



**TOGETHER**  
*for a sustainable future*

## OCCASION

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**TOGETHER**  
*for a sustainable future*

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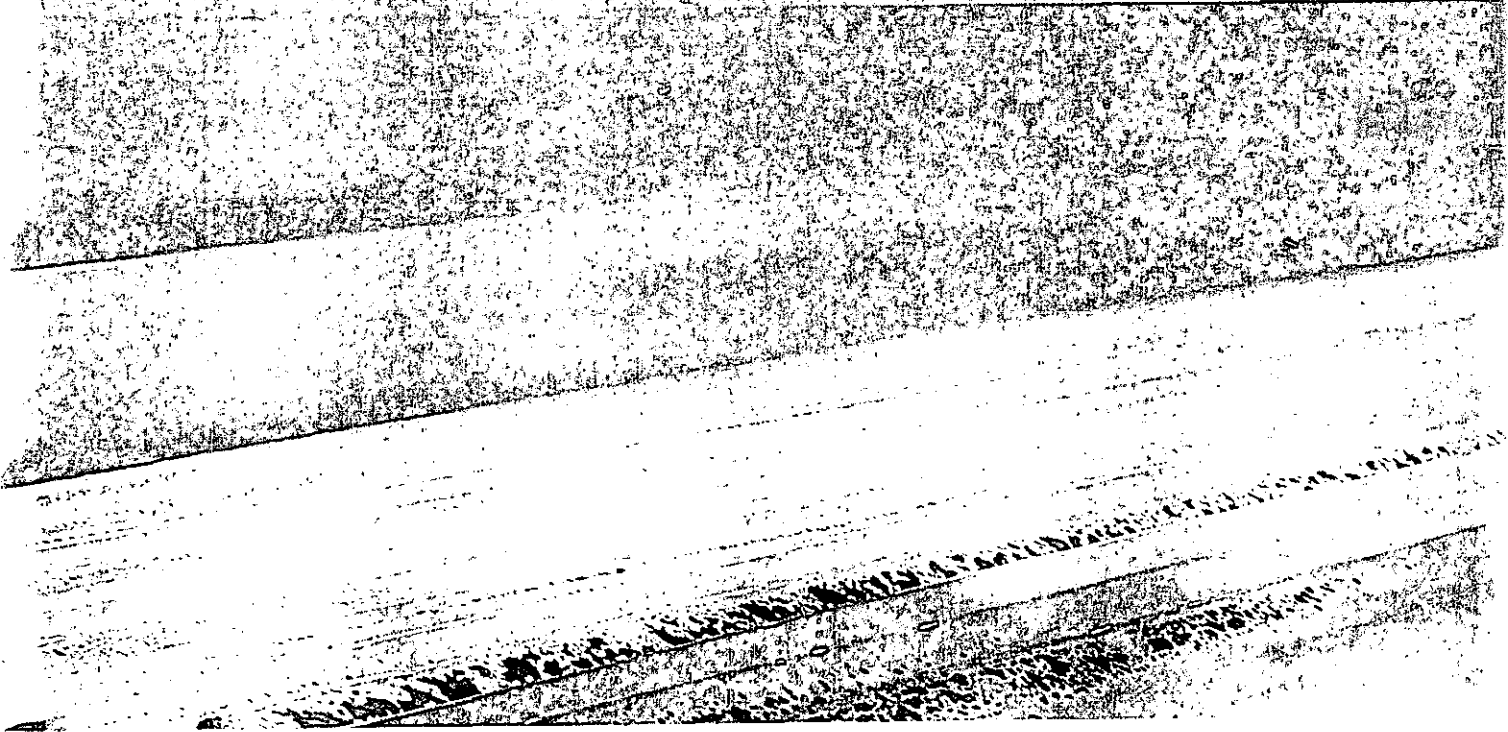
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# forging ahead

Milestones achieved 2006-2007



UNITED NATIONS  
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## FOREWORD BY THE DIRECTOR-GENERAL

After my first biennium at the helm of UNIDO and as we move into the 2007 session of the General Conference, it is time to take stock. What have we achieved together? Where does UNIDO stand today? What has improved? Where have new accents been set and innovations introduced? Have the expectations of Member States and staff been met?

While it is not for me to answer the last question, I want to put forward in this booklet what I consider to be significant milestones. The four chapters represent the priorities I stated in my vision statement "Towards Pro-Poor Sustainable Industrial Development: A Shared Vision for UNIDO", and at the outset of my term: consolidating and deepening the reform process; enhancing programmes through continuity, quality and growth; advancing UN reform and building strategic partnerships; and increasing visibility.

The spirit and approach of this booklet are simple. An attempt is made to show in as transparent and concise a manner as possible the commitments I have expressed, the actions that have been taken and the concrete results that have been achieved. This is the very essence of results-based management to which I fully subscribe.

The reader will notice a number of common threads running through the various dimensions of UNIDO's work in 2006-2007, whether it applies to managerial innovations such as the new field mobility policy, new programme initiatives like the network of South-South industrial cooperation centres, our contribution to UN reform, or indeed my interaction with staff at large. In all of my efforts so far, first and foremost I have encouraged and fostered teamwork, empowerment and a heightened sense of responsibility and accountability – the latter indeed being two sides of the same coin. Second, I have stressed the need for UNIDO to be action-oriented with a strong emphasis on partnerships. Finally, I have insisted on building bridges and consensus, be it with staff or with Member States.

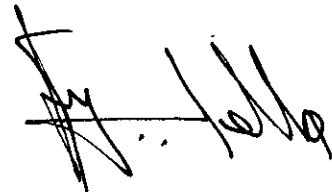
The renewed agenda of UN system-wide coherence has called for our close attention, and we at UNIDO have made well-recognized and visible contributions. The time and energy devoted to this initiative are well invested as long as we realize that process improvements and reduced transaction costs are not goals in themselves. They are justified only to the extent that they enable the UN system to deliver more effective services in a more efficient manner to Member States. This is why we have geared our contributions to challenges of programme development, be it in poverty reduction, trade capacity building or energy for development.

As of next year, I will have the privilege of chairing the UN Energy Group based on a mandate received from the UN Chief Executives Board at its October 2007 session in New York. I appreciate the confidence thus bestowed upon me and will exercise this function with a view to making a difference that is visible and measurable. Lack of access to energy both creates and perpetuates poverty. This is why I firmly believe that climate

change needs to be addressed within the development space and not as a separate challenge.

The past two years have been an intense experience marked by progress in many fields. It is with a sense of pride that we should look upon what we have achieved together. UNIDO is going from strength to strength and today is a more inclusive and focused organization than ever before. At the same time, key performance indicators are moving upwards. Technical cooperation delivery during 2006-2007 is growing by 8 per cent relative to the previous biennium. Similarly, the volume of funds mobilized for future implementation is further increasing to a record high of approximately US\$ 235 million at the end of 2007. The collection rate of assessed contributions from Member States meanwhile reached an unprecedented 94 per cent in 2006 and is expected to remain at a similarly high level in 2007.

However, in this era of globalization and ever-changing economies, we must not remain complacent. Reform is a process, not an event. We need to remain at the forefront of change and improvement. Working side-by-side with our Member States we can take advantage of evolving opportunities, and in this spirit of partnership, explore ways to rise to new challenges.



Dr. Kandeh K. Yumkella

# 1. Consolidating and deepening the reform process

---

*“UNIDO has proceeded to streamline its operations, redefine and focus its programmes. It has established a reputation as an efficient and effective provider of support for sustainable industrial development.... I intend to consolidate and expand on the gains of the transformation process while retaining the flexibility to meet any emerging challenges in a rapidly changing world.”*

Kandeh K. Yumkella, *Towards Pro-Poor Sustainable Industrial Development: A Shared Vision for UNIDO*

## **Expanded Board of Directors' retreat**

### **Focusing on consultation, learning, transparency and accountability**

*"I shall place the highest priority on a 'people-centred' management style that will promote and recognize the highest standards of efficiency, competence and integrity."*

Kandeh K. Yumkella, *Towards Pro-Poor Sustainable Industrial Development:  
A Shared Vision for UNIDO*

An unprecedentedly inclusive retreat for the Board of Directors, Unit Chiefs, senior professional staff, Staff Council representatives and field staff, was held in December 2005, which was attended by over 70 participants.

### **Resolve**

- ◆ To take stock of past achievements, the current situation and future challenges, carry out a thorough review of priorities and forge consensus on future policies
- ◆ To determine key opportunities for programme growth, improvement potential and critical requirements of a new managerial approach
- ◆ To promote a culture of joint ownership, empowerment, participation and accountability

### **Response**

- ◆ Review of the scope of the Organization's services to its different constituencies, with particular emphasis on South-South cooperation
- ◆ Review of the organizational structure of UNIDO
- ◆ Task forces set up to review core processes in three crucial areas:
  - Field operations
  - Human resource management systems
  - Mobilization of financial resources and public advocacy

### **Results**

- ◆ Improvement of corporate culture and team spirit
- ◆ Maintenance of programme continuity
- ◆ Promotion of decentralization of authority and increased delegation of responsibility



- ◆ Enhancement of human resource management mechanisms
- ◆ Agreed mechanisms and timetable for immediate action

### **Focus of review**

#### **Task force on field operations**

UNIDO needs to demonstrate conclusively the impact of its programmes and the difference they bring about at the country level. In essence, this means being closer to clients and more responsive to their needs, so as to make a tangible contribution to poverty reduction and, in turn, the achievement of the Millennium Development Goals (MDGs). To that end, a revitalized, properly structured and sharply focused UNIDO field system with appropriate headquarters support takes on critical importance.

#### **Task force on human resource management systems**

With more than 25 per cent of its professional and managerial staff due to retire over the next five years, UNIDO needs to revisit its human resource management systems, so as to safeguard and heighten its core competencies.

#### **Task force on mobilization of financial resources and public advocacy**

The technical cooperation programmes and projects of UNIDO are for the most part funded from extra-budgetary sources. If it is to fulfil its mandate of supporting the industrialization efforts of the developing and transition economies, UNIDO needs to reassess its funds mobilization strategy and align it with the Organization's public advocacy activities.



The retreat  
at ease

## Organizational structure

### Enhancing service delivery through improved coordination and increased organizational learning

*“With regard to the operational approach of the Organization, I shall place emphasis on ... aligning the organizational structure with the thematic priorities so as to enhance managerial effectiveness and facilitate monitoring, reporting and evaluating the contribution of UNIDO to the global development agenda.”*

Kandeh K. Yumkella, *Towards Pro-Poor Sustainable Industrial Development: A Shared Vision for UNIDO*

#### Resolve

- ◆ To ensure programmatic continuity, enhance organizational excellence and strengthen delivery capacity at headquarters and in the field
- ◆ To respond to new programme areas of growing importance to the future work of UNIDO
- ◆ To position UNIDO as a learning organization, with lessons learned from evaluations being continuously fed back into the strategic decision-making process
- ◆ To avoid organizational disruption by clearly distinguishing between monitoring, control and operational functions

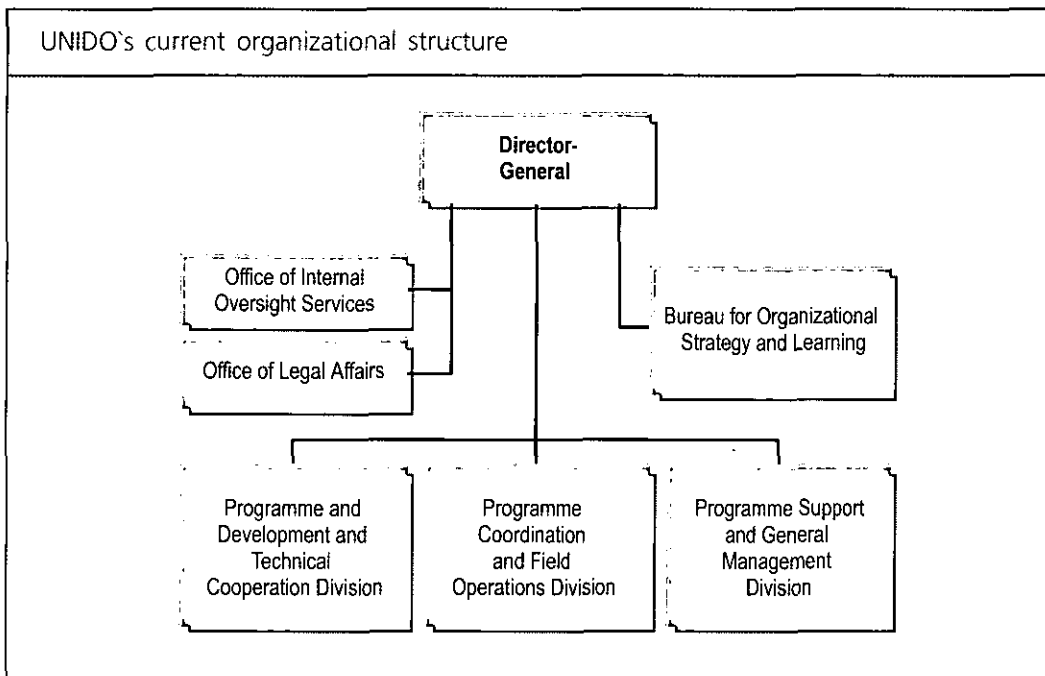
#### Response

- ◆ Initiation of a consultative process on the organizational restructuring of UNIDO
- ◆ Establishment of a consolidated Bureau for Organizational Strategy and Learning, including a strengthened evaluation function
- ◆ Formation of a Trade Capacity-building Branch reflecting UNIDO's growing role in related technical cooperation activities
- ◆ Introduction of formal units in technical branches headed by Unit Chiefs with clearly defined responsibilities and accountability
- ◆ Establishment of a secretariat for the unified Programme Approval Committee and Quality Assurance Group
- ◆ Introduction of a Special Programmes Group to drive cross-cutting initiatives, such as South-South cooperation, special programmes on human security and assistance to least developed countries

