



United Nations Industrial Development Organization

Distr.: General
26 September 2008

Original: English

Industrial Development Board

Thirty-fifth session

Vienna, 2-4 December 2008

Item 6 of the provisional agenda

United Nations system-wide coherence

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Report by the Director-General

In accordance with IDB.34/Dec.7, the present document updates the information contained in document IDB.34/7 and highlights the contributions that UNIDO continues to make on system-wide coherence and in the “Delivering as One” pilot countries.

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V.08-57053 (E)



Introduction

1. At its thirty-fourth session, the Industrial Development Board took note of document IDB.34/7 providing information on major developments relating to United Nations system-wide coherence at the intergovernmental and inter-agency levels and, on the contributions of UNIDO to the “Delivering as One” initiative. The Board expressed appreciation for the initiative taken by UNIDO in hosting the March 2008 event on “United Nations system-wide coherence: the next steps” as a positive contribution to the ongoing discussions on United Nations system-wide coherence. It underlined the importance of UNIDO’s continued active participation in the “Delivering as One” initiative in the pilot countries in line with United Nations General Assembly resolution 62/208 on the 2007 triennial comprehensive policy review of operational activities for development and encouraged the Director-General to continue to participate actively in the ongoing discussions on United Nations system-wide coherence in line with resolution GC.12/Res.6 and keep Member States informed thereof.

2. In accordance with IDB.34/Dec.7, the present document updates the information contained in document IDB.34/7 and highlights the contributions that UNIDO continues to make on system-wide coherence and in the “Delivering as One” pilot countries. This document forms part of the series of reports presented to the Industrial Development Board at its thirty-third session (IDB.33/CRP.6), its thirty-fourth session (IDB.34/7) and to the General Conference (GC.12/CRP.6) on system-wide coherence. The common thread that runs through all these documents is the strong commitment to and proactive engagement of UNIDO in efforts to achieve increased coherence in the development activities of the United Nations system.

I. Recent developments on system-wide coherence

3. UNIDO continued to follow developments in the intergovernmental consultative process on system-wide coherence and to participate actively in inter-agency processes in line with the decisions taken by the policymaking organs of the Organization.

4. At the intergovernmental level, informal consultations on system-wide coherence at the General Assembly under the Co-Chairmanship of Ambassador Augustine Mahiga (United Republic of Tanzania) and Ambassador Paul Kavanaugh (Ireland) continued during the sixty-second session of the General Assembly. The consultations took up the following issues: experience of the “Delivering as One” initiative; funding; the role of the empowered Resident Coordinator; governance; gender equality and women’s empowerment; and harmonization of business practices. While the consultations have so far not produced intergovernmental consensus, the informal consultations provided further opportunities for Member States to exchange views and to advance towards agreement on aspects of system-wide coherence. To provide Member States with as much information as possible on various developments in relation to system-wide coherence, the Co-Chairs visited seven of the eight pilot countries (Albania, Cape Verde, Mozambique, Rwanda, United Republic of Tanzania, Uruguay, Viet Nam) and Malawi, which is implementing the “Delivering as One” approach on its own. They also visited heads

of United Nations organizations in various duty stations to obtain their views on system-wide coherence.

5. In May 2008, the Government of Mozambique hosted an intergovernmental seminar in Maputo on the experience gained thus far in the “Delivering as One” initiative. Representatives from developing countries issued a declaration on the basis of their experience with the pilot programmes and the challenges that remained. Officials from the pilot countries reported that the “Delivering as One” initiative has resulted in greater national ownership of their partnership with the United Nations but that the approach needs to be customized to fit the conditions in each country. They reported that there has been enhanced government leadership of the United Nations system operational activities for development, and increased availability of the United Nations’ expertise in support of national plans and priorities. They also noted that progress was made on promoting a more unified United Nations approach to funding and programming. Improvements have also led to reduced transaction costs for the participating governments.

6. Despite the generally positive assessment of the experience with “Delivering as One”, however, the developing countries participating in the Maputo seminar noted that more needed to be done to avoid fragmentation and promote delivery as one. They also stressed the importance of predictability and timeliness of funding, the harmonization and simplification of business practices in the United Nations, reduction in transaction costs, better alignment of United Nations capacities with the priorities of programme countries, and increased use of national operational capacities for United Nations-supported programmes and projects.

7. In July 2008, the Co-Chairs issued their report on the consultation process. They concluded that the experience of “Delivering as One” to date is clearly and largely positive and noted that this view is shared by a large number of developing countries, which are applying the “Delivering as One” approach and proactively moving towards implementing the consensus resolution¹ on the Triennial Comprehensive Policy Review of Operational Activities (TCPR). At the same time they noted that this preliminary finding needs to be seen against the independent evaluation of “Delivering as One” foreseen at the end of 2009. The Co-Chairs reported that for the most part, organizations of the United Nations system have gradually become increasingly engaged with, and supportive of the “Delivering as One” approach. The atmosphere in which they collaborate within the Chief Executives Board (CEB) under the chairmanship of the Secretary-General has been transformed for the better as they and their collaborators continue consideration of the implications of the “Four Ones” at country level, namely One Programme, One Budgetary Framework and Fund, One Leader and One Office.

