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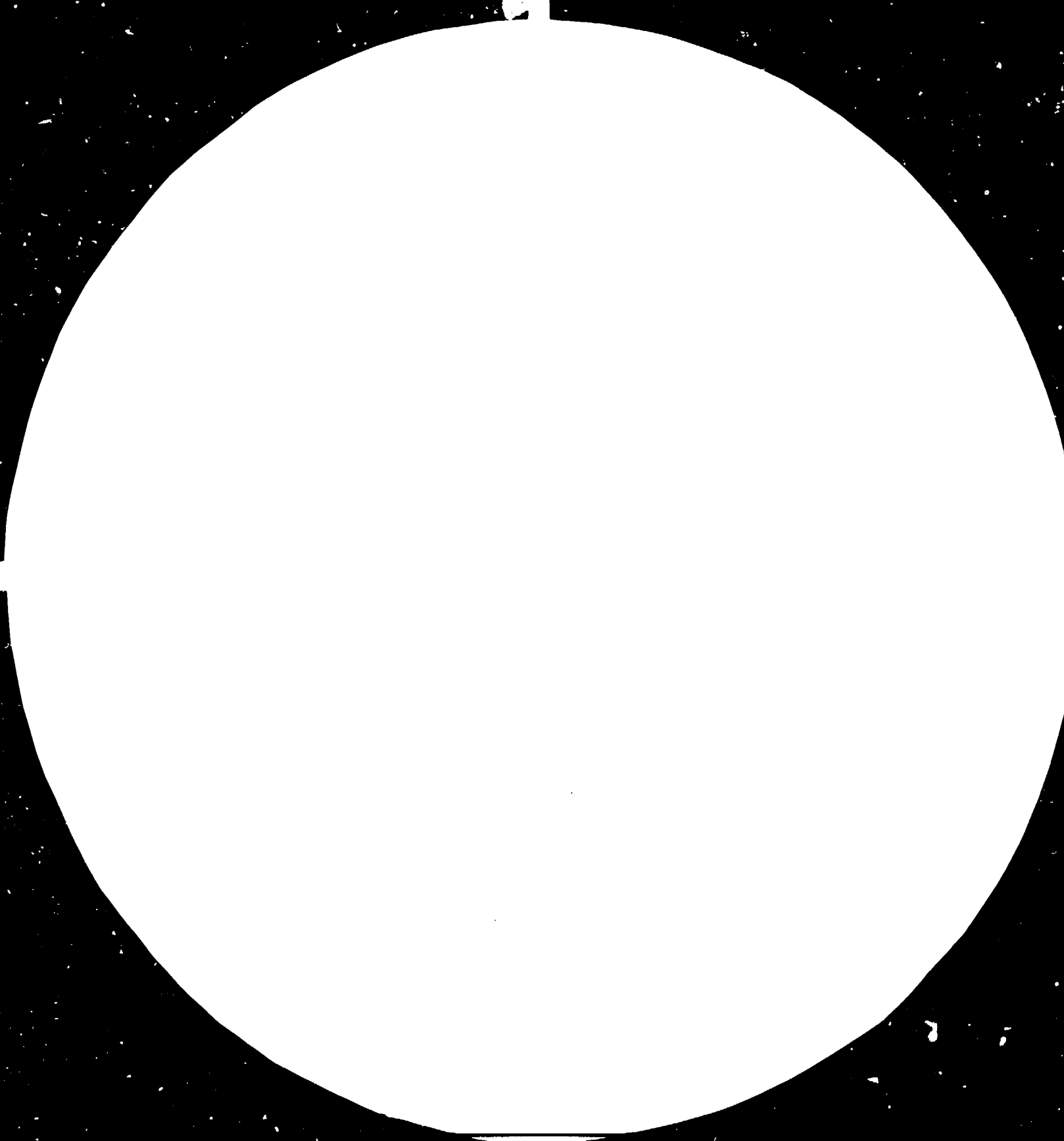
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Item 7

**UNIDO'S CO-ORDINATING ROLE
IN THE UNITED NATIONS SYSTEM
ON INDUSTRIAL DEVELOPMENT.**

ISSUE PAPER

Item 7 of the provisional agenda

UNIDO'S CO-ORDINATING ROLE IN THE UNITED NATIONS SYSTEM
ON INDUSTRIAL DEVELOPMENT

Issue paper prepared by the UNIDO secretariat

I. BACKGROUND

1. The background paper (ID/CONF.5/24) gives an overview of co-ordination in relation to industrial development as it exists at present in the United Nations Industrial Development Organization (UNIDO) and in the United Nations system. The picture that emerges is of a flexible system that has evolved over time, and modifications have been made, on the run as it were, to respond to developments that have taken place in UNIDO programmes, and to changing priorities and developments in the United Nations system. There has been no opportunity for an overhaul of the system, as any changes proposed in the present period of transition of UNIDO to a specialized agency have tended to draw the argument that the new agency should be established and operational for any substantive changes to be made. Furthermore, this period of transition was also a period of acute financial stringency, and any changes in the structure that involved even a minor increase of resources was considered unacceptable.