- ◆ Consolidation of the Regional and Field Coordination Branch, with individual regional programmes to develop coherent programmatic approaches for the five regions supported by UNIDO: Africa, Arab Countries, Asia and the Pacific, Europe and Newly Independent States, and Latin America and the Caribbean
- ◆ Opening of a UNIDO Office at Brussels for closer interaction with the European Union

**Results**

- ◆ Structural reorganization completed in two months
- ◆ Minimal disruption to operational activities through retention of basic three-division structure and consultations with all parties concerned
- ◆ Increased effectiveness and efficiency in formulation and implementation of technical cooperation and global forum activities



## Human resource management

### Developing skills and empowering staff

*“UNIDO staff have demonstrated that they have a great capacity for reform and renewal; they too will once again play a central role in the implementation of my vision. I shall assign maximum priority to investing in the human resources of UNIDO; skilled staff and good morale are the Organization’s most treasured asset.”*

Kandeh K. Yumkella, *Towards Pro-Poor Sustainable Industrial Development:  
A Shared Vision for UNIDO*

### Resolve

- ◆ To promote a ‘people-centred’ management style that recognizes, promotes and rewards the highest standards of efficiency, competence and integrity
- ◆ To align the management systems and human resource policies of UNIDO with the best practices available in other international public and commercial organizations
- ◆ To establish a transparent and functional career development system that boosts staff morale, invests in their technical competencies, promotes teamwork and rewards field service
- ◆ In view of the wave of retirement anticipated over the coming years, to formulate a systematic and transparent plan for rejuvenating the Organization by focusing on recruitment at junior professional levels, while providing for promotion of staff from within the Organization
- ◆ To enhance communication between management, the Staff Union and staff at large

### Response

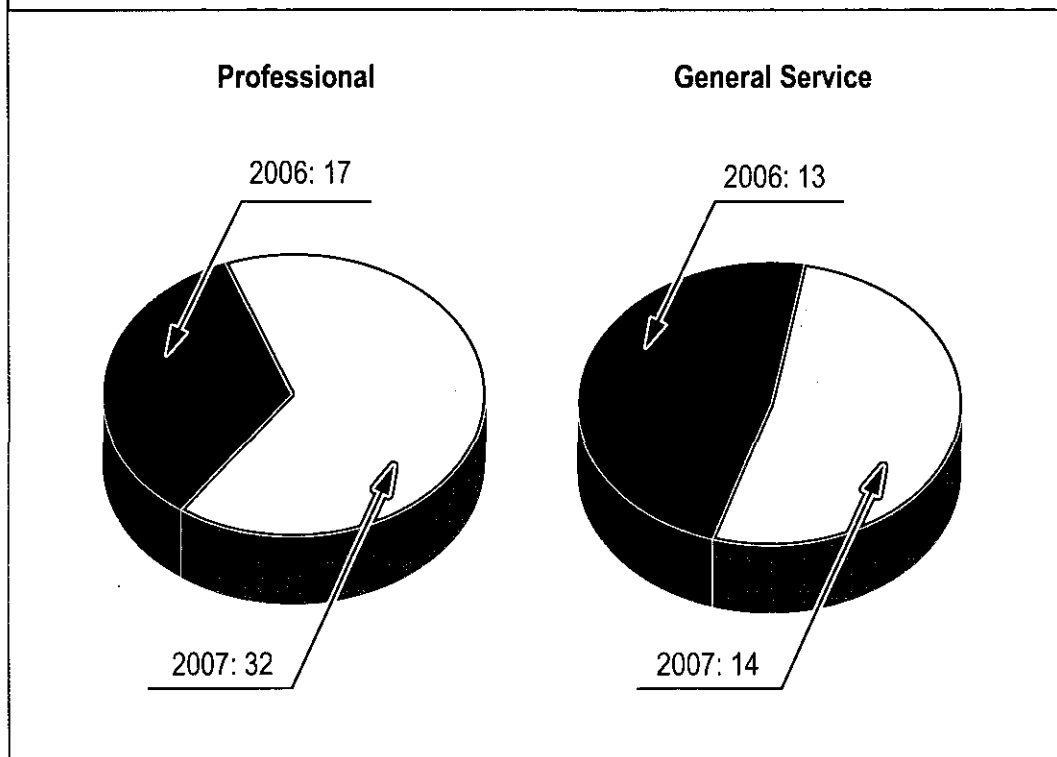
- ◆ Adoption of highly competitive staff selection processes based on state-of-the-art assessment centre techniques
- ◆ Assignment of increased responsibility and accountability to staff at various levels
- ◆ Recognition of distinguished staff performance through merit awards and promotions, including a special set of awards at the UNIDO fortieth anniversary celebrations

- ◆ Identification of skills and competencies required for current and future operations using skill-gap analyses
- ◆ Reintroduction of induction courses for new staff members at headquarters
- ◆ Planned introduction of a young professionals programme in the biennium 2008-2009
- ◆ Increase in staff training, including first-ever courses at headquarters for General Service field staff
- ◆ Adoption of a field mobility policy to promote interchange of field and headquarters staff
- ◆ Introduction of new electronic time recording and leave planning systems linked to the Intranet to facilitate more effective management, increase efficiency, enhance security and reduce paper flow
- ◆ Development of a similar online recruitment system for introduction in early 2008 aimed at automation and acceleration of recruitment processes, and improved roster management

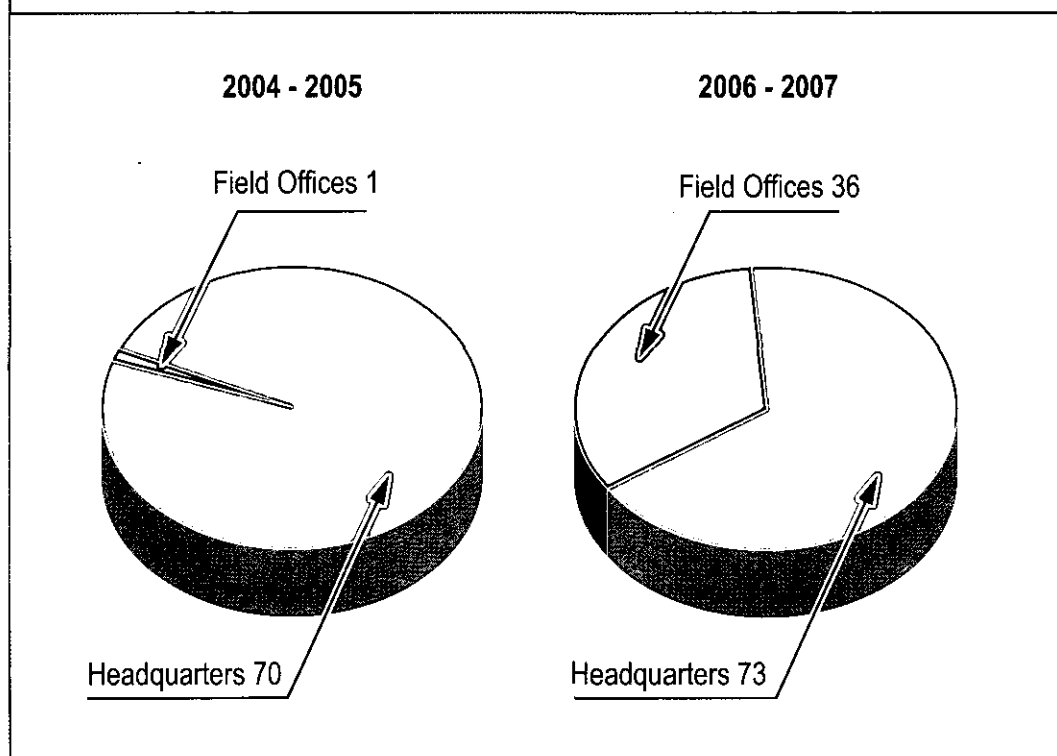
## **Results**

- ◆ Increased recruitment of highly qualified staff both in the field and at headquarters
- ◆ Improved recruitment process for selection of best-qualified staff
- ◆ Expanded staff training activities and upgrading of staff competencies
- ◆ Establishment of formal units headed by Unit Chiefs within branches to increase responsibility and accountability of senior staff
- ◆ Increased emphasis on training related to technical upgrading of skills and core competencies, both at headquarters and in specialized institutions: in the present biennium, 102 training events were organized as against 67 in 2004-2005

Number of appointments in 2006 and 2007 by category as at 1 November 2007



Number of staff promoted at headquarters and field offices



### **Staff selection process**

In order to secure the highest level of qualification and competence, the Organization has completely redesigned the selection process for new Professional staff and made it more transparent and fair. Each applicant has to undergo a personal assessment, write an essay, and make a presentation to the branch on a topic relevant to the position for which he/she is applying. A structured panel interview follows the presentation. This new approach is in line with international best practice.

### **PTC staff compacts**

An essential part of planning and setting delivery targets is the subsequent monitoring of their achievement. This applies particularly to technical co-operation activities, the bulk of which is delivered by the Programme Development and Technical Cooperation Division (PTC).

To ensure operational transparency, PTC introduced 'staff compacts' in 2007: a tool that covers both target setting and monitoring. The compacts are mutual commitments between project managers and the Managing Director of PTC in the form of agreed quarterly targets over one calendar year. Project managers confirm their contribution in terms of technical cooperation delivery, global forum activities (e.g. conferences and publications) and project development, while the Managing Director commits to providing essential resources and managerial support. The establishment of individual delivery targets, permits more objective staff performance appraisals.

The compacts have led to an effective exchange of information and integration with the Programme Coordination and Field Operations Division on determining regional and country requirements, as well as with the Programme Support and General Management Division on the demand for project personnel, procurement and other services.

### **Learning: A growth industry**

Over the past two biennia UNIDO has seen a significant growth in time devoted to staff training programmes, with the most pronounced increase (150 per cent) in training related to upgrading technical competencies. The total number of training hours in the biennium 2006-2007 was 15,000 as against 7,619 in the previous biennium.

## Communication with staff

### Encouraging inclusion and teamwork

*“Under my leadership I will challenge my staff to do their work with pride and with dignity. My management style is one of participation, empowerment and teamwork. Only motivated and committed staff can achieve excellence .... A culture will be nurtured based on motivation rather than control, on assuming responsibility rather than hiding behind bureaucratic barriers. In this process, I shall encourage creativity, stimulating learning, challenging routines, rewarding excellence and search for organizational innovation. I shall do my utmost to create an enabling work environment in order for the staff to achieve their full potential.”*

Kandeh K. Yumkella, acceptance speech at the eleventh session of the General Conference

### Resolve

- ◆ To ensure an effective flow of information to all staff, as well as feedback from staff to management
- ◆ To increase staff motivation and participation and foster a sense of ‘ownership’ among staff as new developments occur
- ◆ To reduce the potential for conflict and improve the procedures for mediation and conflict resolution

### Response

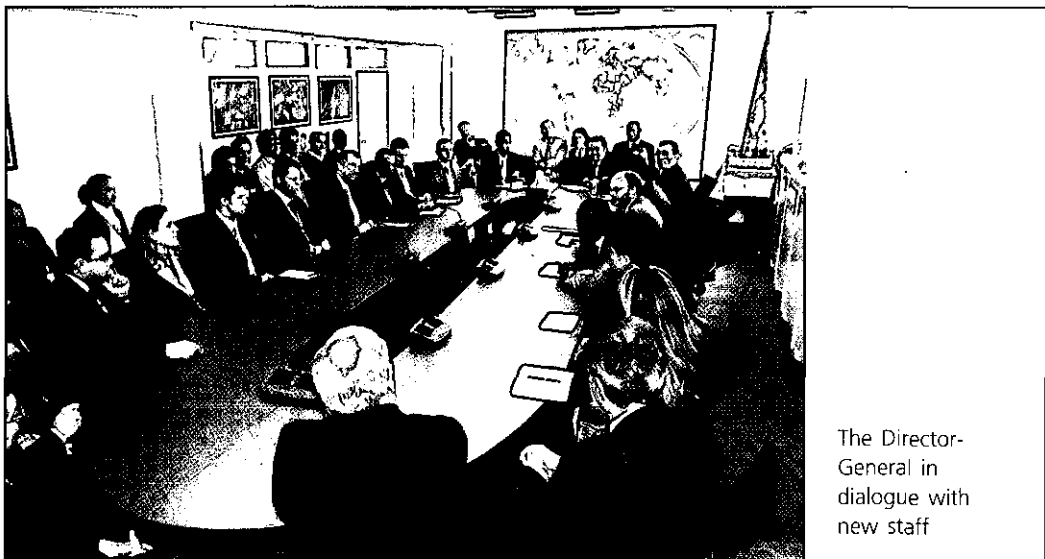
- ◆ More effective forms of communication between senior management and staff through:
  - Formal and informal (‘town hall’) staff meetings called by the Director-General for the Organization as a whole or individual branches
  - Informal ‘Dialogue with the DG’ meetings for small, randomly selected groups of staff
  - Interactive discussion forums on the UNIDO Intranet to solicit staff advice on major strategic issues
- ◆ Enhanced mechanisms for conflict prevention/resolution and mediation through:
  - Establishment of a panel on conflict resolution and mediation mechanisms in UNIDO that submitted its report in March 2007
  - Appointment of a staff counsellor to provide assistance to staff on issues that may have an impact on their welfare and productivity
  - Proposed appointment of an ombudsperson