8. On funding, the Co-Chairs underscored the need for greater flows and greater predictability in funding. They noted that support for “Delivering as One” at country level must not be at the expense of core funding to agencies through their Headquarters. Overall, there needs to be a significantly improved balance between core and non-core funding. Savings realized at country level should be ploughed back into programmatic development work in the countries where the savings are realized.

¹ A/RES/62/208.

9. As for intergovernmental governance at the central level, the Co-Chairs reported that there was no support for establishing new intergovernmental bodies, including the proposed Sustainable Development Board, which was recommended by the Secretary-General's High-level Panel on System-wide Coherence. At the same time the emerging new realities from a growing number of developing countries applying the "Delivering as One" approach at country level will need to be accommodated and addressed more effectively by the existing bodies and not least by ECOSOC.

10. As for gender equality and the empowerment of women, the Co-Chairs recommended that the General Assembly be invited to address the matter further in informal plenary consultations before the conclusion of its sixty-second session. During the sixty-second session, Member States have advanced in their consideration of the issue of gender equality and women's empowerment and have together identified critical gaps in the way the United Nations system assists Member States to implement globally agreed mandates and their own international commitments in the area of gender equality and women's empowerment. Detailed work to follow through on such an agreed approach could then be taken up and completed in the sixty-third session.

11. On the basis of their report, the Co-Chairs recommended that the sixty-second session of the General Assembly take up the following four core priority areas, perhaps as a package, which Member States have highlighted in the course of their consultations:

- (a) "Delivering as One" at country level with the related aspect of harmonization of business practices;
- (b) Funding;
- (c) Governance; and
- (d) Gender equality and the empowerment of women.

12. Following the issuance of their report, the Co-Chairs presented a draft resolution in early September for adoption by the sixty-second session of the General Assembly. The draft resolution contains suggested steps in moving the coherence process forward.

13. UNIDO has contributed to the process of intergovernmental consultations through its hosting in Vienna of the March 2008 event on "United Nations system-wide coherence: the next steps" and by providing information on various aspects of system-wide coherence requested by Member States and by the Co-Chairs of the informal consultations of the General Assembly.

14. At the inter-agency level, UNIDO continued to participate actively in the work of the CEB, its two high-level committees and the United Nations Development Group (UNDG) in advancing system-wide coherence. Recent inter-agency efforts have focused on pursuing the management process for the coordinated implementation of United Nations General Assembly resolution 62/208 on the Triennial Comprehensive Policy Review of the United Nations system's Operational Activities for Development (TCPR) covering, among others, the functioning of the Resident Coordinator system, and simplification and harmonization of systems and procedures across the United Nations system. The High-level Committee on

Management (HLCM) adopted a plan of action endorsed by CEB, to undertake 19 separate projects in a range of management areas, including human resources, procurement, information, communication and technology, and finance and budget. One project, for instance, would lead to progressive harmonization of the United Nations system's staff regulations and rules; another would prepare an action plan for system-wide harmonization of financial rules and regulations; a third would address system-wide training for the introduction of International Public Sector Accounting Standards (IPSAS); and a fourth would lead to procurement harmonization in support of field operations.

15. The recent reform of CEB brought the United Nations Development Group (UNDG) into CEB as its third pillar along with the High-level Committee on Programmes (HLCP) and the High-level Committee on Management (HLCM). As a pillar of CEB, UNDG groups together about 25 organizations of the United Nations system and is responsible for coordinating the system's country-level development operations. It works closely with HLCP on system-wide policy and programme issues, and the HLCM on system-wide management and administrative issues. It supports the United Nations development system to achieve greater impact through working together more effectively at the country level in support of national development priorities. The UNDP Administrator continues to chair UNDG with a Vice-Chair selected from a specialized agency (FAO currently serves as Vice-Chair), on a rotational basis for a period of one year. The former Programme Group and Management Group of UNDG were merged into a single UNDG. A small group of 13 UNDG members, which includes UNIDO, provides advice to the Chair of UNDG. Called the UNDG Advisory Group, it operates at two levels – Principals level (heads of agencies), which meets two to three times a year and at the Assistant Secretary-General/Assistant Director-General level, which meets four to five times a year. The Advisory Group provides advice to the UNDG Chair in three areas: (a) coherence of country-level development operations, (b) management of the Resident Coordinator system, and (c) support to United Nations Country Teams (UNCT) experiencing particular challenges. The number of working groups under UNDG was reduced from nineteen to five and the name of the UNDG Office was changed to the Development Operations Coordination Office (DOCO) in June 2008. The five UNDG working groups deal with Resident Coordinator system issues, including joint funding, country office business operations, post-crisis/transition issues, and programming issues.

