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

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

**Report by the Director-General**

Reports on the implementation of the medium-term programme framework, 2008-2011, including South-South cooperation, the regional programme for Latin America and the Caribbean and UNIDO access to the Global Environment Facility.

**Contents**

	<i>Paragraphs</i>	<i>Page</i>
Introduction . . . . .	1	3
I. The programmatic context . . . . .	2	3
II. Programmes of technical cooperation . . . . .	3-28	3
A. Poverty reduction through productive activities . . . . .	3-12	3
B. Trade capacity-building . . . . .	13-18	6
C. Environment and energy . . . . .	19-28	8
III. Other programme activities . . . . .	29-46	11
A. New and emerging technologies . . . . .	29-30	11
B. Human security . . . . .	31-37	11

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C. Research and statistics .....	38-44	13
D. Partnership with the private sector and civil society .....	45-46	14
IV. Programme coordination and regional coherence .....	47-52	14
V. Resource mobilization .....	53-55	16
VI. Programme support and management services .....	56-63	16
VII. South-South cooperation .....	64-69	18
VIII. Regional Programme for Latin America and the Caribbean .....	70-77	19
IX. UNIDO access to the Global Environment Facility (GEF) .....	78-82	21
X. Action required of the Board .....	83	23
List of abbreviations .....		24

## **Introduction**

1. This document updates and supplements the information provided in document IDB.34/6 on the implementation of the medium-term programme framework (MTPF) for 2008-2011. In compliance with the broader requirements of item 3 of the provisional agenda of the thirty-fifth session of the Board under which this document is submitted, it also refers to progress achieved in the areas of South-South cooperation, the regional programme for Latin America and the Caribbean, and UNIDO's access to the Global Environment Facility (GEF). In addition, this document addresses the needs of the least developed countries and includes information on programmes proposed in the joint communiqué of the Mano River Union issued during the twelfth session of the General Conference, as mandated in resolutions GC.12/Res.2 and GC.12/Res.5 respectively.

### **I. The programmatic context**

2. Being the first document of its kind to have been drafted after the adoption of the strategic long-term vision statement of UNIDO through resolution GC.11/Res.4, the MTPF for 2008-2011 was formulated on the basis of the three thematic priorities and associated cross-cutting issues specified in the vision statement. It also incorporated for the first time the issues of resource mobilization, programme coordination, programme support and management, and the regional dimensions of programme implementation, all of which have a significant bearing on the implementation of UNIDO's programmatic activities. The current report will address all of these topics, as contained in document IDB.32/CRP.5 which introduced the MTPF for 2008-2011. In view of the increasing efforts being made to implement the MTPF on the principles of results-based management as projected in documents IDB.32/8/Add.1 and IDB.32/CRP.5, this report will also seek, to the extent possible, to relate the implementation of the programme framework to quantifiable outcomes and the degree of their achievement.

### **II. Programmes of technical cooperation**

#### **A. Poverty reduction through productive activities**

3. UNIDO has continued to regard private sector development (PSD) as a leading instrument for poverty reduction, and to provide a range of related services. These have included, among others, advisory services to improve the business and policy environment for the private sector, the promotion of domestic entrepreneurship, particularly through the transfer of entrepreneurial skills, and the development of small and medium enterprise (SME) clusters. Special emphasis has also been given to promoting entrepreneurship among underprivileged groups, such as women and inhabitants of rural areas.

4. The rural and women entrepreneurship programme has expanded its activities for entrepreneurial human resource development to help create the foundation for private sector development, in particular among young people, by introducing practical entrepreneurship curriculum programmes in the educational system of

several countries. The programme helps to develop entrepreneurial skills among youth before they enter into their working life, and to develop positive attitudes towards taking up business and self-employment. In 2008, about 100,000 students took entrepreneurship as a subject in a total of about 700 schools in Mozambique, Namibia and Timor-Leste. In Sudan, seven vocational technical training centres are being set up or rehabilitated to include youth entrepreneurship development programmes, and 2,300 young people benefited from the training provided by these centres in 2007/2008. In Angola, a national entrepreneurship curriculum programme is under way, in partnership with the Governments of Angola, Portugal, Republic of Korea, the United Nations Development Programme (UNDP) and the private sector. In Eastern and Southern Africa, a regional network for women entrepreneurship development has been initiated, covering five pilot countries and at least ten business support institutions. In addition, the programme co-organized an expert dialogue on women economic empowerment and entrepreneurship in July 2008 with a view to strengthening gender mainstreaming efforts within UNIDO.

5. In 2007, UNIDO introduced an online PSD toolbox aimed at increasing the outreach of these services and scaling up UNIDO's capacities to support policymakers and practitioners in the development and implementation of PSD programmes. Until recently, the toolbox covered three topics – cluster and network development, export consortia, and corporate social responsibility (CSR) – but it will shortly be expanded with a component on business membership organizations. UNIDO is also examining the feasibility of including topics related to industrial policy, such as competitiveness analysis, in the toolbox. The enlarged toolbox will continue to demonstrate the core principles of these PSD approaches and guide its users through the project cycle, from the preparation phase to the formulation, implementation and evaluation phases.

6. UNIDO understands that the inability of SMEs to realize their full potential is often due to their lack of linkages with other businesses and support institutions rather than their small size. During the reporting period the Organization therefore undertook a number of capacity-building and dissemination activities on cluster development. These included a seminar in Marseille, France, in collaboration with the French Agency for Development, which was addressed at policymakers and industry leaders from sub-Saharan and North Africa, as well as two training events in collaboration with the International Training Centre of the International Labour Organization (ILO) in Turin, Italy. In addition, a training programme on “SME Cluster and Network Development in South Africa: Principles and Practice” which was organized jointly with the South African Department for Trade and Industry took place in Pretoria. As a next step, an expert group meeting is planned to take place in New Delhi to disseminate information on the lessons learned under the framework of the Thematic Cooperation on Cluster Development and Corporate Social Responsibility, with a special focus on India. As a result of a grant of €3 million from the Italian Government, an innovative cluster-twinning project is now planned for implementation in Viet Nam over a period of three years. Another new project has been approved for the development of the automotive component industry in the Samara region of the Russian Federation. This project aims at assisting local suppliers to meet the requirements of vehicle and first-tier automotive component manufacturers, thus facilitating their integration into global value chains.

7. UNIDO's technical cooperation services in the area of agro-based industries continue to focus on the food processing, textiles and leather sectors. The main activities in the food processing sector include upgrading value chains and opening market channels, rural development and productive capacity-building, and the development of sectoral master plans. In addition to ongoing projects, a regional formulation mission to Benin, Ghana, Mali, Niger and Senegal was scheduled for November 2008 to prepare a programme for selected value chains in these countries. Projects or project concepts have also been prepared for Burkina Faso, Côte d'Ivoire, Madagascar and Mali, mostly in the dairy subsector. Meanwhile, two pilot food processing centres have been established in Rwanda, and projects have been launched for the establishment of twelve such centres in Morocco and two in Congo. A sectoral master plan has been completed for four food subsectors in Ethiopia. In the area of textiles, UNIDO is carrying out sector studies in Ethiopia, Mexico, Nigeria and South Africa to develop plans to improve the competitiveness of the textile and garment industries. The Organization is also setting up or strengthening technical centres of excellence in Argentina, Bangladesh, Guinea, Iraq, Nigeria, Syrian Arab Republic and Uganda.