- ◆ Greater sharing of in-house knowledge through:
  - Introduction of Intranet-based knowledge-sharing mechanisms and interactive communications and consultations

## Results

- ◆ Higher degree of information-sharing, both vertically and horizontally, throughout the Organization
- ◆ Increase in participatory management through the effective utilization of modern information and communication technologies



## Field mobility policy

### Strengthening the field network and bringing services closer to clients

*“Key management principle No. 3: Strengthening field representation with particular emphasis on making the field network a reliable and effective service delivery arm of UNIDO, and ensuring that our field units are well integrated into the common system’s collective response to the MDGs at the country level.”*

Kandeh K. Yumkella, *Towards Pro-Poor Sustainable Industrial Development: A Shared Vision for UNIDO*

#### Resolve

- ◆ To reinforce the Organization’s field capacities and its ability to respond in a timely and effective manner
- ◆ To increase staff mobility, thus promoting better understanding and teamwork throughout the Organization
- ◆ To increase staff experience, knowledge and versatility, as well as enhance managerial competence

#### Response

- ◆ Introduction of a new field mobility policy (Director-General’s Bulletin issued in April 2006)
- ◆ Application of the policy to all field posts in the Professional category and above
- ◆ Establishment of a field service selection panel to ensure a fair, transparent and competitive process
- ◆ Equal treatment of field staff in terms of contract status and career development
- ◆ Comprehensive induction courses given to staff selected for field assignments
- ◆ Establishment of a performance monitoring system for field staff based on results-based management (RBM) principles
- ◆ Predictable duration of field assignments and rotation between field and headquarters
- ◆ Encouragement given to General Service staff at headquarters to undertake short-term field assignments

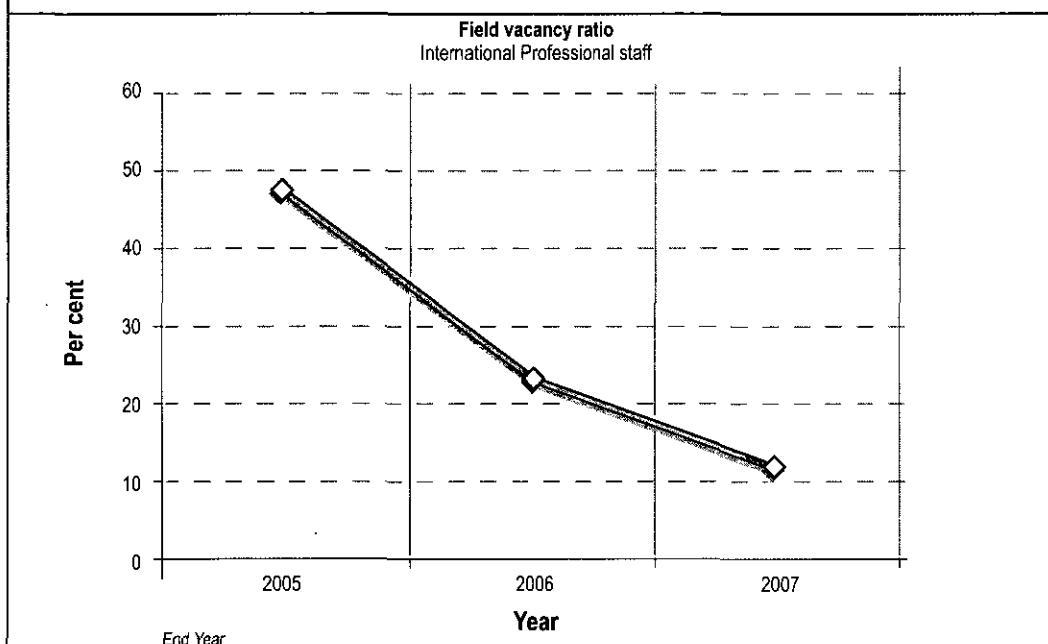
## Results

- ◆ Elimination of inequities between headquarters and field staff
- ◆ Increased flexibility of, and rotation between, headquarters and field assignments
- ◆ For the first time ever, reassignment to headquarters of staff initially recruited for field service
- ◆ Acceleration of field recruitment and corresponding reduction of the field vacancy ratio
- ◆ Transfer of substantive technical capacities to field offices to increase effectiveness of technical cooperation services

### Staff mobility, 2006-2007

- 23 Professional staff reassigned from headquarters to field offices
- 13 Professional staff reassigned from field offices to headquarters
- 7 Professional staff reassigned within field offices
- 6 Professional staff newly appointed to field offices

### Boosting field capacities



## Evaluation policy

### Reinforcing the Organization's accountability, management and learning framework

*"...I have issued - for the first time in UNIDO - an evaluation policy, which codifies evaluation objectives, principles and managerial responsibilities. This new policy will guide our work based on the principles of ethics, impartiality, independence, professionalism and consultation with all stakeholders."*

Kandeh K. Yumkella, opening statement at the thirty-first session of the Industrial Development Board

### Resolve

- ◆ To introduce a comprehensive evaluation policy fully in line with UN evaluation norms and standards to facilitate learning and continuous improvement

### Response

- ◆ Introduction of a comprehensive evaluation policy in June 2006 to lay the foundation for the use of evaluation as an effective tool for organizational learning and quality assurance
- ◆ Proactive networking with other UN agencies within the UN Evaluation Group, and participation in a number of its task forces
- ◆ Effective contributions to UN system-wide evaluation activities in the search for innovative and more effective means of evaluation
- ◆ Introduction of quality criteria to ensure comparability of, and set minimum standards for, evaluation reports

### Results

- ◆ UNIDO positioned at the forefront of the UN system in terms of its evaluation function
- ◆ More than 20 evaluations adopting a participatory approach towards enhancing organizational learning and stimulating continuous improvement
- ◆ Cross-cutting analysis of 20 integrated programme evaluations (meta-evaluation) and extraction of lessons learned for generating greater developmental impact through UNIDO interventions

- ◆ Enhanced scope for partnerships between UNIDO and other development agencies through joint evaluation activities
- ◆ Participation in the joint multi-stakeholder evaluation of the activity cycle of the Global Environment Facility, leading to a complete redesign of the Facility's operating procedures and providing direct access for UNIDO
- ◆ Joint assessment of the UNIDO/UNDP cooperation agreement, leading to closer dialogue between the two organizations on strengthening their partnership
- ◆ Joint UNIDO/UNEP evaluation of their cleaner production programmes, feeding directly into the strategy-building processes and enhancing the capacity of UNIDO to foster cleaner and more efficient production



Evaluation team  
with members of  
the Cane and  
Bamboo  
Technology  
Centre, India

## Results-based management

### Targeting outcomes and impact

*“In ...February 2006 ... I outlined a number of management principles, which have formed the basis of my management strategy.... One of these principles was a commitment to enhancing organizational excellence and strengthening delivery capacity both at headquarters and in the field .... In keeping with this commitment, I am fully dedicated to the comprehensive adoption of results-based management (RBM) principles by UNIDO, and the full integration of RBM approaches and methods in all spheres of our activities.”*

Kandeh K. Yumkella, interoffice memorandum to all UNIDO staff

### Resolve

- ◆ To incorporate RBM in all programme planning, budgeting, monitoring and evaluation activities
- ◆ To have UNIDO staff apply RBM concepts when formulating and monitoring programmes and projects
- ◆ To introduce a system for tracking operational results

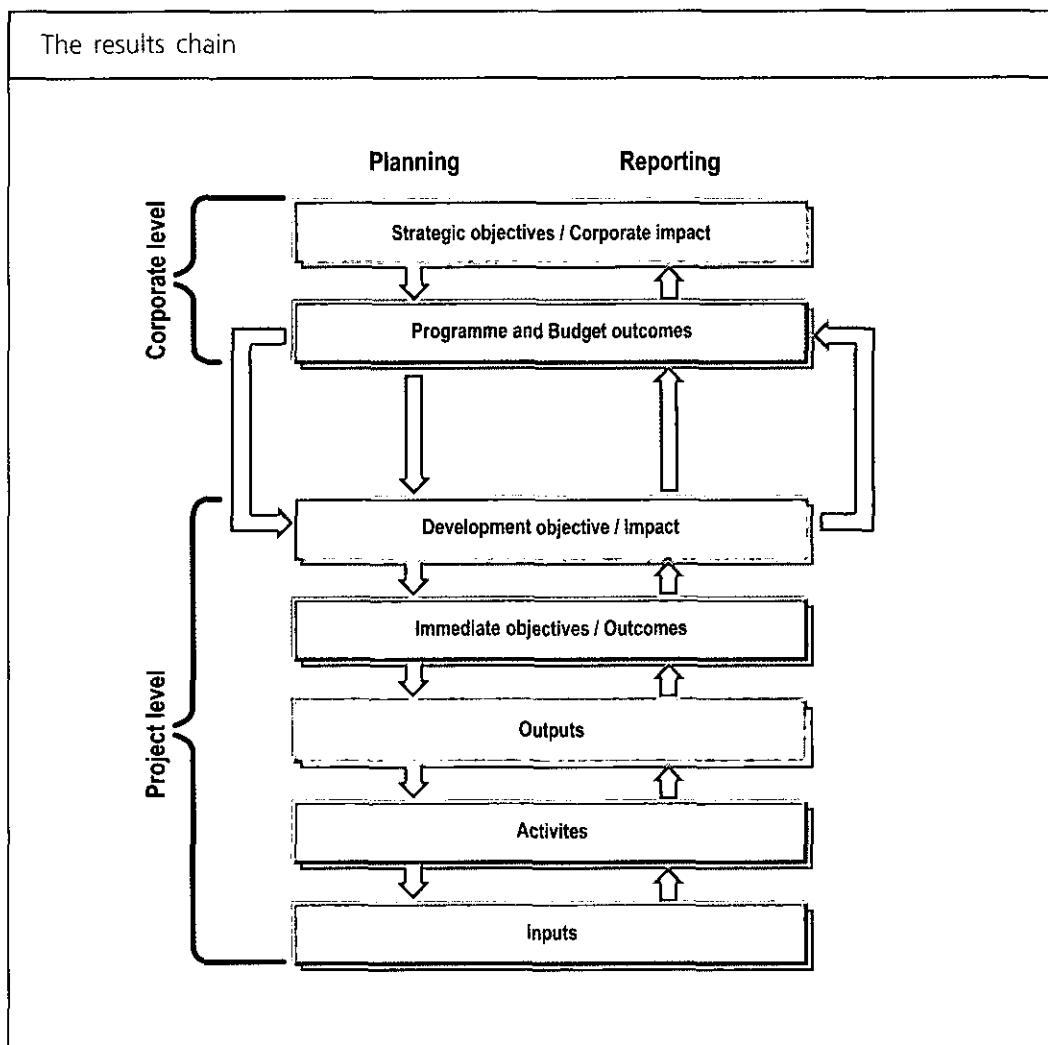
### Response

- ◆ Establishment of a steering committee chaired by the Chief of Cabinet to draft an RBM policy and guide its introduction into UNIDO
- ◆ Extension of a project funded by the Department for International Development (United Kingdom) on the effective incorporation of RBM in all UNIDO activities
- ◆ Recruitment of a staff member specifically for RBM-related tasks
- ◆ Assignment of responsibility for RBM to Branch Directors and Unit Chiefs, and establishment of a network of trained RBM focal points
- ◆ Development of an electronic results reporting system, initially covering 40 pilot projects
- ◆ Implementation of a modular course to be mainstreamed into UNIDO staff training programmes
- ◆ Organization of consensus-building workshops to improve the formulation of outcomes and the measurement of results in future programmes and budgets

- ◆ Introduction of work plans and field office reports based on RBM principles
- ◆ Adoption of the RBM approach in major UNIDO publications, including the *Annual Report 2006*

## Results

- ◆ A comprehensive RBM policy implemented throughout UNIDO
- ◆ Significant advances made by UNIDO in implementing RBM recognized by the External Auditors
- ◆ Endorsement by UNIDO Executive Board of the base-line self-assessment proposed by the steering committee as the foundation for developing the Organization's RBM policy and measuring future progress