16. UNIDO participated in several important meetings organized by the UNDG working groups. These included the following meetings:

- Working Group on Resident Coordinator System Issues in May 2008 which contributed significantly to the elaboration of the dispute resolution mechanism;
- The inter-agency Task Team on Change Management and Resident Coordinator System Consultations organized by UNDG/DOCO in June 2008 to share experiences on the capacity assessment exercises conducted by Mozambique, Rwanda, United Republic of Tanzania and Viet Nam, identify challenges and agree on common steps for communication and support to the pilot and other countries;

- The United Nations workshop, “The United Nations Development System: A Collective Response to Supporting Capacity Development” in April/May 2008 which helped raise awareness on the need for a common position of the United Nations system towards capacity development and established a network of articulators or agents to promote the concept of capacity development in their respective agencies and operational activities;
- The global UNDG Regional Directors (RDT) meeting in March 2008 which provided insights into the work of the RDTs and an update on the overall policy and priorities in the “Delivering as One” process with high relevance for UNIDO operations in the pilot countries and the future roll-out countries of the United Nations Development Assistance Framework (UNDAF).

17. UNIDO also took part in the July 2008 inter-agency mission of the Global Change Management Support Team (GCMST) to Cape Verde, one of the eight pilot countries. Along with the other members of the mission, UNIDO helped to facilitate both a joint office staff retreat and a UNCT workshop in the country, focused on establishing change management priorities for “Delivering as One” in Cape Verde. The mission made a series of recommendations related to change management in the immediate and medium-term future. As a follow-up to the mission, UNIDO participated in the Change Management Training of Trainers, held in Turin in October 2008, in order to build a roster of senior United Nations staff with the knowledge and skills to be change management facilitators and advisers for the country teams in implementing change management in their countries.

18. UNIDO participated in inter-agency consultations to define the work priorities of UNDG for 2008. Those priorities include enhancing support to UNCTs, including those in the pilot countries, on programming issues; strengthening the linkages between the normative and operational activities of the United Nations system at the country level; improving accountability of the United Nations system for results, monitoring and evaluation; and strengthening the capacity of UNCTs to assist programme countries in capacity development. As part of its priorities, UNDG is working on enhancing the functioning of the Resident Coordinator system. Recent developments include the creation of a management and accountability framework for the Resident Coordinator system; improved training programmes for Resident Coordinators, especially to make them familiar with the importance and availability of the whole range of development assistance offered by the United Nations system, including those in economic and trade areas; increasing the recruitment of Resident Coordinators from a wider range of United Nations agencies (only about 5 per cent of Resident Coordinators currently are from specialized agencies); and improvements to the performance appraisal process for Resident Coordinators.

19. Work is also under way on establishing a “firewall” to separate the role of UNDP as manager of the Resident Coordinator system from its programme implementation role. The focus has shifted from an “institutional firewall” setting out the areas from which UNDP would withdraw to a “functional firewall” where the emphasis is on a dedicated “guardian” (a senior official of DOCO) who will ensure that the interests of the United Nations system are advanced at all levels of the Resident Coordinator system (headquarters, regional, country). UNDG Principals agreed that UNDP should continue to manage the Resident Coordinator system on behalf of the entire United Nations system, and to implement the concept

of “functional firewall” on a trial basis. They also agreed to review its functioning after a certain period of time.

20. A recent initiative to address funding constraints of the United Nations system at the country level was a UNDP proposal to expand the “One UN” funding window under the UNDP-Spain Millennium Development Goals (MDG) Achievement Fund into a multi-donor fund. The expansion of this window is expected to raise additional funds without creating a new funding mechanism. The UNDP-Spain MDG Achievement Fund was established in 2006, under an agreement between Spain and UNDP, whereby Spain provided \$740 million to support MDG-related activities and country-level United Nations reform efforts. This fund has two windows, one to finance United Nations activities in “thematic” areas, such as economic governance, and the other to fund activities in the “Delivering as One” pilot countries. Preliminary proposals for the operation of the expanded facility have been outlined and are now being discussed among United Nations agencies. Following consultations with governments and United Nations development partners, it is expected that a full-scale proposal will be considered for adoption shortly. It may be noted that UNIDO has been able to utilize the UNDP-Spain MDG Achievement Fund with some \$14 million in project approvals expected in 2008.