8. The transfer and diffusion of modern and appropriate technologies, combined with the strengthening of national innovation systems (NIS) for enhanced industrial productivity and competitiveness, have remained an important component of UNIDO's activities to reduce poverty in developing countries. Technology parks are one development model for the strengthening of NISs, where foreign direct investment (FDI) plays a major role as a vehicle for technology transfer and vertical or horizontal partnerships among the tenant industries, as well as other stakeholders of the system such as universities and financial institutions. An ongoing project deals with the creation of information and communications technology (ICT) parks, and an increasing number of requests are being received for such parks, with or without an incubator function. Upon the request of beneficiary countries, a number of integrated programmes have been prepared incorporating components on NIS, technology parks and incubators in Algeria, Gabon, Kuwait, Paraguay and Tunisia.

9. In connection with its technology promotion activities, UNIDO has also extended the operational phase of the International Centre for Advancement of Manufacturing Technology (ICAMT) for five years from 2008 to 2013, and of the Shanghai International IT Promotion Centre (SIITPC) for three years from 2008 to 2011. This will permit these centres to enhance their capacities to promote and transfer new technologies, and to foster international cooperation in the manufacturing and IT sectors. In addition, UNIDO is continuing to promote the transfer of technologies linked to the manufacturing of new building materials based on local resources. For example, such a programme constitutes UNIDO's principal contribution to the "One-UN" programme in Mozambique.

10. In the context of its investment promotion activities, UNIDO has been implementing an Investment Monitoring Platform project, which covers surveys of foreign and domestic investors, capacity-building programmes for investment promotion agencies (IPAs) and other intermediary organizations, and the expansion of UNIDO's Subcontracting and Partnership Exchange (SPX) programme. This project has been integrated into the Regional Programme for Investment Promotion in Africa, which was launched during the fourth meeting of the African Investment Promotion Agencies Network (AfrIPANet) from 24 to 25 October 2008 in South

Africa, preceding the eighteenth Conference of African Ministers of Industry (CAMI). Regional and national African and foreign investment promotion stakeholders, from the private and the public sector, will contribute to the implementation of this programme, which will start in eleven African countries (Burkina Faso, Burundi, Côte d'Ivoire, Ghana, Kenya, Mali, Nigeria, Rwanda, Senegal, Uganda, and the United Republic of Tanzania).

11. The programme for the expansion of the SPX Network in Africa has been integrated into the Investment Monitoring Platform and the new Regional Programme for Investment Promotion in Africa. It is expected that SPXs will have a more proactive approach towards buyers under this new framework than in the original SPX model that UNIDO has applied over the past 20 years. This new SPX approach will allow African countries to better leverage foreign domestic investment to serve national industrialization strategies. An implementation programme has been established for the new SPX approach, which includes the mobilization of institutions and companies around the new SPX methodology and the actual setting up of the SPXs. With South Africa as its hub, this programme will initially be launched in Burkina Faso, Burundi, Côte d'Ivoire, Ghana, Kenya, Mali, Nigeria, Rwanda, Senegal, Uganda, and the United Republic of Tanzania before the end of 2008.

12. Providing access to energy is an important means of addressing poverty since it permits the initiation of productive activities that, in turn, generate employment and income. UNIDO is continuing to focus on renewable energy in this context, and arranged an important conference on this topic in Senegal in April 2008, the International Conference on Renewable Energy in Africa – Scaling Up Renewable Energy for Energy Access. It is also continuing to implement technical cooperation projects in this area. The latest of these include promoting renewable energy for electricity generation and productive uses in selected Pacific Island States. In addition, UNIDO is continuing to pursue activities in the field of bioenergy, building on the successful series of conferences it held in 2007 on the subject.

## **B. Trade capacity-building**

13. UNIDO's trade-related services continue to be based on the principle that enhancing the capacity of developing countries to trade is key to their future economic growth, both in light of the steady increase in market liberalization and the growing importance of the "Aid for Trade" initiative. The ability of enterprises in these countries to enjoy the benefits of international trade depends more and more on their ability to enter into global production and value chains that are established by transnational corporations (TNCs), such as retail supermarkets. On the one hand, this requires working on the supply side, enabling enterprises to manufacture products with a high export potential in the quantities and at the quality required by the markets. On the other hand, it requires working on conformity, enabling these enterprises to show that their products conform to the relevant international standards, in particular private buyer requirements, and technical requirements. In recognition of the growing importance of this phenomenon, UNIDO initiated research into the topic in March 2008, which is funded by Norway, and aims to publish a study in 2009.

14. Reflecting the ongoing efforts to strengthen system-wide coherence within the development activities of the United Nations, the High-level Committee on Programmes (HLCP) of the United Nations System Chief Executives Board for Coordination established a task force on economic development in 2005 to develop a common framework for collective action among United Nations organizations working in this field, and selected UNIDO to coordinate its work on the theme of trade capacity-building. This effort resulted in the publication of an Inter-agency Resource Guide on Trade Capacity-Building, which provides information on the services and programmes of the 22 participating agencies as well as the existing inter-agency cooperation mechanisms. As trade capacity-building is a multifaceted concept, the Guide systematically presents the services and programmes of the participating agencies in ten categories, aiming to guide the users to utilize the competence of each agency more effectively.

15. Increasing local value addition, sector-based industrial upgrading, and the achievement of compliance with international standards have continued to be UNIDO's main objectives in the field of trade capacity-building. In this connection, two new commodity-based programmes have been launched in Cameroon and Indonesia. The initiative in Cameroon should pave the way for a larger national programme and should contribute to the establishment of a subregional Economic Partnership Agreement (EPA) with the European Union (EU). The programme in Indonesia aims at defining a national trade development strategy for the fisheries sector, based on a better understanding of the prevailing development constraints and the trading potential of the sector, both from a producer/exporter and a buyer/importer (trade corridor) perspective.

16. UNIDO has continued to implement its export consortia programme aimed at addressing the problem that the access of SMEs to export markets is often deterred by the complexities of the export business and the high risks involved. It does so by supporting specialized forms of SME networks. With the financial support of the Directorate General for Development Cooperation of Italy, export consortia have been promoted further in Morocco, Peru and Tunisia. A pilot initiative has been launched in Senegal and South-South cooperation is being developed with Morocco, involving, inter alia, the organization of study tours and an exchange of experiences between private and public organizations from Senegal and Morocco. New projects are also being developed for Algeria, Argentina, Egypt and the countries of the Southern African Development Community (SADC). The yearly global training course on Export Consortia organized at the ILO International Training Centre in Turin has now been conducted for the third time, with 56 participants from 33 countries. A comprehensive assessment of the impact of the export consortia programme is being undertaken.