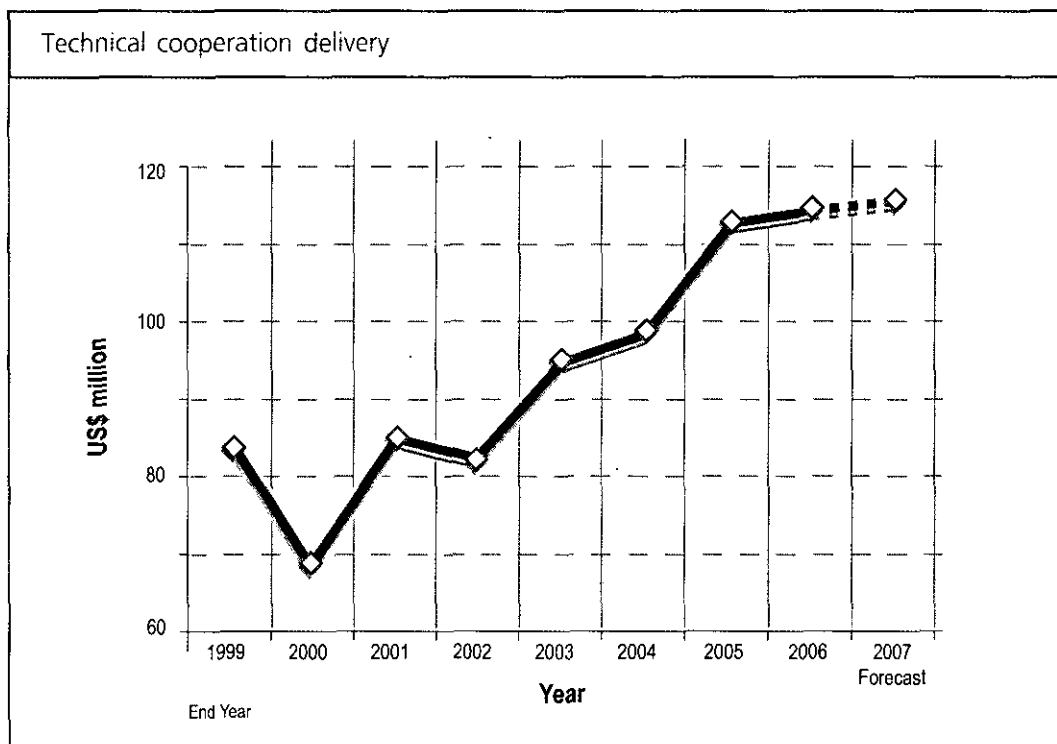
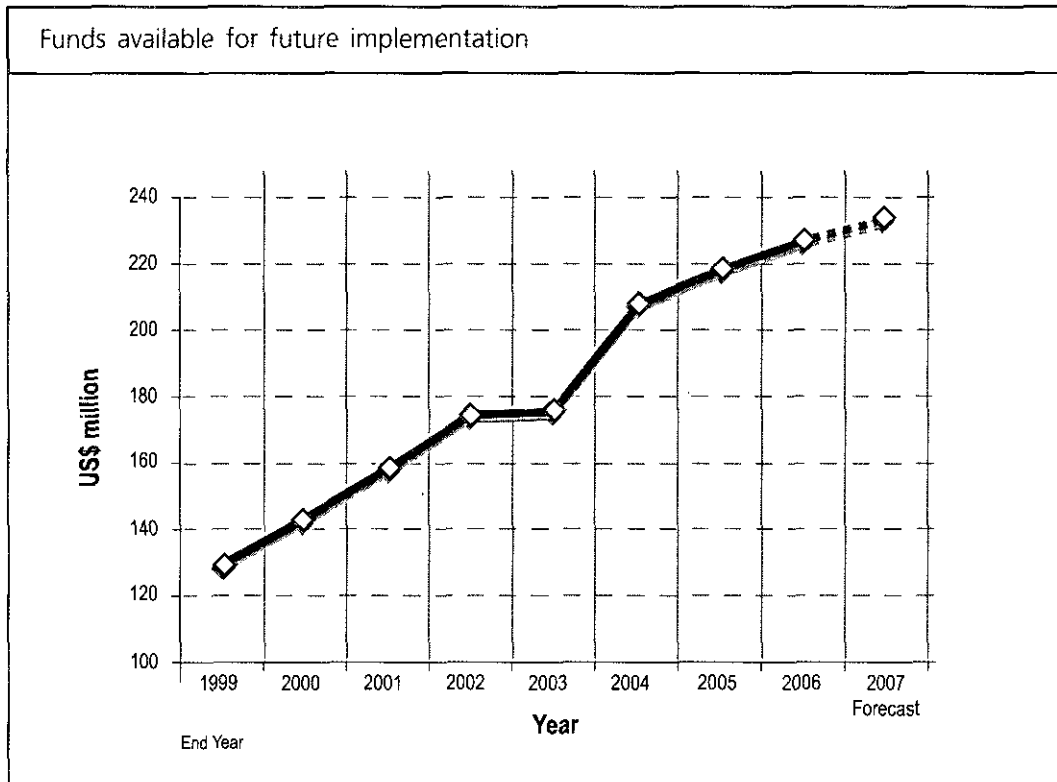
## 2. Enhancing programmes – continuity, quality and growth

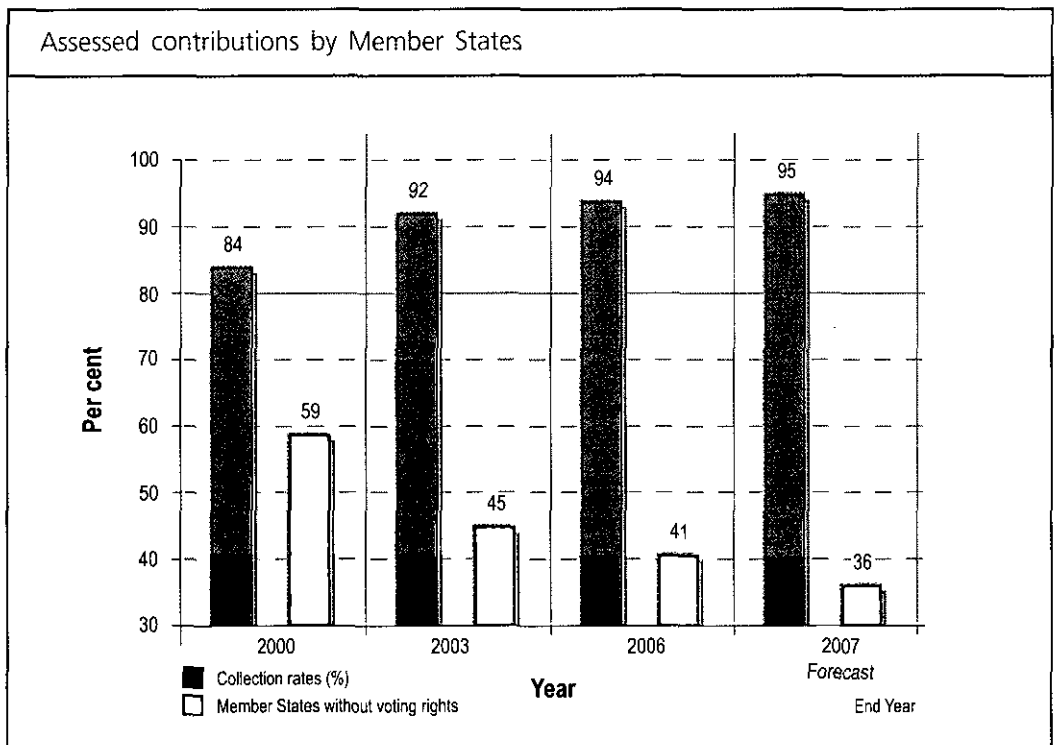
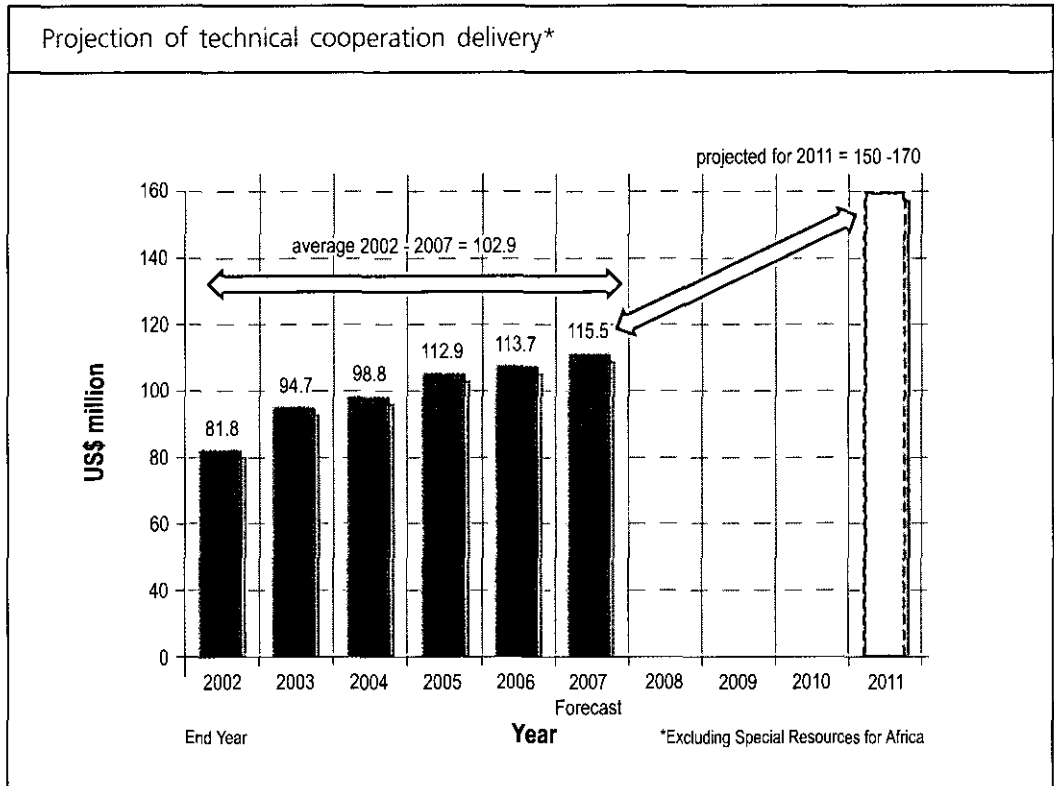
*“My strategy will aim at consolidating and sharpening the UNIDO core programme focus in line with the Organization’s comparative strengths and specialized expertise within the context of the evolving multilateral development framework. My ultimate objective will be for UNIDO to assist recipient countries in building the productive capacity needed to reduce poverty and enjoy the benefits of the global industrial economy.”*

Kandeh K. Yumkella, *Towards Pro-Poor Sustainable Industrial Development: A Shared Vision for UNIDO*



## Growth with quality: performance and outlook





## Poverty reduction

### Exploiting the full potential of industrial development in fighting poverty

*“The role of industry in fighting poverty and achieving progress towards the Millennium Development Goals is of critical importance. I am convinced that the sole path to sustained poverty reduction is to create wealth by empowering the private sector to invest in the productive sectors such as manufacturing and the production of higher value-added products.”*

Kandeh K. Yumkella, *Towards Pro-Poor Sustainable Industrial Development: A Shared Vision for UNIDO*

### Resolve

- ◆ To enhance the coordination, integration and effectiveness of UNIDO activities contributing to sustained poverty reduction

### Response

- ◆ Conclusion of a cooperation agreement with FAO to strengthen cooperation related to agro-processing value chains and commercially competitive biofuels based on agricultural products and by-products
- ◆ Strategic cooperation with IFAD leveraging UNIDO expertise in agro and rural development for formulating and implementing large-scale IFAD loan programmes
- ◆ Decision to assign a specialized UNIDO staff to FAO to strengthen cooperation with Rome-based organizations
- ◆ Holding of a thematic retreat of three technical branches in October 2006 on coordinating poverty-reduction activities, using the value-chain approach as the unifying framework
- ◆ Establishment of an in-house working group on value chains
- ◆ Creation of a participatory Intranet-based e-forum on poverty-reduction strategy, resulting in a large number of valuable contributions from staff
- ◆ Exchange of experience on local economic and cluster development with OECD and the Inter-American Development Bank in a joint workshop in October 2007

## Results

- ◆ Increased effectiveness and impact of UNIDO services to improve the business environment for pro-poor industrial development, promote entrepreneurship and business linkages, enhance the competitiveness of SMEs, and increase the access of beneficiary SMEs to regional and international agro-industrial value chains

### **Ai Africa Investor Award 2007**

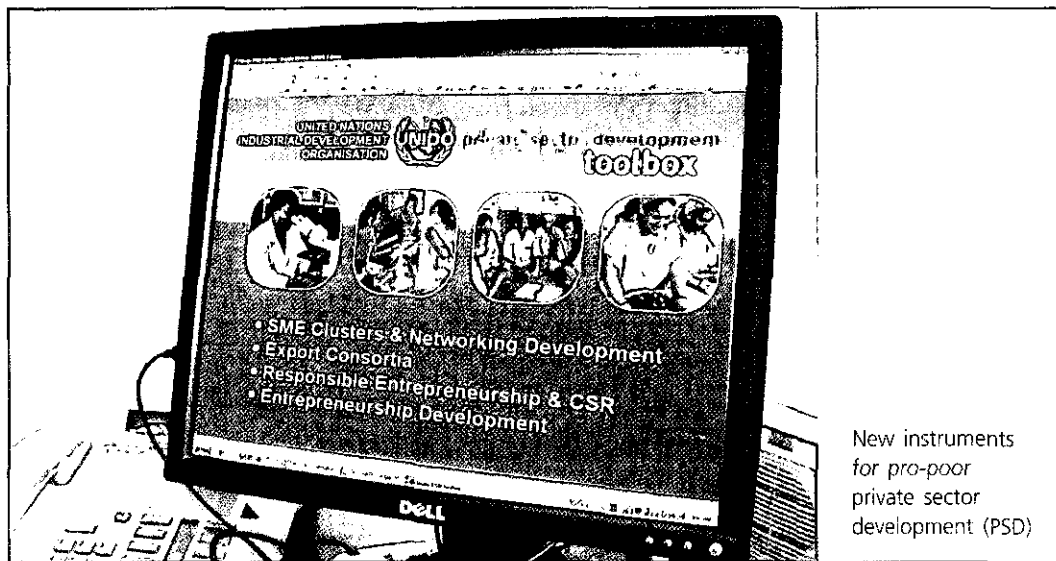
*"The Ai Awards offer the opportunity to reward innovative programmes and projects that play a vital role in Africa's development. The continent will only move forward if it grows its own private sector and attracts significant foreign investment. Rewarding those companies and organizations that have had the courage to invest already can only serve to encourage others to do the same."*

*Amir Dossal, Executive Director, UN Fund for International Partnerships*

At the award ceremony in Nigeria, November 2007, UNIDO and Microsoft were awarded the Africa Investor Award 2007 in the category "Best Initiative in Support of SME Development" for their joint Uganda Business Information Centre project.

