation provides a synopsis of the discussion paper submitted to the round table on Post Crisis held on 2 December 2003. It follows the recommendation of resolution number 6 of the 10th session of the General Conference.

Its purpose is to seek ways to contribute to the Human Security goals through the formulation and implementation of programmes in countries emerging from crisis situations and to incorporate a human-centred perspective as an integral part of the UNIDO Post Crisis Interventions. With this perspective, I will also present our agenda for this biennium.

Support from International Community

Natural crisis / conflicts

Social & Economic dislocation

AGAINST

Millennium Development & Human Security Goals

- Call for Humanitarian intervention
- Support from International Community



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Natural crisis or conflicts cause social and economic dislocation. The resulting poverty and disintegration of the social fibre is in direct conflict with the Millennium Development and Human Security Goals.

The calamities originated by a crisis call for humanitarian intervention as a means to mitigate the immediate adverse impacts, ameliorate the prospects for their resolution and overcome them comprehensively in the long term. Given the obvious inability of the affected countries to undertake these measures on their own, they will require substantial support from the International Community.

UNIDO can play a substantive role in their rehabilitation and reconstruction and, at the same time, provide a concrete bridge for their longer term development.

Guidance by Human Security

- Intervention guided by principle of Human Security:

1. Protection from threats to life
2. Promotion of livelihoods & dignity
3. Contribution to minimum standards of living

Increasing Human Security Level

Background & details included in CRP

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Within this context, our intervention will be guided by the general principle of human security i.e.:

1. protecting people from pervasive threats to their lives,
 2. promoting livelihoods and dignity,
 3. contributing to minimum standards of living and
- thus increasing the human security level in countries emerging from crisis situations.

The background and details of this concept have been included in our submission to this IDB in the form of a conference room paper which was circulated yesterday also containing tables illustrating our agenda for 2004 - 2005.

Role of UNIDO

Sound Diagnosis

- Identification of demands
- Formulation
- Organization Appropriate mix of services required

Tailor-made Response:

- Knowledge
- Provision of hands-on - Skills
- Information

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In my presentation on Post Crisis at the last General Conference, we stressed that our assistance should be based on two major principles: sound diagnosis and tailor-made response.

Sound diagnosis will enable us to clearly identify the demand for industrial recovery and formulate and organize an appropriate mix of our existing services.

Tailor-made response is possible through its specialized expertise. UNIDO's strengths for formulating and implementing interventions would be vested in the provision of hands-on knowledge, skills and information required by specific group(s) of affected populations in certain sectors and rural or urban areas. Macro-economic advisory services could also be addressed by assisting the public and private sectors.

The 4 "pillars"

1. **What to do...**
 - Rehabilitation of key sectors
 - Income generation activities
 - Institutional capacity building
 - Rehabilitation of basic infrastructure
2. **With whom to do...** - UN Agencies + NGOs
3. **How to do...** - Stronger operational mechanisms
4. **At which stage...** - Before end 1st phase of crisis

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Let me refresh your memory on the notion of the 4 pillars of our intervention.

The first one: **What to do!** Assisting

- rehabilitation in key industrial sectors
- b) Promoting income generating activities
- c) Supporting institutional capacity building
- d) Preparing conditions for rehabilitation of basic infra-structure

The second one: **With whom to do it!**
In partnership with UN agencies and NGOs for operations and logistics and, above all, programme substance.

The third one: **How to do it!**
With stronger operational mechanisms for a consolidated and timely response to deliver our services.

And finally, the fourth one: **When to do it!**
We should be involved in fact finding and in carrying out a needs assessment exercise before the end of the first phase of crisis situation.

Presence in 20 countries



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As you can see from the map, we are present in 20 countries in post crisis. In these countries our interventions range from fact finding to the implementation stage; in all cases different approaches have been adopted.

20 Countries: 11 countries of earlier interventions



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From a list of 20 countries, in 11 with earlier interventions, our services have been mainly provided within the framework of integrated programmes. The spectrum of our interventions ranged from strengthening the capacity of the government to implement policy for reconstruction to providing shelter and skill opportunities to returning refugees.

Selection criteria for Biennium 2004 - 2005

1. Short intervals from when crisis ended
2. Focused international attention
3. Possible application of more effective modalities of implementation
4. Strong prospect of mobilization of external financial support

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For the biennium 2004 – 2005 UNIDO will place for the most part priority attention to post crisis activities with stand alone and thematic projects. This will be done through a selection based on the following parameters:

1. Short intervals from the moment the crisis has ended.
2. Focus of international attention through peace agreements, consolidated UN appeals, donor conferences and other global fora.
3. The possibility of application of more effective modalities of implementation adjusted to specific cases.
4. Promising prospects for mobilization of external financial support.

Within these parameters, the following countries have been selected.



In Africa: Angola, Dem. Rep. of Congo, Liberia, Sierra Leone and Sudan. For the latter, the activities started in early 2003.