17. UNIDO has recently started to explore the interfaces between public policy interventions, SMEs and CSR, which is still a relatively new area. Since then a publication has been prepared on the subject of "CSR, SMEs and public policy in middle and low income countries: Issues and options for UNIDO". In this context, UNIDO is also participating in a group of selected experts that provides regular support to the Government of Nigeria in its endeavours to develop a national CSR policy. In addition, a technical cooperation project on the establishment of a regional CSR network for Central and Eastern Europe has been launched, while

similar projects for other regions in sub-Saharan Africa and Asia are under development.

18. UNIDO is now finalizing a framework agreement with the Standards and Trade Development Facility (STDF) under the extension of its Memorandum of Understanding with the World Trade Organization (WTO). This agreement will be aimed at improving the coordination of technical cooperation activities in the area of sanitary and phytosanitary measures (SPS). In this connection, project proposal grants initiated by STDF in aflatoxin management in Malawi and Zambia have been developed as UNIDO projects, and negotiations are under way with two donors for the funding of these activities.

### **C. Environment and energy**

19. UNIDO's services in the thematic area of environment and energy have continued to focus on the promotion of high levels of productivity in the use of natural resources in the developing countries and economies in transition. The vehicles through which this objective is promoted continue to include cleaner production and energy efficiency, the transfer of cleaner and environmentally sound technologies, eco-design for products, increased recycling of waste materials, elimination of toxic and hazardous substances, and the substitution of non-renewable by renewable sources of energy and materials.

20. The evaluation of the National Cleaner Production Centres (NCPCs) Programme was completed in early 2008. In collaboration with its partner, the United Nations Environment Programme (UNEP), and the donors, UNIDO has developed a strategy document, which will take the joint UNIDO-UNEP activities to a new level, by strengthening the link between cleaner production and resource efficiency (including energy efficiency), mainstreaming cleaner production in policy and enterprise finance, and facilitating technology transfer. The strategy aims to strengthen the existing NCPC network by introducing quality and performance criteria and open it to other, bilaterally or nationally funded, national, subnational or international cleaner production centres that meet its criteria. In parallel, UNIDO had been continuing to add new nodes to its network in the form of new NCPCs. Projects have recently been initiated to establish centres in Bulgaria, Romania, Rwanda, Serbia and Ukraine. In the latter case, this is being undertaken as an integral part of the "One-UN" Programme, while a similar approach is being planned for Albania. UNIDO is also continuing its work on regional networks to link NCPCs and related centres in a given region.

21. In the field of chemicals management, UNIDO is continuing to expand its successful programme promoting chemical leasing to new countries, including Colombia and Sri Lanka. After endorsement by the General Conference in December 2007 of the Strategic Approach to International Chemicals Management (SAICM) (decision GC.12/Dec.17 refers), UNIDO has been actively assisting countries to formulate projects for funding under the Quick Start Programme for the implementation of SAICM objectives. UNIDO has also partnered with an NGO specialized in site remediation to develop a global project on the identification and prioritization of polluted sites. This project will raise awareness on the most pressing issues while also presenting solutions.



22. On water-related issues, UNIDO is continuing to implement its Large Marine Ecosystems project for the Guinea Current in West Africa. The 16 participating countries have consensually endorsed the Strategic Action Programme (SAP) for the GCLME. The SAP will be the main focus of the upcoming Steering Committee meeting, and it will set the political and scientific framework for the management of the living resources of the GCLME. UNIDO has started implementation in the Mediterranean region of the transfer of environmentally-sound technology (TEST) project, the primary implementation mechanism of which will be UNIDO's TEST methodology. UNIDO has also initiated a Millennium Development Goals (MDG)-funded water and sanitation project in Honduras where a TEST intervention is being introduced to improve water efficiency and reduce effluents from the industries of a river basin. The Gulf of Mexico Large Marine Ecosystem (LME) project is in the final stage of endorsement by the Global Environment Facility (GEF) and the plan is to initiate activities in late 2008. UNIDO has recently received approval from GEF for a project to demonstrate and capture best practices and technologies for the reduction of land-sourced impacts resulting from coastal tourism, and is now beginning implementation. Finally, UNIDO is developing for GEF a global project for the control of nitrogen-containing pollutants, in partnership with UNEP and FAO. UNIDO is also an active member of the Group of Experts on the Scientific Aspects of Marine Environmental Protection (GESAMP), which aims to identify scientific solutions to marine pollution.

23. In July 2008, the Executive Committee (ExCom) of the Montreal Protocol approved funding for 34 countries around the world for the preparation of hydrochlorofluorocarbons (HCFCs) phase-out management plans (HPMPs) by UNIDO. At the forthcoming ExCom meeting in November 2008, it was expected that three additional countries would obtain such funding. The HPMPs will help the countries to achieve compliance with the Montreal Protocol control measures for the phase-out of HCFCs by January 2013 and January 2015. Parallel to the preparation of the HPMPs, a limited number of demonstration projects will be prepared. Three of them were to be presented to the ExCom meeting in November 2008. These projects will cover different sectors, such as the room air-conditioning sector in China; the rigid foam sector for cold stores in Saudi Arabia and the manufacturing of mini-split units in Jordan. Additional investment and demonstration projects will follow in 2009. In addition, approval of a large phase-out project in the metered-dose-inhalers (MDI) sector was expected in November 2008. Once implemented, the subject project will phase out the entire production of CFC-based MDIs in China. At the same time, UNIDO is continuing the implementation of the already approved MDI phase-out projects in the Islamic Republic of Iran, Egypt and Mexico.

24. The closing negotiation for the next triennium (2009-2011) was scheduled to take place in November 2008. In the coming replenishment, UNIDO will be an important player not only for the remaining activities for the phase-out of CFCs and methyl bromide, but more importantly for the finalization of HPMPs for HCFCs and in the implementation of investment activities directly contributing to the phase-out of HCFCs.

25. With respect to persistent organic pollutants (POPs), UNIDO is still supporting the preparation of national implementation plans (NIPs), which have now been completed in many countries. In particular, UNIDO has initiated two large projects

for NIP preparation in China and India. Meanwhile, the Organization has also begun to move beyond the formulation of NIPs, and is implementing GEF-funded projects on medical waste management, the management of polychlorinated biphenyls (PCBs), the introduction of best available technologies and best environmental practices (BAT/BEP) methodologies, and the remediation of contaminated sites. A total of seven projects have been approved by the GEF, including two in China on the management and disposal of medical waste and on capacity-building, and one each in Armenia, Mongolia and the former Yugoslav Republic of Macedonia on the disposal, of PCBs, Ghana and Nigeria on contaminated sites, and Viet Nam on the introduction of BAT/BEP strategies. It is expected that the portfolio will increase progressively to meet the high demand from countries to move from the NIP stage to post-NIP projects.

26. Through its energy programme, UNIDO has been actively involved in promoting the cleaner and more efficient use of energy by industry, and promoting industrial applications based on renewable energy. In addition, the Organization has also promoted access to energy for productive activities and household uses, particularly in rural areas, in the context of its poverty reduction agenda.