### **New instruments for pro-poor private sector development (PSD)**

- ◆ The UNIDO PSD toolbox is an online resource to guide policy makers and development practitioners through the project cycle for developing services to support private sector development. The information presently covers cluster and network development, export consortia, and corporate social responsibility (CSR). The toolbox was created and launched in 2006. Throughout 2007, online information and presentation were enhanced, multilingualism added, and functionality improved. [www.unido.org/psd-toolbox](http://www.unido.org/psd-toolbox)
- ◆ The Responsible Entrepreneurs Achievement Programme is an internet-based tool designed to support small- and medium-sized enterprises in assessing their CSR-related performance, based on the ten principles of the Global Compact and the UNIDO triple-bottom-line approach.
- ◆ The UN Global Compact Operational Guide for Medium-Scale Enterprises is an easy-to-follow guide for medium-scale enterprises to implement the ten principles and become good performers in the Global Compact.



### From crisis to development

Through projects based on a people-centred approach with a focus on investment in human capital, the promotion of skills acquisition, and the transfer of relevant technologies, UNIDO has made a tangible contribution to reducing poverty and strengthening human security.

- ◆ **Afghanistan:** UNIDO has assisted in the rapid rehabilitation of agricultural productive capacity in 43 villages. With more than 2,000 direct beneficiaries, the projects have boosted sustainability, helping the local people to sustain themselves, improve food security and generate supplementary incomes.
- ◆ **Iraq:** A micro-industries support project implemented by UNIDO in cooperation with FAO identified 13 economically viable cottage and micro industries in close consultation with community leaders and local authorities. Some 1,500 micro-level entrepreneurs have since received direct support and 15 business-oriented associations have been established.
- ◆ **Sudan:** UNIDO is implementing a Youth Entrepreneurship Development project in Malakal, Southern Sudan, to create productive (self-)employment opportunities and promote sustainable livelihoods for young persons, including ex-combatants, women and disabled persons. This enables at least 300 young men and women to build a solid foundation for entrepreneurship development with a high multiplication effect every year, and by instilling an entrepreneurial spirit is encouraging a shift from job-seeking in the public sector to job-creation in the private sector.

- ◆ **Uganda:** Since its inception in early 2006, a skills for peace and income project has provided multi-skill training to more than 350 trainees. Upon completion of the course with supplementary functional adult literacy and entrepreneurship development programmes, the trainees acquire marketable technical skills as well as a toolset to help them embark upon a sustainable livelihood.

### Promoting Small and Medium Enterprise Development in Viet Nam

The Government of Viet Nam announced in 2005 that it wanted to see the number of registered private sector enterprises double from 250,000 to 500,000 by 2010, with the intention of creating 2.7 million new jobs. In response, UNIDO supported the Agency for SME Development (ASMED) under the Ministry of Planning and Investment in preparing the SME Development Action Plan 2006-2010, the first of its kind in Viet Nam. The Plan, which has been approved by the Prime Minister, aims at improving the regulatory and administrative environment.

Subsequently, to improve the business registration system, UNIDO helped ASMED in 2006-2007 to complete the plans for a nationwide registration reform programme that will create a computerized single-point business, tax and statistics registration system. In addition, UNIDO assisted ASMED and 19 collaborating ministries, agencies and departments in establishing the Government Business Portal ([www.business.gov.vn](http://www.business.gov.vn)) to provide enterprises with a wide range of legally valid and nationwide business information.



Dr. Asha-Rose Migiro, UN Deputy Secretary-General, being shown leather bags produced by the UNIDO leather programme in Ethiopia

## Trade capacity-building

### Helping developing countries to participate in the 'rules-based' global trading system

*“Trade capacity-building is an area in which our activities are already strongly advanced and UNIDO is widely recognized as a leading player. Based on a well-defined niche for UNIDO interventions and highly specialized expertise, UNIDO has become the largest provider of trade-related technical assistance among all UN agencies.”*

Kandeh K. Yumkeilla, opening statement at the thirty-first session of the Industrial Development Board

### Resolve

- ◆ To enhance the capacity of developing countries to ‘trade their way out’ of poverty
- ◆ To help developing countries and economies in transition to reap the benefits of trade by increasing the:
  - Competitiveness of industrial enterprises
  - Conformity of manufactured goods to standards
  - Connectivity of exporters to global markets

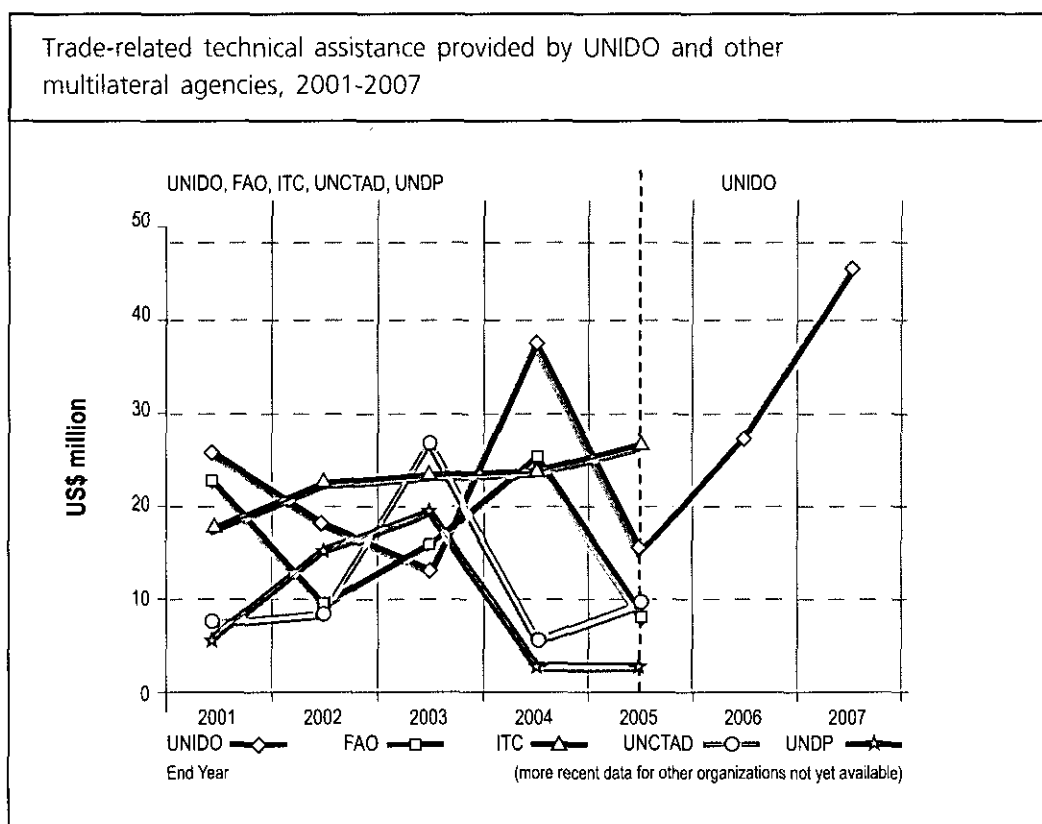
### Response

- ◆ Establishment of a trade capacity-building branch within UNIDO
- ◆ Support for the WTO/G-8 Aid for Trade initiative, and incorporation of the recommendations of the Aid for Trade task force established in 2006 in the design of the UNIDO strategic approach to trade capacity-building
- ◆ Inclusion of UNIDO as an implementing agency in the Enhanced Integrated Framework, an instrument designed to promote the ability of the LDCs to benefit from expanding global trade
- ◆ Close coordination and partnership with other development agencies and standards-setting organizations in the field of accreditation and certification as key technical partners
- ◆ Training of government officials and private sector partners in developing countries in competitiveness analyses as undertaken in Cameroon, Ecuador and Paraguay

- ◆ Development of a comprehensive guide to 'who does what, for whom and how' in the UN system in trade capacity-building, by a UNIDO-led inter-agency working group under the auspices of High-level Committee on Programmes
- ◆ In the context of the Economic Partnership Agreements (EPAs) between ACP countries/sub-regions and the EU, formulation of UNIDO regional industrial competitiveness programmes for close to 80 member countries of ECOWAS, CEMAC/CEEAC, SADC, COMESA, EAC, CARICOM/CARIFORUM

## Results

- ◆ Widespread recognition of the Organization's expertise in the field of trade capacity-building
- ◆ Selection as implementing agency for EU-funded trade capacity-building programmes:
  - A €5 million trade-related technical assistance (TRTA) programme in Pakistan
  - A €10 million trade capacity-building programme in Bangladesh
- ◆ Rapid growth in trade-related technical cooperation services
- ◆ Significant impact on promoting trade growth in developing countries





### **Strategic partnerships spawning growth in West Africa**

The five-year UEMOA/UNIDO quality programme completed in 2005 was a prime example of effective regional integration in the highly specialized field of quality assurance, standardization, certification and accreditation. Funded by the EU (€10 million), it bore testimony to the strategic soundness of the UEMOA Common Industrial Policy that UNIDO had helped draw up.

Given the evident success of the first project, UNIDO and UEMOA launched a joint project in 2007 on industry restructuring and upgrading in West Africa with funding from the French Government (€16 million). Based on the lessons learned, the programme aims at furthering competitiveness in the productive sectors in West Africa. The emphasis lies on small and medium enterprises, supporting their growth at the sectoral and plant level and promoting their integration into regional and global trade.

The restructuring programme has been matched by an ECOWAS/UEMOA regional quality programme similarly related to the competitiveness of enterprises in West Africa, including Mauritania. Funded by the EU (€14 million), the project is operationally focused on ensuring compliance with international standards and upgrading the national and regional support infrastructure that enterprises need in order to survive and thrive in global markets.

With UNIDO at the helm, both programmes will strengthen local productive capacity throughout the region. They will reinforce industry's role as an engine of growth and generate new employment opportunities as key factors in the fight to reduce poverty.

### **Recognizing the role of UNIDO**

*"It is striking that the planning for implementation of Aid for Trade now seems most active in the regional development banks and in organizations like UNIDO and ITC. These continued to give priority to aid for trade and the productive sectors during the 1990s and early 2000s when other donors had been more interested in direct measures to reduce poverty, and therefore have the expertise by country and topic that is needed. They also have more experience of working with the private sector."*

Sheila Page, Senior Research Associate at the ODI-IEDG Conference:  
*Aid for Trade – One year on*



## Access to energy, environment and climate change

### Furthering sustainable development

*“Rapid economic growth has often been seen as incompatible with environmental sustainability but UNIDO has long been demonstrating that this is not necessarily the case. Properly planned industrial development has the potential to provide effective solutions to environmental challenges.”*

Kandeh K. Yumkella, message on World Environment Day 2007

### Resolve

- ◆ To promote measures to combat climate change, in particular through reduced carbon emissions
- ◆ To support developing countries in their efforts to gain increased access to energy for development
- ◆ To promote industrial energy efficiency and so reduce energy consumption
- ◆ To promote cleaner production techniques and environmentally sound technologies in developing countries
- ◆ To promote renewable sources of energy, particularly in rural off-grid areas

### Response

- ◆ Formulation of a UNIDO-specific energy and climate change strategy together with a biofuels strategy, preceded by a thematic retreat
- ◆ Participation in the UN Secretary-General’s policy committee and high-level event on addressing the leadership challenge of climate change in September 2007
- ◆ Cooperation with the Renewable Energy and Energy Efficiency Partnership (REEEP), both in the implementation of projects and dissemination of knowledge
- ◆ Support at the national and regional levels to enterprises wishing to participate in the Clean Development Mechanism
- ◆ Organization of international and regional conferences on energy security in Latin America (Uruguay); rural access to modern energy (Rwanda); biofuels (Malaysia and Croatia); and energy management standards (Thailand)

## Results

- ◆ The Director-General of UNIDO confirmed as Chair of UN-Energy by the CEB at its second regular session in October 2007, for the biennium 2008-2009
- ◆ UNIDO given direct access to the Global Environment Facility (GEF) funding in all focal areas where it has comparative advantage: climate change (industrial energy efficiency, renewable energy for industrial use), international waters, POPs, ozone depletion, and biosafety
- ◆ UNIDO initiative launched to establish mini-hydro-generating capacities for productive capacities to increase access to modern energy in rural and peri-urban areas of developing countries through an 'industrialized' delivery process

### **UNIDO tops the list of Montreal Protocol implementing agencies**

The Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol has regularly evaluated the performance of the implementing agencies based on a standard set of indicators.