II. UNIDO contributions to system-wide coherence

21. Apart from its active participation in inter-agency coordination and collaboration, UNIDO continued to work closely with United Nations partners in promoting system-wide coherence in its areas of work. In trade capacity-building, UNIDO participated in the launch of the CEB Cluster on Trade and Productive Capacity together with the United Nations Secretary-General and the Secretary-General of UNCTAD during UNCTAD XII in April 2008 in Accra, Ghana. UNIDO also distributed the inter-agency Resource Guide on Trade Capacity-Building to delegations in UNCTAD XII. The Resource Guide was the result of a UNIDO-led inter-agency effort involving twenty-one United Nations system organizations to define and describe the wide range of trade-related support services they provide to developing countries. At the operational segment of ECOSOC, in July 2008, UNIDO delivered a statement on behalf of the cluster members (United Nations Regional Economic Commissions, UNCTAD, UNDP, ITC, FAO, UNIDO, WTO) to inform Member States of the increased coherence in country-level activities that were resulting from the Cluster’s joint activities. UNIDO staff also developed the curriculum and led the training for Resident Coordinators in a cluster-organized training programme in Turin, Italy. It also continued to participate in joint programming with other cluster member organizations, including UNCTAD, ITC and FAO in several of the “Delivering as One” pilot countries.

22. Under the chairmanship of the Director-General, UN-Energy² has developed a work plan to enhance the collective impact of United Nations agencies on the issues

² UN-Energy is an inter-agency mechanism on energy comprising twenty United Nations and multilateral entities to help ensure coherence in the United Nations system’s response to the energy-related decisions of the 2002 World Summit on Sustainable Development. It aims to promote United Nations system-wide cooperation on energy through a coherent and collaborative approach in view of the fact that there is no single agency in the United Nations system that is

of energy access, renewable energy, and energy efficiency. A series of workshops and seminars were organized, including one on energy efficiency in Washington, D.C. in September 2008 and a high-level dialogue on energy services for the achievement of the MDGs during the General Assembly session. UN-Energy and the Global Environment Facility also launched a \$45 million energy programme for West Africa focusing on promoting the energy access agenda based on renewable sources of energy, on the one hand, and an efficient use of energy in the industrial, residential and commercial and public sectors, on the other. The programme is aimed at catalyzing private sector investments, promoting public private partnerships and scaling up markets for energy access and energy efficiency through concrete and practical projects with measurable impacts in the countries of West Africa.

23. Another important area in which UNIDO is taking a lead role is in the area of environmentally-sound technologies. As a contribution to the climate change talks, CEB decided to organize the work of the United Nations system on climate change into five focus areas: adaptation, technology transfer, capacity-building, reduction of emissions from deforestation and forest degradation, and mitigation/finance. UNIDO and UN-DESA were requested by the Secretary-General to serve as co-conveners for the focus area of technology transfer. In July 2008, UNIDO and UN-DESA proposed that the Technology Transfer focus group undertake, as initial steps, three activities: preparation of an inventory of the United Nations system's main activities that contribute to the key elements of the technology transfer framework identified in the Bali Action Plan³ and related decisions; analysis of those activities to identify gaps between the needs identified in the technology transfer framework and the programmes/activities of United Nations system organizations; and an assessment of how those gaps can be addressed. UNIDO and UN-DESA organized a meeting of experts from various parts of the United Nations system organizations in Vienna on 29 September 2008 to elaborate further on the activities of the group and to agree on activities and timelines in accordance with the CEB inter-agency process on climate change.

24. On the issue of women in economic development, UNIDO organized an expert dialogue in July 2008, as a platform for the exchange of experiences and information and future networking among women entrepreneurs, gender specialists, representatives of United Nations agencies and Member States. An important aspect of the dialogue was to learn from the experiences of successful women entrepreneurs as a way of improving gender related programmes of organizations in the United Nations system. The dialogue included one session, chaired by the Special Adviser to the Secretary-General on Gender Issues and the Advancement of Women, on United Nations System-wide Empowerment and Gender Equality. An outcome of the dialogue was the recognition that systematic gender mainstreaming was needed in UNIDO, based on United Nations system-wide policy guidelines. Following the expert dialogue, the Special Adviser to the Secretary-General on Gender Issues and the Advancement of Women requested UNIDO to take the lead within the United Nations system on women's economic empowerment.

primarily responsible for energy. UN-Energy has organized itself into three clusters on energy access, energy efficiency and renewable energy which are led by various member organizations.

³ Adopted at the United Nations Climate Change Conference in Bali on 14 December 2007.

