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United Nations
Industrial Development
Organization

Annual Report of UNIDO 1994

Industrial Development Board
Fourteenth session, 1995

Programme and Budget Committee
Eleventh session, 1995

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Distr.
GENERAL

IDB.14/10-PBC.11/10
1 March 1995

Original: ENGLISH

Distr.: 15 March 1995

ISSN 0258-8137

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MESSAGE FROM THE DIRECTOR-GENERAL

1994 - A Year of Transition for UNIDO

In my preface to last year's Annual Report, I highlighted the fact that UNIDO had risen to the challenge of change. Supported by its Member States, and driven by the commitment of its dedicated staff, the Organization underwent one of the most drastic, and, let me add, one of the swiftest restructuring exercises that the United Nations system - itself certainly not lacking in restructuring efforts - has recently seen. The reform of UNIDO culminated in the far-reaching changes in structure, management and, above all, objectives and priorities of the Organization as approved in Yaoundé.

If 1993 was the year of designing change, 1994 was the year of translating that change into action. It is in this sense that I have often referred to 1994 as the Organization's year of transition. The key dimensions of that transition process encompassed the following:

- *Staff was reassigned in accordance with the new organizational structure and reformed priorities of UNIDO and selective new recruitment undertaken in areas of special expertise;*
- *The functions of organizational units were refined in keeping with the new objectives, and new terms of reference were issued;*
- *A detailed work programme for the present biennium was prepared;*
- *New patterns of team-building and teamwork were established, based on a redefinition of roles and responsibilities for the various parts of the Organization;*
- *The guidelines and procedures for the management of UNIDO services underwent a drastic overhaul and reorientation to ensure adherence to approved objectives and priorities in all UNIDO services and to enhance quality, cost effectiveness and timely delivery;*
- *A reassessment of the Organization's field representation system was launched;*
- *Substantial efforts were made throughout the year to further refine the new priorities and focus of UNIDO, including their translation into regional and country support programmes.*

This year's Annual Report is a genuine reflection of the spirit of change and transition. It reviews concrete achievements made and, at the same time, is itself based on a new approach. In General Conference decision GC.5/Dec.9, I was requested by Member States to present the information contained in future annual reports as succinctly as possible. A resolute attempt has been made this year to respond to that request.

As a result, the Annual Report 1994 is presented in two parts. The main document puts forward the major achievements and activities of UNIDO in a concise manner. Its new structure, in a radical departure from past practice, is clustered around the Organization's development objectives and fields of action rather than around organizational units. By combining

contributions of various parts of the Organization in pursuit of overall objectives, the question asked is no longer, "Who delivered what?" but, "What have we jointly achieved?".

Succinctness implies selectivity. While the main document does no longer endeavour to provide a comprehensive coverage of all 1994 activities, the addendum thereto contains further information in greater detail. Here the reader will find the programme performance report on the work of the first year of the 1994-1995 biennium in tabular form - presenting significant performance indicators, the statistical annex as well as various appendices. I trust that Member States will find the new format of the Annual Report helpful and conducive to meeting their information requirements.

UNIDO will not be complacent about its achievements in 1994. While recognizing that we have come a long way on the road to making the Organization better equipped to face new challenges and changing needs, I commit myself to keeping the pressure on for further improvements.

It was Aristotle who long ago claimed that "change in all things is sweet". I am not sure if I can fully subscribe to that view. Change can be difficult to initiate and painful to carry through. Yet, the changes that UNIDO experienced in 1994, were worth all our efforts. They have resulted in greater efficiency and an enhanced capability to support the developing countries in their endeavours to promote industrial development and thus create productive employment and fight poverty. This, to my mind, is as valid a justification for change as one could possibly imagine.



Mauricio de Maria y Campos

CHAPTER I

RECENT TRENDS AND ISSUES IN INDUSTRIAL DEVELOPMENT

PROSPECTS FOR DEVELOPING COUNTRIES

1. In this introductory chapter, a brief outline is given of the major trends, issues and events of international industrial development that determined discussions in 1994. A broad assessment is also provided of their implications for developing countries. The year saw a global upturn in industry, as measured by manufacturing value added. This upturn, though, was not uniform; some of the regions most in need of development even experienced a decrease in per capita industrial activity. Great differences between countries and regions can be seen in a number of areas, including the implications of the Uruguay Round trade accord. Addressing such disparities will be one of the crucial tasks in the years to come.

Recent economic performance

2. While final data are not yet available, an initial analysis of global growth performance in 1994 points to an overall recovery: a global increase of gross domestic product (GDP) in the order of close to 3 per cent is likely - after just 1.6 per cent in 1993. Manufacturing value added (MVA) is estimated to have grown by approximately 3.5 per cent over the year, following a close to zero growth in 1993, the result of 3 per cent MVA growth in developed countries and around 5 per cent MVA growth in the developing world. Growth in the developing countries is driven once more by a strong performance in Asia and the Pacific. A regional breakdown of MVA growth - based on first available estimates - shows the following picture: 2 per cent for sub-Saharan Africa (implying declining per capita growth), 4 per cent for North Africa and Western Asia, 3 per cent for Latin America and the Caribbean and 11 per cent for East and South Asia, heavily influenced by the booming Chinese economy.

3. The regional differences of industrial performance as measured by MVA growth are mirrored by other indicators. For instance, the flow of foreign direct investment to developing countries has sharply increased over recent years more than doubling between 1990 and 1993 to reach approximately 80 billion dollars. However, close to 60 per cent of that sum went to developing countries in Asia alone - as opposed to only some 2 per cent going to Africa. Similarly, manufactured exports, which now account

for almost 60 per cent of all developing country exports, are highly concentrated in a small number of countries in South East and East Asia, as well as in Latin America.

New trade accord

4. The year saw a number of significant economic developments, the most important being the conclusion in April of the GATT Uruguay Round Agreements. These Agreements - beyond their institutional manifestation in the form of the new World Trade Organization - are of great relevance to developing countries. They have improved market access to developed countries: estimates indicate that imports by developed countries of industrial goods entering duty free from the developing countries will double. Gains from trade liberalization, however, are likely to be unevenly distributed. Most analyses suggest that among the developing regions, Asia will benefit the most, with gains in Latin America smaller and Africa facing a possible net loss.

5. African countries especially face two challenging developments: the erosion of present trade preferences through multilaterally negotiated tariff reductions, and the clear trend in other regions for intraregional trade and investment links. Examples of the latter include the European Union, the North American Free Trade Agreement and the less formalized Asian Pacific Economic Cooperation. This regionalization trend will have major repercussions on those developing countries outside, or not specifically

linked to, such regional integration schemes. For those countries, particularly in Africa, renewed efforts to foster subregional integration will be imperative, with a view to expanding markets and benefiting from complementarities.

Industrial competition

6. The increasing competition in industry and the changing patterns of competitiveness indicate that in the second half of the 1990s these issues will gain in importance. Emphasis will continue to shift from quantitative to qualitative aspects of industrial development. The current challenge for most developing countries in pursuing their industrialization will be first, to solve the problem of the accumulated structural adjustment gap through plant rehabilitation, modernization, mergers, etc., and second, to build up a competitive basis for the years to come. Within the group of developing countries there are a small number well advanced in these endeavours but, for the great majority, these constitute a formidable task in a time of scarce resources.

7. The competitiveness of a country's industry is increasingly dependent on the technological level of manufacturing processes and products. However the pace of technological advance, particularly in the industries in developed countries is simultaneously accelerating, with most developing countries falling behind. To secure future technological progress and thus build up industrial competitiveness, developing countries will need to use considerable resources to enhance their innovative capacities, invest in human resource development and speed up the diffusion of advanced technology in their industry.

Sustainable development

8. Sustainable economic development was a major theme of international debates throughout the year, both from an environmental as well as from a social standpoint. Preparations for the World Summit for Social Development have highlighted the latter. Industry is recognized as the major engine of growth; industrial development is crucial for addressing the challenge of growing populations, poverty and unemployment.

9. This, however, is not an automatic process. Regarding the technologies employed, the location of industry, the skill implications, the environmental impact and the linkages with other sectors, the patterns of industrial development are as decisive as the policies pursued. Different patterns of industrial development have different implications for social development. Income and wealth disparities can be effectively reduced by adopting industrial development strategies that promote small and medium enterprises, stimulate

employment creation in poor rural and urban areas, centre on human resource and entrepreneurship development and are thus oriented towards achieving long-term social objectives through a process of industrial development. Gearing industrial development towards such socially desirable patterns is a key task of industrial policies at the national level.

10. For many developing countries faced with severe population pressure and growing unemployment caused by increases in agricultural productivity, industry offers the greatest opportunity to absorb a rapidly growing labour force. Furthermore, the most dynamic types of services, with significant employment potential, rely on demand from an expanding industrial sector.

11. In this context, the regional distribution of industrial activity within an economy takes on particular importance. Regionally decentralized industrial development can make a crucial contribution to reducing major income disparities, a prominent cause of social disruption and rural-urban migration. Likewise, achieving food security depends to a large extent on effective linkages between agriculture and industry - both through industrial processing and through the provision of industrial inputs. In this context, great scope exists for small-scale enterprise and local skills development, particularly for women.

12. Natural resource management and environmental sustainability are growing concerns of policy-makers in developing countries. Here again, industry has been both part of the problem and a required component in any long-term solution. The development and transfer of clean technologies, the conservation of energy resources and their more efficient use, the phasing out of ozone-depleting substances, the management of toxic substances and many other equally urgent tasks will require the build-up of commensurate industrial capabilities. At the same time, it is clear that industrial production and consumption patterns have a major impact on the use and future availability of natural resources.

Globalization

13. While developing countries need to pursue policies designed to enhance the social and environmental impact of industrialization, they are also becoming increasingly integrated into the global economy. In order to keep abreast of international technological developments and benefit from global economic prospects, developing countries need to continue this process. The rapid globalization of industrial production brings not only growing opportunities but also external challenges. Reconciling social and environmental objectives with the demands of international competitiveness requires a judicious mix of industrial policies.

14. In the present era of globalization, revolutionary technological advances, growing economic and social interdependence and increasing competitive challenges, international industrial cooperation is increasingly important. The second half of the 1990s and the early years of the next century hold the promise of a global industrial partnership involving all countries and regions; no country or region should be left out. It is the task of the international community to support developing countries in creating the conditions for their participation in that global partnership. A dialogue is needed, at the global level, on issues related not only to trade but also to industrial development and related technology, investment and other resource flows.

15. Private resource flows, such as foreign direct investment, obviously provide crucial development

stimuli. However, they require as a precondition, a stimulating political, institutional, economic and social environment. Foreign investment will follow, not lead, local investments and initiatives. Therefore, concessional flows and grant aid remain indispensable - above all for those developing countries that have not yet built up the human resources and entrepreneurial capabilities as well as the physical and institutional infrastructure they need to benefit fully from private flows and related commercial opportunities. "Aid fatigue", as reflected in the most recent decline in the share of official development assistance in overall gross national product, has to be checked and the trend reversed. Sustained socio-economic development is not only important in its own right. It also remains a cornerstone in any effort to prevent political conflict and ensure lasting peace.

CHAPTER II

MAIN AREAS OF UNIDO SUPPORT: 1994 ACHIEVEMENTS

A. THE FIVE DEVELOPMENT OBJECTIVES OF UNIDO

1. INDUSTRIAL AND TECHNOLOGICAL GROWTH AND COMPETITIVENESS

1. Most programmes and services of UNIDO support, either directly or indirectly, industrial and technological growth and competitiveness. The present section reviews only those activities that primarily address this development objective. The activities of UNIDO in support of industrial and technological growth and competitiveness comprise a number of dimensions addressed in an integrated manner. The most essential of these are: industry sector-specific technical cooperation and support, quality control and standardization, the cross-sectoral promotion of new industrial technologies, the promotion of small and medium enterprises, and enterprise development and restructuring support.

Support to selected industrial sectors

2. In 1994, UNIDO directed sectoral programmes towards the new realities in developing countries as well as economies in transition. The vast majority of these countries are shifting towards export-oriented, competition-driven policies and a strong private sector as an answer to worldwide deregulation and trade liberalization. The competitiveness of their products on domestic and international markets is the criterion for their successful participation in the global economy. Critical elements in reaching competitiveness are conducive sectoral policies, access to adequate technologies, building of local capabilities in the absorption and adaptation of technologies as well as managerial effectiveness. Producing for export markets also requires an increased focus on quality and environmental impact.

3. The support of UNIDO at the level of industrial sectors concentrated on offering innovative, tailor-made solutions that contribute to an effective response to changes in the market. Emphasis has been on the transfer of cleaner technologies and the introduction of modern quality management systems. During the year, a large number of UNIDO projects addressed the specific needs of various sectors: more than 70 projects were under implementation in the leather, wood, and textile sectors, more than 30 in the pharmaceutical sector, some 45 in the rubber, plastics, petrochemicals and pulp and paper sectors, 35 in

non-metallic minerals, building materials and cement, around 100 targeting small and medium enterprises in the engineering sector, 65 in machine tools (of which 12 were at the high-tech level) and some 20 addressing environmental issues of the metallurgical industries sector. Given this large number, only illustrative examples are included here, rather than a complete listing of all activities.

Environmental protection and innovation in the leather sector

4. An expert group meeting in Vienna discussed the emerging issue of international eco-labelling for leather and leather products. This group recommended that UNIDO, together with other relevant bodies, such as the United Nations Conference on Trade and Development (UNCTAD) and the International Organization for Standardization (ISO), take steps to establish an international eco-label committee for leather and leather products and propose suitable guidelines and criteria for such labels. This initiative, if successful, could also be applied to other industrial sectors, and considerably strengthen the role of UNIDO in the issues of technology and competitiveness in a new global environment.

5. A chromium recovery unit set up under the South-East Asian leather programme achieved a significant reduction in the amount of pollutants generated in the process of leather manufacture. This

unit, serving a cluster of tanneries in the region, will have an extremely short pay-back period.

6. An innovative project converting a waste product from the fish industry into a consumer product began with the trial production of fish skin leather from Nile perch. The next steps foreseen in the project are studies on the commercialization and marketing of this specialty leather.

7. A detailed design, with estimates of investment and operation costs, was prepared for a centralized effluent treatment plant for a tannery cluster at Bogota, Colombia.

New initiatives in the wood sector

8. A technical workshop was held at Sao Paulo, Brazil, on the development of harmonized timber structural design codes for the Latin American and Caribbean region. This workshop generated technical support for a programme that will help alleviate the housing shortage, while contributing to the appreciation of forest resource value and its consequent conservation.

9. Programme formulation began on a new approach to environmentally sustainable development in the wood sector in Ecuador, in collaboration with the Food and Agriculture Organization of the United Nations (FAO) and the International Trade Centre UNCTAD/GATT. The programme will link subprojects in forestry, primary production and marketing to the central issue of manufacturing profitability. This approach demonstrates the value of further processing, in terms of conservation for sustainable development, job creation and stabilizing rural communities. Programme execution would be by a special commission, with both national and United Nations agencies sharing in implementation. This should result in the structural adjustment and rationalization of the sector, including its institutional support, increased investment and profitability. A similar project for Nicaragua, developed by UNIDO and jointly funded with the Inter-American Development Bank, will begin in January 1995.

Modernizing the textiles industry

10. Efforts concentrated on making wet processing, i.e. dyeing, printing and finishing of textiles, more environment-friendly by reducing the amount and toxicity of the effluent produced, while improving the efficiency of its subsequent treatment.

11. Through UNIDO assistance, modern technologies and management systems, based in large part on advanced computer techniques, have been successfully applied in the Brazilian textiles industry. On the basis of this experience, negotiations are under

way to start similar programmes in other Latin American countries, expanded to include computer-aided design applications in knitting.

Issues in the pharmaceutical, biotechnological and medical industries

12. The UNIDO strategy in this sector, characterized by a high share of patent-protected technologies, concentrates on two major issues: first, to increase productivity and international competitiveness by promoting modern management practices, and second, to deal with the problem of toxic and hazardous wastes generated by the industry. This approach led to joint ventures in a number of countries, while increasing market shares of the pharmaceutical industry of China, Russian Federation, Thailand, Tunisia and countries in the Latin America and Caribbean region.

13. During 1994 a project in Cuba achieved significant results. UNIDO assistance to the Cuban biotechnological industry prepared the sector for inspection and auditing by internationally recognized authorities. As a result of this intervention, the Cuban biotechnology industry is capable of producing monoclonal antibodies according to international quality standards and will be able to access the Latin American market.

14. A project in Jordan improved treatment of chlorinated biphenyls (CBPs), some of the most hazardous wastes produced by the pharmaceutical and other chemical industries. Industry had in the past deposited these wastes in the desert, threatening to contaminate the groundwater. Through technical advice to the Environmental Department of the Royal Scientific Society of Jordan, a technology was developed for their biodegradation. Because of the range of chemical industries generating CBPs, this project offers excellent possibilities for technical cooperation among developing countries (TCDC) and private sector investment.

New developments in the rubber industry

15. In Indonesia UNIDO tested natural rubber-based bearings for earthquake protection. The technology, developed in an earlier UNIDO project, is in demand both in developing and industrialized countries with active seismic zones, and offers a special market niche for natural rubber-producing countries. The bearings are suitable for earthquake protection of strategic installations, including atomic and electrical power stations as well as industrial and civil buildings. Fifteen natural rubber-producing countries attended the test demonstration. Preparatory work has begun on equipping a planned hospital at Jakarta with natural rubber-based bearings.

Restructuring the salt industry

16. In 1994, UNIDO was entrusted with an assessment of the Chinese salt and related packaging industry and the requirements for their modernization - part of a priority programme on salt iodization to be financed by a \$28 million loan from the World Bank. In this programme, UNIDO will be responsible for the industrial aspects, including local capacity-building for the new technological requirements in the salt and auxiliary industries. The project is a joint undertaking of the World Bank, the United Nations Development Programme (UNDP)/United Nations Children's Fund, the World Health Organization and UNIDO.

Pollution control in the pulp and paper sector

17. The use of agricultural wastes, waste-paper recycling, effluent control and monitoring, as well as reducing or eliminating the use of chlorine are the main areas of demand in this subsector. UNIDO assessed the pulp and paper sector in Bulgaria, with recommendations for its restructuring. Two new projects began, in India and Russian Federation, in which advice is provided on the selection of chlorine-free bleaching technology and the building of necessary technological capabilities.