27. With respect to energy efficiency, UNIDO is continuing to promote a systems approach to industrial energy efficiency in an effort to encourage sustainable use of energy, and is now working with the International Organization for Standardization (ISO) on the creation of an international energy management standard. The Organization has also developed a large energy programme for countries in West Africa jointly with GEF and other agencies, which focuses primarily on enhancing the access agenda and energy efficiency measures. The work on the establishment and operation of the International Centre for Hydrogen Energy Technology (ICHET) is progressing, with construction of the new campus expected to commence in the first half of 2009. In this connection, 12 projects have been prioritized in order to identify certain technologies as an ICHET “brand” – namely wind powered hydrogen energy generation through water electrolysis, fuel cells and H<sub>2</sub> powered internal combustion engines.

28. In the field of renewable energy, a number of large-scale projects are being developed in the area of wind energy for possible funding by GEF. UNIDO has also continued its global forum activities in this field. On 6 and 7 May 2008 it organized, jointly with UNEP and the Government of Ukraine, a regional workshop on renewable energy development in the Carpathian Mountains at Lviv, and from 18 to 22 May 2008 it collaborated with the Brazilian Ministry of Mining and Energy in organizing the Global Renewable Energy Forum held in Foz do Iguaçu. Through the appointment of the Director-General of UNIDO as chair of UN-Energy, UNIDO has also been actively involved in promoting United Nations system-wide collaboration in the field of energy with a coherent and consistent approach on key issues, and has led consultations on industrial energy efficiency and technology transfer issues.

### **III. Other programme activities**

#### **A. New and emerging technologies**

29. UNIDO has continued to be actively engaged in capacity-building activities related to industrial and environmental areas of biotechnology, including novel bioprocesses, bioremediation and the utilization of genetic resources for productive purposes. A report is due to be published in the fourth quarter of 2008 on an expert group meeting on the industrial uses of plants for the production of biomaterials convened by UNIDO in Salvador, Bahia State, Brazil in December 2007. This meeting considered potential applications of biotechnology for the utilization of genetic resources, and focused in particular on evaluating the potential of plant feedstocks as industrial inputs in arid and semi-arid regions, and on assessing their economic feasibility and potential for investment. In addition, UNIDO is continuing to promote the establishment of an Industrial Biotechnology Network with the objective of fostering the application of sustainable industrial practices in the developing countries through awareness creation, demonstration projects and capacity-building initiatives in biotechnology.

30. UNIDO is also considering measures to promote the transfer of nanotechnology to developing countries. These activities have emerged from an expert group meeting on “Nanotechnology, Sustainability and Developing Economies in the 21st Century” organized in December 2007 with the main aim of reviewing the technological change scenario and assessing the potential role of an inter-related group of revolutionary and emerging technologies. This was intended to support the development of feasible strategies and an implementation plan of action for the practical application of technological advances and innovations in developing economies in the short-, medium- and long-term. The main focus of discussions was on energy, environment, water, building materials and medicine.

#### **B. Human security**

31. Based on its experience in post-crisis and human security programmes and projects, UNIDO has continued to respond to complex emergencies through activities that contribute to socio-economic as well as environmental and energy security. In this way the Organization has helped to build the resilience of institutions and of the productive sector in post-crisis countries and has contributed to strengthening human security, especially for vulnerable groups.

32. Since 2003, UNIDO has mobilized \$11 million from the United Nations Trust Fund for Human Security for nine projects to assist countries and communities faced with severe threats to human security in Afghanistan, Bangladesh, Ghana, Guinea, Lao People’s Democratic Republic, Malawi, Sri Lanka, Sudan and Uganda. All of these projects are currently under implementation. The areas of UNIDO intervention include the restoration of livelihoods in conflict affected communities, the resettlement of refugees through small and medium enterprise development, securing safe drinking water by mitigating arsenic poisoning, and the promotion of alternative livelihoods for former opium poppy growing farmers.

33. Since early 2007, UNIDO has focused on a wide range of post-crisis projects and activities in Côte d'Ivoire, Guinea, Haiti, Indonesia, Iraq, Liberia, Pakistan, Sierra Leone, southern Sudan and Timor-Leste. The total budget for these projects amounts to approximately \$37 million. The types of services provided under these projects include strengthening the export capacities of local enterprises, promoting community-building and community livelihoods, supporting job creation and self employment through the promotion of micro-industries, rebuilding the food processing industry and strengthening food safety to promote food security and poverty reduction, and a quick impact programme for refugee zones involving the development of community-based production centres and community rehabilitation projects with skills upgrading. UNIDO is also active in the formulation of a technical assistance programme for the rehabilitation of the construction sector in the earthquake-affected areas of the Sichuan Province of China.

34. UNIDO has successfully completed a pilot programme aimed at "Improving Human Security by Mitigating Arsenic Poisoning in Bangladesh". Based on the lessons learned in this project, and on the continuing presence of arsenic in the drinking water sources in Bangladesh, the Organization has entered into a partnership with World Health Organization (WHO) and the Government of Bangladesh to develop an expanded programme to remove arsenic from drinking water and to address the human health issues related to this chemical.

35. UNIDO has also continued to work on reducing the contamination of water sources with highly toxic mercury, released by artisanal gold miners working in rural areas. It has been doing so primarily through the development of a follow-up intervention to the Global Mercury Project as well as through its leadership role in the artisanal gold mining section of the UNEP Global Mercury Partnership. A project is also now being developed with the ILO and WHO to address the risks faced by populations living in, and downstream from, artisanal gold mining sites in Mozambique.

36. As part of its activities to promote human security, UNIDO has launched a multi-stakeholder subregional programme on productive and decent work for youth in the Mano River Union countries (Côte d'Ivoire, Guinea, Liberia and Sierra Leone). The programme will address the issues of a large population of unemployed youth including ex-combatants, and the implications for the security situation in the subregion. \$5 million has been mobilized for the programme. UNIDO is working on this project in partnership with the UNDP, ILO, the United Nations Office for West Africa (UNOWA) and the Youth Employment Network (YEN). The implementation of this project started in August 2008 with initial funding from the Government of Japan.

37. UNIDO has actively supported the Vienna Environment for Human Security (VEHS) initiative launched by the Government of Austria, and in particular the programme to promote national resilience under this initiative. In this context, the Organization participated in a workshop on "Resilience – A Concept of Socio-Economic Crisis Prevention" held from 26 to 27 February 2008 in Vienna, and in a follow-up seminar on "Preventing Conflict, Creating Resilient Societies" held in the context of the Alpbach Forum from 23 to 25 August 2008. The discussions at this seminar focused on how the use of the resilience concept could support peace building and development, with a special reference to the Mano River region.

## C. Research and statistics

38. The *Industrial Development Report 2008* is in an advanced stage of preparation, with Professor Paul Collier of Oxford University acting as the lead resource person. The Report focuses on the growth of competitiveness of SMEs in dynamic industrial locations, which enables them to take advantage of the opportunities offered by the process of globalization, with commensurate economic and social benefits for the local populations. It is scheduled for release in the first quarter of 2009.

39. The Report will also contain the updated UNIDO Industrial Development Scoreboard and Competitive Industrial Performance Index, ranking countries in terms of their industrial performance. The Scoreboard currently covers the benchmark years 1993, 1998 and 2003, and will be updated in 2009 to include a fourth benchmark year of 2008.