III. UNIDO contributions to coherence at the country level

25. Following the designing, planning and programming phase of the main components of the “Delivering as One” initiative in 2007 and early 2008, most of the pilot countries have started the process of implementing their “One Programmes”. In Albania, Mozambique, Rwanda, United Republic of Tanzania and Uruguay, funding resources have been allocated from the “One Fund”, including from the Spain-MDG Achievement Fund to participating United Nations system organizations in early 2008 and implementation of the various joint programmes are now ongoing. Funds for UNIDO project proposals in the pilot countries, excluding Albania and Pakistan, are estimated at \$61 million. From this amount, \$16.5 million is foreseen for implementation in 2008-2009. Cape Verde and Viet Nam have signed their “One Programmes” in July and June 2008 respectively, while Pakistan is in the process of finalizing its own document. Meanwhile, several change management/capacity assessment and evaluability missions took place in the pilot countries.

26. Key developments and UNIDO contributions in the eight “Delivering as One” pilot countries as of the end of August 2008, are presented below.

Albania

27. The Joint Executive Committee (JEC) of the Albania “One UN” Coherence Fund, co-chaired by the Director of the Department of Strategy and Donor Coordination (DSDC) and the United Nations Resident Coordinator, has allocated in total \$3.3 million towards initiatives within the “One UN” Programme. Joint projects and programmes such as regional development (led by FAO), environment (led by UNEP), gender equality (led by UNIFEM), culture and development (led by UNESCO) responding to the highest government priorities and ready for immediate implementation were funded during the JEC meeting held in April 2008. Working with UNCTAD (Lead), UNECE, UNDP, ITC and FAO, UNIDO is contributing to the development of a joint programme under the CEB Cluster on Trade and Productive Capacity. Inclusion of the joint initiative “Towards the EU: Support to Albanian trade capacity” as well as the UNIDO project on “Cleaner Production and Energy Efficiency” in the “One Programme” is expected in October 2008 when the Government of Albania will review the work of United Nations organizations in the “One UN” Programme and invite other United Nations organizations to participate.

Cape Verde

28. Cape Verde graduated from LDC status on 1 January 2008 and became a WTO member on 23 July 2008. In the presence of the Ministers of Foreign Affairs and Finance and with the participation of resident and non-resident development partners, the “One UN” Programme was signed on 1 July 2008. Building on the thematic axis of the UNDAF 2006-2010 and the new emerging national priorities – management of the post-graduation from LDC status and accession to WTO as well as achievement of the MDGs in 2015 – and drawing on the Growth and Poverty Reduction Strategy (2008-2010), the areas of response identified in the “One Programme” are structured around four clusters: good governance, growth and economic opportunities; environment, energy and disaster preparedness; and human capital and social protection. The main cross-cutting areas are: capacity

development; HIV/AIDS; gender equality; communication for development; and human rights. The “One Programme” will be implemented through nine subprogrammes. UNIDO contributions come under three subprogrammes in each of the first three clusters and include initiatives on trade capacity-building (EU/ECOWAS/UNIDO regional programme), enterprise upgrading (EU/ECOWAS/UNIDO regional programme), entrepreneurship development, investment promotion, and cleaner production and energy efficiency. UNIDO is also assuming the role of lead/convenor agency of the subprogramme on growth and economic opportunities.

Mozambique

29. The implementation of the “One UN” Programme started on 1 July 2008 following approval by the Joint Government/United Nations Steering Committee of the deliberations by the United Nations Country Management Team (CMT) regarding the allocation of funds for the remainder of 2008. During a meeting held on 29 April 2008, the CMT allocated a total of \$13 million from the “One Fund” to fund eight joint programmes that met the agreed readiness criteria: HIV/AIDS response; promotion of youth employment; building commodity value chains and market linkages; building capacity of civil society organizations; women’s empowerment and gender equality; support to decentralization; access to basic services for the most vulnerable population; and emergency preparedness and disaster risk reduction. An additional amount of \$2.5 was allocated from the Spain MDG Achievement Fund to the joint programme under the thematic window “Environment and Climate Change”. UNIDO received a total of \$1.13 million for the implementation of activities under three joint programmes: youth employment, women’s empowerment and environment mainstreaming and adaptation to climate change.

Pakistan

30. The UNDAF 2004-2008 was reviewed and extended till 2010, following meetings of five Thematic Working Groups (TWGs): Agriculture, Rural Development and Poverty Reduction (TWG-ARP); Health and Population (TWG-H&P); Environment (TWG-ENV); Education (TWG-EDU); and Disaster Management (TWG-DRM); and four cross-cutting issues: gender equality, human rights; civil society participation; and refugees. The logical frameworks for the development of at least ten joint programmes around the prioritized outcomes of the five UNDAF TWGs have been completed and the “One Programme” is expected to be finalized by the end of 2008. In addition to its stand-alone projects in trade capacity-building, small and medium enterprises development, environment and cleaner production that will be included in the “One Programme”, UNIDO is working with other participating United Nations organizations for the development of joint programmes in TWG-ARP, TWG-EDU and TWG-ENV. On 17 June 2008, UNIDO signed the Memorandum of Understanding (MoU) between participating United Nations organizations and UNDP as Administrative Agent for the management of the “One Fund”.

