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**UNIDO field policy and network**

## Operationalization of the field policy action plan

### Report by the Director General

The present report provides an overview of the field policy action plan, further to the Director General's consultations with Member States, based on the action plan presented to the General Conference at its sixteenth session (document GC.16/6).

1. The current UNIDO field structure has undergone several progressive changes over the years, all of which aimed at optimizing the efficient and effective utilization of available resources. However, further financial constraints call for additional field network adjustments. The field policy action plan was prepared based on various recommendations, decisions and documents of the Organization providing guidance in this context. These include Board decision IDB.39/Dec.7, para. (d), which called on the Organization to readjust its regular budget so as not to increase the assessed contributions of remaining Member States upon the announced departure of any Member State. In line with this Board decision, the proposal includes streamlining and rationalization measures for the field network, with a foreseen budget reduction of approximately €4.6 million.

2. In decision IDB.43/Dec.6, para. (f) the Board took note of the proposal presented in document IDB.43/6 and its addendum, inter alia, regarding the field structure adjustments. The field policy action plan was presented to the sixteenth session of the General Conference (GC.16/6), and included the following guiding principles and strategic objectives: (a) ensuring the effective and efficient utilization of resources, as well as that any adjustment of the field network would not undermine the proximity to Governments, beneficiaries, partners and donors; (b) also ensuring largely a continued presence in Member States within the existing UNIDO representation; and (c) further ensuring that UNIDO is positioned optimally

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to contribute to the implementation of the 2030 Agenda on Sustainable Development.

3. As a first step, following recommendations made by a number of Member States at the General Conference, the Director General led bilateral consultations with the affected Member States during the first quarter of 2016. The overall bilateral consultations allowed the Organization to present in detail to each affected Member State the objectives, principles and resulting required adjustments.

4. The affected Member States from four regions, namely Africa, Arab, Asia and the Pacific, and Latin America and the Caribbean, raised individual concerns and points of view. During the course of the bilateral consultations, the Member States were given assurances that, though the adjustment stems from the budgetary constraints, the Organization will ensure continued support to the programmatic interventions of UNIDO in the respective countries, and that structural or staffing changes would not in any way diminish the relationship with key stakeholders.

5. During the bilateral consultations held with the affected Member States, it was also emphasized that the alignment of the field network should be undertaken in such a manner as to maintain its essential role in: (a) the effective interaction with Governments, local partners and stakeholders; (b) the effective participation in the United Nations activities; (c) the smooth implementation of technical cooperation activities; and the presentation of UNIDO's comparative advantages at the country and regional levels.

6. The outcome of these consultations provided further guidance to the Organization in rationalizing the field structure. As part of the overall process, three regional briefings were provided, namely to the African Group, including Arab States in the Africa region; the Asia-Pacific Group, including Arab States in the Asia and Pacific region; and the Latin American and Caribbean Group (GRULAC). Information about the regional briefings was shared also with representatives of the Western European and Others Group (WEOG) and States in List D. The regional briefings served as a platform for presenting updated information with regards to any rationalization and adjustments as well as an opportunity for the Secretariat to obtain the views of regional groups.

7. On the basis of the participatory and consultative processes undertaken by the Organization in cooperation with Member States, the key features of the future UNIDO field network include the following:

(a) The field network will comprise two types of offices: regional offices and country offices;

(b) The action plan reduces the number of regional offices from nine to five regional hubs each headed by a Director, and the remaining four regional offices to be headed by an international Professional staff;

(c) The plan further entails the reduction of the current number of country offices headed by an international Professional staff from 21 to 10. The representatives in these countries already cover several other countries. Most will continue to have similar country coverage, though in some cases, it is an opportunity also to rationalize the distribution of countries. Rationalization was undertaken on the basis of UNIDO's experiences, considerations of geographic proximity, cooperation with regional associations, among others;

(d) The current UNIDO Desks will be converted to country offices headed by a senior national Professional staff member and the number will therefore increase from the current 17 to 28. Country offices headed by senior national Professional staff will be solely focused on their own country. This readjustment brings the total number of country offices to 38;

(e) The overall principle is to maintain 47 countries (regional and country offices) with UNIDO physical presence, and no staff member who is on board being released.