In five of the past six years, UNIDO has been ranked first among all implementing agencies, based on the Organization's specialized technical capabilities and strengths in this field. The 2006 assessment shows that UNIDO achieved 93 per cent of its targets, and was thus the only agency to achieve a score above 90 per cent.

### **Light at the end of the tunnel**

For a small agricultural community in Nyamyotsi, Rwanda, access to electricity was high on the list of priorities. Serving small businesses, community services and private households, a regular and reliable power supply would boost local economic development and create employment opportunities.

A UNIDO-funded micro-hydro plant went on stream in January 2007. With the introduction of demand-side management and other efficiency measures contributing to supply sustainability, cheap power is now available for the first time to 250 families.



Laying the foundations for renewable energy

### **Regional observatory on renewable energy**

As a complement to ongoing initiatives in Latin America and the Caribbean, UNIDO aims to establish a regional observatory on renewable energy. It will act as a coordination mechanism increasing regional investment in renewable energy and thus helping to reduce poverty by supporting economic and industrial development.

More specifically, the observatory will provide substantive information and high-quality practical support to the different potential stakeholders involved in renewable energy issues. It will establish close ties with all ongoing sustainable and renewable energy projects, programmes and networks in the region, in order to secure synergies and establish replicable best practices.

The knowledge platform is one of the pillars of the observatory. It will link energy agents (public sector, private sector, civil society and academia) in each country, enabling them to share information on technologies, best practices, specific projects, financing mechanisms, regulations and other information conducive to improving local, national and regional investment conditions for renewable energy.

## Youth employment initiative

### Creating opportunities for decent work

*“The challenge of youth employment is pressing since the unemployment situation impinges on matters related to regional security and stability. Ever-rising joblessness among youth and the desperation that accompanies it undermines progress in those countries .... We need to go urgently beyond words by implementing sustainable and innovative measures to create jobs.”*

Kandeh K. Yumkella, UNIDO/AU High-level Consultative Meeting on Productive Work for Youth in West Africa with emphasis on the Mano River Union (MRU), Ghana

### Resolve

- ◆ To reduce threats to national stability and development caused by the lack of decent, gainful employment for the young

### Response

- ◆ Youth Employment Initiative launched by the Director-General at ECOSOC in July 2006, urging key stakeholders to work jointly on creating employment and self-employment opportunities for the young
- ◆ Recognition of the need for intensified inter-agency cooperation in overcoming the multi-dimensional set of social, economic and political causes for youth unemployment
- ◆ Multi-agency programme developed to promote youth employment in the Mano River Union countries and Côte d'Ivoire, involving UNIDO, ILO, UNDP, UN Office for West Africa, and the Secretary-General's Youth Employment Network
- ◆ UNIDO and partner agencies currently working on the elaboration of the programme, in accordance with their institutional strengths, specialization, competencies and commitment to 'deliver as one'

### Results

- ◆ Analysis of major issues related to youth unemployment in West Africa: *UNIDO/YEN/UNOWA Study on Best Practices, Policy Environment, Tools and Methodologies for Youth Employment in West Africa*
- ◆ Plans to expand the initiative to other countries facing similar problems arising out of the correlation between youth unemployment and a growing lack of sub-regional security

## South-South cooperation

### Sharing successful development strategies

*“The emergence of a few dynamic developing countries in the globalized industrial economy, such as Brazil, China, India and South Africa, has been accompanied by the marginalization of other developing countries, especially in sub-Saharan Africa. In this changed global industrial setting a variety of new development opportunities have emerged, including intensified South-South cooperation as a complement to North-South cooperation in the fields of industry, trade, technology and, ultimately, poverty reduction.”*

Kandeh K. Yumkella, foreword to  
*Industrial development, trade and poverty reduction through South-South cooperation*

### Resolve

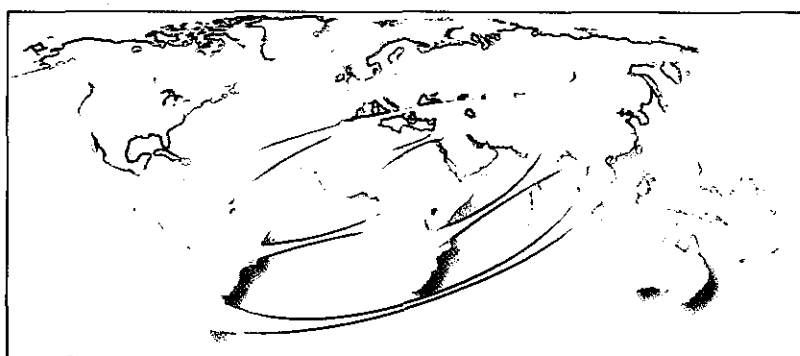
- ◆ To draw on best practices and maximize mutual benefits among developing countries arising from cooperation in trade, investment promotion, technology transfer and market access

### Response

- ◆ Establishment of a special unit in UNIDO to develop and coordinate South-South cooperation activities
- ◆ Analytical assessment of major issues related to South-South cooperation, including potential benefits and possible challenges
- ◆ Establishment of South-South industrial cooperation centres in emerging economies to mobilize technical, financial and managerial resources needed to enhance production capacities, share development knowledge and promote regional trade:
  - First centre opened in India in January 2007
  - Agreement on the opening of a centre in China signed in September 2007
  - Discussions initiated with the Government of Indonesia on the establishment of a similar centre
  - A conceptual framework for South-South cooperation submitted to the Governments of Egypt and Morocco, with others envisaged for Brazil and South Africa
- ◆ Active participation in international initiatives for the promotion of South-South cooperation

## Results

- ◆ Publication in November 2006 of a study on *Industrial development, trade and poverty reduction through South-South cooperation* that addressed critical issues related to industrial capacity-building and trade promotion
- ◆ Formulation of South-South cooperation projects under the auspices of the industrial cooperation centre in India, with similar activities envisaged for other national centres



### **Industrial development, trade and poverty reduction through South-South cooperation**

Study in support  
of efforts to  
promote South-  
South cooperation



### **3. Advancing UN reform and building strategic partnerships**

*“UNIDO will need to consolidate the gains of its past reforms... by strengthening strategic partnerships at the country level with sister agencies in the UN system, other bilateral and multilateral development agencies, the private sector and civil society with a view to enhancing the Organization’s contribution to the MDGs.”*

Kandeh K. Yumkella, *Towards Pro-Poor Sustainable Industrial Development:  
A Shared Vision for UNIDO*

## Contribution to UN coherence

### Making a greater difference by working with the UN family

*“Our own reforms were built on the recognition that no single organization of the UN system, acting alone, can address the major development challenges of our time. But if we combine our strengths and act in concert, our collective impact would be greater and we would be making a difference in the lives of the people we serve.”*

Kandeh K. Yumkella, statement at panel discussion on UN system-wide coherence

### Enhancing system-wide coherence

- ◆ In May 2006, UNIDO hosted the thematic consultations on the functioning of the Resident Coordinator system of the High-level Panel on System-wide Coherence: the Panel was established by former UN Secretary-General Kofi Annan in response to calls by the 2005 World Summit for increased coherence among the various development-related agencies, funds and programmes of the United Nations
- ◆ At the consultations, the Director-General presented a paper on UN system integration with specialization, outlining the elements of a model for a more coherent and effective UN system country response
- ◆ Elements of the Director-General’s paper were incorporated in the Panel’s final report as the UNIDO contribution to advancing a comprehensive approach to system-wide coherence at the country level

### Delivering as One

- ◆ Following the launching of the ‘Delivering as One’ or ‘One UN’ initiative in December 2006, UNIDO proactively engaged in helping shape a system-wide approach to increasing coherence in the UN system’s operational activities
- ◆ UNIDO conducted fact-finding and assessment missions to the ‘One UN’ pilot countries to gain a better understanding of where and how the Organization could best contribute to the coherence initiative
- ◆ UNIDO has participated extensively and proactively in defining the ‘Four Ones’ in the eight ‘One UN’ pilot countries: One Programme, One Leader, One Budgetary Framework and One Office
- ◆ UNIDO-defined programmes and UNIDO-led joint programmes/theme groups have been included in the One Programme in the pilot countries

## Inter-agency coordination

- ◆ UNIDO is working closely with other UN organizations in seeking practical ways to advance system-wide coherence at the global, regional and national levels in the context of the UN System Chief Executives Board for Coordination and the United Nations Development Group
- ◆ UNIDO is seen by partner agencies to be at the forefront of the UN reform processes, and as playing a major role in advancing system-wide coherence

### Strengthening UN country presence

*“In order to enable the UN system to respond more effectively to the challenges of the new development environment, the 2005 World Summit Outcome Document recognised that UN presence at country level needed to be repositioned. More profound reform measures are needed to improve coherence of action in planning and programming processes, and strengthen management and oversight mechanisms. The responsibility to implement the reform package at country level rests primarily with the UN Country Teams. A fundamental review of the Resident Coordinator System is therefore a key element in the work of the High-level Panel.”*

*Issues Paper, High-level Panel Consultations on the Resident Coordinator System,  
Vienna, 15 May 2006*



Participants in the High-level Panel Consultations on the Resident Coordinator System

## UN system partnerships



### Food and Agriculture Organization (FAO)

- ◆ New Memorandum of Understanding signed in November 2006
- ◆ Primary focus on joint, innovative activities in post-crisis countries, bioenergy and agro-based industrial processing
- ◆ Complementarity of activities: FAO focus on crop cultivation and UNIDO focus on industrial processing
- ◆ Joint formulation of support concepts on bioenergy for submission to donors
- ◆ Collaboration with other agencies, in developing sustainability indicators for bioenergy
- ◆ UNIDO staff member agreed to be seconded to FAO as the Organization's representative to Rome-based organizations

### International Fund for Agricultural Development (IFAD)

- ◆ Basic partnership principles developed in 2006
- ◆ Programme areas for joint activities subsequently identified:
  - UNIDO to implement, on behalf of IFAD, activities in areas of its core expertise, such as programme and project formulation related to integrated rural development, agro-processing and value chains
  - UNIDO requested to introduce information and communication technologies related to rural development into joint programmes
  - UNIDO requested to organize training courses at IFAD headquarters and introduce methodologies, such as SME cluster development, women entrepreneurship promotion and COMFAR
- ◆ Two ongoing programmes in Sudan and Morocco selected for joint 'retro-fitting' by IFAD and UNIDO

### **International Atomic Energy Agency (IAEA)**

- ◆ Four areas of possible cooperation identified: energy, water, food processing and technology foresight
- ◆ Collaboration based on the country-level project experience of UNIDO and the macro-level analytical skills and planning tools of the IAEA
- ◆ Ghana and Nigeria identified for joint activities in the field of renewable energy

### **International Labour Organization (ILO)**

- ◆ Close partnership established between UNIDO and ILO in the formulation and implementation of the youth employment programme for the Mano River Union (MRU) countries and Côte d'Ivoire
- ◆ UNIDO, ILO, and World Bank led discussions on the MRU programme during a ministerial breakfast round table on the subject at the ECOSOC high-level segment meeting in Geneva in July 2006
- ◆ ILO participated in preparatory inter-agency meeting held in February 2007 in Ghana to determine a multi-stakeholder approach to the MRU programme, as well as in the exploratory field mission in May/June 2007

### **International Trade Centre (ITC)**

- ◆ Increasingly close cooperation emerging between UNIDO and ITC in the field of trade capacity-building
- ◆ UNIDO and ITC share the implementation of a €5 million trade-related technical assistance (TRTA) programme in Pakistan and a €10 million trade capacity-building programme in Bangladesh, both funded principally by the European Commission
- ◆ The Executive Director of ITC participated in a high-level panel on trade capacity-building during the thirty-second session of the UNIDO Industrial Development Board on 29 November 2006
- ◆ UNIDO/ITC joint programmes are foreseen for a number of countries, including 'One UN' pilot countries such as Cape Verde, Pakistan and Viet Nam
- ◆ UNIDO plans to source ITC market intelligence services for its quality infrastructure development programmes in West Africa