Rwanda

31. The Joint Steering Committee approved on 20 May 2008 the recommendations of the Programme Advisory Team (PAT) on the final 2008 “One Fund” allocation. A total of \$13 million were allocated to joint project/programmes contributing to the attainment of the five main results of the UNDAF 2008-2012: good governance, HIV/AIDS, education, environment; and sustainable growth and social protection. UNIDO received a “One Fund” allocation of \$1.5 million for its various contributions in four of the five UNDAF results, making the Organization the third biggest recipient of funds from the first “One Fund” allocation. 75 per cent of the total allocation to be implemented in 2008 has already been transferred to UNIDO, and the remaining 25 per cent would be disbursed after the review on the progress in the utilization of the first disbursement that will take place at the end of September 2008.

United Republic of Tanzania

32. The United Republic of Tanzania is the first country to have seen the “One Fund” effective and operational after the Joint Steering Committee approved the first allocation of the “One Fund” in February 2008. A total of \$18.3 million for implementation until March 2009 was allocated for the joint programmes: (1) Wealth creation, (2) Maternal and newborn mortality, (4) Capacity strengthening – mainland, (5) Capacity-building – Zanzibar, and (6.1) Managing transition from humanitarian assistance to sustainable development in north-western Tanzania in February 2008 and the joint programme (3) HIV/AIDS for Tanzania in May 2008. With its contributions in the joint programmes (1) and (5), UNIDO received an allocation of \$2.2 million, of which 75 per cent has already been disbursed. The remaining 25 per cent will be disbursed based on performance delivery. While the “One UN” Programme 2007-2008 is being implemented, the UNCT is developing the extended “One UN” Programme 2009-2010 with the aim of covering 60 per cent of UNDAF 2007-2010 as well as include a larger frame of joint programmatic activities and individual agency interventions. The new joint programmes for 2009-2010 are envisaged in the following areas: Environment and climate change; Social protection; and Education/Science and technology. UNIDO has reviewed the Tanzania Integrated Programme, Phase 2, to align its content and cycle with the “One UN” Programme 2009-2010.

Uruguay

33. The implementation of the “One Programme” (Building Capacities for Development) started officially on 1 July 2008 after the Steering Committee approved eight projects and programmes on 15 May 2008 for funding under the Uruguay “One UN” Coherence Fund. Two other projects and programmes were approved on 28 July 2008, making the total disbursement approved for implementation in 2008 amount to \$3.3 million. UNIDO is the lead/convenor agency for the projects “Institutional strengthening for the design of economic development strategies: country international insertion and long-term energy policies development” and “Technical assistance for the design of public policies that promote sustainable production and employment”. With a total budget of \$1.55 million for the period 2007-2010, \$0.362 million have been disbursed to UNIDO for implementation by the end of 2008. In addition, the Spain MDG

Achievement Fund Steering Committee approved the joint programme “Strengthening Cultural Industries and Improving Access to Cultural Goods” under the thematic window “Culture and Development”, for which UNIDO will be responsible for the implementation of \$1 million out of a total budget of \$3.37 million for the period 2008-2010. By end August 2009, UNIDO should have implemented the \$0.273 million already disbursed.

Viet Nam

34. The work on the second track “One Plan” (OP2) 2008-2010 that started in August 2007 was completed on 20 June 2008 when the Government of Viet Nam, the United Nations Resident Coordinator and 14 participating United Nations organizations signed the OP2. The Government beforehand agreed to minor rewording of the original five outcomes of the “One Plan” to reflect the mandates of the incoming specialized agencies. With the participation of the 14 United Nations organizations and UNODC in the “Delivering as One” initiative, the OP2 covers 100 per cent of programmes of specialized agencies and 100 per cent of the UNDAF 2006-2010. The total budget of OP2 amounts to \$288 million of which \$101.2 million constitutes the original funding gap. UNIDO contributions, which represent a total budget of \$22.4 million with an original funding gap of \$7.25 million, come under three “One Plan” outcomes in the following thematic clusters: Employment and enterprise development; International trade policy; Sustainable development policies and institutional development; Energy and environment; and Public administration and legal and judicial capacity enhancement. UNIDO co-leads, with ILO, the “Trade, Employment and Enterprise Development” Programme Coordination Group (PCG), participates in four other PCGs (Sustainable Development, covering also Energy and Environment cluster, Gender, Governance and Social Policies), as well as contributes to the work of the Donor Group on Climate Change and the Private Sector and SME Promotion Partnership Group. UNIDO is also lead agency of the joint programme on Trade Development in collaboration with UNCTAD, ITC and FAO. In addition, UNIDO is a participating organization in the approved joint proposal for the Spain MDG Achievement Fund under the thematic window “Gender equality and women’s empowerment”.