18. The UNIDO sectoral programme focused on the treatment and desilication of black liquor, a major issue faced by developing country mills using non-wood pulp. Worldwide, only three technologies are available, one being a technology developed through an earlier UNIDO project in India. Following pilot plant testing and a UNIDO-assisted evaluation of available technologies, a mill in Egypt is now preparing an economic feasibility study of the UNIDO-developed technology. The programme envisages a 90 per cent reduction of black liquor discharge into the Mediterranean Sea, through the installation of the desilication process together with a conventional black liquor treatment system.

Commercialization of advanced ceramic materials

19. Working together with a leading research institute in Turkey, UNIDO supported the commercialization of high-tech products by private entrepreneurs. The programme built prototypes of structural ceramic components used as sealants and thread guides for the textiles industry, later transferred to a group of small-scale private manufacturing companies. The potential domestic market has an annual volume of \$10 million.

20. The UNIDO-assisted Ceramic Technological Institute at Bangalore, India, developed, in cooperation with the National Chemical Laboratories and the Automotive Research Association of India, an

indigenous exhaust converter that is capable of slashing vehicular pollution in the country by 90 per cent.

Strengthening the engineering infrastructure

21. The lack of engineering capability is a major obstacle to the industrialization of developing countries, where small and medium industries require engineering capabilities if they are to contribute to economic growth. A project began in Nigeria, which is aimed at strengthening the engineering infrastructure and institutions and deals with the provision of services to small-scale industries, enabling them to contribute to the engineering base of that country.

High technology in machine tools production

22. In China, UNIDO developed a computer-aided process planning system to integrate the design and manufacturing environments of a large machine tool factory. The system accesses all relevant material, inventory, and manufacturing data from the manufacturing resource planning database of the factory. This system should lead to drops in engineering and production lead times, as well as quality improvements in design and manufacturing. Large reductions in production costs are expected.

Rehabilitation of the metallurgical industries sector

23. The rehabilitation of existing industries, established at high cost, is a pressing issue facing the metallurgical sector in developing countries. These industries, often inefficient and highly polluting, are indispensable due to their linkage and support to the engineering sector. Current projects reflect the reorientation of the metallurgical programme to these requirements.

24. "Black smog", a mixture of toxic unburnt organic components and particulate matter emitted by various factories, pollutes the city of Shanghai, China. The Shanghai copper smelter is one of the major polluters. In order to help rectify the situation, UNIDO provided expert advice on how to increase energy efficiency while reducing pollution in copper refinery techniques.

25. A rehabilitation plan was formulated for Venezuela, outlining the means of reducing the impact of a local alumina plant on drinking water and vegetation. Similarly, assessment studies were prepared of the technical and environmental impact of the aluminium industry of Brazil, Guyana, Jamaica, Suriname and Venezuela. The studies recommend industry and government steps to improve efficiency of the industry. The adoption of the recommendations would lead to cost reduction through energy-saving measures and introduction of cleaner technologies.

Quality management and standardization

26. Support in the establishment and strengthening of standardization bodies helps create adequate infrastructure for private and public sector industrial development. Over the last year, UNIDO supported national bureaux of standards in Kuwait, Nigeria, Uganda and Zimbabwe.

27. As a companion activity to support the compliance with standards and product control during the manufacturing process, Member States strongly requested assistance in metrology. In response, Oman was assisted in developing a normative documentation basis for the efficient application of national law in legal metrology, while the Islamic Republic of Iran, Pakistan and Thailand received assistance to implement subsectoral metrology laboratories and operational measurement standards. Preparatory work is under way to support Lebanon in reviving its standards and metrology system as well as to Palestine in establishing policies and implementing the required infrastructure. In Saudi Arabia, UNIDO assisted the National Measurement and Calibration Laboratory. The member countries of the Association of South-East Asian Nations (Brunei Darussalem, Indonesia, Malaysia, Philippines, Thailand and Singapore) benefited from the installation of one reference voltage standard, intercalibrated among the countries and being brought into line with European standards.

Supporting quality in production

28. During the year, UNIDO finalized the "system approach for continuous quality improvement" developed during the implementation of the regional programme for the modernization of the capital goods sector in Latin America. Participating countries include Argentina, Bolivia, Brazil, Chile, Colombia, Cuba, Ecuador, Mexico, Peru and Venezuela. This programme developed several different softwares that offer entrepreneurs a measurement of the operating results obtained during the assistance. These include the so-called BEST (Business Environment Strategic Toolkit) and FIT (Financial Improvement Toolkit), which are being tested by more than 90 enterprises in the region.

29. UNIDO is implementing an extensive survey in 19 countries in the region to complement the activities concerned with continuous improvement of products and processes. Working through more than 1,000 enterprises, in cooperation with the International Atomic Energy Agency and UNDP, this survey will identify assistance needs from the point of view of the entrepreneur.

30. Working with an automobile manufacturer in Hungary, UNIDO promoted statistical methods of quality improvement. The training of Hungarian auto

parts suppliers in these methods has shown measurable improvements in process efficiency and product quality. In addition, centres for productivity and quality have been set up at Sao Paulo, Brazil, and Budapest, Hungary. These centres, which train managers, engineers and line workers in the statistical methods of process and quality improvement, should be self-financed after three years of operation.

Providing market access through quality certification

31. Certification to ISO 9000 standards is an effective means to increase competitiveness and attract investments. For maximum impact, the UNIDO strategy comprises support to policy-making and planning institutions and technical cooperation at the enterprise level with the aim to achieve ISO 9000 certification. For example, in India, UNIDO held a regional workshop on quality management and ISO 9000 in software development.

Promotion of new technologies

32. This UNIDO programme highlights the role of new and emerging technologies in increasing the ability to compete in world markets. As such, awareness-building and assistance to Governments in policy formulation are key components. The programme developed an integrated approach towards national strategies on "technology for competitiveness", covering policy advice and assessment of national innovation systems, access to information, technology monitoring, technology acquisition and transfer. Work was also done to improve access to new and advanced technologies, while building capacity for the commercialization of new technologies. International and regional cooperation were stressed, particularly through the establishment of international research and development centres and their networks.

International centres - A forum for technology

33. The Centre for Application of Solar Energy established by UNIDO at Perth, Western Australia, with funding from the Government of Australia, seeks to bridge the gap between R and D institutions and the marketplace, while promoting applications for, and commercialization of, solar energy technologies (see para. 106 below).

34. The International Centre for Science and High Technology (ICS), under the auspices of UNIDO, focuses on applied high technology areas and on strengthening the capacity of national industry-related R and D institutions. Training programmes were organized to catalyze partnerships between R and D institutions in developing countries with those in developed countries. A workshop on managing changes and technological innovations for industrial

research institutions in developing countries was held by ICS at Trieste, Italy, at which common problems confronting industrial and technological research institutions were discussed.

35. The International Centre for Genetic Engineering and Biotechnology (ICGEB), a UNIDO project initiated in 1982, became autonomous in February 1994. Collaborative activities between UNIDO and ICGEB, currently comprising 33 Member States, will continue within an integrated programme involving bio-safety, technology transfer, and management of biotechnology products, services and industrial processes.

36. UNIDO completed a feasibility study on the establishment of an Arab centre for multidisciplinary materials research. The centre would strengthen the capabilities of Arab countries in selected areas of new and emerging technologies related to the development and application of advanced materials. Promotional work continued for the establishment of an international centre for materials evaluation technology (ICMET) in the Republic of Korea.

37. A feasibility study, funded by the Government of Turkey, was completed, for the establishment of an international centre for hydrogen energy technology. A meeting is planned for March 1995 to consider the establishment of the centre.

38. Promotional work continued for the establishment of an international centre for advancement of manufacturing technology. A trust fund project was proposed to the Government of India to determine the feasibility and preliminary design of such a centre.

Supporting development of biotechnology

39. Together with ICGEB, UNIDO responded to the challenge of Agenda 21 by strengthening a number of its ongoing activities as well as taking new initiatives. As an example, the UNDP FAO UNIDO Subprogramme on Biotechnology and Biodiversity - part of the UNDP Farmer-Centred Agricultural Resource Management Programme (FARM) - selected pilot sites in eight Asian countries. Through this subprogramme, UNIDO launched the Bio-informatics Network on Biotechnology and Biodiversity, to disseminate information to and amongst developing countries. The UNIDO activities in the subprogramme also include training for the conservation, characterization and utilization of genetic resources.

40. In Bolivia, Brazil, Colombia, Ecuador, Nepal, Peru and Viet Nam, UNIDO has been developing institutional capacity in bio-resources R and D. This will enable the systematic cataloguing of local plants and microbial species, and their development into commercially viable products.

41. Networks have been established on bio-safety (BINAS), lactic acid and food fermentation technology (LABNET), and bio-conversion and mushroom technology (MUSHNET). All were enlarged and strengthened during the last year. BINAS was put on-line, with strong demand from a variety of sources. The launch of BINAS was supported through seminars and training workshops in Brazil, in Central European countries, and in eight developing countries in Asia.

Providing access to information technologies and telecommunications

42. A new concept of a software incubator was developed as the second phase of the regional project strengthening the software industry in Latin America and the Caribbean. Under a World Bank-financed project, UNIDO assisted Colombia in the establishment of a management information system. Preparatory work continued for the establishment of centres of excellence on information technology. This includes the establishment of a centre for self-sustained software production in the Syrian Arab Republic. The telecommunications equipment manufacturing capacity in Africa was also assessed.

Spreading awareness of advanced new materials

43. A comprehensive study on advanced materials in high technology and manufacturing was prepared for publication in the Technology Trends Series. The study focused on the importance of materials technology for major segments of manufacturing and high-technology industries in the next century. As part of the future work programme of ICMET (see para. 36 above), a network was established of Asian institutions working in the area of testing and evaluation of new and advanced materials.

Small and medium enterprises

44. In the new global context, small and medium enterprises (SMEs) are vital actors in achieving dynamic industrial growth and competitiveness. They increase structural flexibility, enabling quick adaptation to changing market conditions and technological innovation. There is a tendency in the organization of most production systems to include networks of smaller and specialized enterprises that can contribute to efficiency, flexibility and innovation. However, the ability of SMEs to upgrade their competitiveness and productivity depends on the conditions prevailing in their immediate environment. In most developing countries, SMEs operate in isolation and cannot, on their own, fully develop and mobilize the information, technological and managerial knowledge and financial resources required to become competitive and efficient. The overall unfavorable environment in which they

operate constrains their development process. In particular, problems arise from the lack of linkages with business partners, limited access to markets, inadequate institutional support and the absence of enabling government policies.

45. The SME strategy of UNIDO was further consolidated to address the above-mentioned issues, with a view to improving the policy and institutional environment in which SMEs operate rather than to assist individual enterprises directly.

Government support for SMEs

46. Policy analysis and advisory services were provided to develop national capabilities in designing and managing policies, strategies and programmes for supporting the development of the SME sector; in particular, the programme aimed at enhancing cooperation between government and private sector institutions, associations and enterprises. Integrated national SME programmes were initiated by UNIDO in some African countries (e.g. Madagascar, Nigeria). In Viet Nam, a preliminary diagnosis of prevailing conditions that impact on the development of the SME sector, followed by a participatory workshop with all parties concerned, resulted in an integrated SME programme for implementation in cooperation with donors.

National centre to support local entrepreneurs

47. Networks of SME support services and institutions were further developed and strengthened, including those in the private sector. In Romania, the Centre for Promotion of Small and Medium Private Enterprises was created with assistance from UNIDO. The Centre provides services to SMEs and potential entrepreneurs in marketing, management, production and financing. It also functions as a technology database that facilitates the identification of appropriate equipment, materials and processes for entrepreneurs in various subsectors.

Enterprises help each other

48. Partnerships, subcontracting mechanisms and information systems were promoted to foster networking of SMEs among themselves as well as with large manufacturing firms. This activity helped improve access to sources of information on technology, markets and competitors, with programmes and networks of subcontracting and partnership exchanges established in the Latin America and the Caribbean and Arab regions UNIDO elaborated, on request, a similar system for Central Europe. Techmarts held in a number of developing countries provided useful business forums in support of SMEs.

UNIDO developed a Manual for Small Industrial Business Project Design and Appraisal as a reference tool.

Network supports SME programme

49. The programme initiated the SME observatory and research network to continuously monitor global and regional developments related to SMEs, while organizing research on SMEs. This upstream activity will consolidate practical field-level experience with conceptual work, supporting the UNIDO SME programme by encouraging the development of new and more effective approaches.

Enterprise development and restructuring

50. UNIDO continued to support developing countries and countries in transition in their efforts to encourage competitive markets and efficient enterprises. Technical cooperation was delivered through three specific, though integrated, programmes: restructuring, privatization and management.

Restructuring of industry

51. As Governments force State-owned enterprises to become self-supporting, help is needed in reorienting operations to new conditions and in improving profitability and efficiency. The assistance provided to these enterprises by UNIDO addressed both immediate survival and long-term competitiveness issues.

52. In Poland, UNIDO completed a major restructuring programme for 15 large enterprises. This programme provided comprehensive assistance to each enterprise, including detailed diagnostic studies and assistance in improving short-term profitability and cash flow. Included was preparation of a restructuring strategy to reorient the marketing, financial, production and organizational plans of each enterprise, together with assistance in implementing the strategy. As a result, 14 of these enterprises have increased competitiveness, are now profitable on current operations and are expected to be significant contributors to the economy of Poland for the foreseeable future.

Privatization of public enterprises

53. Demand has been especially strong for privatization services. Governments recognize that large public enterprises have often failed to adequately contribute to economic growth and efficiency. While some cases require restructuring, privatization is often considered the best long-term solution. Technical cooperation in privatization provided by UNIDO consists of two major types: overall support to

privatization approaches in terms of strategic policy and institutional advice; and support to the actual privatization of individual enterprises.

54. In Uzbekistan, UNIDO supported the State Privatization Committee in the overall supervision of the privatization process. A management information system was designed, extensive training programmes for Committee staff were developed and conducted, and long-term advisers were fielded to provide guidance on major issues.

55. A similar project got underway in Sudan to advise the Government on privatization. The project provided both long-term and short-term advisers, and training of counterparts with special emphasis on the required social safety net. As unemployment is often a short-term consequence of privatization, the project is undertaking an estimate of the size of the unemployment problem, together with an assessment of options available to improve the situation.

56. At the enterprise level, assistance concentrates on specific issues related to the privatization transaction, such as valuations or techno-economic assessments in preparation for privatization. In Peru,

for example, UNIDO completed one trust fund project and began a second, both of which assist the privatization of large industrial enterprises. Under the project, a privatization adviser plus several short-term sectoral specialists were supplied to the country's largest chemical and pulp and paper enterprise. This led to the design of a privatization plan, much of which has already been implemented. By the end of the year, the divestment of parts of this enterprise had generated more than \$20 million of revenue, with several more units expected to be sold in 1995. This enterprise will continue to receive technical cooperation under the new project, as will two new enterprises.

Management of enterprises

57. The role of technical cooperation was enhanced in improving management in the enterprises of developing countries: training programmes improve the skills of management; the design and installation of management information, accounting and other systems provide management with the tools it needs to do its job; manuals, case studies and other materials disseminate information useful to enterprise managers. In Ethiopia a national seminar addressed the issue of management development.

A. THE FIVE DEVELOPMENT OBJECTIVES OF UNIDO

2. DEVELOPMENT OF HUMAN RESOURCES FOR INDUSTRY

58. The General Conference at Yaoundé, in adopting resolution GC.5/Res.2, highlighted the importance of developing human resources to accelerate industrialization of developing countries, together with the coordination of the various human resource development (HRD)-related activities to promote productive employment and improve industrial competitiveness. The development of human resources for industry constitutes one of the priority programmes of UNIDO. Its emphasis is on enhancing linkages with technology transfer, capacity-building for national execution as well as closer cooperation with Governments, private sector associations and United Nations organizations.

59. The new orientation of the HRD programme of UNIDO and its activities also follow the recommendations of the evaluation completed in 1993 and the medium-term plan, 1996-2001. Within this framework, HRD activities focused on advising on policy, strategy and methodology; strengthening HRD and training infrastructure; and developing catalytic training activities to address specific problems.

Policy-level advice and upstream work

60. The "International Conference on Human Resource Development in a Time of Global Change" was convened by UNIDO in cooperation with Swedish institutions at Umea, Sweden. Attended by representatives from more than 30 countries as well as from a number of United Nations agencies, the Conference reviewed new developments in industrial training and their relevance for developing countries and countries in transition. New approaches were identified that could enhance the effectiveness of international support to HRD in these countries. The Conference served as a forum for country representatives to exchange information, and was instrumental in forging closer links between participants.

61. Government and industry were assisted in developing policies and measures to build up and strengthen the HRD base required to meet industrial development goals. Preparatory assistance was provided to the Caribbean Common Market on a programme of action for developing national and regional HRD capabilities to conduct training for industry. A regional technical cooperation project financed by Germany envisages coordination of relevant HRD activities among multilateral and bilateral agencies and donors. Likewise, UNIDO carried out preparatory missions to the Czech Republic to assess the needs for retraining workers affected by redundancies and downsizing in the chemical and metallurgical industries. This included reviewing

possibilities for outplacement in current and emerging private enterprises. In the Islamic Republic of Iran, UNIDO assisted in the collection and analysis of information on women's participation patterns and constraints in industry. The report on the subject will contribute to the Fourth World Conference on Women at Beijing, China.

62. Such diagnostic studies and skill-needs assessments help Governments respond in a timely and flexible manner to changes in today's open and global markets. Diagnostic studies received increased attention, leading to more targeted training activities to narrow the gap between labour market supply and skill requirements of industry. The group training activity in SME development in Palestine was assessed and its effectiveness confirmed. A mission was sent to Palestine to develop an HRD programme to establish a national management capability for the construction industry.

Capacity-building through training

63. Educational and training systems not geared to economically productive activities aggravate problems caused by the shortage of technical and managerial skills, and entrepreneurs. While in some developing countries trained people cannot find employment, in others there are jobs for which no local skills exist. The integrated HRD approach of UNIDO focused on linkages with educational systems, and included this dimension in technical cooperation activities. A critical concern has been not only to create broad-based

technical capability, but also to stimulate the growth of new entrepreneurs. This concern was addressed through the establishment of network systems and twinning arrangements among institutions in developing and developed countries.

64. UNIDO-assisted regional, national and local training centres developed a demand-orientation for training of trainers, curriculum development, and preparing training materials on industrial priority areas. For example, following the evaluation of the training programme on industrial planning in Japan, the programme was revised, modified and transformed, leading to a new seminar on technology management and industrial development, implemented for the first time in 1994. The programme provided Japanese knowledge and experience in technology transfer, production processes applicable to SME, organization and quality issues. Participants from Indonesia, Lao People's Democratic Republic, Myanmar, Philippines and Thailand took part in practical sessions and study visits to research institutions, agencies and plant centres.