Current phase of intervention

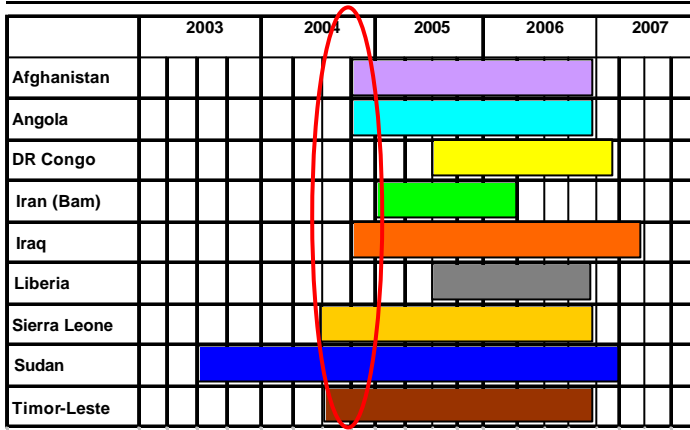
	No. of Activities	Fact-Finding	Formulation		Impl'n
			Mission	Prepared	
Afghanistan	5		2	2	1
Angola	4		2	1	1
DR Congo	4		4		
Iran (Bam)	3		3		
Iraq	9			9	
Liberia	1	1			
Sierra Leone	5			5	
Sudan	6		5		1
Timor-Leste	1			1	

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In general, due to our recent involvement in these nine countries, our intervention is currently concentrating on the formulation phase.

A substantive variation has to be recorded, between Liberia, where our fact-finding mission will take place during the third quarter of this year, and Afghanistan, Angola and Sudan where the implementation stage has already started for one of the activities foreseen for these countries.

Status of implementation of projects



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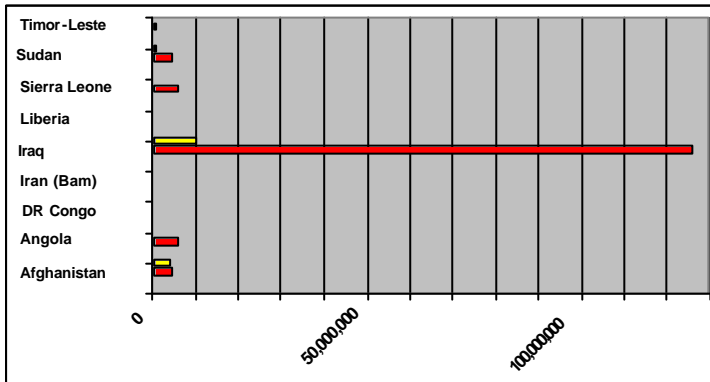
As a consequence of this situation, the majority of the foreseen field activities should start as the second half of this year.

Contingent factors will obviously postpone the start of these activities. Iraq is a strong example where the prevailing security situation does not allow the resumption of the UN field activities in the near future.

Funding (with Iraq)

As at May 15

■ Estimated Budget = US\$ 147,900,000 ■ Pledged / Secured Funds = US\$ 15,750,000



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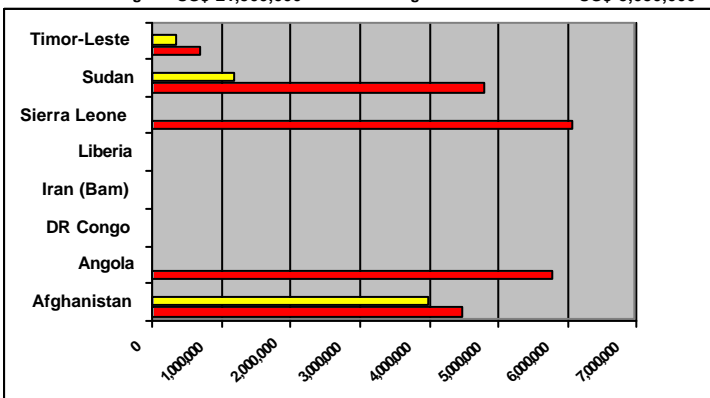
This slide will show the overall funding situation, with a clear distinction between the estimated financial requirements and the funding already secured or simply pledged. The overall funding requirement is almost \$148 million, whereas the sum of the pledged and secured funds roughly totals to almost \$16 million.

As you can see, the level of the funding requirement in Iraq considerably distorts the overall picture. Iraq is, somehow, a unique case that has attracted the widest international attention which lead both to a considerable amount of resources pledged during the Madrid donor's conference in October last year and the establishment of a strong UN coordination structure in Jordan that has greatly facilitated the programme formulation process. This has also been possible due to an initial solid partnership built with those UN agencies involved in our programme.

Funding (without Iraq)

As at May 15

■ Estimated Budget = US\$ 21,900,000 ■ Pledged / Secured Funds = US\$ 5,650,000



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This slide, showing the funding without Iraq, provides a more focused picture of the remaining 8 countries.

The overall funding requirements is almost \$22 million, whereas the sum of the pledged and secured funds roughly totals more than \$5.5 million.