IV. Challenges

35. The “Delivering as One” process has moved from the design and formulation phase to the implementation phase. As a result, some of the challenges that UNIDO is now beginning to face are new, while others are ongoing challenges that take on renewed importance. The main challenges in UNIDO’s continuing proactive engagement in system-wide coherence are as follows.

(a) Meeting increased demands for coordination in the “One Programmes”

The “Delivering as One” pilot initiative has been labour-intensive from the outset and has become even more so in the implementation phase. The procedures adopted by various UNCTs, the joint programme/project management, monitoring and evaluation, audit and other requirements of the participating agencies involve significant coordination responsibilities that require continuing attention. As a small

technical agency with limited resources, UNIDO finds itself heavily burdened by the escalating commitment of time and resources required by its active participation in the system-wide coherence process and the “Delivering as One” initiative. Its participation in the development of UNDAFs in some twenty-two countries in 2009, many of which are likely to apply the lessons from the “Delivering as One” pilot countries, will also require additional staff time at Headquarters and in the field. In a “zero growth budget” environment and with many competing priorities, UNIDO Member States and management will need to give close attention to this issue.

(b) Industrial development in UNDAFs and “One Programmes”

The process of formulating UNDAFs and “One Programmes” aims at greater alignment of United Nations system support with national priorities. However, UNIDO finds that in many instances, economic, trade and industrial programmes are disproportionately or scarcely reflected in UNDAFs and “One Programmes” despite the high priority assigned to these themes by governments in their national development plans. Ultimately, this issue would have been addressed in the context of national ownership of the development process and the alignment of the United Nations system’s response to those priorities.

(c) Role of the Resident Coordinator

As “One Leader”, the Resident Coordinator is given responsibility for the strategic positioning of the United Nations system in the country. As such, the Resident Coordinator assumes a lead role in shaping the “One Programme”, deciding on funding allocations, and holding members of the UNCT accountable for achieving the results/outcomes in the “One Programme”. Under the system of “functional firewall” espoused by UNDP, the Resident Coordinator will, in most instances, remain UNDP Representative while also supervising the work of the UNDP Country Directors where they exist. A “guardian” reporting to the UNDG Chair will have the responsibility of ensuring that the Resident Coordinator acts with independence and impartiality. It remains to be seen how this arrangement will work out in practice but it certainly puts Resident Coordinators in the challenging position of having to balance these functions while remaining effective.

(d) Funding the pilots

As the “Delivering as One” initiative moves into the implementation phase, the gaps in funding that have emerged will make it difficult to fully implement the “One Programmes”. The expansion of the “One UN” window in the Spain MDG Achievement Fund is a step in the right direction, but additional funding is required if the efforts that went into the development of a coherent framework of support to government plans and priorities are to yield the expected results. In addition, there remains the question of whether or not complementary funds outside what is available in-country should form part of the “One Fund” to support the “One Programme”. For instance, should the funds for national components of regional programmes and projects form part of the “One Fund”?

(e) Harmonizing business models and practices

Simplification and harmonization of business practices are moving forward both at headquarters, through HLCM, and in the field, under the direction of UNCTs. As the

“Delivering as One” initiative moves into the implementation phase, the harmonization of the different business models and practices among United Nations system organizations, such as, programme and project management guidelines, staff and financial regulations and rules, procurement rules, monitoring and evaluation systems, auditing rules, information systems, and others, has assumed greater importance. UNCTs face the daily challenge of operating under different systems and procedures while being expected to deliver as one. Headquarters and inter-agency coordination bodies, such as UNDG, provide ad hoc guidance but there is clearly a need to move more speedily on this front.

V. Concluding observations

36. UNIDO has a two-fold objective in contributing to increased coherence at the country-level. This includes to enhance the collective impact of the United Nations system’s development activities and also to reduce the costs of doing business with the United Nations system for the host countries. Through its active involvement in joint planning and programming exercises in UNCTs and through regular consultations with the relevant government ministries, UNIDO has sought to ensure that its contributions are closely aligned with national plans and priorities while forming an integral part of the collective response of the United Nations system to country level needs. This approach has guided UNIDO’s participation in joint efforts to shape the “One Programme/One Plan” and Common Country Assessments/UNDAFs. In addition, the Organization has put a premium on partnerships with other United Nations organizations in developing programmes and projects, especially in the “Delivering as One” pilot countries. It is in this context that UNIDO takes active part in various coordination groups within the UNCTs to ensure that the United Nations system’s activities are responsive to the requirements of the host countries. To help reduce transaction costs for the host governments, UNIDO works closely with the Resident Coordinators and with members of UNCTs to simplify and harmonize procedures and cost-share services and premises. Indeed, the UNIDO-UNDP Desks are a significant contribution to this effort. At the same time, UNIDO is actively contributing to the harmonization of business practices at Headquarters level in the context of the plan of action adopted by HLCM. In line with its field mobility policy, UNIDO is increasingly decentralizing and delegating authority to its field representative. This process has considerably widened the scope for action by its field representatives at the country level.