65. The application of multimedia and communications technologies was reviewed, including distance learning systems, together with the production of course lectures and audiovisual tools. In autumn, a preliminary meeting took place at Poitiers, France, to examine the interest of the Centre National d'Enseignement à Distance in launching, together with UNIDO, a distance learning programme that meets the needs of developing countries, especially least developed countries (LDCs). Further discussions will concentrate on assessing the interest of selected countries and training of trainers requirements.

Sector-specific HRD : Examples

Footwear

66. The Central Footwear and Training Centre and the Indian Institute for Leather Products offered courses ranging in length from three months to two years, moderated and certified by reputable French and English institutes. The Indian private leather and footwear industry benefited from UNIDO technical cooperation by receiving over 100 well-trained personnel, as well as expert and technical services from local institutes based on human resource capacities created by UNIDO.

Leather

67. An Africa-wide training programme on human resource development through education and training in the leather and footwear industries was launched by UNIDO. The Training and Production Centre for the Shoe Industry in Kenya that was established with revolving funds and created during the first phase of the

regional Africa leather and footwear industry scheme, started operations, including initial training courses.

Mainstreaming women

68. The HRD activities of UNIDO continued to emphasize the integration of women in industrial development. Training activities were developed and conducted on various themes and subsectors that specifically targeted women.

69. An extensive training scheme supported Kenyan women entrepreneurs in the manufacture of garments and associated products by improving their skills in entrepreneurship, production, design and marketing. Their training was organized so that participants could continue breadwinning activities without disruption. The approach developed in this country proved so successful that it is being introduced in Uganda and the United Republic of Tanzania. In these countries similar projects are starting, with built-in links with the original Kenyan project.

70. In the United Republic of Tanzania, UNIDO continued a large-scale training programme, begun in 1993, for women entrepreneurs in the food-processing sector. This programme provides women with the entrepreneurial awareness, management skills and the technical knowledge necessary to establish and run small food-processing units. The programme addresses poverty alleviation by promoting productive employment and income-generating activities. At the University of Agriculture at Morogoro, UNIDO conducted a four-week training of trainers workshop for 17 women. The workshop was the first of its kind organized in the country, combining business, management and technical aspects of production. Local media highlighted the training programme as well as results and future plans. The programme was presented to the public during the Annual Trade Fair (SABASAGA) at Dar-es-Salaam, where the food products produced and the equipment used during the workshop were displayed. On the basis of the progress and achievements of the project, assistance in the formulation of a UNIDO/UNDP joint proposal is envisaged within the implementation of the National Programme of Action for Sustainable Income Generation.

71. In Ethiopia, UNIDO cooperated with the United Nations Department for Development Support and Management Services (DDSMS) in the implementation of the entrepreneurship development programme established within the Ethiopian National Programme for Management of Technical and Economic Change. Phase I of the programme includes entrepreneurship workshops for local staff in three regions, including Addis Ababa. It also includes technical assistance to the National Commercial Bank of Ethiopia in development banking. The programme

combines for the first time the EMPRETEC I model of DDSMS and UNIDO experience in modular approaches to managerial and entrepreneurial skill development, for use in a country with a relatively embryonic private sector. The technical assistance to the National Commercial Bank of Ethiopia, assigned entirely to UNIDO, includes training in project evaluation and in various aspects of credits and loans for small-scale industries.

72. In both Cape Verde and the Gambia, bringing women and youth into the development process is an essential component of their respective strategy for poverty alleviation (SPA), undertaken with the support of UNDP. One of the objectives of SPA is to enhance capacities at community levels. Emphasis is on rural women realizing their social and legal status, with the goal of improving access to education, credit and technology. These women suffer from the many constraints of food-crop farmers that, together with the responsibilities inherent in maintaining large families, deprive them of more attractive employment and income-generating opportunities.

Training to promote foreign investment and technology flows

73. Training activities in investment project preparation and appraisal responded to the high worldwide demand for these services, as UNIDO continued building national capacity. The trend was for curricula to be increasingly custom-tailored to the needs of the counterpart. The release of the computer software COMFAR III further complemented the internationally accepted methodological approach of UNIDO.

74. The technology acquisition programme addressed HRD concerns through a variety of means. First, direct training was provided in the field of

technology acquisition and negotiation, including build-operate-transfer (BOT) arrangements and technology management. The programme also focused on capacity-building that was oriented to building up sustainable indigenous capacity at the institutional and professional levels, with emphasis on training and delivery of advisory services in technology transfer negotiations. Finally, the programme supported preparation of training materials.

75. Four training activities on technology acquisition and negotiation took place, in Brazil, Indonesia, and twice in Uganda. All provided the basis for national programmes to build indigenous capabilities. The thrust was on training national experts as part of core teams of national trainers in technology negotiations, concerning both the substance and pedagogical methods. In these workshops, the Manual on Technology Transfer Negotiations provided the main teaching tool and facility. A seminar on the use of BOT strategy took place at Rio de Janeiro, Brazil (see also paras. 134-137 below).

Training on environmental issues

76. Addressing environmental issues was a major concern in many of the UNIDO technical cooperation programmes and projects. These increasingly incorporated significant training components to enhance environmental awareness, as was the case in a training programme, held in Turkey, in the iron and steel industry. Production process and equipment design, technology selection and adaptation for environmental protection and energy conservation require a high degree of specialized technical and managerial skills. More widespread and intensive training - also at local levels and community enterprises - were conducted to sensitize and equip the critical mass of human resources required to take well-informed decisions.

Note

1 EMPRETEC is the Spanish acronym for "emprendedores" (entrepreneurs) and "tecnología" (technology)

A. THE FIVE DEVELOPMENT OBJECTIVES OF UNIDO

3. EQUITABLE DEVELOPMENT THROUGH INDUSTRIAL DEVELOPMENT

77. Widespread poverty requires the priority attention of the international community, as does the need of all regions and population groups to fully participate in socio-economic development. The contribution of UNIDO in those respects is to make industrial development a cornerstone of efforts to promote socially sustainable patterns of development. This requires the creation of economic opportunities for the disadvantaged and poor segments of the population. The expansion of both employment and entrepreneurial opportunities enable these segments to enter the mainstream of economic development. UNIDO also contributes to equitable development through focusing on economically disadvantaged regions within countries and on rural areas, with the productive potential of food-processing and other natural resource-based industries receiving emphasis.

Rural development through SMEs

78. A great potential in building up a broader and more resilient base of industrial development is offered by SMEs. They can contribute substantially to generating employment and income, balancing social inequalities, reducing poverty, integrating the rural and urban poor into the productive sectors and repositioning women and other disadvantaged groups. Therefore, the SME programme provides an integrated package of services to ensure that policies and programmes support small private entrepreneurs capable of creating sustainable jobs and incomes. It also develops demand-driven and decentralized technical support services to foster the creation and sustained development of SMEs, particularly those that are rural-based. In 1994, UNIDO technical cooperation in this field focused on: the restructuring and development of SME development agencies; the organization of decentralized business development centres and networks of technical and financial support institutions; the strengthening of industry associations; and the organization of business incubation systems.

79. In the rural development programme, services were aimed at creating non-farm employment and income-generating opportunities in rural areas, while promoting backward and forward linkages between the industrial and agriculture sectors, leading to increased agricultural productivity. Specific policies and programmes aimed to improve the business environment of rural-based SMEs. Technical and financial support services worked to promote the sustained development of manufacturing enterprises and related services in rural areas.

80. UNIDO helped improve the functioning of promotion institutions and develop a new system for rural industry promotion, including a revolving fund programme. Guinea-Bissau, Mozambique and Zambia received assistance in this area. Linkages were also created between rural development and drug control by developing alternative business opportunities, thus contributing to the System-Wide Action Plan on Drug Abuse Control (e.g. in Bolivia). Generally, the rural development programme emphasized industrial activities that result in income generation, particularly in LDCs and in sub-Saharan Africa.

81. Action-oriented research supported technical cooperation. Progress was made on a review of mechanisms to assess the impact of market liberalization measures on rural small-scale industries based on selected case studies. Moreover, the Organization began the promotion of national research on the effects of various approaches to enhance the industrial contribution to rural development. Work started on the development of practical tools to support rural small-scale industries. Examples are a pilot kit for a community-based support package that includes a rural entrepreneurship reinforcement programme and a simple tool for financial viability evaluation. Development continued on a programme to improve, through a UNIDO-supported network, exchanges of expertise, experience and issues among national policy-makers and researchers in LDCs.

82. UNIDO participated in the annual meeting of the Administrative Committee on Coordination (ACC) Task Force on Rural Development and organized the annual meeting of the Inter-agency Working Group on Industrial Contribution to Rural Development, held in

May 1994. The latter highlighted experiences in promoting rural small-scale industries, particularly for income-generating activities for women and the development of such activities into growth enterprises. The important role of intermediate towns was noted in terms of rural-urban linkages and rural development.

Regional development

83. An increasing number of developing countries give priority to programmes supporting equitable regional distribution of industrial development. Efforts aim to decentralize production facilities so as to help upgrade the living conditions in remote areas through the supply of goods and services to meet basic needs. This involves policy setting, institutional measures and related incentives schemes to initiate industrial development in specific regions, encourage momentum and make it self-sustained.

84. In 1994, preparation started for new services in the field of regional development. Thus UNIDO provided assessed information on efficient mechanisms of regional development and rendered technical cooperation and advisory services to regional and provincial industrial policy-makers and institutions. One project began at Kaliningrad, Russian Federation, where UNIDO is assisting the administration of the region in the preparation of a regional development concept. In Viet Nam, development began of a concept for industrialization of the Red River Delta region. In Poland, elaboration started on a project for the development of the Elblag region, the implementation of which is dependent on the availability of donor funding.

Sectoral support

85. Support at the level of industrial sectors concentrated on enhancing the linkages with agriculture, both through the processing of agricultural products and through agro-related industries. Some 30 projects were under implementation in rural food-processing industries, 17 in non-wood forest products, 20 in agro-chemicals, 20 in agro-related metalworking, 7 in the development of new and renewable energy sources and 4 in small-scale mining.

Rural food-processing industries

86. The farmers in the Chapare region of Bolivia were provided with an attractive alternative to illicit coca cultivation through shareholding in 11 agro-industrial plants processing substitute products. The project not only contributed to equitable and environmentally sustainable industrial development especially in the rural areas but also promoted industrial competitiveness by rationalizing the operations of these plants. The perennial tea plantations and aromatic plant farms established as part of the project are of paramount importance to the environment because they

fix the fragile tropical soils that were devastated by coca cultivation. The first year of operation saw significant results, with all 11 plants now operating with positive cash flow.

Production of "naturals"

87. The trend to natural products and health food, especially in industrialized countries, offers significant opportunities for the development of rural industries of developing countries that process non-wood forest products. Given this market potential, UNIDO extended its programme in medicinal and aromatic plants to a wide range of plant-based natural products and assisted in the development of alternative uses of these products. The programme's approach comprises the whole spectrum of the industry, from sustainable harvesting techniques to the commercialization and marketing of the products. A theme paper was prepared for an international expert consultation on non-wood forest products, which is planned for 1995.

Pesticides for sustainable agricultural development

88. The UNIDO network on pesticides for Asia and the Pacific covers 15 countries. Because of its impact, the network became part of the \$12 million UNDP FARM programme (see also para. 39 above). The programme enhances the capabilities of resource-poor communities and farmers to achieve improved conservation, management and utilization of natural agricultural resources and systems through participatory approaches. Within this programme UNIDO is responsible for integrated pest management and pesticides production and information. Due to its strong accent on technology transfer, quality and safety, UNIDO contributes to and will become a member of the International Programme on Chemical Safety in early 1995.

Agricultural machinery and rural equipment for sustainable agricultural development

89. Manufacturers in many developing countries, especially in LDCs, suffer from lack of access to suitable technologies, reasonably priced raw materials of uniform quality and promotion and extension services. These constraints are addressed through technical cooperation and cost-effective solutions to the agro-related metal-working sector.

90. The Organization provided training and technology upgrading in the informal metal working sector in Kenya, for the benefit of the Jua Kalis, consisting of more than 400 associations and about 1 million individual members. UNIDO has initiated a new project to continue this highly successful and internationally recognized programme. Groundwork began for a gradual integration of the informal sectors in Kenya and Uganda into this programme and will

eventually lead to a higher utilization of existing industrial capacity, generate investments and save foreign exchange.

91. UNIDO, as one of the sponsors of the African Regional Centre for Engineering Design and Manufacturing (ARCEDEM), developed, in cooperation with the Centre, African capabilities in engineering design, manufacturing and maintenance of industrial and agricultural machines and equipment. Based on these new capabilities, an Industrial Development Decade for Africa-financed regional project began, covering Congo, Nigeria, Uganda and Zambia. Within this programme ARCEDEM will design, manufacture and transfer to participating countries various prototypes, such as hydraulic maintenance presses, hammer mills and mobile cranes.

Environmentally sound small-scale mining

92. Governments in many developing countries have recognized the importance of small-scale mining for employment of people living in rural areas. Technical cooperation is directed to improving

efficiency of metal recovery, avoidance of mercury pollution and integration of women in the development process. A corresponding programme for Viet Nam has been formulated.

New and renewable energy sources for rural development

93. Being outside the reach of electricity grids or other energy supplies often hampers development of rural areas. The problem is tackled through a number of means: advising on the formulation of energy strategies, studying the feasibility of various energy options and advising on the most appropriate energy source according to local conditions (e.g., wind, solar, hydropower, biomass). In Africa a regional programme was launched on biomass energy (see para. 107 below). In Indonesia a wind generator set was designed with a construction suitable for local manufacturing capabilities. The set is suitable for covering the energy needs of villages and small-scale rural industries. The technical feasibility of using wind, solar and biogas sources in the Democratic People's Republic of Korea was also studied.

A. THE FIVE DEVELOPMENT OBJECTIVES OF UNIDO

4. ENVIRONMENTALLY SUSTAINABLE INDUSTRIAL DEVELOPMENT

94. In 1994, UNIDO concentrated environmental programmes on five areas, including the transfer of technology for environmentally sustainable industrial development (ESID); capacity-building in support of national plans or programmes for ESID; energy and industry; supporting the implementation of international conventions, protocols or action plans for the protection of the environment; and coordinating operational activities with those of other entities of the United Nations system and other international bodies. The present section reviews major developments in 1994 and indicates the perspective for future years under each of these areas.

Transfer of technology for ESID

95. On the part of industry, a widespread conception has been that environmental protection is a cost-incurring activity requiring continuous non-productive cash outlays. This outlook led to weak implementation of environmental protection strategies. There is, however, growing evidence that cleaner production - encompassing the prevention of pollution, and the minimization and recycling of wastes - not only helps reduce industrial pollutant discharge by as much as 25 to 50 per cent, but that it can also result in enhanced profitability and competitiveness. The transfer of technology and know-how for cleaner production is, therefore, a key aspect in addressing ESID. In support of the cleaner production approach to environmental protection, UNIDO carried out activities at institutional, cross-sectoral and sector-specific levels in 1994.

Sector-wide initiatives

96. UNIDO, in cooperation with the United Nations Environment Programme (UNEP), launched a programme for national cleaner production centres. The centres will play a catalytic role in cleaner production by providing technical information and advice, demonstrating cleaner production techniques and technologies, and training industry and government professionals. The programme will build up local capabilities to conduct waste audits, demonstrate waste minimization measures, and assist in the transfer of cleaner technologies. While the initial phase of this programme will support eight centres for three years, the intention is to eventually be able to provide support to 20 centres over a period of five years. The programme draws not only on the experience of similar activities in developed countries, but also on the experience of the Organization in promoting and

implementing such activities in developing countries. This was the case, for example, in a waste minimization project completed in India in 1994, where 12 companies in three industrial sectors were analysed.

Programmes at the sector-specific level

97. Technological solutions to cleaner production at the sector-specific level have a significant bearing on technological growth and competitiveness. Section A. 1. above covers achievements in programmes and projects dealing with cleaner production in specific subsectors of industry.

Advanced technologies for environment protection

98. In its efforts to promote biotechnology capability-building, the Organization closely cooperates with ICGER, which provides advanced R and D training facilities. Environment-related priorities include microbial enhancement of oil recovery and bioremediation technologies, bioconversion and production of biogas and conservation of biodiversity. UNIDO also prepared a biosafety manual and established the Biosafety Information Network and Advisory Service (BINAS) (see para. 41 above).

Energy and environment information systems

99. An adjunct to operational activities is the development of and access to electronic information systems such as the UNIDO/Industrial and Technological Information Bank Energy and Environment Information System and the Referral Database on Energy and Environment (REED). The former continued establishing networking mechanisms in Member States to strengthen their ability to collect, store and disseminate industrial environment and energy information, while the REED database totalled more than 10,000 records by mid-1994.

Supporting national plans and programmes for ESID

100. Environmental policy and action proceeded on a broad front, with the adoption of measures ranging from industry-specific environmental guidelines to the formulation of an intersectoral Agenda 21 at the national level. By mid-1994, 25 developing countries and four countries in transition created or were in the process of creating multisectoral national commissions on sustainable development. Almost every country has formulated or is in the process of formulating an environment policy or action plan and associated legislation. Against this background, work on industry-related environmental policy concentrated on the following areas.

Formulation of overall ESID strategies

101. The ESID formulation strategies are based on a consultative process for creating national capacities to establish environmental goals and action plans. At present, UNIDO supports the formulation of ESID strategies in Madagascar (in cooperation with the World Bank and the African Development Bank), Morocco and Mozambique. Within these strategies, a clear set of sectoral environmental priorities, plans and policies will be developed to ensure the abatement of environmental impact of industrial activities.

Agenda 21 at the national level

102. A number of Governments in developing countries have started preparations of their own national Agenda 21. In this area UNIDO plays an important role in assisting in both the preparatory and implementation stages. The first country to develop a comprehensive national Agenda 21 is China. A mission participated in a high-level round-table conference on the Agenda 21 of China, held at Beijing, with 12 programme areas identified for further joint action between the Government of China and UNIDO. The main areas for action are in cleaner production and the development of an environment protection industry, clean energy, transportation and pollution control in industry.

National capacities for environment policies

103. In all environment policy-related endeavours UNIDO aims to build national capacities and capabilities for attaining ESID. A cornerstone of capacity-building is the need to have trained human resources in Governments, industry support institutions and in industry itself, which can analyse issues and have the skills to initiate industry-related environmental protection initiatives. A United Nations publication prepared by UNIDO, "Training course on ecologically sustainable industrial development" supports several capacity-building initiatives. The course seeks to meet

the needs of a wide audience and to establish a foundation on the basis of which further specialized training may be pursued. Using advanced training techniques, encompassing written, audiovisual and computer-aided instruction software, the kit has numerous uses: these range from group training to individual self-instruction programmes.