Funding

As at May 15

	Est. Budget	Secured/Pledged	Additional Potential Sources
Afghanistan	4,500,000	TF Human Sec 1,500,000 World Bank 2,500,000	Japan
Angola	5,800,000	Portugal 100,000	EU, Italy, Norway, Portugal
DR Congo	-		Belgium, TF Human Sec, JNDP
Iran (Bam)	-		
Iraq	126,000,000	TF UNDG-Italy 10,000,000 Spain 100,000	Austria, Italy, Japan
Liberia	-		
Sierra Leone	6,100,000		TF Human Sec, UK
Sudan	4,800,000	TF Human Sec 1,200,000	Italy, Netherlands, TF Human Sec
Timor-Leste	700,000	Portugal 350,000	Japan
Total	147,900,000	15,750,000	

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Allow me to recap the estimation of the financial requirements and present the source of funding, both bilateral and multilateral at the level of commitment and to mention the donors who showed potential interest to finance the programmes.

Within this context of post crisis, the equally important role of the various established trust funds has to be noted.

UNIDO Partnerships

	UNDP	FAO	WHO	HABITAT	UNICEF	UNFPA	UNESCO	UNODC	WB	ILO	ICS
Afghanistan											
Angola											
DR Congo											
Iran (Bam)											
Iraq											
Liberia											
Sierra Leone											
Sudan											
Timor-Leste											

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During the discussions of the round table on post crisis, there was a solid consensus on the fact that post crisis operations cannot and must not be undertaken alone. Whatever UNIDO will do should be the result of donor community consultations and, in particular, inter-agency discussions

All these agencies, as indicated in the slide, together with some bilateral partners, will be instrumental both by helping UNIDO in terms of logistical support and, more importantly, in terms of collaboration in substantive programming and implementation activities where partnerships will trigger multiplying positive effects.

Service Modules by Country

	SM 1	SM 2	SM 3	SM 4	SM 5	SM 6	SM 7	SM 8
	Govern. Statistics	Inv - Tech Promotion	Compet. Trade	Private Sector	Agro Industry	Energy	Montreal Protocol	Envmnt
Afghanistan								
Angola								
DR Congo								
Iran (Bam)								
Iraq								
Liberia								
Sierra Leone								
Sudan								
Timor-Leste	2	4	1	5	6	1	0	1

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On the “what to do” front, the above slide shows the service modules that will be supplied to these 9 countries.

Not surprisingly, you can immediately see that the UNIDO core competencies represent the “lion-share” of the services that UNIDO can provide.

Within these core competencies, private sector and agro-industries have a dominant position. Allow me to spend one minute on these two service modules.

SM4 – Private Sector Development

	Rural and Women	Info Services	SME Cluster	Business Partners
Afghanistan	Yellow			
Angola	Yellow			
DR Congo				
Iran (Bam)	Yellow			
Iraq	Yellow		Yellow	
Liberia				
Sierra Leone	Yellow			
Sudan	Yellow			Yellow
Timor-Leste				

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For the private sector development service module, out of the 4 services provided by the module, rural and women entrepreneurship is obviously indicated as one of the major potential contributors to a sound recovery in almost all the 9 selected countries

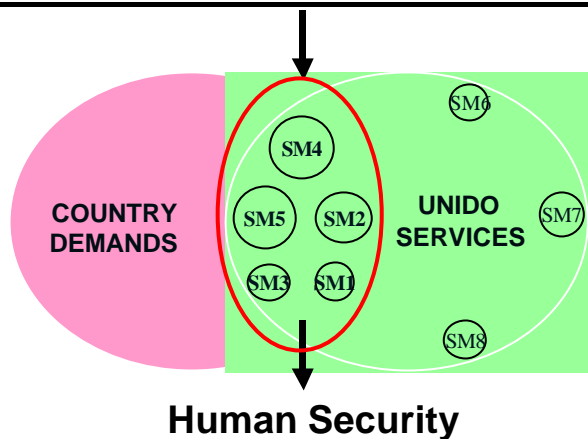
SM5 – Agro Industries

	Agro-machinery	Food	Textile	Wood	Leather
Afghanistan	Blue	Blue			
Angola	Blue				
DR Congo		Blue	Blue	Blue	
Iran (Bam)					
Iraq	Blue	Blue			
Liberia					
Sierra Leone		Blue			
Sudan	Blue				
Timor-Leste					

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For the agro-industries service module, agro machinery and food processing are obviously clearly indicated as the engine of a sustainable recovery for the majority of the 9 selected countries.

UN Coordination & Partnership



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In concluding my presentation, I would like to focus on two ideas.

The demand-driven exercises carried out in these countries in post crisis situation have clearly indicated the nature of the services required for their social and economic recovery. These services stem from our core competencies.

I wish to briefly recall the Director-General's invitation during the last General Conference and in his opening statement of this IDB to give more attention to funding our core competencies which, in our technical cooperation portfolio, barely reach 32% of the total, without speaking of the improvement of UNIDO's support, with these core competencies, to the Millennium Development Goals.

Coordination and partnership with UN agencies involved in the rehabilitation work is the "conditio sine qua non" for generating outputs that would be more costly and of lesser impact should our Organization venture alone in this extraordinary challenging field.

We could, then, conclude that UNIDO, with its much stronger and integrated response, will surely contribute to attain the objectives of Human Security in the international agenda.