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## Industrial Development Board

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### Cooperation with the United Nations Development Programme and UNIDO's field representation

## UNIDO's field representation

### Addendum

In compliance with General Conference resolution GC.13/Res.7, provides additional information to supplement document IDB.37/6.

## I. Background

1. In accordance with General Conference resolution GC.13/Res.7 and in light of document IDB.37/6, this document presents the report of the Director-General on ways and means of enhancing UNIDO's field representation.
2. UNIDO's field representation has taken several forms over time. From 1967 to 1997, the Organization deployed Senior Industrial Development Field Advisors (SIDFAs) and later, UNIDO Country Directors (UCDs). In accordance with an agreement signed between UNIDO and United Nations Development Programme (UNDP) in April 1989, the UNDP Resident Representatives had the formal responsibility for representing UNIDO, while the SIDFAs/UCDs in their role as deputies, were responsible for the industrial sector of UNDP country programmes and acted as the senior advisers to local governments on industrial matters. In the early 1990s, UNDP funding policies were changed, the effect of which was felt by UNIDO only from the mid-1990s. Since 1998, UNIDO's field representation

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became fully financed from its regular and operational budgets, with some cost sharing or contributions by the host countries.

3. In 2004, UNIDO's field network was reviewed upon the request of and in consultation with Member States, particularly through the Advisory Group on Decentralization, which resulted in the cooperation agreement with UNDP (GC.11/Res.5) and the subsequent establishment of UNIDO desks as an innovative and cost-effective model for expanded field presence in addition to the existing network of field offices. The financial constraints of UNIDO and its need to be physically present in an increasing number of locations prompted this strategy of focusing on the establishment of a larger number of cost-effective desks. Based on this strategy and in view of the specific potential for UNIDO services, two formerly existing field offices (Bolivia (Plurinational State of) and Zimbabwe) and two focal points (Mozambique and Uganda) were also converted into desks.

4. As a result, UNIDO's current field network (March 2010) includes 10 regional offices, 19 country offices, 18 desks, five focal points and one regional centre, thus offering a UNIDO field presence in more than 50 countries. Regional offices usually cover a larger number of countries within a region, employ international technical staff and are headed by accredited, international UNIDO Representatives (URs). Country offices are also headed by URs and are generally responsible for UNIDO activities in the country of their respective location and under specific authorization, in one or more of the neighbouring countries. UNIDO desks are headed by national Heads of UNIDO Operation (HUOs), who strictly operate in their host country and usually act as an extension of the regional or country office responsible for the respective location. Focal points are national officers, who often operate from within a counterpart institution of their respective country and usually report to the UR accredited to the country concerned. The annex provides an overview of the current UNIDO field network.

5. In addition to this official field structure, there are a number of project-funded field units with UNIDO staff, including 13 Investment and Technology Promotion Offices (ITPOs), 43 National Cleaner Production Centres (NCPCs), 14 International Technology Centres (ITCs), 32 subcontracting and partnership exchanges (SPX) and two South-South Cooperation Centres. In countries without official representation, some of these units occasionally serve a limited UNIDO representational role in parallel to their technical activities.

## **II. Expanding functions of the UNIDO field network**

6. With the ongoing United Nations system-wide coherence process and Delivering as One initiatives at the country level, active participation in the field-based United Nations country teams (UNCTs) and the United Nations Development Assistance Frameworks (UNDAFs) has become increasingly important for programme development and implementation, as well as beyond the eight One United Nations pilot countries. Specifically, country presence is instrumental for UNIDO when participating in country-based joint programming activities, as increasingly required by a number of donors. Although country residency is usually not a formal requirement to access specific multilateral funds, a de facto country

presence facilitates participation in any UNCT planning activity and is formally required for leading a joint programme.

7. Positive results from an enlarged field network could already be observed in the establishment of UNIDO desks in Jordan, the Lao People's Democratic Republic and Nicaragua, which enabled UNIDO to participate closely in UNCT planning activities for the elaboration of programmes and facilitated the implementation of its programme through a continuing in-country presence. This has yielded an increase of UNIDO's technical cooperation (TC) delivery by 20 to 70 per cent in these countries. Also, the local presence in Mozambique, Pakistan, Rwanda, the United Republic of Tanzania, Uruguay and Viet Nam has been instrumental in the participation by UNIDO in the One United Nations pilot exercises and enabled the local UNCTs to consider UNIDO as a lead agency in the implementation of programmes related to economic development and environmental sustainability.