Energy and Industry

104. The question of cleaner production assumes special relevance in the generation and industrial utilization of energy, where assistance focuses on three areas: industrial energy management, the use of new and renewable sources of energy and improving power generation efficiency.

Industrial energy management

105. Energy end-use efficiency could increase 20 to 30 per cent in many developing countries. Unfortunately, to date, only a fraction of this huge energy savings potential has been tapped. The main causes include policy failures, particularly underpricing, limited access to financing and a lack of technical information. On the demand side, UNIDO implemented energy-efficiency measures in industry through auditing, promoting conservation and end-use efficiency, and assisting the transfer of low energy intensity technologies. The programme promoted the adoption of energy-efficient technologies in the Asian region, addressing the ceramic and cement industries in Bangladesh and Sri Lanka. Manuals will assist engineering and technical staff to improve plant level energy efficiency.

New and renewable sources of energy

106. UNIDO offered advisory services to Governments and helped prepare programmes for the introduction of alternative sources of energy (such as solar energy, hydropower, wind energy, biomass), in particular for rural areas. The Government of the State of Western Australia, together with UNIDO, agreed to establish the Centre for Application of Solar Energy. The Centre will assist developing countries in promoting and developing solar energy applications, helping improve the transfer of this technology.

107. In Africa, UNIDO launched a thematic regional programme on biomass energy for industrial development. The preparatory phase of this programme covers Ghana, Uganda and the United Republic of Tanzania. Biomass energy is already important to many industrial activities. Small-scale industries dealing with the production of brick, lime, tobacco and rubber, use wood as their main source of energy for the production process. Industrial and artisanal production of charcoal, for use as cooking fuel and industrial raw material for the steel industry, also

use wood. Agro-industrial residues are also used as industrial fuel, mainly in larger scale operations such as palm oil and sugar factories. Still, huge amounts of biomass are wasted. If utilized properly, these resources could provide a substantial source of energy and a basis for industrial activities. The thematic programme concentrates on the improvement of the efficiency of the present wood use and the use of biomass waste materials. Wherever biomass is used for energy in an unsustainable manner, alternatives to biomass energy are recommended. In all cases, the programme gives due consideration to sources of energy alternative to biomass. Wherever considered necessary, technical, economic, social and environmental assessments compare the advantages and disadvantages of different energy options, including both imported and indigenous resources, fossil fuels and different renewable energy options.

Improving power generation efficiency

108. With regard to fossil fuel-based energy, UNIDO supports both industry and R and D organizations with the development and demonstration of technologies that offer more efficient and cleaner combustion of coal for generation of power and process steam. In China, for example, UNIDO is supporting the installation and start-up of two 210 ton-per-hour circulating fluidized-bed boilers on the premises of an agricultural chemical manufacturer where increasing energy demand requires newly installed generating capacity. At the same time, that capacity must comply with emission control regulations for sulphur dioxide and nitrogen oxides. Also in China, UNIDO is assisting local scientists and engineers to develop hot gas desulphurization technology for application in integrated gasification combined cycle systems. A pilot facility is under construction to demonstrate this central component of the system, which has the potential to significantly increase efficiencies and reduce emissions from coal-based power generation.

Supporting the implementation of international conventions, protocols or action plans for the protection of the environment

109. Concentration is on international environment-related policy initiatives or legislation that concern the phasing out of ozone-depleting substances (ODS), the alleviation of chemical risks and enhancement of chemical safety, the conservation of freshwater resources and the need to mitigate the effect of greenhouse gases on climate change.

110. A major challenge is the phase-out of ODSs, specifically in the context of the Montreal Protocol. UNIDO became an implementing agency of the Multilateral Fund for the Implementation of the Montreal Protocol in late 1992. By the end of 1994, the Fund had approved \$21 million (plus support costs of

\$2.7 million) for UNIDO project implementation, covering project formulation and projects for phase-out of ODSs in the following countries: Algeria, Argentina, Brazil, Cameroon, China, Egypt, India, Islamic Republic of Iran, Jordan, Kenya, Nigeria, Pakistan, Romania, Syrian Arab Republic and Viet Nam. In addition, funds amounting to \$800,000 for project preparation have been recommended for approval in 17 countries: Algeria, Barbados, Cameroon, China, Indonesia, Islamic Republic of Iran, Jordan, Mozambique, Romania, Seychelles, Swaziland, Syrian Arab Republic, The former Yugoslav Republic of Macedonia, Turkey, United Republic of Tanzania, Viet Nam and Zambia.

111. UNIDO has also been assigned a number of global projects, including joint action with UNEP to continue the preparation of country programmes. Institution-strengthening projects are under way in Egypt and the Syrian Arab Republic, and an investment project for the elimination of chlorofluorocarbons (CFCs) in manufacturing foams in Egypt, approved in June 1993 and completed in August 1994, resulted in the phase out of 196 tons of ODSs per year.

112. International action on the reduction of chemical risks advanced, with UNIDO participation, due to the work of the International Programme on Chemical Safety, particularly in the new Intergovernmental Forum on Chemical Safety. The Programme also promoted the environmentally sound management of chemicals, by supporting cleaner production technologies and techniques both in chemical industries and processes relying on toxic chemicals; product substitution efforts in such chemical applications as pesticides; capacity-building in chemicals risk assessment; and the handling, storage and disposal of toxic chemicals. In these activities, the Programme takes account of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal and the London Guidelines for the Exchange of Information on Chemicals in International Trade.

113. Given the global concern on scarce freshwater resources, there is a clear need to develop an industry-related water programme, and to implement it in cooperation with other agencies concerned with the conservation and provision of freshwater resources. Consequently, UNIDO reactivated its participation in the ACC Subcommittee on Water Resources and will, on request, provide industry-related data and studies for the Subcommittee's Global Freshwater Assessment Study. The 1997 session of the Commission for Sustainable Development (CSD) and thereafter the United Nations General Assembly will review this information. Participation in this Subcommittee will enable the Organization to define its programmatic role and to develop joint operational initiatives with other agencies.

114. UNIDO participated in the tenth session of the Intergovernmental Negotiating Committee for a Framework Convention on Climate Change, at Geneva. The work of the Organization in improving industrial energy efficiency, to introduce new and renewable energy resources and to improve the efficiency of fossil fuel-based power generation will contribute to mitigation strategies that address greenhouse gas emissions. The goal is helping developing countries meet their obligations under the Framework Convention on Climate Change, to which a sizeable portion of the Global Environment Facility resources will be devoted.

Environmental project analysis

115. Following the adoption of an Industrial Development Board decision (IDB.10/Dec.13), all technical cooperation projects approved in 1993 were reviewed in terms of their coverage of environmental issues. From this review, it emerged that the combined share of genuinely environmental projects and projects with an appropriate environment component reached 45 per cent (in terms of project numbers), which was significantly higher than in the preceding year.

116. Of the 71 genuinely environmental projects approved in 1993, the greatest number (13 projects) were for the Montreal Protocol-related CFC phase-out programme. Other major categories of projects include end-of-pipe pollution abatement, environmental education and training, followed by cleaner production, environmental impact assessment and energy conservation.

Coordinating operational efforts with other entities of the United Nations system and other international bodies

117. Since its restructuring, the Organization has been working to develop its role in the implementation

of Agenda 21, as requested by the General Conference in resolution GC.5/Res.6. Therefore, by increasing its involvement in the United Nations system-wide policy dialogue on the follow-up to the United Nations Conference on Environment and Development, the Organization engaged in both the policy-level and operational initiatives within the framework of CSD. UNIDO participated in the third and fourth sessions of the Inter-agency Committee on Sustainable Development (IACSD) and in the second session of CSD in New York.

118. The two IACSD meetings resulted in the recognition of the potential role of UNIDO in several areas, most notably: education, science and the transfer of environmentally sound technologies, cooperation and capacity-building; the chapters of Agenda 21 on environmentally sound management of biotechnology (an area for which UNIDO was designated Task Manager in 1993); environmentally sound management of toxic chemicals and hazardous wastes, including prevention of their illegal international traffic; promoting sustainable human settlement development; and protection of the quality and supply of freshwater resources including the application of integrated approaches to the development, management and use of water resources.

119. An issue that will undoubtedly occupy much attention in the work of the United Nations system as a whole, is trade, environment and sustainable development. The Secretary-General was called upon by CSD to prepare an analytical study on the interrelationships between competitiveness, trade, technology and changing consumption and production patterns. UNIDO is one of the agencies requested to contribute to the study. During 1994, a selective review of the issues involved was begun. For example, an expert group meeting was held on the potential impact of eco-labelling on the leather and leather products industry (see para. 4 above).

A. THE FIVE DEVELOPMENT OBJECTIVES OF UNIDO

5. INTERNATIONAL COOPERATION IN INDUSTRIAL INVESTMENT AND TECHNOLOGY

120. UNIDO formulated a new investment and technology partnership initiative, to better integrate activities in the field of investment and technology promotion. Through this initiative assistance is provided in elaborating the institutional and policy framework required in developing countries for attracting and absorbing technology and investment flows. On this basis, it enables the provision of a range of integrated services and tools to support recipient countries in gaining access to investment resources, technology, know-how, marketing and managerial skills as well as upgrading their capabilities in these fields.

Investment promotion programmes

121. With regard to investment promotion programmes, including the organization of investment forums, emphasis shifted from regional to national or sectoral programmes. In the case of Africa, preparations continued for national Invesmarts in Eritrea, Ethiopia, Ghana, Kenya, Morocco and Uganda.

122. UNIDO provided advice to individual African Governments to enact revise laws favourable to private investment, in line with the efforts of most African countries to create an enabling environment for accelerated growth. Support was extended to a number of countries in the African region in the establishment or strengthening of the institutional infrastructure for the promotion of both domestic and foreign investments. In these programmes the training component receives emphasis, accounting for an average of 45 per cent of the main activities.

123. In Asia and the Pacific, promotional activities in 1994 were carried out in China and India, with Invesmarts held at Kunming and New Delhi. The target beneficiaries of assistance were entrepreneurs in the small- and medium-scale sector, through support to various types of investment and technology cooperation with potential foreign partners. In India a follow-up programme began, with preparation of pre-feasibility studies, assistance in project negotiations and offering of technical expertise, in order to help realize identified industrial investment projects.

124. New investment promotion programmes were designed for the Islamic Republic of Iran, Eastern Indonesia, Philippines, Viet Nam, and the Tumen River Area Development Programme. Major components include: management training workshops, study tours, delegate programmes, project completion facilities, preparation and promotion of industrial investment

projects and holding of Invesmarts in these countries. The implementation and follow-up will take several years.

125. A programme was implemented to enhance the institutional capacity of the Board of Investment of Sri Lanka in support of investment-related policy reforms and strengthening of investment promotion activities. The programme, initiated in 1994, also includes the preparation and promotion of industrial investment profiles as well as assistance in improving promotional materials, image building and project promotion.

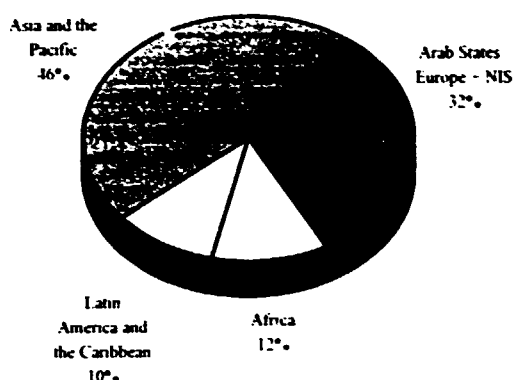
126. Activities in Latin America and the Caribbean focused on the provision of institutional support to the national focal points for investment promotion, and on the introduction of the UNIDO methodology for project identification and evaluation. Two important investment forums for Latin America took place in Europe: BORITEC at Milan, Italy, and EUROPALIA in Paris, France. Negotiations began with the Inter-American Development Bank for joint activities on investment promotion in the region through the Bolivar Programme. In terms of interregional activities, a project was developed to establish cooperation between China and selected countries in Latin America.

127. In general, there was a clear improvement in the quality of investment project profiles prepared with UNIDO support, especially in connection with the two investment forums held for selected regions of the Russian Federation.

128. In 1994, out of the multitude of investment projects identified and promoted by UNIDO in all developing regions, a total of 69 investment projects were promoted up to the conclusion of negotiations between the partners concerned. These projects are expected to generate a total value of new investments

of \$635 million. The regional breakdown of these investment projects - which exclude transfer of technology agreements, marketing agreements and others without an investment component - is given below.

1994 Investment projects



129. During 1994, UNIDO finalized guidelines for investment promotion agencies that will become an integral part of activities aimed at strengthening national capacities for attracting foreign investment.

Investment Promotion Network

130. Within the Investment Promotion Service (IPS) network, efforts focused on expanding coverage to developing countries and economies in transition. From these countries UNIDO has received 16 requests for the establishment of an office concerned with inward investment promotion. Defining modalities associated with the establishment of such offices required considerable attention. Together with this initiative was the administration and monitoring of the existing network, as well as the introduction of electronic advances to ensure the rapid transmission of information between and among the IPS offices and Headquarters.

Pre-investment work

131. Extensive work at the pre-investment stage accompanied investment promotion activities. The programme completed a number of investment studies for the promotion of foreign direct investment in developing countries, covering a variety of industrial sectors. Successful examples exist for countries such as Bangladesh, Indonesia, Pakistan, Uzbekistan and Viet Nam, where joint venture agreements have been concluded or are at advanced stages of conclusion. A new generation of software for financial and economic analysis of investment projects, COMFAR III Expert, was released in 1994. Working under the Windows operating system, the software offers many advantages over the previous version. The underlying financial

and economic models can now be applied to various types of investments, with different scope of analysis and flexibility. Licensing of this new software, including the replacement of COMFAR 2.1, met with a very positive market reaction.

132. Training programmes on investment project preparation and appraisal aimed at enhancing national capabilities in the developing countries. A group of 300 professionals was trained in various aspects of investment appraisal, through 15 training programmes organized at national, regional and interregional levels. Emphasis was on the specific needs of least developed countries and economies in transition, as well as integration of women in industrial development. Training programmes for the Nordic Investment Bank and the Organization of the Petroleum Exporting Countries Fund, as well as collaboration with the Economic Development Institute of the World Bank, are likely to lead to continued cooperation with these institutions.

Techmarts

133. Techmarts continued to be an important activity integrating investment and technology promotion. The Techmart held at Hanoi, Viet Nam, brought together 250 foreign participants from 25 countries for a display of and discussions about various technologies. Participation included 150 companies from Viet Nam in the sectors of food processing, light industry, electronics industry, chemicals and pharmaceuticals and advanced materials. Plant visits gave delegations an opportunity to assess the technological level of industry in the country. Bilateral negotiations are underway for investment arrangements to rehabilitate some plants.

Selection and transfer of technology

134. Professional competence to evaluate technology and negotiate its transfer is crucial to industrial development. This, together with the formation of sustainable indigenous capacity to implement training and advisory services on technology transfer negotiations will help improve the flow of technology to developing countries. Workshops and courses to this end took place in Brazil, Indonesia and Uganda. A full-scale programme was prepared and is due to be implemented in five other countries in the next two years.

135. Central to this programme of capacity-building is the *Manual on Technology Transfer Negotiations*. The *Manual*, in the process of publication, includes a comprehensive body of knowledge that addresses the range of issues likely to confront a technology buyer in the various phases of the technology transfer process. In addition, it provides information on alternative forms of technology

business, traditional as well as new forms, that buyers could explore in seeking technology from other sources.

136. UNIDO targeted new and emerging forms of technology transactions and international cooperation with significant potential. Preparation began on guidelines for the development, contracting and negotiation of BOT industrial infrastructure projects, as part of an evolving programme leading to the establishment of standard contracts and procedures related to the implementation of the BOT scheme. Emphasis was on technology generation and transfer aspects, including capacity-building. These programmes demonstrate how developing countries can take advantage of the BOT scheme to strengthen technical capacities in such areas as engineering, consultancy, equipment manufacturing and management.

137. Assistance in BOT projects in China and Ecuador is underway and technical cooperation projects under trust fund arrangements are under negotiation with Siderbras and Petrobras of Brazil. Promotional workshops as well as advisory services on BOT have also been implemented and a series of workshops is envisaged for Ethiopia, Kenya, Pakistan and Senegal.

Industrial cooperation and consultations

138. Industrial cooperation and partnerships are being stimulated, with a view to supporting collaborative efforts between countries with complementary interests, experience and/or resources. Industrial and industry-related institutions increasingly foster such partnerships, often within specific subsectoral contexts. In this framework, UNIDO

undertook conceptual work to build up programmes that promote innovative approaches such as region-to-region cooperation and twinning arrangements, *inter alia*, through consultation meetings.

139. In preparation for the forthcoming regional consultations on the construction industry in Africa, a sectoral framework was prepared and a workshop was held at Tianjin, China, on cement plant technology. That event resulted in four signed contracts to provide services and equipment estimated at \$120 million.

140. As a follow-up to past consultations on the fertilizer industry, a workshop was held at New Delhi, India, on policy environment conducive to the ecologically sustainable growth of this sector in the developing countries. It incorporated major world trends, Agenda 21 requirements and closer coordination with agricultural and rural communities.

141. In preparation for the consultation on environmental management cleaner technologies in the metallurgical industries, several ECDC TCDC meetings were planned to provide better defined issues and a better understanding of major world trends and Agenda 21 requirements for these heavy polluting industries. Preparations were completed for the first consultation on consulting engineering services, to be convened upon host country approval.

142. As part of the promotion of regional cooperation arrangements, activities were carried out in the agro-industry sector between regions in Brazil and France. An innovative scheme on cooperation and twinning arrangements was launched with the World Association of the Major Metropolises, addressing the problems of municipalities in industrial development.

B. PRIVATE SECTOR DEVELOPMENT

143. Among developing countries there is a widespread agreement that market mechanisms bolster growth through a more efficient allocation of resources. In many developing countries and countries in transition, the needs and functions of an emerging private sector are manifold. In a market economy, its development hinges upon the capacity to strengthen or acquire a competitive position by means of a strategic combination of products, processes and markets. Competitiveness in turn depends on variables such as labour and capital productivity, quality, timeliness, flexibility and mastering of strategic technologies.