2. More recently, however, there has been a call from some Governments for an "articulated strategy for achieving effective co-ordination" which could facilitate the role of UNIDO as central co-ordinator in the United Nations system for all activities in industrial development. Such a strategy can be enunciated, but its implementation would require a reiteration that UNIDO is indeed unequivocally the lead agency in the field of industrialization. This would ultimately depend on acceptance by the rest of the system and Member States that activities would not be developed elsewhere that transgressed on the UNIDO mandate in industrialization. A primary issue in the consideration of such a strategy for co-ordination is therefore the question of parallel mandates.

3. The problem of mandates is closely linked with the question of the resources available to the United Nations development system as a whole. The "resource drought" has become an important factor in the interpretation of mandates in such a manner as to enable organizations to engage in particular programmes or project activities in which, although the largest component might belong to the industrial sector, the particular activity was implemented outside UNIDO, without UNIDO involvement and hence from a country's point of view, also without the expertise and experience of UNIDO.

4. The question of resources relates not only to the amount of funds available for global development activities but also to logistical support such as the strengthening, qualitatively and quantitatively, of certain secretariat units that can exercise greater vigilance at non-UNIDO intergovernmental meetings and expose obvious areas of overlap so that other governing bodies can exercise restraint and provide the appropriate guidance and legislation. This question of resources for both the substantive and logistical aspects should be a second issue for discussion and decision at the Fourth General Conference of UNIDO.

5. A third and final issue that should be discussed is the timing, the place and the periodicity of a review of the co-ordination machinery of the system in relation to UNIDO, since activities and programmes are dynamic and continuously evolving in line with changing needs, perceptions and priorities. In the United Nations system some reorientation has taken place

since the adoption by the United Nations General Assembly of resolution 32/197. The annual overview report of the Administrative Committee on Co-ordination (ACC) for 1982 and 1983 on international co-operation and co-ordination within the United Nations system states:

"System-wide analyses and reporting of programmes have increasingly become a regular feature of work for relevant intergovernmental bodies that have overall co-ordination responsibilities. Methods of preparing such analyses are still being improved in order to ensure better quality and more concise reports. Organizations are involved at early stages of study design and in the definition of the main issues around which the analyses are structured. Increasing use has been made of system-wide computerized programme reference files to develop a specialized data base for each analysis. While these analyses are primarily intended to assist the Committee for Programme and Co-ordination (CPC) and the Economic and Social Council in fulfilling their co-ordination mandates, they are also expected to assist the secretaries of participating organizations both in their internal planning and in joint programming where the analysis identifies areas of mutual interest." (E/1983/39, para. 19)

In addition to the organization of cross-organizational programme analyses as described above, the subsidiary machinery of ACC has arranged for an overview of the objectives and plans of the United Nations system including industrialization and an abstract of the report might be available in the near future.

6. Within UNIDO, upgrading the importance of the chief co-ordination machinery would require budgetary support. Even a relatively modest allocation for this purpose might result in considerable savings in the system as a whole.

7. An examination of these three issues and decisions on them would provide the elements of a strategy that could be articulated for striving towards optimal co-ordination in the given circumstances and constraints.

II. DISCUSSION OF ISSUES

A. The question of mandates

1. The problem

8. UNIDO is a comparative newcomer to the United Nations system. It was created because of a felt and pressing need, and its scope and functions were clearly defined. Its role vis-à-vis existing organizations and agencies was spelt out by assigning to it unambiguous functions of co-ordination in the field of industrial development. But this expectation has never been fully realized, and, as mentioned in several sections of the background paper, there are many programmes in which more than one agency is actively involved. This situation arises primarily because of the existence of parallel legislative authority in different organizations. Ultimately it is the same member States

who jointly determine the activities of each organization in the system, although the focal points within each member State for the different organizations may vary and hence make intra-State co-ordination very difficult.