## **United Nations Development Programme (UNDP)**

- ◆ Cooperation Agreement on the establishment of UNIDO Desks in selected UNDP field offices and programmatic cooperation in private sector development activities extended in response to the favourable findings of a joint assessment of the initial two-year pilot phase concluded in 2006
- ◆ New partnership developed for joint action with other organizations to promote youth employment through specialized training on the basis of a model developed by the Songhai Centre in Benin
- ◆ Joint regional seminar on developing agri-entrepreneurship and scaling up Africa-based experiences held in Benin in September 2007

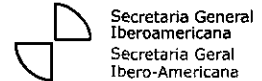
## **United Nations Environment Programme (UNEP)**

- ◆ Enhanced Cooperation Agreement signed in May 2007
- ◆ Primary focus on joint activities in cleaner production, persistent organic pollutants, biofuels, waste management and the sound management of chemicals and energy
- ◆ In-depth evaluation of the joint national cleaner production centre network
- ◆ UNIDO Director-General addressed the UNEP Governing Council/Global Environmental Ministerial Forum in Dubai in February 2007
- ◆ UNEP Executive Director addressed the thirty-second session of the Industrial Development Board in November 2006

## **United Nations Global Compact**

- ◆ As one of the six UN core agencies of the Global Compact, UNIDO is entrusted with special responsibility for SMEs that account for almost 50 per cent of the approximately 3,500 member companies associated with the Compact
- ◆ In assisting those SMEs to adhere to the Compact's principles, UNIDO has developed a practical management and reporting tool: the Responsible Entrepreneurs Achievement Programme based on the principles of CSR
- ◆ In May 2006, the Global Compact Office entrusted UNIDO with the coordination of an international task force on the development of a comprehensive *Operational Guide for Small and Medium Enterprises*, subsequently launched during the Global Compact Leaders Summit in July 2007

## Inter-governmental partnerships



Secretaria General  
Iberoamericana  
Secretaria Geral  
Ibero-Americana



International Institute for  
Applied Systems Analysis  
www.iiasa.ac.at



### African Union (AU)

- ◆ Agreement signed with the Commission of the African Union in June 2006 reaffirming the close cooperation between the two organizations
- ◆ Follow-up included development of four technical cooperation programmes worth €70-100 million to expand and upgrade the quality infrastructure in the Central African, COMESA, ECOWAS, and SADC regions, as well as country-level projects in Cameroon, Côte d'Ivoire, Ghana, Kenya, Sudan, United Republic of Tanzania and Uganda
- ◆ As part of the UN system-wide support to AU/NEPAD, UNIDO was entrusted with the role of convenor for the Industry, Trade and Market Access Cluster in November 2006
- ◆ Director-General of UNIDO participated in first extraordinary session of the Conference of African Ministers of Industry in September 2007 in South Africa that drew up an industrial strategy for Africa in preparation for the AU Summit in January 2008

### European Union (EU)

- ◆ Agreement signed with Belgium on the establishment of a UNIDO Office at Brussels
- ◆ Expansion of EU funding for technical cooperation activities related to trade capacity-building, private sector development and technology foresight
- ◆ UNIDO involved as a technical agency in negotiating and preparing regional industrial competitiveness programmes for regional/sub-regional organizations in the ACP countries within the context of the Economic Partnerships Agreements

### **Ibero-American General Secretariat (SEGIB)**

- ◆ Memorandum of Understanding signed in April 2006
- ◆ In September 2006 UNIDO organized, together with SEGIB and the Ministry of Industry, Energy and Mining of Uruguay, a regional ministerial meeting of Latin American and Caribbean states focusing on renewable energy as a viable alternative
- ◆ Further ministerial meeting planned to address regional energy issues and establish long-term strategic targets and action plans to promote renewable energy technologies for productive uses
- ◆ SEGIB will be an active participant in the follow-up Global Renewable Energy Forum scheduled for 2008 in Brazil

### **International Institute for Applied Systems Analysis (IIASA)**

- ◆ Decision taken in principle by UNIDO to cooperate with IIASA in the implementation of the Global Energy Assessment
- ◆ Precise modalities of cooperation under consideration

### **Islamic Development Bank (IsDB) Group**

- ◆ Memorandum of Understanding signed in July 2006 with Islamic Corporation for the Insurance of Investment and Export Credit, a member of the Islamic Development Bank Group
- ◆ Proposed cooperation to include the promotion of foreign and domestic investment and trade for economic and social development

### **Strategic Approach to International Chemicals Management (SAICM)**

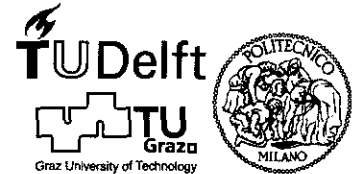
- ◆ International policy framework for sound chemicals management adopted by the first International Conference on Chemicals Management in Dubai
- ◆ Addressing the concern over the environmental, health and safety risks of chemical contamination, the framework focuses on environmental, economic, social, health and labour aspects of chemical safety; sustainable development; and the challenges posed by agricultural and industrial chemicals at all stages of their life cycle
- ◆ UNIDO's Industrial Development Board recommended that SAICM be submitted to the UNIDO General Conference for endorsement in December 2007



## Private sector partnerships



**Microsoft®**



### Harvard University

- ◆ Joint research project with John F. Kennedy School of Government on analyzing different models of public-private partnership and collective corporate action that support competitive and responsible small enterprise development
- ◆ Project results published in joint study Building Linkages for Competitive and Responsible Entrepreneurship and two country case studies (United Republic of Tanzania and Viet Nam)

### Microsoft Corporation

- ◆ Memorandum of Understanding signed in July 2006 on the use of information and communications technology to support entrepreneurship, create business opportunities, and foster greater innovation and competitiveness, particularly in Africa
- ◆ Joint activities:
  - Establishment of a new technology solution for AfrIPANet, a UNIDO-designed investment promotion platform for Africa
  - Refurbished computer initiative for Africa, to provide affordable computers to small-scale entrepreneurs to increase their productivity
  - In cooperation with the national government, development of a sustainable local software economy in Uganda
  - Provision of integrated business information solutions to SMEs on a demand-driven basis through business information centres in developing countries

### Universities of Technology in Delft, Graz and Milan

- ◆ Establishment of a network of University Chairs on Innovation with the Delft University of Technology (Netherlands), the Graz University of Technology (Austria) and the Politecnico di Milano (Italy), aimed at creating a global network of universities and their alumni associations to support industrial innovation

## 4. Increasing visibility

*“Member States have frequently recommended that UNIDO should take further steps to strengthen its profile and enhance its visibility. At its last meeting in June, the Board adopted a decision to this effect.*

*We have taken important steps...to implement this decision in all its dimensions, namely contributing to intergovernmental and inter-agency bodies, promoting partnerships within and outside the UN system, and advocating UNIDO’s mandate in major international events.”*

Kandeh K. Yumkella, opening statement at the thirty-second session of the Industrial Development Board

## Interaction with Member States

### Building personal relationships

*“My vision is built on that of the UNIDO Member States themselves. I see the role of the Director-General as a keeper, who carries that vision forward based on the experiences gained, improves upon it where possible, and spares no effort in ensuring that it is successfully implemented .... In this context, I look forward to a fruitful development dialogue with all UNIDO Member States and to working closely with all of the UNIDO stakeholders worldwide.”*

Kandeh K. Yumkella, *Towards Pro-Poor Sustainable Industrial Development: A Shared Vision for UNIDO*

The Director-General has travelled extensively during his first two years in office to promote and publicize the work of UNIDO. Since his appointment, he has undertaken missions to all regions of the world, visiting more than 50 countries. A selection of those missions is given below in chronological order:

### Brussels, Belgium, February 2006

- ◆ Signing of the Memorandum of Understanding between UNIDO and Belgium on the establishment of a UNIDO Office at Brussels

### Tokyo, Japan, March 2006 and October 2007

- ◆ Identification of new areas for increased cooperation with Japan, such as South-South cooperation focusing on Asia-Africa cooperation and the Tokyo International Conference on African Development
- ◆ Memorandum of Understanding signed with Institute of Developing Economies, Japan External Trade Organization (IDE-JETRO) to collaborate in research activities on subjects of mutual interest

### Lanzhou, Beijing and Shanghai, China, March 2006

- ◆ Inauguration of the UNIDO International Centre for Promotion and Transfer of Solar Energy Technology in Lanzhou
- ◆ Signing ceremony for the second phase of the UNIDO-Shanghai Investment Promotion Centre

### **Pretoria, South Africa, April 2006**

- ◆ Launch of the UNIDO Regional Office, and signing of the host country agreement, with the Minister of Trade and Industry

### **Paris, France, May 2006**

- ◆ Consultations on scope for increased cooperation in aid for trade, trade capacity-building, private sector development, promotion of youth employment, and energy security
- ◆ Discussions on possibility of UNIDO support for the new Peace Building Commission for Liberia, Sierra Leone and Burundi in human security and post-crisis rehabilitation and reconstruction

### **Abuja and Lagos, Nigeria, June 2006**

- ◆ Launch of the Regional Centre for Small Hydro-power in Abuja
- ◆ Laying the foundation stone for the Metrology Laboratory of the Standards Organization of Nigeria, and commissioning of the associate food and chemical laboratory in Lagos

### **Jeddah and Riyadh, Saudi Arabia, July 2006**

- ◆ Meeting with the President of the Islamic Development Bank to review the scope for closer partnerships in various areas
- ◆ Signing of Memorandum of Understanding with the Islamic Corporation for the Insurance of Investment and Export Credit on technical cooperation activities in investment promotion

### **Rome, Italy, November 2006**

- ◆ Signing of a new Memorandum of Understanding with FAO and consultations on establishing a UNIDO technical presence in the FAO Secretariat
- ◆ Round table on trade and sustainable productive capacity in the fight against poverty
- ◆ Signing of a UNIDO-sponsored Italo-Chinese joint venture agreement in the private sector

### **Berlin, Germany, November 2006**

- ◆ Meeting with the Federal Minister for Development Cooperation, who expressed her country's renewed commitment to UNIDO
- ◆ Meeting with German industry to discuss joint technical and advocacy activities

### **Bergen and Oslo, Norway, January 2007**

- ◆ Meeting with government representatives who reaffirmed Norway's commitment to support UNIDO activities
- ◆ Keynote speech delivered by Director-General at the Ministry of Foreign Affairs on the key role of industrial development and capacity-building in globalization

### **Manama, Bahrain, January 2007**

- ◆ Participation in the Consultative Expert Group Meeting on the Joint UNIDO –AGFUND programme, "Poverty Reduction in the Mano River Union through Investment and Enterprise Development Programme"

### **New Delhi, India, February 2007**

- ◆ Launch of the Centre for South-South Industrial Cooperation together with the Minister for Commerce and Industry

### **Ouagadougou, Burkina Faso, June 2007**

- ◆ Joint launch, with the President of the West African Economic and Monetary Union (UEMOA), of a UEMOA-funded trade capacity-building project on restructuring and upgrading industrial enterprises
- ◆ Launch of an EU-funded €14 million trade capacity-building project on strengthening quality systems in UEMOA and ECOWAS member states

### **Moscow, Russian Federation, June 2007**

- ◆ Meeting with government representatives who announced their country's voluntary contribution to UNIDO TC programmes in the order of US\$ 8 million over the next three years

- ◆ Meeting with African Ambassadors and senior diplomats on the potential role of UNIDO in promoting Russian investments in Africa and rehabilitating former Soviet investments in the region

### **Kuala Lumpur, Malaysia, July 2007**

- ◆ Participation in the International Conference on Biofuels organized jointly by UNIDO, the Ministry of Plantation Industries and Commodities, and the Malaysia Palm Oil Board



### **Manila, Philippines, July 2007**

- ◆ Meeting with the President to discuss increased cooperation with the Philippines both as a beneficiary of the Organization's activities and partner in South-South cooperation

### **Podgorica and Cetinje, Montenegro, August 2007**

- ◆ Meeting with the President of Montenegro as a follow-up to the dialogue initiated upon his country's entry into UNIDO in 2006 as the 172nd Member State

### **Sao Paulo, Brasilia, Brazil, October 2007**

- ◆ Letter of Intent signed with the Ministry of Mines and Energy to organize a Global Forum on Renewable Energy to be held in Fóz de Iguaçú in May 2008

- ◆ Discussions with senior Government officials on strengthening UNIDO's cooperation with Brazil
- ◆ Agreement to cooperate on the transfer of Brazilian knowledge and experience in energy (hydroelectricity and biofuels) and agro-industries to selected African countries

### **Bogota, Colombia, October 2007**

- ◆ Participation in the regional seminar on South-South Industrial Integration for Cooperation of Andean Countries with the European Union
- ◆ Issuance of a ministerial declaration emphasizing UNIDO's role in providing strategic assistance to the four Andean countries in such areas as competitiveness policies, compliance infrastructure for international quality and standards requirements, local development and regional integration, innovation and technology development, and environmental management and clean technologies



Explaining development to future decision-makers at the University of Budapest

## A platform for discussion and debate

### Sharing knowledge for development

*“In order to deal with the future challenges, the activities of UNIDO will need to focus on ... a proper mix of operational activities and global forum functions involving analysis, dissemination of knowledge and discussions of industrial development issues.”*

UNIDO, *Strategic long-term vision statement, 2005-2015*

UNIDO has hosted a large number of meetings on issues related to industrial development. They offer a distinctive platform for an exchange of expertise and knowledge, and contribute to the propagation of best practices.