Support for the private sector

144. There is a wide spectrum of industry-related expertise within UNIDO reflecting the multifaceted requirements of private sector development. While individual skills remain a major asset of the technical cooperation delivery of the Organization - and for long provided the basis thereof - collectively they represent today an even more valuable tool to service the range of needs spawned by private sector development.

145. The demand from the developing countries, the supply capacity of UNIDO and the ascertained financial support from the donor community together determine the strategy of the Organization for private sector development. A number of areas of strong demand exist at the policy and institutional levels; these are addressed by a private sector programme that endeavours to carry out the necessary analytical work to identify the constraints to private sector development, transfer requests from clients to relevant parts of the Organization and assume team leadership for the more complex support programmes.

146. The UNIDO programme aims to:

- Create an enabling environment for the development of the private industrial sector;
- Strengthen capabilities for policy formulation and implementation;
- Improve productivity and competitiveness, particularly on the export market.

The strategies used in reaching these objectives comprise direct advice on private sector development strategies, policies and programmes as well as capacity-building support.

147. Capacity-building concentrates on three aspects: enhancing national and regional capacities for formulating and implementing industrial strategies and policies; strengthening capacities for increasing the

productivity and competitiveness of the private sector, including management and development of human, financial, technological, administrative, natural and information resources; and enhancing capacities to analyse and exercise choices among technological options and to apply technology and new management systems in order to achieve quality and competitiveness. Approaches and selected activities in support of private sector development are grouped below in terms of support for the policy and institutional levels.

The policy level

Creating a supportive environment

148. The programme supported formulation of policies conducive to private sector development in general, i.e., encompassing trade, investment or fiscal considerations within an enabling legal and regulatory environment.

149. A project in Sri Lanka generated a number of studies as the basis for development and implementation of economic policy reform, which would facilitate industrial adjustment to a more competitive market environment. In that context, a workshop on taxation and fiscal incentives was organized.

150. In Zimbabwe, a team of UNIDO industrial economists revised a draft industrial policy statement prepared by the Government. The challenge was to ensure a satisfactory distribution of the growth proceeds across the sector and stimulate the emergence of intrasectoral linkages between different categories of firms. The Government endorsed the strategy and invited UNIDO to present the paper during a workshop at Harare.

151. A workshop organized for Algerian policy-makers on industrial restructuring in the framework of policy reforms in Algeria addressed: (a)

long-term issues of industrial growth: (b) prerequisites for successful privatization; (c) privatization instruments; (d) institutional set-up; and (e) the government-industry interface for the formulation of sound industrial policy.

Backing for effective privatization

152. UNIDO provided high-level advisory services, backed by intensive cross-country research, to enable Governments to properly design a privatization policy, efficiently implement a privatization scheme, and increase the effectiveness of their own role in the process (see also paras. 53-57 above).

153. In Uzbekistan, as a follow-up to a workshop held last year, UNIDO was instrumental in the development of three new projects relating to privatization, restructuring and incubation. The three projects are starting up with UNDP seed funds and are slated for donor add-on funding.

154. In Bolivia, UNIDO assisted the Ministry of Capitalization and Investment through the provision of high-level advisory services. A privatization expert worked with sectoral specialists and a national consulting company in the design of an integrated privatization programme. The programme is on the agenda for negotiations with the Multilateral Investment Fund of the Inter-American Development Bank for funding consideration.

Restructuring ministries of industry

155. UNIDO supplied advice based on past and ongoing experience in various parts of the world on the evolving role of the Government in transition economies, from operating or regulating production, to facilitating private initiative.

156. In Albania, a detailed assessment was undertaken of the staff resources at the Ministry of Mineral Resources and Energy. As a result, a thorough restructuring plan was proposed, commensurate with the new role of the Ministry in a market economy. A workshop on enterprise restructuring and new management methods as well as a detailed study on the restructuring of the oil industry were carried out. A

comprehensive training programme combining on-the-job training, workshops and study tours is under formulation.

The institutional level

Analysis of competitiveness

157. A methodology was developed to analyse competitiveness issues in the framework of industrial clusters, highlighting those constraints to private sector development where immediate corrective action will leverage the highest expected return.

158. For India and Mexico, UNIDO is developing an intelligent decision support system (COMPSTRAT) for the formulation of competitiveness strategies. This system, to be applied through industry institutions and associations, will help firms formulate their competitiveness strategies, to test them, and to establish when and how to introduce a specific plan or combination of actions.

Privat. sector institution support

159. UNIDO helped establish and strengthen private sector institutions such as chambers of industry and professional organizations, while aiming to ensure their effective integration into policy-making. Emphasis was also placed on establishing and ensuring effective operation of export processing zones, industrial estates, technoparks and other dedicated centres. Examples of such activities are projects in Benin, Brazil, Djibouti, Qatar, Togo and Viet Nam. Advisory support services were provided in defining policy guidelines and in pre-feasibility studies, management, operations and legal and organizational frameworks.

160. In Costa Rica, a national pilot institution (CEGESTI), created with UNIDO assistance to give the lead to capacity-building in general, provides a technology and information base to national consulting companies, as well as a balanced training programme. This project attracted funding from UNDP and other cost-sharing arrangements for further extending its operations and services.

C. INTEGRATION OF WOMEN IN INDUSTRIAL DEVELOPMENT

161. UNIDO worked to increasingly target women in a wide range of activities. In all these, sustainability was a central issue. The programme sought to develop the institutional capacity of recipient countries to enable them to properly address the needs of women in industry-related activities in general and in selected subsectors in particular.

162. Specifically, UNIDO consolidated the inputs and strategy of the Organization for the Fourth World Conference on Women; continued the development of studies concerning regional strategies and plans of action; strengthened cooperation with other United Nations organizations and agencies and non-governmental organizations (NGO); formulated guidelines for the integration of gender issues into selected UNIDO programmes, including HRD, SME, appropriate technology, and energy and environment; elaborated programme approaches targeting women's specific constraints in industry; and continued gender awareness training workshops for UNIDO Headquarters and field staff.

Gender considerations in programme development

163. Gender considerations were increasingly part of mainstream UNIDO activities, and are included in the earliest stages of country strategy development, programme design and formulation, and specific programming missions. Examples included the participation of women-in-industry experts in programming missions in Africa as well as in the large-scale Regional Africa Leather Programmes.

164. Staff training workshops on gender issues in industry, with selected core staff members, helped increase the level of awareness and the knowledge of UNIDO staff at large on the subject. The UNIDO training manual on gender-related issues was upgraded with training modules containing specific case studies based on UNIDO programmes and projects, together with a newly developed gender analysis and planning framework.

Thematic programmes and sectoral support

165. Activities were pursued relating to the identification, promotion and formulation of programmes specifically targeting women, with emphasis on sustainability. Two thematic programmes were promoted: the "UNIDO training programme for women entrepreneurs in the food-processing industry" and "women entrepreneurs for industrial growth". For the first programme, a large-scale project was approved for the United Republic of Tanzania, and several other projects have been or are being formulated in Ghana, Kenya and Uganda. For the second programme, active promotion began in Africa as well as in Asia. As a result, a project in Viet Nam was approved, starting with a study tour to Europe for Vietnamese women

entrepreneurs. Upon request of the Governments of Kenya and Myanmar, a needs assessment and project formulation mission was undertaken and similar missions are foreseen to India, Namibia, Nigeria and Senegal.

166. In China, the first phase was completed of a training programme to promote the participation of women in the modernization process. A model training package was developed for use in training women managers and entrepreneurs in the newly emerging township enterprises, i.e. private sector enterprises in the rural areas of China.

167. In the development and introduction of ecologically sound and appropriate food-processing technologies, women were targeted in a pilot activity in Burkina Faso and Mali. Implemented in cooperation with the International Fund for Agricultural Development (IFAD), this pilot activity works to upgrade living conditions and provide employment opportunities, while alleviating poverty in rural areas. The project uses mill engines as a power source for several other types of equipment. A UNIDO/IFAD review mission reported that the project had a substantial impact on the well-being of the local communities - particularly women and women's groups - by strengthening their control of the equipment and increasing their purchasing power.

The Fourth World Conference on Women

168. Following a specific request by the General Conference of UNIDO at its fifth session (GC.5/Res.11), UNIDO has been active in the process of preparing the Fourth World Conference on Women to be held at Beijing, China, in September 1995.

169. Based on an earlier global study, UNIDO prepared five in-depth regional typology studies as inputs to the World Conference on Women. Entitled, "Women in manufacturing: participation patterns, determinants and future trends", the studies, conducted in close cooperation with the regional commissions, collected gender disaggregated statistics and examined indicators of progress with regard to the advancement of women in manufacturing. Based on the analysis, an action plan was specifically designed for each region.

170. These regional analyses were presented at five regional preparatory conferences to draw attention to the participation of women in manufacturing in the regional platforms for action. Ultimately, they will be incorporated into the global platform for action to be adopted at Beijing. These studies will also constitute the basis for future integrated assistance programmes at the regional, subregional and country levels, to be prepared and negotiated with recipient countries and institutions, as well as with other United Nations organizations.

171. Within the framework of preparations for the Fourth World Conference on Women, two expert group meetings were held: the first was on the integration of women in the food-processing industry, at Arusha, United Republic of Tanzania; and the second, on women entrepreneurs in sustainable economic development, at Yokohama, Japan. The first meeting adopted a set of recommendations addressing some

critical issues to be considered in integrating gender consideration in agro-industries in Africa, i.e., information and communication, training, development and use of technology, finance and credit, marketing and products safety, infrastructure. The meeting in Japan adopted the Yokohama Recommendations and Action Plan that aims to promote entrepreneurship development for women in Asia and to establish a stronger network of women in business and industry in the region.

Cooperation with other organizations

172. UNIDO has strengthened its cooperation with other United Nations organizations and NGOs within the context of preparation for the World Conference on Women, as well as for development and implementation of technical cooperation programmes. A paper on women in industry was prepared for the ACC Ad-hoc Inter-agency Meeting on Women and the United Nations Commission on the Status of Women. Particularly, by participating in inter-agency meetings on the occasion of the regional preparatory conferences, initiatives were taken to strengthen the networking among United Nations organizations. As the lead agency of the United Nations system on matters dealing with industrial development, UNIDO made substantive inputs with regard to the need to give adequate recognition to the participation of women in the whole range of economic activities, particularly manufacturing.

D. ECONOMIC AND TECHNICAL COOPERATION AMONG DEVELOPING COUNTRIES

173. Following the process of restructuring and realignment of priority programme areas, UNIDO continued to support and strengthen the impact of economic and technical cooperation in developing countries (ECDC/TCDC) on the industrial advancement of those countries. The range of activities undertaken by the Organization stresses its promotional role and its mission to seek viable opportunities for effective industrial cooperation among the Member States, and especially developing countries.

Promotion of investment

174. At the Investment Promotion Forum for the Preferential Trade Area for Eastern and Southern African States (PTA) held at Lusaka, Zambia, the promotion of ECDC/TCDC was highlighted. The forum was attended by some 190 participants from 23 countries, of which 140 came from PTA countries. From India, 10 investors participated, some signing letters of intent with partners from PTA countries. The Madagascar Forum also attracted developing country investors, notably from India, Indian Ocean countries, and PTA countries.

175. Study tours and training programmes held in Chile, India, Jamaica, Malaysia, Malta, Mauritius, Sri Lanka and Tunisia provided trainees from Ethiopia, United Republic of Tanzania and Zambia knowledge on methods of promoting foreign investment. Funded under a private sector trust fund, an investment and technology cooperation programme began, with the involvement of enterprises in the Asian region, in particular in China and Hong Kong.

176. The Techmart in Viet Nam (see also section A.5 above) strongly supported ECDC/TCDC. A technology summary, containing hundreds of technology offers from developing countries, stimulated contacts between buyers and sellers of technology. Representatives of more than 150 companies and institutions from developing countries attended this Techmart, including representatives from Bangladesh, India, Mongolia, Pakistan and Republic of Korea and from some 200 Vietnamese companies. Ten memoranda of understanding resulted from the more than 100 business meetings held to discuss potential collaboration arrangements.

Building interregional and regional cooperation

177. The ECDC/TCDC programme focused on the promotion of interregional, regional and subregional

cooperation. UNIDO organized visits of chief executives of African, Arab and Latin American iron and steel associations (African Iron and Steel Association, Arab Iron and Steel Union, Latin American Iron and Steel Institute) to their counterparts in Asia (South-East Asia Iron and Steel Institute) as well as enterprises in Japan, Malaysia, Republic of Korea and Singapore. A workshop on harmonizing timber structural design codes in the Latin American and Caribbean region held at Sao Paulo, Brazil, resulted in the preparation of a project for the regional harmonization programme.

178. Various activities promoted ECDC/TCDC cooperation at the enterprise level. An expert team from Indonesia, representing private and state-owned sugar companies, visited China to study bagasse particle board and medium-density fibreboard production, and explore technology transfer; this was a follow-up to a workshop on sugar-cane diversification, held at Yogyakarta, Indonesia. The machine tool cooperation programme between China and Viet Nam resulted in three cooperation proposals, including establishment of a measuring laboratory, a processing centre and improvement of die-casting technology.

179. Participants in the regional workshop on quality management and ISO 9000 in software development, held at New Delhi, India, learned about quality management and certification systems in the software industry. The meeting produced a number of cooperation proposals in the area of expert service and training.

180. ECDC in policy-making was supported through a regional forum on industrial policy for Latin America and the Caribbean, held at San Jose, Costa Rica. The forum stressed the need to establish a solid industrial sector as generator of wealth and driving force of the economy. A multi-agency preparatory committee began formulation of the final programme of activities for the 1995-1996 biennium.

Working with institutions

181. In cooperation with the Industrial Research Institute in Ghana, UNIDO co-sponsored a seminar to promote the development of refractories production in the West African subregion. The seminar promoted cooperation among the participating countries in the subregion, through sharing of experience, information, provision of expertise, training, joint research and market cooperation.

182. An interregional workshop on mini cement plant technology, held at Tianjin, China, resulted in the signing of three memoranda between the Tianjin Cement Development and Research Centre (TCDRI) and partners in Egypt, Namibia and Nigeria. The workshop participants also expressed their interest to cooperate with TCDRI through UNIDO.

183. The ECDC TCDC programme highlighted the importance of HRD, through cooperation with the

Entrepreneurship Development Institute at Ahmedabad, India. A comprehensive programme was finalized to develop the Institute into a regional centre for training in investment project preparation and appraisal. This programme should make significant contributions to the training needs of developing countries, particularly in Central Asia and Eastern Africa.

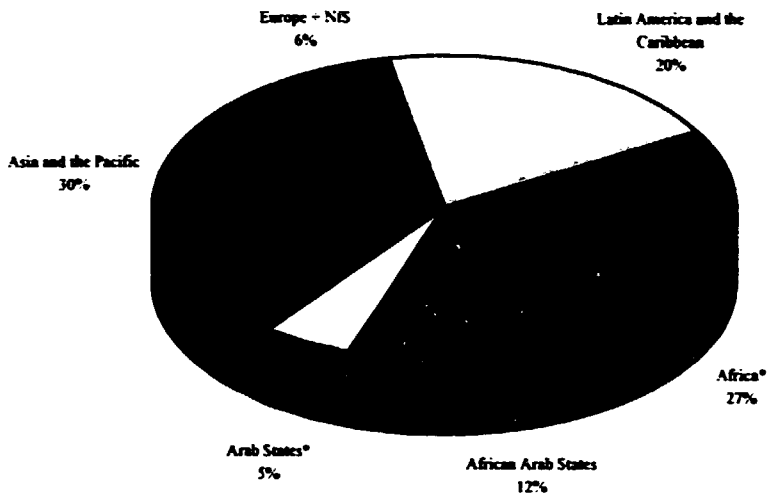
184. With support from UNIDO, Cuba conducted a course for the Latin American and Caribbean region on the industrial utilization of medicinal and aromatic plants. This course, supported by the Programa Iberoamericano de Ciencia y Tecnologia para el Desarrollo and the World Health Organization regional office in Latin America, improved participants' knowledge of development process parameters for industry and quality control procedures through pilot scale demonstrations.

CHAPTER III

THE REGIONAL DIMENSION

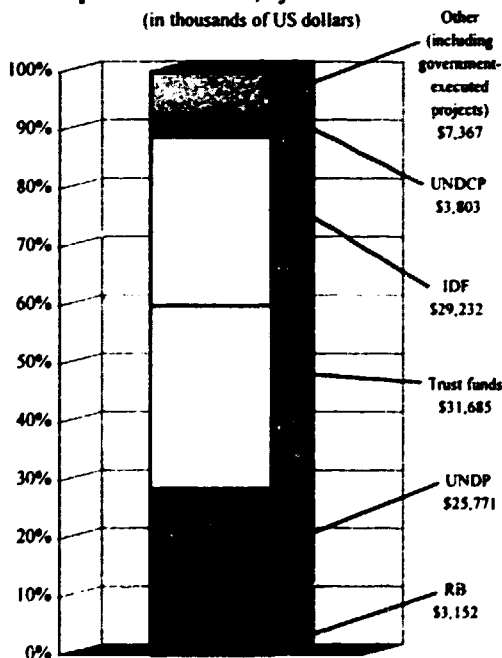
1. The present chapter concentrates on the overall strategy of UNIDO in each region as well as on the special regional programmes. It provides a brief review of some recent development trends in the various developing regions together with key aggregate figures on the involvement of UNIDO.

UNIDO - Technical cooperation expenditure in 1994, by region
(excluding global and interregional activities)

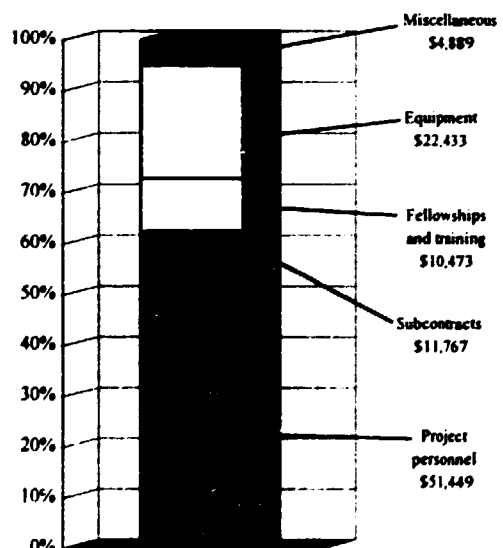


*Note - The percentages in the chart exclude African Arab States in both "Africa" and "Arab States".