2. Possible solutions

9. There are two possible approaches to solving this problem, but they both touch on questions that are sometimes perceived as involving State sovereignty and the independence and autonomy of international organizations. The first is a self-evident one, where a Member State, having fully informed itself when participating in a decision in a governing body of a particular agency that a programme to be developed by that agency should be assigned elsewhere, is prepared to accept the suggestion in the overall interest of the system without feeling that its sovereignty to take a decision has in any way been questioned or slighted. The other approach would be to request the organizations in the system to examine each others' programme budgets and medium-term plans in order to provide comments and observations that would be taken into account before the presentation of these budgetary proposals to their respective governing bodies. The harmonization of programme budgets consequent to the restructuring process of the economic and social sectors of the United Nations system is still at an early stage, but ACC is working on this matter and progress should be made in 1984. What has inhibited the harmonization to date is the existence in the various organizations of different planning and programming cycles which have developed over time and have constitutional authority or the legitimacy of tradition. A determined effort needs to be made in the governing bodies of all organizations to develop a system-wide programme and budget cycle.

10. Another aspect that would bear examination is the process by which resolutions are presented and then negotiated towards a consensus in the various forums of the organizations. All agencies should be enabled to participate fully in the working groups and negotiating bodies set up to arrive at these consensus decisions. Hitherto, such groups have been restricted to Governments only or to Governments and the host agency exclusively. This can result in decisions that erode the mandates of other agencies and eventually result in duplication and overlap.

11. Another possible practice that could be developed is to ask expressly for agency views prior to the adoption of any resolution that might impinge on the field of competence of another agency. This could be a standard procedure similar to the call for a statement of the financial implications of a resolution prior to its adoption.

B. The question of resources

1. The problem

12. Although UNIDO is supposed to have the leading role among the agencies of the United Nations system in regard to industrialization, the amount of multilateral global resources apportioned to UNIDO for industrialization is

but a very small proportion of the total resources available for industrialization. It is unlikely that all of these resources could be channelled into UNIDO, but it would be reasonable to expect that at least 50 per cent of such resources might be. That it does not is a sharp reminder that the United Nations and Governments, while according the central co-ordinating role in industrialization to UNIDO, have yet to fully translate it into reality.

13. More recently, there is also evidence of a trend away from multilateralism to bilateralism, so that execution of projects by donor Governments assumes that a special intermediary such as UNIDO may not always be necessary. The net result of all this is that real resources for the global system in an inflationary period are becoming less and less.

14. At a time when a reasonable budgetary growth of all organizations was possible, there did not appear to be a need for intense competition for the global resources that were available, but when these real resources began to shrink in a period of "resource drought", problems arose that have been described in the background paper (ID/CONF.5/24, chap. VI).

15. It is of course impossible to draw very clear lines of demarcation in a crucial development area such as industrialization, and it is obvious that activities undertaken by several agencies in the system within their sphere of competence are interlinked with industrialization. But, when such activities are extended beyond a point, they inevitably spill over into the area of competence of UNIDO.

16. A number of existing inter-agency working groups and committees have been listed in the annex to the background paper. There are, however, several examples of activities that are not executed jointly, and the tendency is to enlarge this latter category of projects which brings forth increasingly a call to avoid duplication and institute better co-ordination.

2. Possible solutions

17. A reasonable growth of programmes in all priority sectors of concern to developing countries should not only be permitted but should be positively encouraged. It is obvious that if there is to be no growth then the Lima target can never be attained. To make the assertion now that the expectations of developing countries are based on a completely wrong premise is to reverse the earlier common aspiration and to make international co-operation an empty and meaningless slogan. It would also destroy the very pivotal basis of the UNIDO strategy for industrialization that has been implemented since 1975 with the time horizon of the year 2000.

18. To enable delegations of Member States participating in all development-oriented legislative forums to become aware of the mandate and the continuing work of UNIDO and to lessen the possibilities of legislating parallel mandates in other organizations, there should be adequate resources for representational activities. This would mean strengthening the Inter-Agency Programme Co-ordination Section, the New York Liaison Office, the Geneva Office and the system of senior industrial development field advisers (SIDFAs) and a larger allocation of travel funds for headquarters personnel attending meetings and conferences.

19. The secretariat has been selective in its participation in meetings (attending only 200 of the 373 invitations in the period November 1982 to October 1983). Some Member States feel that this selection may be too severe and it has been said that co-ordination should not become a synonym for curtailment of activities but could result in additional responsibilities and efforts. They have also urged additional contacts with subregional bodies and expanded work in economic co-operation between developing countries. To comply with these requests would mean that there would be an unavoidable increase in costs.