8. For the **Africa region**, UNIDO currently has three regional offices, nine country offices and seven UNIDO Desks. The restructuring of the field network for the Sub-Saharan Africa region would result in: (a) two regional hubs, namely Ethiopia and Nigeria; (b) one regional office headed by an international Professional staff, namely South Africa; and (c) 16 country offices. Of these, six country offices will be headed by an international Professional staff, namely Cameroon, Côte d'Ivoire, Ghana, Kenya, Senegal, and the United Republic of Tanzania, and ten country offices will be headed by senior national Professional staff, namely Burkina Faso, Mali, Mozambique, Rwanda, Sierra Leone, Uganda, and Zimbabwe. Of the latter ten, the newly converted offices are in the Democratic Republic of the Congo, Guinea, and Madagascar, and the others are existing Heads of UNIDO operations.

9. For the North African region which falls under the Arab Regional Division, UNIDO currently has one regional office and four country offices. The **Arab region** also has one Country Office and one UNIDO Desk in the Asia and the Pacific region. The restructuring of the field network for the Arab region would result in: (a) one regional hub at the Director level, namely Egypt; and (b) six country offices. Of these six country offices, one, Lebanon, will be headed by an international Professional staff, and five will be headed by a senior national Professional staff, namely Algeria, Morocco, Sudan, Tunisia and Jordan.

10. For the **Asia and the Pacific region**, UNIDO currently has three regional offices, five country offices and four UNIDO Desks. The restructuring of the field network for the Asia and the Pacific region would result in: (a) one regional hub at the Director level, namely Thailand; (b) two regional offices headed by an international Professional staff, namely China and India; and (c) nine country offices. Of these nine country offices, one, Indonesia, will be headed by an international Professional staff, and eight will be headed by senior national Professional staff, namely Afghanistan, Bangladesh Cambodia, Lao People's Democratic Republic, Iran (Islamic Republic of), Pakistan, the Philippines, and Viet Nam. Among the latter, the newly converted offices are in Iran (Islamic Republic of), Pakistan, the Philippines and Viet Nam, and the others are existing Heads of UNIDO operations.

11. For the **Europe and Central Asia region**, the existing two UNIDO Desks, namely Armenia and Kyrgyzstan, will be converted into country offices headed by a senior national Professional staff. The Europe and Central Asia Regional Division at Headquarters covers most of the countries in the region.

12. For the **Latin America and the Caribbean region**, UNIDO currently has two regional offices, two country offices and three UNIDO Desks. The restructuring of the field network for the Latin America and the Caribbean

region would result in: (a) one regional hub at the Director level, namely Mexico; (b) one Regional Office headed by an international Professional staff member, namely Uruguay; and (c) five country offices. Of these country offices, two will be headed by an international Professional staff, namely Brazil and Colombia, and three country offices will be headed by a senior national Professional staff, namely Bolivia (Plurinational State of), Ecuador, and Nicaragua.

13. Under the new field architecture, the regional hubs will assume greater responsibilities and will guide most of the country offices headed by senior national Professional staff in the region. The new country offices headed by senior national Professional staff, will in turn have a greater ability to be fully integrated into the UNIDO field architecture. The new country offices will be responsible for: (a) building and maintaining relations with the host country as the UNIDO representative; (b) undertaking close monitoring of programmes, initiatives and developments; (c) ensuring representation and participation in United Nations Country Teams and related activities; (d) maintaining close cooperation with donors, development partners and stakeholders; and (e) maintaining close linkages with Headquarters for coherence and alignment.

14. In addition, regular information sharing between the country and regional offices on key programmatic initiatives will help create better synergies for the mandate of inclusive and sustainable development in the region. Noting the currently budgeted capacities of regional offices; country offices headed by senior national Professional staff will report to the Regional Offices, which will then report to the Regional Division at Headquarters, while the country offices headed by international Professional staff will report directly to the Regional Divisions. Therefore, under the new field structure, it is expected that the Regional Divisions at Headquarters will also have increased oversight of the region.

15. The new field structure will be implemented in a phased approach to cause minimum disruption of activities and ensure a smooth transition. The first phase encompassed the bilateral consultations held during the first quarter of the current year. The implementation phase will commence in mid-2016 and will include key actions, such as filling vacancies, recruiting national staff, and rotating and reassigning senior international staff in the field.

#### **Action required of the Committee**

16. The Committee may wish to take note of the report on the operationalization of the field policy action plan as provided in the present document.