### **Fortieth Meeting of the Chairmen and Coordinators of the Group of 77 and China, Vienna, Austria, June 2006**

- ◆ A major event in advancing the South-South cooperation agenda, attended by a number of development agencies both from within the UN system and without, such as the IAEA, the OPEC Fund for International Development and UNODC
- ◆ The discussion focused on the need for a stronger UN system and the crucial role of specialized agencies in addressing the issues of South-South cooperation, trade capacity-building and energy for development
- ◆ *The Vienna Spirit*: joint publication by UNIDO and the Vienna Chapter of the G-77 and China on the issues addressed in the meeting

### **Third Conference of the African Investment Promotion Network (AfrIPANet III), Johannesburg, South Africa, June 2006**

- ◆ Jointly organized by UNIDO, NEPAD and the Department of Trade and Industry of South Africa, the conference focused on the 2005 *Africa Foreign Investors Survey* published by UNIDO, which shed new light on the nature and dynamics of foreign direct investment in sub-Saharan Africa by countries from the South
- ◆ The conference also adopted a regional programme for investment governance in sub-Saharan Africa



### **Latin America and the Caribbean Regional Ministerial Meeting, Montevideo, Uruguay, September 2006**

- ◆ As evidence of the Organization's commitment to energy issues, UNIDO organized, together with the Secretariat for the Ibero-American Summit and the Ministry of Industry, Energy and Mining of Uruguay, the Ibero-American ministerial meeting on energy security in Latin America, which focused on renewable energy as a viable alternative
- ◆ The conference adopted a ministerial declaration signed by 13 Ibero-American countries and subsequently endorsed by six others
- ◆ In addition to supporting a UNIDO proposal for the creation of a regional observatory on renewable energy and rational energy use, it emphasized the need for regional cooperation in increasing the efficiency of energy use and the supply of renewable energy, as well as promoting research and development in those fields
- ◆ As a follow-up, a global forum on renewable energy has been scheduled for May 2008 under the joint auspices of UNIDO and the Ministry of Mines and Energy of Brazil

### **Industry, Trade and Market Access Cluster (ITMA), Vienna, Austria May 2007**

- ◆ UNIDO, the UN ECA, and NEPAD held an inaugural meeting at UNIDO headquarters to launch the ITMA Cluster, established at the regional consultation meeting held in 2006 to coordinate UN system and other development partner support for NEPAD
- ◆ UNIDO serves as the convener of the Cluster and co-chairs its meetings together with the AU Commission

### **International Conference on Biofuels, Kuala Lumpur, Malaysia, July 2007**

- ◆ Jointly organized by UNIDO, the Malaysian Ministry of Plantation Industries and Commodities, and the Malaysia Palm Oil Board, the conference discussed the opportunities and challenges of biofuels in a development context
- ◆ The discussion focused on such issues as the global legal framework, the impact on sustainable development of developing countries, the economics of biofuel production, life-cycle assessments of greenhouse gas emissions and energy balance, current and emerging technologies, supply and demand prospects, and ecological impact



### **Second Technology Foresight Summit, Water Productivity in Industry, Budapest, Hungary, September 2007**

- ◆ Jointly organized by UNIDO and the Hungarian Government and co-funded by the governments of Austria, the Czech Republic and Slovenia, the Summit included a ministerial round table focused on the sustainability of high-quality water resources in Central and Eastern Europe
- ◆ The eleven ministers constituting the round table issued a joint statement urging the *elaboration of an international agreement on zero discharge*, while UNIDO pledged to support efforts to achieve that aim through appropriate technical co-operation delivery to the region

### **Competitiveness of Small Enterprises: Clusters, Business Environment and Local Development, Washington D.C., USA, October 2007**

- ◆ UNIDO, OECD and the IADB Multilateral Investment Fund co-organized a meeting to review the integration of cluster projects undertaken by UNIDO and other development agencies, and define concepts for a new generation of projects based on the concept of dynamic competitive advantage

## Upcoming meetings in 2008

- ◆ International conference on access to renewable energy in Senegal, February 2008
- ◆ Joint UNIDO/FAO/IFAD global meeting on the development of competitive agro-industries in India, April 2008
- ◆ Global renewable energy forum in Brazil, May 2008

### Regional group briefings

In 2006, UNIDO introduced regular briefings on regional programmes. Every six months, the Director-General and staff associated with the programmes update Member States on the current status of UNIDO activities, achievements and future plans in the individual regions, and respond to any issues that may arise.



Delegates  
in session

## Public information and advocacy

### Raising the profile of UNIDO

*“In the context of the changing global economic environment and emerging needs of developing countries and countries with economies in transition, UNIDO must profile itself as a competent, effective, efficient and professional organization, contributing to relevant international development objectives and to sustainable industrial development in these countries.”*

UNIDO, *Strategic long-term vision statement, 2005-2015*

At its thirty-first session, the Industrial Development Board adopted a decision on enhancing the visibility of the Organization. Member States underscored the importance of making the work of UNIDO better known to decision-makers, the development community, the United Nations system and the public at large. In line with the spirit and content of that decision, UNIDO has undertaken several activities.

### UNIDO website

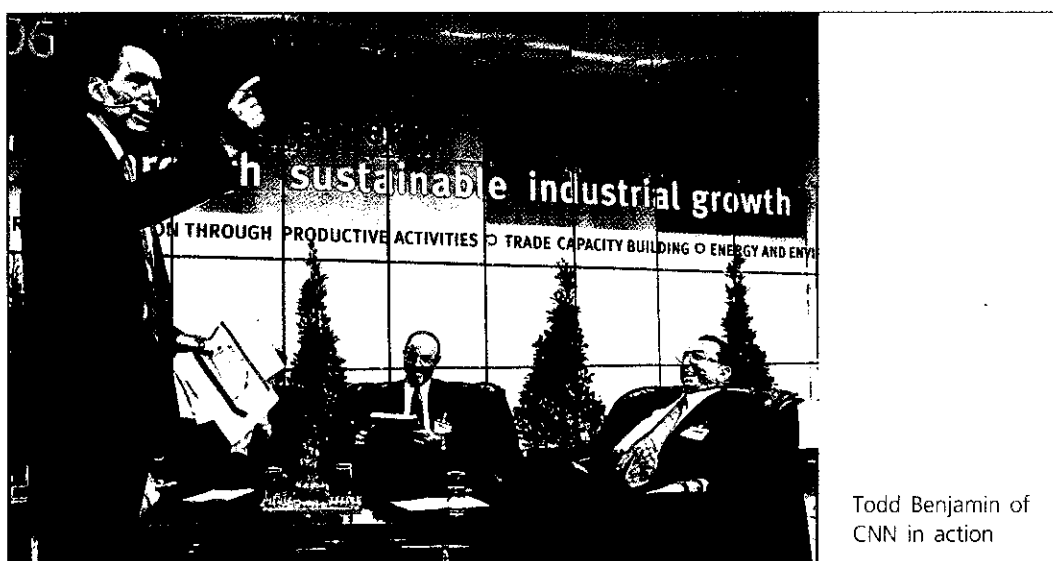
- ◆ Overhaul of the UNIDO public-access website ([www.unido.org](http://www.unido.org)) in 2007 as a major promotion tool, featuring:
  - Improved and more focused presentation of the Organization’s activities and special events
  - Enhanced promotion of, and stronger emphasis on, the thematic priorities
  - Development of dedicated pages for regional programmes and the technical branches
- ◆ Introduction of new technical features, such as live-streaming
- ◆ Greater user-friendliness through improved visuals and simpler navigation

The screenshot displays the UNIDO website interface with the following elements:

- Navigation Menus:**
  - Poverty Reduction through Productive Activities (represented by a cube icon)
  - Trade Capacity Building (represented by a triangle icon)
  - Energy and Environment (represented by a globe icon)
  - ABOUT UNIDO
  - APPROACH
  - UNIDO WORLDWIDE
  - EVENTS
- News Articles:**
  - UNIDO General Conference 27 December:** Industrial Development in a Changing Global Landscape. >> more
  - UNIDO Director-General selected Chairman of UN-Energy:** As of 1 January 2008, Mr. Yumkella will be the first head of a UN specialized agency to become Chairman of UN-Energy. >> more
  - UNIDO & Microsoft receive Africa Investor Award 2007:** in category "Best Initiative in Support of SME Development". >> more
  - Regional Workshop on Sustainable Biofuels Production and Use in Central & Eastern Europe 12-13 November 2007:** >> more
  - Vienna Chapter of G77 launches The Vienna Spirit report on 40th Meeting of the Chairmen & Coordinators of the Group of 77 and China:** download the report. >> more
  - G77-WTO-UNIDO Least Developed Countries (LDC) Ministerial Conference:** How can "Aid-for-Trade" Transform LDCs? Special Guest Speaker: Enk S. Reinert 29-30 November 2007. >> more
- Footer:** UNIDO on screen

## Fortieth anniversary of UNIDO, November 2006

- ◆ Celebrations commemorating this event marked an important step in the Organization's efforts to raise public awareness of its activities
- ◆ Over 1,200 invitees, including the heads of the other Vienna-based Organizations, UNIDO Goodwill Ambassadors, staff and retirees attended the celebrations, the main ceremony being co-hosted by UNIDO, the Austrian Federal Ministry for European and International Affairs and the City of Vienna



Todd Benjamin of CNN in action

## Annual Reports

- ◆ Content and layout of the Annual Report have been extensively redesigned to make it more user-friendly and informative as an effective public advocacy tool, while maintaining its function as a legislative document
- ◆ The first redesigned Annual Report for 2006 was widely commended by Member States and other stakeholders
- ◆ Further improvements will be incorporated in the Annual Report for 2007 with a focus on climate change, and increasing the efficacy of RBM in UNIDO

## **Technical publications**

- ◆ New publications committee and policy established with the aim of increasing public awareness of sustainable industrial development and the Organization's three thematic priorities
- ◆ Increased number of strategic research reports, policy advisory documents, technical working papers, project reviews, guidelines, manuals and toolkits published by UNIDO, reduced duplication with other publications, and increased synergies achieved through joint publishing activities with other institutions
- ◆ Comprehensive study of the developmental impact of trade in manufactures being prepared under the guidance of Professor Paul Collier, for issuance in 2008 as part of the UNIDO Industrial Development Report series

## List of abbreviations

ACP	African, Caribbean and Pacific (Group of States)
AfrIPANet	African Investment Promotion Agency Network
AGFUND	Arab Gulf Programme for United Nations Development Organizations
ASMED	Agency for SME Development
AU	African Union
CAMI	Conference of the African Ministers of Industry
CARICOM	Caribbean Community and Common Market
CARIFORUM	Caribbean Forum of African, Caribbean and Pacific States
CEB	Chief Executives Board
CEEAC	Communauté Economique des Etats de l'Afrique Centrale
CEMAC	Communauté Economique et Monétaire de l'Afrique Centrale
COMESA	Common Market for Eastern and Southern Africa
COMFAR	Computer Model for Feasibility Analysis and Reporting
CSR	Corporate Social Responsibility
EAC	East African Community
ECA	Economic Commission for Africa
ECOSOC	Economic and Social Council
ECOWAS	Economic Community of Western African States
EPAs	Economic Partnership Agreements
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
G-77	Group of 77 and China
GEF	Global Environment Facility
HLCF	High Level Committee on Programmes
IADB	Inter-American Development Bank
IAEA	International Atomic Energy Agency
IDE-JETRO	Institute of Developing Economies Japan External Trade Organization
IEDG	International Economic Development Group
IFAD	International Fund for Agricultural Development
IIASA	International Institute for Applied Systems Analysis
ILO	International Labour Organization
IsDB	Islamic Development Bank Group
ITC	International Trade Centre (UNCTAD/WTO)
ITMA	Industry, Trade and Market Access
LDC	Least Developed Countries
MDGs	Millennium Development Goals
MRU	Mano River Union
NEPAD	New Partnership for Africa's Development
ODI	Overseas Development Institute
OECD	Organization for Economic Co-operation and Development
OPEC	Organization of the Petroleum Exporting Countries

POPs	Persistent Organic Pollutants
PTC	Programme Development and Technical Cooperation Division
RBM	Results-based management
REEEP	Renewable Energy and Energy Efficiency Partnership
SADC	Southern African Development Community
SAICM	Strategic Approach to International Chemicals Management
SEGIB	Secretaría General Iberoamericana
SME	Small and Medium Enterprise
SRA	Special Resources for Africa
TC	Technical Cooperation
TRTA	Trade-Related Technical Assistance
UEMOA	Union Economique et Monétaire Ouest Africaine
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNIDO	United Nations Industrial Development Organization
UNODC	United Nations Office on Drugs and Crime
UNOWA	United Nations Office for West Africa
WTO	World Trade Organization
YEN	Youth Employment Network





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