40. In other research-related activities, a survey on national systems of industrial innovation is currently being conducted among medium- and high-technology industries, knowledge-based institutions and policymakers in selected emerging markets to identify the dynamics and structural patterns of innovation. In addition, a series of staff working papers are under preparation on the principal issues and challenges facing industrial development in the twenty-first century with respect to foreign direct investment, trade policy, infrastructure and productivity at different stages of development, and the types of infrastructure investment that support industrial development. New publications on public goods for economic development and global value chains are due to be issued soon.

41. UNIDO's statistical products are being compiled and disseminated on schedule. The 2008 edition of the commercial hardcopy publication "*International Yearbook of Industrial Statistics*", based on the compilation and aggregation of statistical tables in standard format by country, region and at the world level was produced and disseminated on time. The 2008 edition of CD products from the industrial statistics database INDSTAT4 and the industrial demand supply balance (IDSB) database by ISIC revision 3 and revision 2 at the 4-digit level were also produced as planned. Similarly, the web-based Statistical Country Briefs have been updated for 2008 and made available online.<sup>1</sup> Currently, UNIDO is compiling data for the publication of 2009 edition of the "*International Yearbook of Industrial Statistics*".

42. The statistical methods for UNIDO's data production and dissemination have been further developed and updated. This has resulted in a revised set of metadata questionnaires and conceptual notes to reflect the new United Nations recommendations on industrial statistics, and in an improvement in classification methods. In 2008, UNIDO revised the recent year estimation methods for manufacturing value added (MVA). A quality assurance framework has been prepared for UNIDO statistics.

43. In the context of UNIDO's mandate to collect and compile general industrial statistics from the national statistical offices (NSOs) of non-OECD countries,

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<sup>1</sup> [www.unido.org/statistics](http://www.unido.org/statistics).

UNIDO has prepared and distributed the relevant questionnaires, prefilled from the INDSTAT database, to the NSOs.

44. As part of the implementation of international recommendations for industrial statistics 2008, UNIDO conducted a regional workshop on industrial statistics in Amman, Jordan, in May 2008 for countries in the Arab region in cooperation with the Arab Institute for Training and Research in Statistics. UNIDO also contributed to the Regional workshop on manufacturing statistics organized by the United Nations Statistics Division in Lima, Peru, in August 2008.

#### **D. Partnership with the private sector and civil society**

45. In the framework of their strategic partnership and based on the activities initiated in 2007, UNIDO and Microsoft have launched the Uganda Green Computers Company, the first refurbished computer centre of excellence in Kampala, Uganda in June 2008. This centre offers high-quality secondary computers to local entrepreneurs, including licensed software, ICT training, and after-sales support, thus making the ownership of personal computers more relevant, accessible and affordable for local SMEs and entrepreneurs. Based on requests from other Governments, it is proposed to replicate this initiative in a selected number of other African countries.

46. More recently, UNIDO signed an agreement with Hewlett-Packard (HP) in May 2008 for the joint implementation of the Graduate Entrepreneurship Training through Information Technology (GET-IT) programme in Africa. This programme provides entrepreneurship and IT skills training to under- or unemployed young people and is currently being implemented in Egypt, Morocco, Nigeria, South Africa, Tunisia and Uganda. Nine training centres offer the GET-IT curriculum that teaches young graduates the basics of entrepreneurship with practical, hands-on experience in the use of technology to enter professional life or to start their own business. After the initial launch of the GET-IT programme in 2008, UNIDO and HP plan to expand the programme in 2009 and 2010 to 20 additional training centres in Africa and the Middle East.

#### **IV. Programme coordination and regional coherence**

47. UNIDO has continued to participate actively in the United Nations system-wide endeavours to “Deliver as One” in the pilot countries selected for this purpose. The Organization participated in the Inter-Agency Task Team Meeting on Change Management in Rome in May 2008 and contributed, inter alia, to the finalization of the draft job description for Resident Coordinators. It also participated in the Inter-Agency Task Team Meeting on Change Management in New York in June 2008, and provided inputs to the debate on the ongoing capacity assessment work of the Dalberg Global Development Group and exchanged views with the Resident Coordinators of the eight pilot countries on recent “Delivering as One” experiences in the field and on the possibilities to participate in the harmonization of business practices. In the meantime, and following a proposal from the United Nations Development Operations Coordination Office (UNDOCO), UNIDO has agreed to pilot the Harmonized Approach to Cash Transfers (HACT) in

the pilot countries, if applicable, and in line with UNIDO's established rules and regulations.

48. In order to be able to contribute more effectively to the "Delivering as One" process in the pilot countries, but also in other countries adopting the elements of the "One UN" reform initiative in their United Nations Development Assistance Frameworks (UNDAFs), UNIDO has established a Headquarters-based rapid response team to respond to requests for support and guidance from UNIDO's field offices in an urgent manner. In addition, funds have been made available to a few pilot countries and a significant number of UNDAF roll-out countries as well as those which are presently reviewing their ongoing UNDAF. With these funds, the UNIDO field offices will be able to recruit staff to provide technical support and expertise for the formulation of UNIDO's contributions to UNDAFs and One-Programmes as swiftly as possible. This will ensure a stronger presence of UNIDO in these countries.

49. UNIDO's field presence has been strengthened further by posting additional staff to regional and country offices, with the result that by now almost all field positions are duly filled. The preparation of field office workplans based on results-based management (RBM) principles has also continued, with such plans having been formulated for most countries with a UNIDO field presence. They focus on programme development, monitoring and the provision of global forum services, and serve as an important management tool for UNIDO's operations at the field office level. The workplans of the regional programmes at Headquarters complement those from the field.

50. Field-based programme development has also continued to be supported through the allocation of programmatic support funds (PSF) to the field offices. Unutilized balances from the previous year were reallocated within the field network to make the best use of the resources and provide assistance where needed most. During 2008-2009 this programme support will be maintained with the aim of facilitating the acquisition of national expertise, holding expert group meetings, and engaging in fund raising activities to develop the UNIDO programme and project portfolio.

51. Concrete steps have been taken to promote the effective decentralization of UNIDO's functions and activities to the field. In this connection, a review of the Organization's technical cooperation activities was undertaken during 2008 with a view to devising an appropriate framework for distributing these activities and related tasks between field offices and Headquarters. In July 2008 this approach was piloted in the regional offices in Ethiopia and India, and during the second half of 2008 efforts are being intensified to ensure that more offices engage in the process.

52. With regard to the UNIDO-UNDP Cooperation Agreement for the enhancement of UNIDO's field presence through the establishment of UNIDO Desks and Joint Programming with UNDP, three additional UNIDO Desks have been agreed upon with UNDP and are in the process of being formally established. UNIDO will provide for their funding with UNDP sharing the operating budgets for two of them for the first two years, according to the Cooperation Agreement (document IDB.35/11 refers in more detail).