UNIDO - Technical cooperation expenditure in 1994, by source of funds
(in thousands of US dollars)



UNIDO - Technical cooperation expenditure in 1994, by project component
(in thousands of US dollars)



Technical cooperation activities: project expenditure in 1994, by geographical area

(In thousands of US dollars)

	Africa a/		Arab States		African Arab States b/		Asia and the Pacific		Europe + NIS		Latin America and Caribbean		Global and interregional		Total
A. By source of funds															
		%		%		%		%		%		%		%	
<i>UNIDO regular budget</i>															
<i>RP</i>	843	2.9	156	1.2	(42)	0.5	229	1.0	250	5.2	349	2.4	922	3.6	2,706
<i>IDDA</i>	445	1.5	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	445
<i>UNDP/IPF, cash counterpart and special measures</i>	9,533	32.7	2,559	20.1	(419)	4.7	7,761	33.9	1,460	30.6	823	5.6	19	0.1	21,736
<i>UNDP/SIS</i>	885	3.0	330	2.6	(155)	1.7	842	3.7	464	9.7	967	6.5	0	0.0	3,333
<i>UNDP-administered trust funds</i>	667	2.3	0	0.0	0	0.0	3	0.0	32	0.7	0	0.0	0	0.0	702
<i>Self-financed trust funds</i>	8,005	27.4	7,316	57.4	(7,049)	79.2	286	1.2	41	0.9	3,115	21.1	0	0.0	11,714
<i>Third party-financed trust funds</i>	854	2.9	36	0.3	0	0.0	1,342	5.9	834	17.5	744	5.0	2,496	9.8	6,306
<i>Other trust funds</i>	194	0.7	194	1.5	(194)	2.2	58	0.3	8	0.2	2,600	17.6	10,805	42.3	13,665
<i>IDF c/</i>	5,427	18.6	1,292	10.1	(366)	4.1	5,571	24.3	1,186	24.9	4,951	33.5	11,171	43.7	29,230
<i>UNDCP</i>	1,097	3.8	676	5.3	(675)	7.6	1,226	5.4	424	8.9	1,055	7.1	0	0.0	3,803
<i>Non-UNIDO funds</i>	1,218	4.2	186	1.5	(0)	0.0	5,582	24.4	68	1.4	187	1.3	126	0.5	7,366
TOTAL	29,167		12,744		(8,900)		22,898		4,767		14,791		25,539		101,006
B. By project component															
		%		%		%		%		%		%		%	
<i>Project personnel</i>	15,844	54.3	9,121	71.6	(7,137)	80.2	9,902	43.2	2,126	44.6	6,732	45.5	14,861	58.2	51,447
<i>Subcontracts</i>	4,321	14.8	937	7.4	(45)	0.5	2,037	8.9	1,030	21.6	1,372	9.3	2,115	8.3	11,766
<i>Fellowships and training</i>	2,252	7.7	489	3.8	(282)	3.2	3,778	16.5	424	8.9	764	5.2	3,048	11.9	10,473
<i>Equipment</i>	5,209	17.9	1,828	14.3	(1,141)	12.8	6,407	28.0	1,059	22.2	5,138	34.7	3,933	15.4	22,432
<i>Miscellaneous</i>	1,542	5.3	362	2.9	(295)	3.3	775	3.4	130	2.7	785	5.3	1,583	6.2	4,882
TOTAL	29,167		12,744		(8,900)		22,898		4,767		14,791		25,539		101,006

a/ Includes figures related to country projects in African Arab States.

b/ Figures in parentheses in this column relate to country projects in African Arab States only and are deducted from the column "Total" since they are already included under "Africa".

c/ Includes Montreal Protocol.

A. UNIDO FIELD REPRESENTATION: ASSESSMENT AND OPTIONS

2. One of the important elements in the process of UNIDO reform was the strengthening of the Organization's field representation. From an assessment of the changes in the driving forces and in the policy and institutional environment of industrial development, the need to broaden, and partially reorient, the field representation system became clear. Among the reasons for this development are:

- (a) The overall need to continuously assess the changing demand for UNIDO services through a participatory approach at the country level;
- (b) The increasing heterogeneity of the clients of UNIDO services - Governments, industrial institutions, industry associations, financial institutions and donor agencies - implying enhanced and diversified programme development, negotiation and coordination efforts at the level of individual countries;
- (c) The necessity to reach out to various regions within a country in response to economic decentralization policies;
- (d) The need to develop integrated service programmes in close consultation with all counterparts;
- (e) The demand for direct advisory and information services on industrial development issues in the field.

A need for a closer field presence

3. The Organization needs to be closer to "clients" in order to improve contact and interaction with them and to provide direct advisory services. This is also reflected in the increased overall emphasis being placed by the United Nations system on decentralization of functions and delegation of authority to field structures, as expressed in General Assembly resolutions 44/211 of 1989 and 47/199 of 1992.

4. In 1994, the UNIDO field representation comprised 43 offices, of which 17 were located in Africa, 13 in Latin America and the Caribbean, 10 in Asia and the Pacific, 3 in Arab States (2 of which in African Arab states) and 2 in Europe and the Newly Independent States of the former Soviet Union (NIS). The table below provides further details, including on the sources of funds.

5. Both the low amount available to implement the UNIDO Country Director (UCD) programme - \$16.1 million for the 1994-1995 biennium - and the uncertainty of future financial resources have forced UNIDO to maintain its field presence at a minimum staffing level (only 26 international UCDs in 1994). This limited capacity of UNIDO field representation has

made it difficult to maintain an efficient initiation and delivery of UNIDO services to an increasingly diversified clientele in the developing countries.

6. There is a pressing need for UNIDO to move towards a stronger field representation. By identifying new and more diversified financing schemes the Organization is working to strengthen the financial and staff resources of the field representation programme. The functions of UCDs are also being redefined. These functions should include the assessment of the industrial development of a given country, preparation of UNIDO country support strategies and formulation of integrated programmes. The field offices should also provide advisory services on: issues such as sourcing, assessment and transfer of technologies and support to their subsequent adaptation to local needs and capabilities; training to strengthen the institutional, management and technical capabilities in the industrial sector; creation of an enabling policy and institutional environment conducive to an increased inflow of financial and other resources for industry; industrial subsector analysis in connection with industrial restructuring and private sector development; and technological and economic development of specific industrial subsectors.

7. Considering these issues, UNIDO submitted a comprehensive programme framework (PBC.10.4-Add.1) on its field representation programme to the tenth session of the Programme and Budget Committee. The document explained the problems and constraints of the current UCD programme and proposed detailed policy measures aimed at enhancing the responsiveness of the field offices to the changing demand for UNIDO services. Alternative modalities for financing the UCD programme to ensure the continuity of the delivery of UNIDO services were proposed. The document also reviewed the prospects for and constraints on the establishment of subregional offices as an alternative field representation option, assignment of national staff to the UNIDO field offices, problems and constraints of decentralization and networking requirements of field offices.

8. In its conclusion 94/7 the Programme and Budget Committee requested that the Director-General prepare an in-depth analysis on the actual and potential impacts of the UCD programme and submit a revised proposal concerning a framework for field representation to the Committee at its eleventh session in April 1995. A team of consultants have been carrying out this work, including visits to 20 developing countries in Africa (including the Arab states in the region), Asia and Latin America and the Caribbean. The team is reviewing all aspects of the current and future field representation programme with representatives of government and private sector entities and other multilateral and bilateral institutions represented in the respective countries.

UNIDO field offices, by region and source of funds

	Africa ^{a/}	Arab States	Asia and the Pacific	Europe +NIS	Latin America and Caribbean	Grand total
UNDP Sectoral Support						
1993	9	1 ^{b/}	6	1	6	22
1994	7	2 ^{c/}	7	1	8	24
Operational Budget						
1993	5	1 ^{b/}	2	-	3	10
1994	5	1 ^{b/}	2	-	3	10
Regular Budget						
1993	2	-	1	-	1	4
1994	5	-	1	-	2	8
Other sources ^{d/}						
1993	-	-	-	1	1	2
1994	-	-	-	1	-	1
TOTAL						
1993	16	2 ^{b/}	9	2	11	38
1994	17	3 ^{g/}	10	2	13	43

a. Two posts in Africa included under the UNDP Sectoral Support programme are also partially financed under the regular budget

b. Included under Africa and therefore not figured in the "Grand total"

c. One office included in Africa and therefore not included in the "Grand total"

d. Includes voluntary contributions and IPF funds

e. Two offices under Africa and therefore not figured in the "Grand total"

B. AFRICA

9. The continuing downward trend of the economic performance of Africa has been the focus of attention of international and regional forums. The region faces serious socio-economic problems and its industrial sector continues to be weak. It has the lowest standard of living in the world, with half the population living in poverty. The technological gap with other developing regions has widened.

10. As economic performance has deteriorated, the region has found itself increasingly marginalized: the share of Africa in world trade is a mere 2 per cent and flows of commercial investment into the region have shown no improvement. While the continent is rich in agricultural and mineral resources, the majority of which are industrial raw materials, a substantial proportion of these are exported in unprocessed or semi-processed form, with little value added through manufacturing.

A need for supportive policies

11. The major constraints to industrialization in Africa include inadequate policies; insufficient institutional infrastructure; shortages of skilled industrial labour, entrepreneurial capabilities and managerial experience; inadequate technological, engineering and consultancy capabilities; shortage of financial resources, particularly in terms of foreign exchange; and the lack of industrial and technology information.

12. Yet encouraging trends are also emerging. Parallel to macroeconomic adjustment programmes, industrial development policies are subject to far-reaching changes, and subregional integration is pursued with renewed zeal. Major new opportunities are expected from the recent democratization of South Africa.

13. In an era of globalization, trade liberalization, deregulation and privatization, foreign commercial investors and entrepreneurs are currently exploring new business opportunities in African countries. Many of these, however, lack the domestic financial resources and capacities to promote industrial development and facilitate the absorption of foreign investment. UNIDO clearly has a growing role to play in the region, where impartial advice and technical cooperation are vital for strengthening domestic industries.

Regional and subregional cooperation

14. With the emergence of regional blocks in the world economy, African countries have recognized the

need for enhanced regional integration and responded to this challenge by establishing the African Economic Community (AEC). The Community has as its main objectives the promotion of economic, social and cultural development, establishing a regional framework for the development, mobilization and utilization of human and managerial resources and the promotion of cooperation among the African countries in support of economic stability.

15. African subregional organizations, such as the Preferential Trade Area for Eastern and Southern African States (PTA), the Common Market for Eastern and Southern Africa (COMESA) and the Southern African Development Community (SADC), have elaborated programmes for increased economic cooperation. In this context, UNIDO assisted the Organization of African Unity (OAU) and PTA/COMESA in the preparation of the industrial component of the AEC Treaty and the PTA/COMESA Treaty.

16. In the area of environment - which is recognized in the region as being of growing importance - a large-scale programme on water pollution control and biodiversity conservation in the Large Marine Ecosystem of the Gulf of Guinea (\$5.9 million) was approved under the Global Environment Facility (GEF).

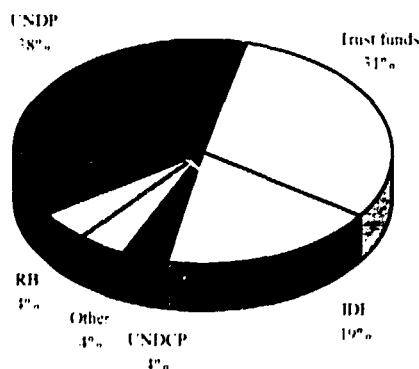
17. The Organization continued to cooperate with OAU, the Economic Commission for Africa (ECA) and the African Development Bank (ADB). UNIDO hosted these organizations at an industrial consultative meeting to define a common strategy to the problems and approaches of industrialization in Africa. The meeting

focused on industry in the private sector, including the implications of the Uruguay Round Agreement on the industrialization of Africa. A direct follow-up to this meeting will be a high-level expert group meeting on the private sector and industrialization in Africa, to be organized with ADB and the African Business Round Table (ABR). In addition, the Organization signed an agreement of cooperation with ABR in November.

UNIDO strategy

18. UNIDO developed a support strategy for the region addressing poverty alleviation, income generation and competitiveness of African industries, within the framework of a UNIDO ten-point programme for Africa as presented to the eleventh Conference of African Ministers of Industry and the fifth session of the General Conference (GC.5 18), the United Nations New Agenda for the Development of Africa (UN-NADAF) in the 1990s and the programme for the Second Industrial Development Decade for Africa (IDDA). The strategy highlighted the agro-and agro-related industrial subsectors and small and medium enterprise (SME) development. Industry sector programme review missions were fielded to 14 countries in the Western and the Eastern and Southern African subregions. ¹ Based on their results, development began on integrated programmes for UNIDO support services to these countries.

Technical cooperation expenditure in Africa in 1994, by source of funds
(Total of \$29,167,000)



19. In the context of technical support services at the programme level (TSS-1), the United Nations Development Programme (UNDP) approved 15 projects for implementation by UNIDO in the 1994-1995 biennium. These included several projects on SME strategies and on institutional capacities for their promotion (Cameroon, Central African Republic, Equatorial Guinea, Zambia); several projects on overall assessments of changing patterns of industrial

competitiveness and on priority subsectors of industry (Benin, Ghana, Kenya, Lesotho, United Republic of Tanzania); as well as projects on environmentally sustainable industrial development (Nigeria), industrial inputs for the health sector (regional), industrial rehabilitation (Sierra Leone, Zambia), agro-industrial investment opportunities (United Republic of Tanzania) and a feasibility study for an industrial free zone (Benin).

Industrial Development Decade for Africa

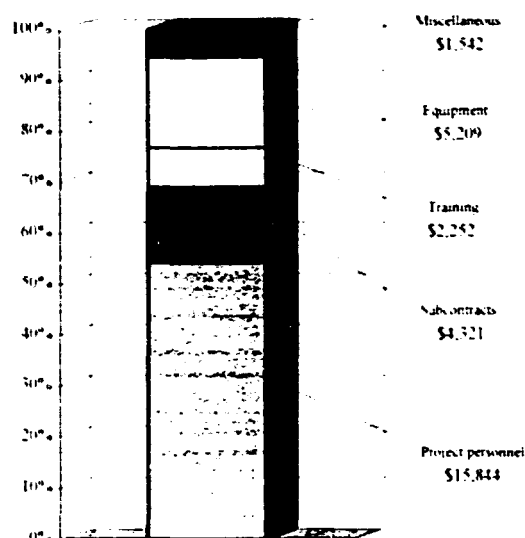
20. The industry sector programme review missions included a review of the national IDDA programmes. In 1994, UNIDO took a number of steps to ensure a strategic impact of its IDDA-funded activities. To maximize the effectiveness of its contribution to IDDA, UNIDO integrated the coordination function for IDDA in its Africa Programme. In addition, a management audit was carried out of the IDDA activities of UNIDO. As part of the preparation of the IDDA technical cooperation programme, a new pre-screening process for project concepts assesses the potential impact of proposals in terms of generating large-scale technical cooperation or investment projects. This process also considers the degree to which projects address the five main development objectives of UNIDO, approved by the General Conference at its fifth session. Finally, the extent to which the projects respond to the ten-point programme of UNIDO activities in Africa is also reviewed.

21. The resulting integrated IDDA technical cooperation programme, consisting of 17 projects, has mainly addressed manufacturing enterprises and their problems. The projects concentrate on the needs of enterprises in terms of investment, technology, information, human resource development and other key components of competitiveness. Almost all the projects cover a group of countries, taking into account an equitable distribution across the region. The subject areas of most of the projects are interlinked, and recommendations were made for further harmonization in the detailed design stage.

22. Under IDDA supplementary activities, investment promotion continued to be an important part of UNIDO efforts to integrate African industry into world manufacturing. Work started for holding the three investment forums that are planned in the 1994-1995 biennium in Ethiopia, Ghana and Morocco. Investment project identification and formulation in other countries of the region will also be undertaken with a view to promoting such projects with potential foreign partners. IDDA-related activities cover a full range of the investment project life cycle, and form an essential part of mobilization of financial resources for

IDDA. A number of specific cases are receiving support through the Short-term Advisory Services (STAS) programme, funded from IDDA-dedicated resources. The STAS programme also addressed policy and programme support, and technology assessment. In all, 35 STAS assignments to 21 different African countries took place in 1994.

*Technical cooperation expenditure in Africa
in 1994, by project component*
(In thousands of US dollars)



23. International developments of significance for African industry in 1994 included the devaluation of the CFA franc, which altered the basis of competitiveness for a number of African countries. The effects on economies was immediate and dramatic. Within the framework of the IDDA programme, UNIDO held two workshops on the impact of the devaluation on the manufacturing sector, one at Bamako, Mali, for West African countries of the CFA Franc Zone and one at Brazzaville, Congo, for countries of the Central African Economic and Monetary Community. The main conclusions were that domestically owned enterprises, especially small-and medium-scale industries were unprepared for the devaluation, and crucial policy issues remain to be tackled, including structural reform and improvements in the enabling environment. Regional and subregional integration needs to be strengthened. In the longer term, however, the prospects for industrialization may have been improved by the devaluation.

24. In 1994, the technical cooperation component of the IDDA programme was allotted \$2.53 million while under the supplementary activity component (excluding STAS), \$1.49 million were allotted. The amount of \$4.1 million originally budgeted under the technical cooperation component for the 1994-1995 biennium has been fully programmed, primarily through the 17 projects in the integrated package (see para. 21 above), amounting to \$3.5 million, as well as through earlier commitments carried over from the previous biennium.

Note

1. The countries covered in 1994 were Benin, Botswana, Burkina Faso, Côte d'Ivoire, Ghana, Guinea, Kenya, Mali, Namibia, Nigeria, Togo, Uganda, United Republic of Tanzania and Zimbabwe. A number of other countries and some subregional organizations are scheduled to be covered in 1995.

C. ARAB COUNTRIES

25. With the exception of the Arab least developed countries (LDC), most economies in the region are medium income, with a relatively high level of industrial skills and a sizeable industrial base already in place. Tough global competition, however, imposes significant requirements for qualitative improvement on the industrial sector. This in turn necessitates strengthening support institutions and developing consultancy services, particularly knowledge-intensive services in areas such as investment, management, maintenance and post-production services.

26. While in many countries of the region the industrial sector has remained narrowly concentrated on large basic industries and is predominantly based on oil and gas, efforts are underway to move to downstream industries, as well as to promote the development of SMEs. In this context, experience gained in other developing regions, above all in Asia, will be of particular relevance. The move towards greater industrial diversification will have a strong impact on the overall patterns of future industrial development and on industrial investment and technology transfer requirements.