8. With the geographic expansion of UNIDO's field network over the past five years, the scope of work of UNIDO field entities has also expanded to a wider variety of functions, thereby increasingly contributing to the full range of the Organization's services, including TC and global forum activities. The role of the field network has been particularly enhanced in monitoring TC projects and in ensuring synergies and complementarities among UNIDO projects as well as between programmes of UNIDO and those of other United Nations organizations at the country level.

9. More specifically, UNIDO's field network assumes the following representational, managerial, and technical roles and responsibilities:

(a) The representational functions relate mainly to developing and maintaining relations with relevant public and private actors, including government institutions, private sector entities, the academic community, non-governmental organizations and the media. It also entails, in most cases, full participation and involvement in the UNCT and coordination with international and regional development agencies, financing institutions and the donor community in the field.

(b) In technical cooperation, field entities are engaged in the formulation process of programmes, in line with local approaches of the UNCT and UNDAF, and related resource mobilization. They are also increasingly involved in the implementation and monitoring of TC projects within their respective countries of coverage.

(c) In order to strengthen the global forum activities of UNIDO, the role of regional offices has been recently enhanced by charging them with reviewing regional industrial development trends and priorities as well as in designing and organizing specific UNIDO global forum events.

### **III. Recent measures for strengthening the UNIDO field network**

10. The firm commitment of UNIDO to make the field presence an integral part of its technical activities has led to an increase in national and international technical staff capacities in the field network over the past years, with greater levels of delegated authority and autonomy to perform their functions. With the introduction

of the field mobility policy in April 2006 (Director-General's Bulletin (UNIDO/DGB/(M).97)), combined with a strengthened effort to fill existing vacancies in the field offices, the vacancy ratio in the established field offices dropped from 48 per cent in 2005 to just 7 per cent in 2009.

11. Moreover, in March 2009, UNIDO established that field-based international technical staff would be fully integrated in the TC management of the technical division at Headquarters, although located in field offices (UNIDO/DGB/(M).108). These measures not only led to the doubling of field-based TC delivery between 2003 and 2009 by fully utilizing the potentials of technical staff in the field, but also ensured a more consolidated approach resulting in increased coherence, efficiency, and effectiveness of UNIDO's response at the country level.

12. Over the past three years, the field offices have also further aligned their annually updated workplans with the regional priorities of UNIDO's corporate strategy documents, namely the medium-term programme framework and the programme and budgets. This not only encompasses an overall thematic alignment of all field workplans to organization-wide priorities but also the active utilization of results-based management principles in the planning and execution of the workplans. These measures have not only increased the coherence in all planning documents but also contributed to a clearer service portfolio of UNIDO at the country level, particularly within UNCTs and vis-à-vis local counterpart institutions.

13. Closely linked to the above, UNIDO has recently launched a pilot project in ten selected field offices to establish TC-related country workplans in closer collaboration with relevant technical staff at Headquarters. This has resulted in an improvement in the overall alignment of staff performance and the elimination of overlaps and capacity gaps. As a next step, consideration will be given to expanding this measure to all field offices and formalizing this exercise within routine work-planning practices.

14. In addition, training sessions have been organized for both Professional and General Service staff covering technical, managerial and administrative issues in order to increase the efficiency of the field offices. Moreover, all newly recruited URs and HUOs are invited to participate in staff induction courses and an increasing number of them attend other professional development training courses.

15. To further strengthen the intraregional and global exchange of knowledge among all field offices, it was furthermore decided to hold annual global UR meetings, combining substantive with managerial and administrative topics. The last such meeting was organized in Vienna in December 2009.

#### **IV. Expected developments in UNIDO's field network**

16. In order to enhance the capacity of the existing field offices in a most cost-effective manner, budgetary provisions have been made in the current biennial budget to recruit additional staff at the National Programme Officer level in selected offices.

17. Currently, the following new field units are being established upon the request of and in consultation with the prospective host governments and within the provisions of the programme and budgets, 2010-2011:

(a) Country office in Brazil: While the local administrative and logistical arrangements are under finalization, the newly designated UR has already assumed his functions. The selection of Brazil as an additional location in the field network was based on the prospects on programme development and funding, particularly in the areas of renewable energy and South-South cooperation activities.

(b) Desk in Bangladesh: The establishment of the desk is currently under way and it is expected to be operational during the second half of 2010. Bangladesh was selected due to the large-scale and growing UNIDO portfolio in the country. The desk will provide greater effectiveness and outreach to the regional office in India, which will supervise and guide its operations.