## **V. Resource mobilization**

53. The MTPF for 2008-2011 projected that the annual level of resources mobilized should increase from the level of \$120-130 million per year prevailing in recent years to \$170-200 million by 2011. In fact, the lower end of this target range had already been achieved in 2007, with a total of \$172 million being mobilized in that year. Within this total, the share of contributions from governmental donors across the priority themes has continued to increase while the share of multilateral funds related to international environmental agreements has decreased, although the absolute amount has shown a small increase.

54. As in the past, the trade capacity-building theme is expected to be the main driver of further increases in resource mobilization. Specifically, the cooperation with the European Commission related to the capacity-building work under the Economic Partnership Agreements (EPAs) will continue to provide many opportunities for UNIDO to assist Member States in this critical area of development, as will the continuing strong donor interest under the "Aid for Trade" category. UNIDO's energy-related activities present a further area of strong anticipated demand growth, as well as a high level of interest from the international donor community. A third area of expected growth is the elimination or reduction of persistent organic pollutants, where considerable co-funding resources are required to unlock resources from GEF dedicated to this objective. UNIDO is consulting with donors on the possibility of establishing a multi-donor trust fund for this purpose.

55. As indicated in the MTPF for 2008-2011, strategic partnerships with complementary organizations are an essential complement to UNIDO's policy of a clear thematic focus. As in previous years, efforts will continue to be made to strengthen such partnerships with organizations such as UNDP, UNEP, ILO, FAO, IFAD and WTO, and to develop specific activities for joint implementation with them.

## **VI. Programme support and management services**

56. In recent months UNIDO has initiated an ambitious programme of business process re-engineering (BPR) with a view to enhancing management efficiency. Particular emphasis is being given in this connection to the effective use of information and communication technologies. The participation of all staff in identifying potential sources of increased efficiency is actively being sought in this connection, and a staff survey conducted in April 2008 in this connection generated more than 200 responses. This has led to the formulation of a prioritized action plan, which included a number of "quick wins" that have already been implemented. While seeking to simplify and streamline UNIDO's business processes, the BPR effort is also intended to identify key control points, strengthen them where necessary, and apply them effectively so as to ensure that a rigorous control framework is maintained.

57. The BPR initiative complements and expands upon measures being taken to introduce the International Public Sector Accounting Standards (IPSAS) with effect from 1 January 2010 in accordance with General Conference



decision GC.12/Dec.14. The cross-organizational working groups especially established for this purpose are engaged in a number of parallel activities, including IPSAS awareness-raising through UNIDO's intranet; development of asset management policies related to the identification, evaluation, recording and verification of the Organization's fixed assets; assessment of employee benefits for recognition as long-term liabilities; recognition criteria for voluntary contributions; identification of intangible assets within the Organization; and training of key staff members in the relevant branches. As a member of the Task Force on United Nations Accounting Standards, UNIDO is also continuing to contribute to the development of IPSAS-compliant accounting policies, practices and guidance for a consistent application of IPSAS across the various organizations of the United Nations system.

58. As a recipient of direct funding from the Global Environment Facility, UNIDO is required by the GEF Council to implement a set of recommended minimum fiduciary standards or equivalent relevant procedures or policies. UNIDO is continuing its efforts to meet these standards. Progress has already been made in respect of several standards and UNIDO expects to be fully compliant with all standards by the end of the current biennium (chapter IX refers in more detail).

59. Particular steps have been taken to increase the transparency, accountability and efficiency of the procurement process, by streamlining the related procedures and enhancing the level of computerization in the process, including introduction of electronic procurement. The introduction of a new Procurement Manual in February 2008 has established a solid basis for the further enhancement of procurement planning, improving the quality and efficiency of the acquisitions, and increasing the effectiveness and transparency of UNIDO's procurement activities through the wide application of open international solicitation methods.

60. Similarly, UNIDO has continued to improve its inventory control systems over the assets acquired at Headquarters and technical cooperation projects, based on the procedures introduced in the UNIDO Property Management Manual. The forthcoming introduction of IPSAS and related procedures will further improve the effectiveness of the asset management, inventory control and monitoring process.

61. Steps have been taken to upgrade UNIDO's enterprise resource planning (ERP) system (Agresso) to enable it to integrate programme objectives, knowledge assets, and budgetary and financial data into one technology-assisted process. It is also being equipped with web features to support, inter alia, both BPR at Headquarters and the connectivity of UNIDO Field Offices. Meanwhile, increased video conferencing capabilities have been installed in UNIDO Headquarters and in several Field Offices, which has helped to bring them closer to the Headquarters in a virtual sense.

62. The introduction of these new systems has been accompanied by a number of training events to ensure their effective utilization and to (re-)familiarize staff with the Organization's various administrative rules and processes. These programmes have covered UNIDO's financial performance control system (FPCS), and a mandatory training programme for procurement-related issues. These programmes have been run in addition to the UNIDO regular training programmes.

63. Further details on employee relations, implementation modalities of the Young Professionals Programme (YPP), the learning policy and leadership development programme are contained in document IDB.35/13.

## **VII. South-South cooperation**

64. UNIDO is continuing to give high priority to promoting South-South cooperation. This reflects a recognition of the fact that such cooperation can contribute greatly to development, particularly in terms of poverty reduction, through the promotion of increased trade and technology transfer. Efforts are increasingly being made to mainstream South-South cooperation into all relevant projects and programmes of the Organization. Particular emphasis continues to be paid, however, to the establishment and development of UNIDO Centres for South-South Industrial Cooperation (UCSSICs) in the more advanced developing countries with a view to disseminating the knowledge, skills and technologies developed in those countries to other developing countries.

65. The Centre for South-South Industrial Cooperation established in India has further advanced its proposals for such cooperation in a variety of sectors and with a wide range of partners, including:

- (a) Environmentally friendly stoves (China);
- (b) Bamboo products (Timor-Leste);
- (c) Ethanol (Brazil);
- (d) Renewable energy (five countries in Africa);
- (e) Industrial research (Kenya);
- (f) Industrial institution-building (Nigeria);
- (g) Agribusiness parks (West Africa);
- (h) Textiles (five countries in Africa).

In addition, projects are being developed in sectors such as leather, pesticides, industrial cluster development, pharmaceuticals, building materials and information and communication technologies in various Asian and African countries.

66. The UCSSIC in China was formally launched on 23 July 2008 in Beijing by UNIDO and the Government of the People's Republic of China. The activities of the Centre since that time have included:

(a) Developing local and international networks with other UNIDO centres in China and with state-owned and private sector enterprises, research institutions and training facilities, as well as the China Technical Cooperation among Developing Countries (TCDC) Network, the China-Africa Business Council, and the World Eminence Chinese Business Association;

(b) Building partnerships with the China Development Bank and the Export-Import Bank of China to promote investment in other developing countries;

(c) Setting priority areas for interventions including new and renewable energies, general manufacturing, agro-industries, chemical-based industries, new

and environmentally friendly low-cost building materials, and information technology industries.

67. Based on a memorandum of understanding signed by UNIDO and the Government of the Islamic Republic of Iran on the establishment of such a Centre in Iran, and subsequent consultations on the modalities and measures to operationalize the Centre, a project document has been submitted to the Government of Iran for its consideration. It is estimated that the Centre will be formally established in 2009 with initial funding of \$3 million from the Islamic Republic of Iran. Discussions are also under way with the other governments to establish similar Centres in Brazil, Egypt, Indonesia, Morocco and South Africa.