UNIDO strategy

27. Based on the current orientation and future prospects of industry in the Arab countries, UNIDO developed a strategy that directs the future services of the Organization towards the following priority areas:

- (a) Diversification into downstream industries;
- (b) Development of local manufacturing of intermediate products and capital goods;
- (c) Promotion of small and medium enterprises;
- (d) Cleaner technologies for extracting and manufacturing industries;
- (e) More efficient use of water in industry;
- (f) Building materials and construction industry;
- (g) Food-processing and other agro-based industries;
- (h) Strengthening of industry-related services.

28. These priorities address a variety of weaknesses and constraints in the industrial development of Arab countries, including: a weak technological base heavily dependent on imported technology and know-how; low R and D expenditures insufficient to the needs of the industrial sector; concentration of industrial investments in upstream activities with low manufacturing value-added (MVA) and employment generation; and limited export orientation, with present industrial policies often failing to capitalize on potential comparative advantages to penetrate international markets.

Programme support

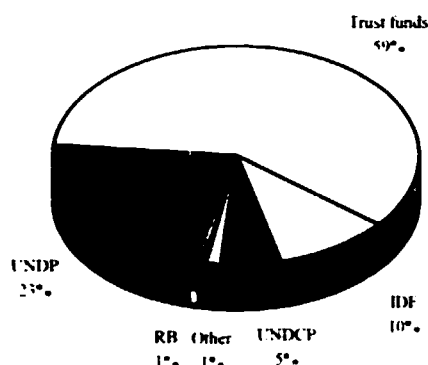
29. In the context of the Special Programme for Industrial Development in the Arab Countries, UNIDO developed a number of projects with a view to improving the competitiveness of Arab industry, developing industrial support services, promoting private sector industries, and addressing the specific assistance requirements of Arab LDCs. Specifically, these projects - for implementation primarily in 1995 - include: a regional workshop on maintenance of industrial boilers in Arab LDCs; training on the use of COMFAR; a regional workshop on ISO 9000 quality management; preparatory assistance on the requirements of quality management and control in the textiles industries of selected Arab countries; a seminar on the development of industrial management services in Islamic countries; and a workshop on the potential for cooperation among Gulf countries in the production of machine tools. In 1994, preparatory assistance was provided in assessing the technical cooperation needs of the sugar industry in the Arab region.

30. Following the Middle East peace accord, UNIDO participated in a consolidated international support strategy for Palestine, in which the importance of industrial reconstruction and development efforts is highlighted. In cooperation with Palestinian authorities in the West Bank and the Gaza Strip, a comprehensive programme strategy for technical cooperation was formulated.

31. During 1994, UNIDO stepped up TSS-I activities in the region with emphasis on industrial policy-related topics. Newly initiated TSS-I activities

included projects on industry-related environmental issues in the United Arab Emirates; strategies for key industrial subsectors in Bahrain; the development prospects of private industries in Yemen; the development potential of small and medium enterprises in Qatar; and policy formulation for environmentally sustainable development in Lebanon, in cooperation with the Food and Agriculture Organization of the United Nations (FAO) and the United Nations Educational, Scientific and Cultural Organization (UNESCO). In Saudi Arabia, a TSS-1 project on human resources in industrial development was finalized and in the Syrian Arab Republic, a TSS-1 project on industrial policies and strategies was completed. The latter was instrumental in preparing both the UNIDO country support strategy and the industry chapter for the United Nations country strategy note.

Technical cooperation expenditure in Arab States in 1994, by source of funds
(Total of \$12,744,000)

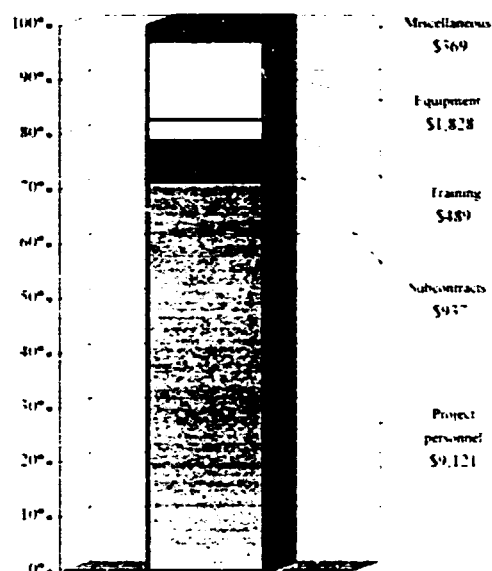


32. Programme review missions were fielded to the Libyan Arab Jamahiriya and Oman in 1994. The mission to Oman resulted in the formulation of a comprehensive project on industry-related services in the field of R and D and technology development. The mission to the Libyan Arab Jamahiriya developed integrated technical cooperation programmes in the

fields of human resource development, maintenance, technology development and downstream chemical and engineering industries.

33. In the framework of the IDDA programme, projects were approved for the formulation, in Algeria, Morocco and Tunisia, of medium-term national programmes in the field of industry-related and consulting services.

Technical cooperation expenditure in Arab States in 1994, by project component
(In thousands of US dollars)



34. During the year, UNIDO cooperated with the Economic and Social Commission for Western Asia (ESCWA) and the Arab Industrial Development and Mining Organization (AIDMO) through regular meetings. A joint communiqué was signed on cooperation between UNIDO, AIDMO and ESCWA and a relationship agreement was signed with the League of Arab States (LAS).

D. ASIA AND THE PACIFIC

35. In Asia and the Pacific region, manufacturing industries continued to be the major engine of growth within an overall economic dynamism unparalleled in other developing regions. The 1994 MVA growth for the entire region is expected to be around 10 per cent. In most countries, industrial structures have become more diversified horizontally and vertically; levels of foreign indebtedness have been kept within manageable limits; inflation rates have remained relatively low; and the degree of integration into the world economy has increased. Overall, the region consolidated its position as being economically and industrially relatively advanced.

36. The industrial development of the region is propelled by strong export growth, not only in East and South-East Asian countries, including China, but also more recently in South Asia, including Bangladesh, the largest LDC in the region. In general, Asian countries have been the main beneficiaries in an intensifying competition among developing countries for foreign direct investment (FDI). However, the contrast between South-East and East Asia as primary targets for FDI flows on the one hand and the South Asian countries on the other has been stark, leading to growing disparities. Furthermore, the evidence of rapidly growing intraregional trade and investment flows has been largely confined to South-East and East Asia. At the same time, infrastructural bottlenecks are emerging in some countries of this subregion in terms of transport, communications and energy constraints.

UNIDO strategy

37. During 1994, UNIDO elaborated a support strategy for Asia and the Pacific that takes into account the increasing differentiation among the countries of the region in terms of industrial development: the region is host to 13 LDCs, several economies in transition, a number of middle-income countries (primarily in South Asia and the subregion encompassing the Association of South-East Asian Nations (ASEAN) and the East Asian newly industrializing countries. The following priority areas were identified for UNIDO services in support of national and subregional development efforts in different groups of countries:

- (a) Maintaining and enhancing industrial competitiveness;
- (b) Environmentally sustainable industrial development;
- (c) Investment promotion and technology transfer;
- (d) Promotion of small and medium enterprises;
- (e) Economic and technical cooperation among developing countries, particularly within subregional groupings.

Building regional cooperation

38. The emphasis on intraregional industrial cooperation comes from two factors. First, economic

integration within the six-country ASEAN group has recently gained momentum through the agreement to establish the ASEAN Free Trade Area (AFTA). The role and functions of the ASEAN Secretariat have been considerably enhanced and an enlargement of the grouping to include further countries is foreseen. Other subregions have either already established economic groupings - such as the South Asian Association for Regional Cooperation (SAARC) and the South Pacific Forum (SPF) - or are gearing up to do so, as in the case of the Tumen River Area Development Programme (TRADP) in Northeast Asia.

39. Second, some of the economically more advanced countries have themselves started to render development assistance to other developing countries in the region. While funds are being made available, the limited expertise for their disbursement offers scope for UNIDO to explore joint activities.

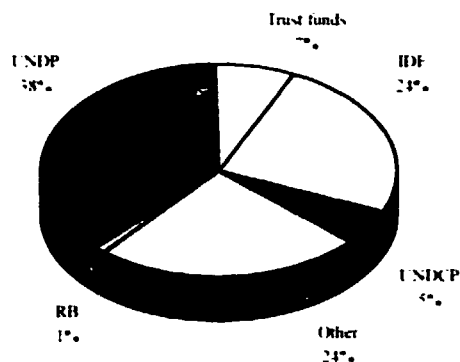
40. As regards ongoing UNIDO activities, the regional projects on fertilizer industries, tannery effluent treatment and pesticides have demonstrated the effectiveness of regional networking approaches.

41. Implementation of the Special Programme for Industrial Development of Asia and the Pacific continued during the year, with a clear focus on the LDCs in the region. The first phase of a project on promotion and development of agro-related metal-working industries in Asian and Pacific LDCs, carried out in cooperation with the Regional Network for

Agricultural Machinery (RNAM) of the Economic and Social Commission for Asia and the Pacific (ESCAP), improved the environment for the sector in Bangladesh, Bhutan, Cambodia, Lao People's Democratic Republic, Myanmar, Nepal, Solomon Islands and Western Samoa. Focal points were strengthened in these countries to provide support to the local manufacturers of agricultural tools, including post-harvesting and food-processing equipment. The second phase started with financial inputs from the UNIDO Regular Programme of Technical Cooperation. The funds are being used to strengthen information networks and promote in the participating countries the manufacture of prototypes identified during the first phase.

Technical cooperation expenditure in Asia and the Pacific in 1994, by source of funds

(Total of \$22,898,000)



Providing needed support services

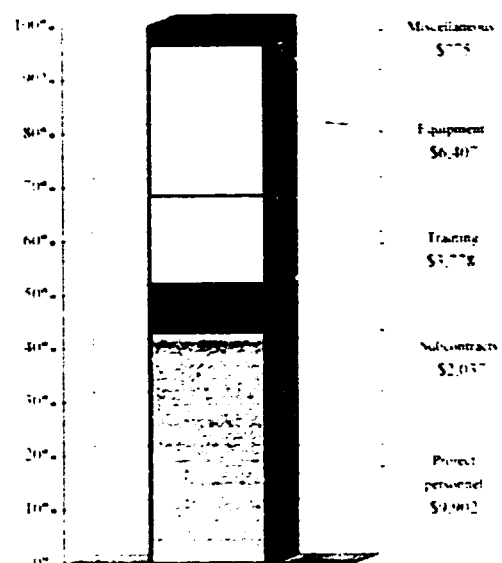
42. A TSS-I study on the Tumen River Economic Development Area was completed in 1994. It provides an analysis of industrial capacities, constraints and prospects in that area and makes policy and institutional recommendations towards the promotion of priority sectors of industry, cross-border trade and international investments. Proposals for follow-up, such as targeted investment forums, were formulated for which funding opportunities are being explored.

43. UNIDO initiated work on a country support strategy for Indonesia through a mission during which consultations took place with economic policy-makers, representatives of private sector industry associations, and a wide range of industry-related technical and financing institutions as well as other multilateral and bilateral development assistance institutions.

44. In the context of TSS-I activities, UNDP approved 18 projects for implementation by UNIDO in the 1994-1995 biennium. These included several projects on environmental and energy-related issues of

industrial development (Fiji, Myanmar, Pakistan, Philippines, Viet Nam); on entrepreneurship development and the promotion of small-scale and rural industries (Bangladesh, India, Islamic Republic of Iran, Myanmar); and on industrial dimensions of economic reform (Democratic People's Republic of Korea, Mongolia, Samoa). Other projects approved address private sector development (Bhutan), introduction of total quality management (India), public industrial service institutions (Pakistan), build-operate-transfer schemes (China), strategic industrial subsector management (Indonesia), and industrial competitiveness (Thailand).

Technical cooperation expenditure in Asia and the Pacific in 1994, by project component
(in thousands of US dollars)



45. In August, with a view to enhancing inter-agency coordination in the region, at a UNIDO-ESCAP meeting joint activities were reviewed and possibilities were identified for further cooperation. The two organizations agreed (a) on a full exchange of information on planned activities so as to mobilize complementarities; (b) to mutually contribute substantively to programmes and projects; and (c) to increase the share of joint programme and project formulation, fund raising and implementation. The main target countries and themes for future cooperation include, among others, LDCs, island, land-locked and transitional economies; investment promotion and technology transfer; new and emerging technologies; human resource development with special emphasis on women; private sector development, SME promotion; and environmentally sustainable industrial development.

E. EUROPE AND NIS

46. The Europe and NIS programme of UNIDO covers the region of Central and Southeastern Europe, encompassing 15 countries, together with the 15 Newly Independent States of the former Soviet Union. Most of these countries have adopted market-based economic policies while seeking increased global integration. Recent economic developments thus reflect the transformation of past systems, institutions, modes of production and patterns of economic exchange. Progress of economic and industrial transition has varied widely, depending to a large degree on the risk-taking attitude of decision-makers, the flexibility of the industrial labour force, the scope and quality of the institutional framework, and the capacity of the economy to adjust itself to the requirements of new markets.

A difficult transition

47. According to 1994 estimates, growth rates in the region have remained low - and indeed negative in many countries. That notwithstanding, the economic growth performance has improved over 1993, and in some cases such as in Croatia, Czech Republic, Hungary, Poland, Slovenia and Slovakia, positive rates in the 2 to 4 per cent range were recorded.

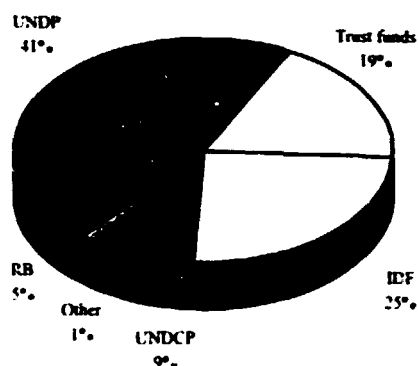
48. At the same time, a widespread feeling of frustration prevailed in many parts of the region over the protracted nature and slow pace of the transition process that did not live up to earlier more optimistic assumptions. Also, resources available to countries in support of their transition did not meet expectations.

Matching services with needs

49. Through mechanisms such as joint committees, UNIDO intensified the policy dialogue with key decision-makers in the countries of the region. Matching expressed demand with the expertise available in the Organization points to three core priority areas for the provision of services to the region: industrial restructuring, environment and energy, and enterprise development. In addressing these, policy advice, institution-building, human resource development and investment services have been fully integrated. These priority areas are complemented by subsector-specific support to basic socio-economic development, including the integration of women.

50. Special emphasis was placed on the development of programmes and projects that (a) are replicable within the region with a view to meeting the high demand for UNIDO services in a cost-effective manner and (b) help create new regional industrial linkages.

Technical cooperation expenditure in Europe + NIS in 1994, by source of funds
(Total of \$4,767,000)

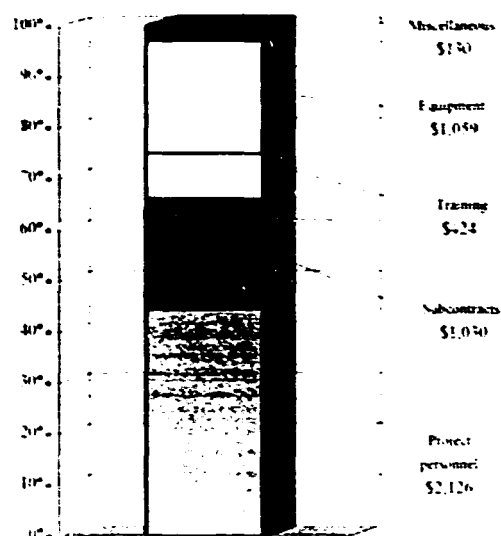


51. Furthermore, UNIDO services previously rendered to other regions were adapted for application in the economies in transition. Specifically, this was the case for quality management and standardization, industrial investment project preparation and appraisal, and industrial safety. In these and other areas, economic and technical cooperation was fostered among the countries of the region.

Focused strategies

52. UNIDO country support strategies were prepared for Azerbaijan, Kazakhstan, Kyrgyzstan and Uzbekistan. These strategies - produced by teams of national and international experts and UNIDO staff in close cooperation with the Governments - present action-oriented programmes for follow-up and implementation in each country. Work has commenced on two further strategies, for Croatia and Slovakia.

**Technical cooperation expenditure in Europe
+ NIS in 1994, by project component**
(In thousands of US dollars)



53. In 1994, UNIDO managed both to significantly increase project approvals for the region (53 per cent in value terms over 1993) and to mobilize new, non-traditional sources of funds for technical cooperation programmes and projects. The latter included new funds oriented to the region by various donor countries as well as new international financing schemes created specifically to assist the region. The elaboration by UNIDO of a targeted programme in support of industrial development in Europe and NIS proved to be crucial for mobilizing additional funds. In this context, the integrated and multidisciplinary assistance programme for Bosnia and Herzegovina - which was partly funded in 1994 - provides a good example.

F. LATIN AMERICA AND THE CARIBBEAN

54. In 1994, economic growth in the Latin American and Caribbean region is expected to exceed 3 per cent, led by the manufacturing sector in many countries. Macroeconomic stabilization policies have helped to reduce inflation rates throughout the region, while trade liberalization measures increased competition and boosted export growth. Privatization programmes are largely complete in some countries and well underway in others, with emphasis on infrastructure-related and heavy industry sectors. In response to these changes, net inflows of private foreign investment to the region increased.

55. At the same time, the sustainability of current growth is not certain, inflation remains a threat and private foreign investment tends to be volatile. Unemployment is generally high in the region and is rising despite economic growth. Poverty remains the major social problem along with high income disparities within countries. Improvements in education and training systems are an essential requirement for sustainable long-term growth.

Manufacturing in transition

56. The manufacturing sector in Latin America and the Caribbean faces a double transition: the ongoing changes in the techno-economic paradigm, with implications regarding the mastery of technology, and the need for changes in management and marketing methods. These are compounded by changes brought about by a sudden transfer from an environment of protection and subsidies to one of competition in open markets. The new competition is a complex combination of market rivalries and cooperation. In addition to liberalizing markets and improving their transparency, industrial policy must now facilitate and promote cooperation among firms, R and D institutes, universities and support agencies at both national and international levels. The need for strategic industrial policies combining horizontal as well as sector-related actions has become widely recognized in the region.

UNIDO support programmes

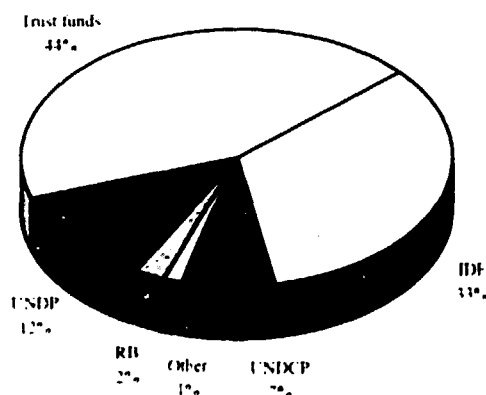
57. In the context of the Regional Cooperation Programme for the Industrial Recovery of Latin America and the Caribbean, UNIDO continued implementation in 1994 of five specific regional programmes.