(c) Presence in the Democratic Republic of Congo: In view of the currently weak coverage of the Democratic Republic of Congo and the large need for industrial development services, it was decided to open a country office in the near future. As a resource-based least developed country (LDC) with an undiversified economy, the Government requested UNIDO to provide a stable presence in the country in order to increase activities related to the ongoing post-crisis rehabilitation efforts. UNIDO is therefore considering as a first step to appoint a National Programme Officer and thereafter, to establish a regular country office with international presence. Once the office is established, it might also cover other countries in the immediate subregion, thus easing the burden on the UNIDO office in Cameroon.

(d) Strengthened presence in Central America: Discussions are under way aimed at strengthening the UNIDO presence in Central America with an office to be located in Panama. Currently, this subregion, including the countries of the Caribbean, is covered by one single office. This has led to weak coverage of the subregion and especially the Caribbean, including Haiti, the only LDC in the region. The prospects for TC development in this region are excellent, particularly in the areas of trade capacity-building and energy. Consequently, a stronger local presence is required for necessary TC planning, delivery and monitoring as well as complementary global forum activities. There is also potential for increased synergies with local and regional offices of other United Nations organizations in joint regional programme development. The following organizations have a regional office in Panama: United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA), United Nations Department of Safety and Security (UNDSS), Office of the High Commissioner for Human Rights (OHCHR), United Nations Office on Drugs and Crime (UNODC), United Nations Development Programme (UNDP), which includes the regional coordination unit for the Global Environment Facility (GEF), United Nations Environment Programme (UNEP), Office of the United Nations High Commissioner for Refugees (UNHCR), United Nations Children's Fund (UNICEF), United Nations Population Fund (UNFPA), World Food Programme (WFP), United Nations Office for Project Services (UNOPS), Joint United Nations Programme on HIV/AIDS (UNAIDS), International Labour Organization (ILO), Food and Agriculture Organization of the United Nations (FAO) and World Health Organization (WHO).

18. UNIDO presence in additional countries will be considered within the provisions of the programme and budgets, 2010-2011. In accordance with General Conference resolution GC.13/Res.7 and the recommendations of the Joint Terminal Evaluation of the Cooperation Agreement between UNIDO and UNDP, their type (regional office, country office or desk) and location as well as the timing for their establishment will depend on a review mechanism, currently under development, for the selection of any new field presence. This mechanism will take into account such criteria as:

- (a) The industrial developmental needs of a country;
- (b) The actual and potential demand for UNIDO services, including global forum activities;
- (c) The current volume of UNIDO services;
- (d) Specific country-related funding opportunities;
- (e) The presence of relevant multilateral and intergovernmental organizations, with a particular attention to issues related to United Nations system-wide coherence and the potential for joint programmes, e.g. in the framework of UNDAF;
- (f) Logistical considerations such as transportation infrastructure, local logistical systems and other local support capacities, including those of other United Nations offices in the country; as well as
- (g) Other strategic considerations, including a focus on LDCs and the potential for increasing the effectiveness and outreach of established field offices through local desks.

19. UNIDO will continue to pay special attention to the long-term financial implications of any expansion of the field network. Accordingly, UNIDO will conduct an in-depth impact analysis of the field network and it is intended that a scenario for the current and future TC portfolio will be presented to the Board during its thirty-eighth session.

## **V. Action required by the Board**

20. The Board may wish to take note of the information provided in the present document.

## Annex

## Overview of the UNIDO field presence (Status March 2010)

<i>Region</i>	<i>AFR</i>	<i>ARB</i>	<i>ASP</i>	<i>EUR</i>	<i>LAC</i>	<i>Total</i>
<b>Regional Office</b>	Ethiopia, Nigeria, South Africa	Egypt	China, India, Thailand	—	Colombia, Mexico, Uruguay	10
<b>Country Office</b>	Cameroon, Côte d'Ivoire, Ghana, Guinea, Kenya, Madagascar, Senegal, United Republic of Tanzania	Algeria, Lebanon, Morocco, Sudan, Tunisia	Indonesia, Iran (Islamic Republic of), Pakistan, Philippines, Viet Nam	—	Brazil (being established)	19
<b>Desk</b>	Burkina Faso, Eritrea (vacant), Mali (vacant), Mozambique, Rwanda (vacant), Sierra Leone, Uganda, Zimbabwe	Jordan	Afghanistan, Bangladesh (being established), Cambodia, Lao People's Democratic Republic	Armenia, Kyrgyzstan	Bolivia (Plurinational State of), Ecuador, Nicaragua	18
<b>Focal Point</b>	Togo		Sri Lanka	Russian Federation, Ukraine	Cuba	5
<b>Regional Centre</b>				Turkey		1
<b>Total</b>	20	7	13	5	8	53