68. South-South cooperation was also integrated in the concept paper “Aid for Trade: An industrial agenda for LDCs”, which was intended to guide the workshop on Aid for Trade held in Kigali, Rwanda on 8 and 9 September 2008 and the LDC Ministerial Conference in Siem Reap, Cambodia, on 19 and 20 November 2008. The deliberations at both events were intended to focus on how best to use South-South cooperation to achieve the intended goals of Aid for Trade and the enhanced integrated frameworks (EIF), as part of UNIDO’s effort to support the development of supply-side capacities in LDCs under the “Aid for Trade” agenda.

69. In other efforts to promote South-South cooperation, UNIDO is working in Bahrain with, and through, the ITPO located there to replicate the experience acquired during the establishment of the Water Management Centre in Ukraine for the promotion of technology for pipeline diagnostics, cleaning and rehabilitation. In addition, UNIDO is finalizing India-Peru and India-Bolivia partnership programmes for the promotion of investment and technology from India to these countries and the creation of export-oriented joint ventures with export channels for processing wool in the camelids sector. This will help to generate direct employment for 400 people, with the indirect involvement of about another 4,000 in the poorest sociodemographic groups of these countries.

## **VIII. Regional Programme for Latin America and the Caribbean**

70. In conformity with the implementation guidelines reflected in resolution GC.12/Res.1 and adopted at the Second Expert Group Meeting in November 2007, UNIDO has continued to implement a number of specific activities under the Regional Programme for Latin America and the Caribbean (RPLAC).

71. The UNIDO Industrial Knowledge Bank has become operational as a tripartite South-South cooperation platform to promote the exchange of expertise and knowledge within the region. It is expected to provide knowledge services in a variety of fields related to industrial development, including agro-industries, trade facilitation, quality management, SME development and renewable energy. Pledges for the provision of such services in areas related to food and energy have been received from institutions in Brazil and Cuba, respectively. Similar agreements are under negotiation with other institutions elsewhere in the Latin American and Caribbean region.

72. UNIDO Consultative Groups have been established in Mexico and Uruguay. In the latter, close cooperation with government counterparts led to the successful start-up of UNIDO activities in the “One-UN” initiative for Uruguay. Other initiatives are under way in several countries.

73. UNIDO has continued its series of high-level dialogue meetings for the Latin American and Caribbean that started in 2006 in Uruguay. A Ministerial Seminar on “Regional Integration and Competitive Development” was organised in Lima, Peru, on 15 and 16 September 2008 in cooperation with the Andean Community and the Government of Peru.

74. The UNIDO/Brazil Global Renewable Energy Forum was held in Foz de Iguacu, Brazil, from 18 to 22 May 2008. More than 1,500 participants from more than 50 countries attended the Forum. It addressed political, technological, financial, and partnership aspects for the successful development of renewable energy programmes. One of the main outcomes of this Forum was a strong tripartite partnership between UNIDO, Electrobrás and Itaipu Binacional. A cooperation framework between these three institutions is currently under preparation, and will focus on the promotion of renewable energy worldwide and on enhancing regional and South-South partnerships in this field.

75. Concurrently with the Global Forum, the first South-South initiative between Africa and the Latin American and Caribbean region was organized from 17 to 30 May 2008. Fifteen high-ranking delegates from the private and public sectors of seven African countries had the opportunity to become acquainted with key Brazilian stakeholders and institutions involved in the production of biofuels, and concluded partnership arrangements with them. A similar exercise was expected to take place in Colombia in November 2008.

76. In accordance with the implementation framework of the RPLAC, consultations have been initiated with the various Regional Economic Communities (RECs) in the Latin American and Caribbean region, including the Caribbean Community and the Caribbean Forum of African, Caribbean and Pacific States (CARICOM/CARIFORUM), the Secretariat for Central American Economic Integration (SIECA) and the Community of Andean Nations (CAN), for the joint formulation and implementation of technical cooperation programmes in a number of common areas of interest. On the basis of official requests by the various RECs, UNIDO has mobilized financial, human and technical resources to develop specific regional programmes for each subregion. The main objective of these programmes is to support the efforts made by the countries of Latin American and the Caribbean to strengthen their subregional integration.

77. In this connection, UNIDO has also sought to strengthen the partnership between the region and the EU. From the very beginning, the Organization has invited EU delegations to participate in the programme formulation activities in the various subregions in order to ensure a consensus on the regional programmes and confirm that they are in line with the respective LAC/European Commission (EC) regional strategy papers and related funding. Detailed information on the programmes developed for the various subregions is given below:

(a) At the request of CARIFORUM, UNIDO and the Centre for the Development of Enterprise (CDE) have continued to develop a Programme on Strengthening Competitiveness and Innovation to remove supply-side constraints

and foster regional integration in the framework of the economic partnership agreement (EPA) between the EU and African, Caribbean and Pacific (ACP) countries. The programme aims to address the weak trade and productive capacities in the member countries of CARIFORUM by promoting innovation, technology, and improved access to regional and international markets. By this means it seeks to promote their economic, industrial and trade growth, and to facilitate their socio-economic integration;

(b) In compliance with the Ministerial Declaration adopted in Colombia on 23 October 2007 and a Memorandum of Understanding signed with CAN in April 2008, UNIDO has initiated preparatory activities for the formulation of a subregional programme to support international competitiveness, quality improvement, SME development, agro-industry development, trade capacity-building and regional integration in the Andean countries. A Forum on Regional Integration and Competitiveness held in Lima, Peru on 15 and 16 September 2008 provided the opportunity to the Ministries of Industry of the Andean countries to reaffirm their support for the regional integration process and to UNIDO's participation through the delivery of technical expertise. Subsequent consultations with the CAN Secretariat should lead to the launch of an identification mission for a regional programme, in consultation with EU delegations in each Andean country;

(c) On the occasion of the third round of negotiations for the Association Agreement between Central America and the EU held in El Salvador in April 2008, UNIDO and SIECA jointly presented key elements and recommendations for the development of a future subregional programme on quality infrastructure (quality, standardization, certification and metrology). The objective of the programme is to help the subregion to comply with WTO agreements related to technical barriers to trade (TBT) and sanitary and phytosanitary measures (SPS). The preliminary findings of the UNIDO/SIECA preparatory assistance were discussed with the partners in the region and with the EU on the occasion of the fourth round of these negotiations held in Brussels in July 2008. The identification report was finalized in September 2008 and was officially presented in Guatemala City, Guatemala, on 10 October 2008 to the SIECA Secretariat in presence of EU delegations from Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua. The final identification report is expected to be validated officially at a seminar organized jointly by SIECA, the EU and UNIDO on 27 November 2008 in Central America. The main stakeholders from each Andean country will be represented at this occasion.