37. An important aspect of the “Delivering as One” initiative is the increased use of local capacities and resources to develop and implement projects and activities. This is being done largely in the context of a common approach to programme and project management and to a Harmonized Approach to Cash Transfers (HACT). The United Nations Funds and Programmes, including UNDP, UNICEF, UNFPA, WFP, and some specialized agencies are increasingly applying these approaches, especially in the pilot countries, as part of the move to focus on their policy and technical advisory role and building national capacities while making maximum use of government systems in the delivery of programmes and projects. However, the nature of earmarked contributions and vertical funds such as those from the Global Environment Facility (GEF), tend to limit their applicability to specialized agencies like UNIDO whose funding comes mostly from such funds. Nonetheless, UNIDO

has expressed full support for national execution and has taken a conscious decision to adopt HACT in the “Delivering as One” pilot countries, whenever the nature of the voluntary funding allows it and in accordance with policies established by its policymaking organs. In this context, UNIDO will give priority to operational activities funded by the “One Fund”.

38. UNIDO’s active involvement in the “Delivering as One” initiative has brought about important changes in the way the Organization operates. A review of its business practices is now under way as part of the simplification and harmonization of the business practices in the United Nations system. A cross-organizational team has been established to continuously monitor developments in the “Delivering as One” pilot countries and to ensure timely responses to requests from the field. A series of in-house seminars have been organized to raise awareness among Headquarters and field staff on the importance of “Delivering as One” and on ensuring effective and timely delivery of the services expected from the Organization. Monthly progress reports on UNIDO’s participation in the pilot countries are being prepared and circulated in-house to keep staff informed of developments in the field and ensure appropriate follow-up action by staff concerned. Regular audio conferences are held between Headquarters and field staff to exchange information and resolve outstanding issues. A Senior Coordinator for United Nations system coherence has been designated to provide dedicated support to UNIDO’s continuing involvement in the various inter-agency and country-level processes in “Delivering as One”. Finally, over the past two years there has been a noticeable shift in the attitudes of UNIDO staff towards a more positive recognition of the importance of system-wide coherence and cooperation in the development and delivery of its services for the benefit of the countries it serves.

VI. Action required of the Board

39. The Board may wish to take note of the present document and, if considered appropriate, provide guidance to the Secretariat on its continuing participation in the system-wide coherence process.

List of abbreviations

C

CEB	United Nations System Chief Executives Board for Coordination
CMT	United Nations Country Management Team

D

DOCO	Development Operations Coordination Office
DSDC	Department of Strategy and Donor Coordination

E

ECOSOC	United Nations Economic and Social Council
ECOWAS	Economic Community of West African States
EU	European Union

F

FAO	Food and Agriculture Organization of the United Nations
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G

GCMST	Global Change Management Support Team
GEF	Global Environment Facility

H

HACT	Harmonized Approach to Cash Transfers
HIV/AIDS	Human immunodeficiency virus/Acquired immune deficiency syndrome
HLCM	High-level Committee on Management
HLCP	High-level Committee on Programmes

I

ILO	International Labour Organization
IPSAS	International Public Sector Accounting Standards
ITC	International Trade Centre

J

JEC Joint Executive Committee

L

LDC least developed country

M

MDG Millennium Development Goal

MoU Memorandum of Understanding

O

OP2 One Plan Two

P

PAT Programme Advisory Team

PCG Programme Coordination Group

R

RDT United Nations Development Group Regional Directors

S

SME small and medium enterprise

T

TCPR Triennial Comprehensive Policy Review

TWG Thematical Working Group

TWG-ARP Thematical Working Group – Agriculture, Rural Development and Poverty Reduction

TWG-DRM Thematical Working Group – Disaster Management

TWG-EDU Thematical Working Group – Education

TWG-ENV Thematical Working Group – Environment

TWG-H&P Thematical Working Group – Health and Population

U

UN	United Nations
UNCT	United Nations Country Team
UNCTAD	United Nations Conference on Trade and Development
UNDAF	United Nations Development Assistance Framework
UN-DESA	United Nations Department of Economic and Social Affairs
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNECE	United Nations Economic Commission for Europe
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNIFEM	United Nations Development Fund for Women
UNODC	United Nations Office on Drugs and Crime

W

WFP	World Food Programme
WTO	World Trade Organization