20. However, such a small expenditure for all the aspects of co-ordination described in the preceding paragraphs would not only support a Government's efforts to co-ordinate its approaches to the different United Nations agencies but would also result in eliminating wasteful expenditure on overlaps and duplication in the system.

C. A review of co-ordination machinery

1. The problem

21. The background paper has given a summary of both the internal and the external co-ordination machinery. The internal co-ordination machinery has remained virtually the same as it was when first instituted just after the Second General Conference of UNIDO, held at Lima in 1975. It has not been possible to restructure it, both because of the shortage of resources and because the Organization was in a stage of transition. It would be timely and appropriate to review the machinery on the eve of the conversion of UNIDO into a specialized agency.

22. The growth of lateral co-ordination described in the background paper (ID/CONF.5/24) is the result of not strengthening the focal point for co-ordination within the house. This lateral co-ordination was a pragmatic solution devised to meet the need for maintaining contacts with outside bodies when the necessary and appropriate personnel were not available in the Inter-Agency Programme Co-ordination Section and the Division of Policy Co-ordination. A review and restructuring now would be timely.

23. Externally, the co-ordination machinery was restructured a few years ago on the basis of United Nations General Assembly resolution 32/197. The time that has passed since then is not adequate for a full review of the machinery, but tentative steps to review the arrangements will soon be necessary. The General Assembly, in its resolution 37/226 (paras. 22 and 23), called for the examination of the institution of resident co-ordinators; although an interim report has indicated that a full and detailed examination might not be possible immediately, this is likely to take place in the not too distant future. There have been also suggestions that the subsidiary mechanisms of ACC should be looked at again, and one suggestion that has been made within ACC is that all these mechanisms be fused into a single preparatory committee for ACC like the one that existed before the restructuring exercise. These and other proposals have yet to be finalized, but the thinking has started.

2. Possible solutions

24. As mentioned in the first part of this paper, various types of programme analyses are also being looked at and experimental cross-organizational programme analyses have been completed on certain subjects. The CPC examination of these analyses would help external co-ordination considerably. The Economic and Social Council could review these arrangements from time to time, as they are already doing. ACC itself has delayed a review of its own internal machinery and, if streamlining is to be effected very early, then appropriate requests must be made to the ACC. Perhaps the Joint Inspection Unit and ACC could collectively evaluate and propose the necessary changes that might be necessary. Reviews have to be regular, and it is only with pragmatism that refinements could be made.

25. Within UNIDO, the Inter-Agency Programme Co-ordination Section has to be assigned a stronger role. The pattern of current co-ordination within UNIDO also needs review. The arrangements that have been in existence now for nearly eight years need to be looked at afresh in the light of experience gained. It has been recognized at the policy level of UNIDO that changes are required, and some changes were in fact tentatively proposed. This did, however, mean that some marginally additional resources were required, but in a period of austerity and zero growth these requests did not receive favour. If, however, it is recognized that some minimal expenditure on improved co-ordination could lead to considerable savings in other major programmes both in UNIDO and elsewhere, then indeed this task of improved co-ordination must be taken up forthwith. To the extent possible, the New York and Geneva offices or SIDFAs should cover all meetings within their areas, and it might be more economical in the long run to strengthen these offices with one or two additional persons of high calibre for this purpose.

26. No systematic information has so far been compiled and monitored in regard to the contribution of other United Nations agencies to industrial development. Such compilation and monitoring would indeed be a logical corollary to the central co-ordinating role of UNIDO and its responsibility to monitor the progress made in accelerating industrialization as part of its follow-up of the Lima Declaration and Plan of Action on Industrial Development and Co-operation (A/10112, chap. IV). The United Nations agencies concerned could be requested to provide the necessary information to UNIDO, which could then make an annual or biennial consolidation of the efforts made within the United Nations system as part of the monitoring exercise on the progress made in accelerating industrialization in developing countries. The report could be reviewed in the Industrial Development Board, which may submit it with its comments to the Economic and Social Council and the General Assembly. The practice of consolidating system-wide activities is already in existence in regard to science and technology. The United Nations Centre for Science and Technology for Development consolidates the information provided by various agencies and submits it for review to the Intergovernmental Committee for Science and Technology for Development.

27. These are the possible illustrative components of a strategy that could be articulated for effective and continuing co-ordination. This paper does not pretend to provide a complete answer. Co-ordination is a problem that exists everywhere and is part of a multi-frontal effort. Constant vigilance has to be exercised and attempts at improvements made.