## **IX. UNIDO access to the Global Environment Facility (GEF)**

78. At its thirtieth meeting in November 2006, the GEF Council decided to grant the seven executing agencies operating under expanded opportunities, including UNIDO, direct access to GEF funding based on their comparative advantages. After a slow start to the new GEF funding cycle, which began in 2007, and after a period of raising UNIDO's profile among the national GEF Operational and Political Focal Points, UNIDO is now beginning to reap the advantages of its direct access to GEF funds.

79. UNIDO has maintained its leadership role in GEF's focal area for persistent organic pollutants (POPs), successfully making the transition from the national implementation plan (NIP) phase to post-NIP projects. The Organization has also maintained its position in the focal area of international waters, obtaining final approval for a transfer of environmentally sound technology (TEST) component in a large marine ecosystem (LME) project in the Mediterranean LME led by UNEP, as well as final approval for a similar project in the Gulf of Mexico, involving both Mexico and the United States of America. In the focal area of climate change, it has registered successes in the fields of both renewable energy and industrial energy efficiency.

80. In connection with the appointment of the UNIDO Director-General as chair of UN-Energy, the Chief Executive Officer of GEF requested UNIDO to formulate, within the framework of UN-Energy, the energy component of the GEF Strategic Programme for West Africa, covering 18 countries (Benin, Burkina Faso, Burundi, Cape Verde, Côte d'Ivoire, Chad, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone and Togo). The overall programme was approved by the GEF Council at its meeting in November 2008. The energy component of this programme will focus on the energy access agenda and energy efficiency, and will comprise 27 individual national projects that will be coordinated programmatically by UNIDO. Eight of these national projects (in Cape Verde, Chad, Côte d'Ivoire, Gambia, Guinea, Liberia, Nigeria, and Sierra Leone) will be implemented by UNIDO itself, while the remaining 19 projects will be implemented by the African Development Bank, UNDP, UNEP and the World Bank. The overall GEF contribution to the 27 projects will be \$46 million, and it is targeted to raise \$100 million of co-funding.

81. The November 2008 meeting of the GEF Council was also expected to approve a second programme for UNIDO in the field of industrial energy efficiency. This programme, entitled "Reducing Industry's Carbon Footprint in South East Asia through Compliance with a Management System for Energy (ISO 50,000)" covers five countries (Indonesia, Malaysia, Philippines, Thailand and Viet Nam). In parallel, the GEF Council approved the funds for the preparation of the national projects for Indonesia, the Philippines and Thailand. Earlier in the year, it had approved the funds needed for the preparation of a major industrial energy efficiency project for the Russian Federation, which UNIDO will implement in a partnership with the European Bank for Reconstruction and Development (EBRD) in which UNIDO will be primarily responsible for the technical cooperation outputs of the project, while EBRD will be responsible for the investment outputs.

82. Building on its long experience with the Montreal Protocol, UNIDO has also been successful in obtaining GEF funding in the focal area of ozone depletion, although the funding available in this focal area is relatively modest and only covers Eastern Europe and the NIS. Finally, UNIDO is working as executing agency with IFAD on a land degradation project in Morocco even though GEF does not recognize UNIDO to have a comparative advantage in this focal area.

## **X. Action required of the Board**

83. The Board may wish to take note of the information provided under this agenda item. It may also wish to reconsider the proposal put forward in documents IDB.31/6, IDB.33/17, GC.12/7 and IDB.34/6, to cover the implementation of the medium-term programme framework in the annual reports of the Organization in future years.

## List of abbreviations

### A

ACP	African, Caribbean and Pacific
AfrIPANet	African Investment Promotion Agencies Network

### B

BAT/BEP	best available technologies/best environmental practices
BPR	business process re-engineering

### C

CAMI	Conference of African Ministers of Industry
CAN	Community of Andean Nations
CARICOM	Caribbean Community
CARIFORUM	Caribbean Forum of African, Caribbean and Pacific States
CD	compact disk
CDE	Centre for the Development of Enterprise
CFC	chlorofluorocarbon
CSR	corporate social responsibility

### E

EBRD	European Bank for Reconstruction and Development
EC	European Commission
EIF	enhanced integrated framework
EPA	Economic Partnership Agreement
ERP	enterprise resource planning
EU	European Union
ExCom	Executive Committee

### F

FAO	Food and Agriculture Organization of the United Nations
FDI	foreign direct investment
FPCS	financial performance control system

### G

GCLME	Guinea Current Large Marine Ecosystem
GEF	Global Environment Facility



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GESAMP	Group of Experts on the Scientific Aspects of Marine Environmental Protection
GET-IT	Graduate Entrepreneurship Training through Information Technology
<b>H</b>	
HACT	Harmonized Approach to Cash Transfers
HCFC	hydrochlorofluorocarbon
HLCF	High-level Committee on Programmes
HP	Hewlett-Packard
HPMP	hydrochlorofluorocarbons phase-out management plan
<b>I</b>	
ICAMT	International Centre for Advancement of Manufacturing Technology
ICHET	International Centre for Hydrogen Energy Technology
ICT	information and communication technology
IDSB	industrial demand-supply balance
IFAD	International Fund for Agricultural Development
ILO	International Labour Organization
INDSTAT	industrial statistics database
IPA	investment promotion agency
IPSAS	International Public Service Accounting Standards
ISIC	International Standard Industrial Classification
ISO	International Organization for Standardization
IT	information technology
ITPO	Investment and Technology Promotion Office
<b>L</b>	
LAC	Latin America and the Caribbean
LDC	least developed country
LME	large marine ecosystem
<b>M</b>	
MDG	Millennium Development Goal
MDI	metered-dose-inhaler
MTPF	medium-term programme framework
MVA	manufacturing value added

**N**

NCPC	National Cleaner Production Centre
NGO	non-governmental organization
NIP	national implementation plan
NIS	Newly Independent States
NIS	national innovation system
NSO	national statistical office

**O**

OECD	Organization for Economic Cooperation and Development
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**P**

PCB	polychlorinated biphenyl
POP	persistent organic pollutant
PSD	private sector development
PSF	programmatic support funds

**R**

RBM	results-based management
REC	Regional Economic Community
RPLAC	Regional Programme for Latin America and the Caribbean

**S**

SADC	Southern African Development Community
SAICM	Strategic Approach to International Chemicals Management
SAP	Strategic Action Programme
SIECA	Secretariat for Central American Economic Integration
SIITPC	Shanghai International IT Promotion Centre
SME	small and medium enterprise
SPS	sanitary and phytosanitary measures
SPX	Subcontracting and Partnership Exchange
STDF	Standards and Trade Development Facility

**T**

TBT	technical barriers to trade
TCDC	technical cooperation among developing countries
TEST	transfer of environmentally-sound technologies

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TNC	transnational corporation
<b>U</b>	
UCSSIC	UNIDO Centre for South-South Industrial Cooperation
UNDOCO	United Nations Development Operations Coordination Office
UN	United Nations
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNIDO	United Nations Industrial Development Organization
UNOWA	United Nations Office for West Africa
<b>V</b>	
VEHS	Vienna Environment for Human Security
<b>W</b>	
WHO	World Health Organization
WTO	World Trade Organization
<b>Y</b>	
YEN	Youth Employment Network
YPP	Young Professionals Programme

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