(a) Under the regional programme for the modernization of the capital goods sector in Latin America, work was completed on the development of software packages for diagnosing and assessing strategic determinants of enterprise competitiveness (see also chapter II, para. 28).

(b) Under the industrial subcontracting programme, a request was received from Costa Rica to

join the regional network as the fourteenth member country. Major activities in 1994 included the fifth seminar of the Regional Coordination Committee (January-February 1994 in Cuba), two regional subcontracting exhibits - "Subcontrata Latinoamericana" (March: Brazil; September: Argentina) as well as the participation of several national subcontracting exchanges in four European subcontracting fairs. The latter resulted from the cooperation between ALABSUB (Asociación Latinoamericana de Bolsas de Subcontratación) and the AL-INVEST programme of the European Union;

Technical cooperation expenditure in Latin America and the Caribbean in 1994, by source of funds
(Total of \$14,791)



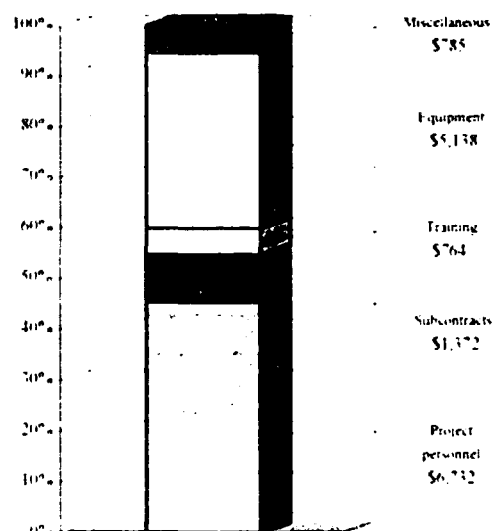
(c) The regional cooperation project on informatics and microelectronics dealt with two subjects: software production and diffusion of software to industrial enterprises, activities in which Brazil,

Chile, Ecuador and Uruguay participated. A programme for software incubators was prepared and software producers were provided with the guidelines for ISO 9000. Problems of software protection occurring in the region were identified and a programme for strengthening software services and exports was developed for application in Argentina, Chile and Uruguay:

(d) Under the programme on biotechnology, which continued with the participation of 13 countries, UNIDO organized three regional workshops and carried out an evaluation mission to five countries, with the participation of high-level specialists. The latter aimed at reviewing achievements and programming future activities:

(e) The Central American subregional agro-industries programme concentrated on SMEs in the field of fruit and vegetable processing. Surveys were carried out in Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua on the level of technology, the market potential and the institutional and policy framework; a regional workshop in Honduras reviewed the results of these surveys.

Technical cooperation expenditure in Latin America and the Caribbean in 1994, by project component
(In thousands of US dollars)



58. In view of their high impact on industrial employment, SMEs of the region are becoming the main target of UNIDO cooperation. In addition to their coverage under the above regional cooperation

programmes, five additional subregional programmes, assisting mainly SMEs (two for the Central American Common Market, two for the Andean Group and one for the Common Market of the South and Chile), are under development and will commence implementation in 1995.

59. UNIDO began the development and promotion of national and regional R and D networking activities and of intraregional technology transfer in this field. Cooperation was improved with other ongoing programmes, such as the Bolivar Programme sponsored by the Inter-American Development Bank.

60. Discussions began in the region on the strengthening and extension of the UNIDO worldwide investment promotion service (IPS) network. New IPS offices are expected to be established in selected Latin American and Caribbean countries. The Organization is also promoting new forms of international partnerships and alliances.

61. Country programming briefs were prepared for all countries of the region; they will serve as a framework for further programming activities and the elaboration of detailed country, subregional and regional UNIDO support strategies. A programme review mission was undertaken to Argentina in November.

62. In the context of TSS-I activities, UNDP approved seven projects for implementation in the region by UNIDO in the 1994-1995 biennium. These focused on environmental issues, with a project on environmentally sustainable industrial development in Cuba, a similar one with special emphasis on SMEs in Chile, a project on waste treatment in Uruguay and another on eco-efficiency in Ecuador. Other approved projects address the self-organization of SMEs in Honduras and the impact of the North American Free Trade Agreement on manufacturing competitiveness in the Caribbean. In addition, UNIDO was designated as lead agency for a project on the decentralization of industrial policy in Mexico, which will be implemented with FAO and the International Labour Organisation (ILO).

63. Measures for improving cooperation with regional institutions were enhanced. UNIDO co-sponsored a regional meeting on industrial policies in Latin America and the Caribbean, held in Costa Rica. This meeting recommended, within a two-year plan of action, improvements in coordination between the Latin American Economic System, the United Nations Economic Commission for Latin America and the Caribbean, the Inter-American Development Bank and UNIDO.

G. LEAST DEVELOPED COUNTRIES

64. The least developed countries (LDCs) are, by definition, far behind the rest of the developing world in terms of economic and industrial development. Unless strong remedial action is taken by the LDCs themselves and through international support, the development gap will continue to widen. Typically, LDCs are characterized by relatively poor or underutilized natural resource endowments, small domestic markets, rudimentary and undiversified industrial structures, low levels of skill development, high import dependence and insignificant manufactured export capabilities. Many LDCs are now implementing structural reforms aimed at reducing the size of the public sector, deregulating the economy and promoting private industries.

UNIDO support

65. Programmes and projects in support of LDCs have been described throughout the present report, and primarily in chapter II. In chapter III, section C covers activities in Africa where most LDCs are located, while in section D, reference is made specifically to the regional programme on promotion and development of agro-related metalworking industries in Asian and Pacific LDCs.

66. Overall, technical cooperation expenditure on projects exclusively involving LDCs amounted to \$10.5 million in 1994 while new project approvals accounted for \$6.5 million. This is predominantly the result of a dramatic fall (by \$7.9 million compared with 1993) of UNDP funding for LDC projects from which the Asia and the Pacific region suffered most. The above figures exclude, however, the high number of regional, interregional and global projects as well as fellowships, study tours and group training programmes in which LDCs were involved together with other developing countries. The concentration on African LDCs has become more pronounced: they accounted for 87 per cent of technical cooperation expenditure and 95 per cent of new approvals in 1994.

67. Regarding substantive priorities, an internal review of all LDC projects under implementation in 1994 showed a focus on industry-related human resource development, industrial rehabilitation, SME promotion, environment and energy, development and transfer of technology and integration of women in industrial development. These six areas accounted for approximately two thirds of all ongoing projects in LDCs.

68. Some of the larger technical cooperation projects which were approved in 1994 include strengthening the leather and footwear industry in Ethiopia, strategic management of industrial development in Guinea, a support programme for SMEs in Madagascar, assistance to the fish-processing industry in Togo, a national industrial statistics programme for Zambia and skill development for women entrepreneurs in the textiles industry of the United Republic of Tanzania.

69. Preparation began for an expert group meeting, to be held in 1995 in Nepal, on sustainable development of the private sector development and accelerated growth of industrial enterprises in LDCs.

CHAPTER IV

UNIDO MANAGEMENT AND SERVICES: QUALITY AND CLIENT FOCUS

A. MANAGEMENT REFORM

1. In document GC. 5/23, the objectives of reform were defined both by the Organization's own review of its strengths and weaknesses, as well as through informal consultations with Member States. The present chapter reviews the progress made in 1994 in reaching these goals. Given the integrated nature of the new quality management principles that are the objective of reform, a range of management issues has been addressed. These include the improved quality of UNIDO services, teamwork, transparency, coordination, focusing of activities, streamlined structures and processes, use of information technology for management, and an improved understanding by Member States of UNIDO services.

2. Addressing each of these issues over the last year was a considerable undertaking. In effect, the management reform of UNIDO is reliant on developing a new management culture that entails a client and quality focus, measurement of performance, delegation of responsibility and holding individuals accountable for results. While progress was made in reforming the corporate culture, considerable effort lies ahead. In the following review of progress achieved, the principles of quality management are used as a framework.

Leadership

3. In recognition of the responsibilities of management in any reform effort, leadership has been a focus in the improvement efforts. As part of the transition to a "new" UNIDO, there was, over the last year, a conscientious effort to recruit new senior managers from outside, including three of the eight Managing Directors. The effort to bring top management closer to the operational level, begun last year with the removal of an entire layer in the management hierarchy, has continued, as procedures are being reviewed to increase authority of operational staff. The Director-General, Managing Directors and other senior managers make up the Policy and Management Committee (PMC), which sets the strategic direction of the Organization and supports the procedures that ensure its implementation. Follow-up reports for the policy-making organs of UNIDO ensure accountability in the implementation of its decisions.

Vision for the Future

4. UNIDO remains true to its original mission, as defined in its Constitution, i.e. "the promotion and acceleration of industrial development in developing

countries" as well as "cooperation on global, regional and national, as well as sectoral levels". While this goal remains the same, the methods for its attainment have evolved. As outlined elsewhere in the present report, five development objectives are serving to focus UNIDO on areas of development impact, strength and comparative advantage, together with strategies specific to each region. Within each objective, specific strategies provide a framework, with programmes and services clearly delineated. Concentration on areas of impact and expertise have guided this process. Quality and improvement of client service are central tenets of the new strategic vision of UNIDO, as is emphasized throughout the present chapter. In addition, the Director-General has made it clear, in statements to staff and governing bodies, that it is his intention to make UNIDO a flexible, responsive organization that utilizes resources at its disposal for servicing its Member States in a timely and effective manner.

Information technology to support management and monitor performance

5. Technology is increasingly recognized as an essential tool for improving communication and performance monitoring. While the potential of

information and communications technology is not new, they had not been fully utilized in the past. Management reports, providing a graphical representation of financial matters, are now automatically produced on a monthly basis. The success of these tools improved transparency and supported management decision-making. Begun at the divisional level, such financial reports are now being expanded to the branch level, providing operational managers feedback on their performance.

6. The support of management with clear performance reports, providing qualitative as well as quantitative measurements, will continue in the coming year. Improvements in interfaces between the personal computer (PC) and mainframe environments led to the development of local area telecommunications network (LAN)-based programmes. Such a programme is in place in Personnel Services, which allows management to develop reports on the current status of Professional staff. The computer mainframe was outsourced, allowing UNIDO to increase focus on areas of strength or need. One example is the great progress made in bringing easy-to-use PC-based electronic mail (e-mail) to staff throughout the Organization, leading to greatly improved and more horizontal communications.

Improved processes, increased responsibility and accountability

7. In conjunction with a flattening of the hierarchy, the whole process of developing UNIDO services was redesigned. While the issue of service quality is covered in greater detail below, its management impact warrants mention here. The objective was to improve cooperation and teamwork, integrating activities and delegating responsibility further down the chain of command. Under the new procedures, quality is reviewed from the start, with responsibility resting with the staff member concerned, rather than at the "end of the assembly line" as was the case in the past. Backstopping officers are responsible for contacting other organizational units at an early stage, to examine possible areas of synergy. While the new approach has required a major modification in procedures, its impact is beginning to be felt. Improvements will continue to be made to increase quality, accountability and programme integration.

8. Changes proposed in the performance appraisal system should improve accountability. The system was reviewed, taking into account improvements in other organizations, with the goal of developing a true measurement of staff performance that can be implemented in 1995. UNIDO modified travel procedures to move authority closer to the operational level, while changes in budgeting procedures, giving increased control to managers, are planned for the coming biennium. Finally, staff visited other United

Nations and non-United Nations organizations to discuss management reform; this was done in an effort to learn from the successes and setbacks of others and avoid the need to "reinvent the wheel". Reform efforts have incorporated the lessons thus learned.

Communication, internally and externally

9. Improved communication with UNIDO staff and Member States, both formal and informal, is a guiding principle of reform. Formal and informal consultations with various groups of Member States preceded major meetings, requiring a great deal of preparation on the part of the Secretariat. In addition, a regular series of informal meetings with major donors continued, and a new series with recipients was initiated. Senior management participated in a number of programme review missions, with inputs provided to the development of country programming briefs and support strategies. This openness to dialogue and the provision of feedback has had an impact. The increasing emphasis on quality in services is the result of dialogue between UNIDO and its clients, an emphasis that has been supported by the Programme and Project Review Committee. To continue improving the dialogue between UNIDO management and Member States, the Organization strengthened its Public Information Section.

10. Within UNIDO, two new newsletters informed staff of developments across the Organization, while outlining the principles behind efforts at reform. The Director-General met repeatedly with staff and Staff Council representatives to forge a common understanding of change and improvement. In addition, a series of seminars, greatly supported by staff, provided a forum for discussing areas of common interest. Each of these initiatives will continue in the coming year.

Developing the staff for a knowledge-based future

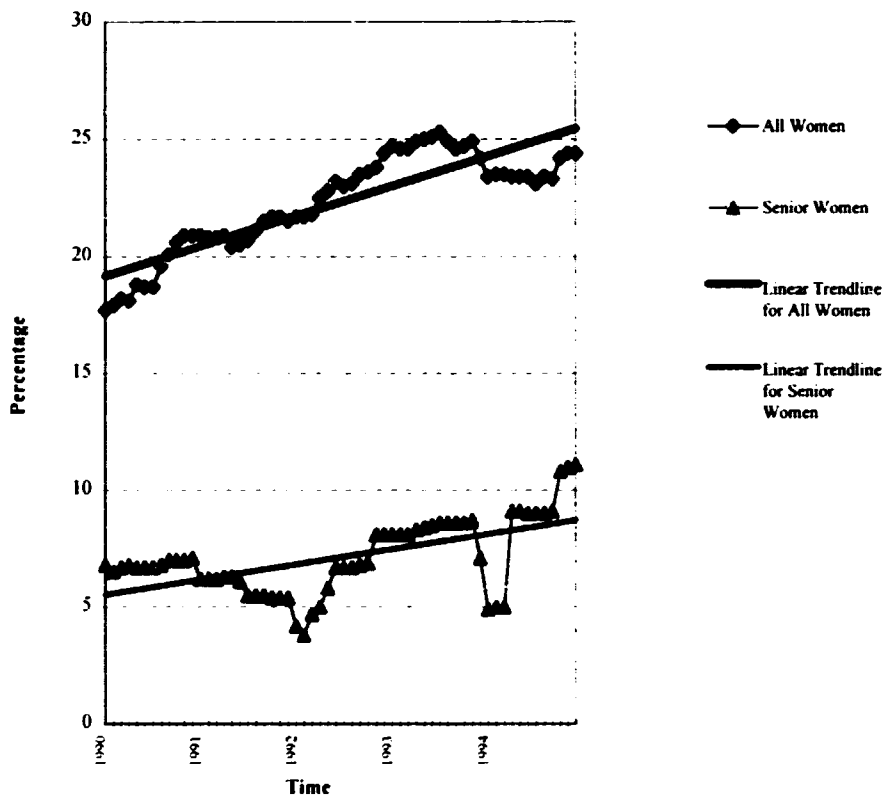
11. UNIDO is the people that make it up. New staff, including the aforementioned Managing Directors, brought increased knowledge and innovative perspectives of industrial development issues. The gender balance of the Secretariat improved, with women making up just under 25 per cent of Professional-level staff subject to geographical distribution, a significantly higher percentage than a few years earlier.

12. Internal training highlighted the principles of quality management, with participation in management development courses rising from 78 staff members in 1993 to 309 in 1994. The subjects of the courses included team building, quality and marketing of services. External training focused on bringing to the Organization specific knowledge needed for management reform, including courses on

organizational improvement at the Harvard Kennedy School of Government, Columbia University and the Management Centre Europe (American Management Association). Finally, Member State support of the

Associate Expert programme of UNIDO continued, providing a source of new ideas while supplying resources in areas of need.

Percentage of Professional Women in UNIDO, subject to Geographical Distribution



B. EVALUATION OF UNIDO SERVICES: LESSONS LEARNED

13. Each year, UNIDO analyses the results of all in-depth and internal evaluation reports completed during the previous year. This exercise helps identify key features in the implementation and impact of the UNIDO technical cooperation programme. A total of 32 in-depth evaluations and 113 project performance evaluation reports were completed during 1993, forming the basis for the 1994 review. The review contains aggregated information on such issues as funding sources, project management, and the record of attainment of project objectives.

Focus on project design

14. The review found that average performance ratings of projects improved in comparison with 1992. However, project design shortcomings continued to cause problems during implementation. Design shortcomings are particularly evident as regards the clear and, if possible, quantified statement of the outputs of a project. Of similar importance is the precise identification of the needs of end-users, and the selection of appropriate counterparts. Objectives-oriented project planning (OOPP), increasingly applied in UNIDO project design, facilitated the clarification of such issues during project design. The close monitoring of risk factors during implementation was also seen to be important.

15. Most backstopping and monitoring was described as being of "sufficient" to "excellent" quality. Outputs were produced and immediate objectives were achieved or likely to be achieved as planned in 63 per cent of cases; in 28 per cent of cases they were achieved less than planned. Project impact was considered "satisfactory to high" in 41 per cent of cases, but "partial or marginal" in a further 38 per cent of projects. Project sustainability was not achieved in 42 per cent of projects, mainly relating to institution-building. The uncertain financial standing of public institutions in a policy context of deregulation leads to the most frequent difficulties with institution-building projects. Potential commercial dimensions to institution-building projects must therefore be carefully considered and developed where appropriate.

16. It was also found in this context that long-term fellowships involving the award of degrees could lead to emigration. In addition, it was confirmed, as in earlier evaluation work, that institution-building projects usually take longer to implement than is foreseen in the

project document. Such projects should thus be developed using a phased approach.

Special trust fund projects

17. During the latter part of 1993 and through much of 1994, the Evaluation Section undertook an in-depth evaluation of special trust fund (STF) projects. Two important recommendations from this work were in fact implemented prior to the completion of the report on the evaluation as a consequence of organizational restructuring. These were: (a) the need to treat STF projects in the same way as other technical cooperation projects, and (b) the advantage of organizing funds mobilization by source of funds rather than by type of project. Most of the substantive problems in STF projects were found to be no different from those of traditional technical cooperation projects. Conversely, successes in STF projects occurred for the same reasons as they do with other projects. In particular, the close involvement of local counterparts in the design and implementation of a project tended to enhance effectiveness.

18. The Associate Expert programme was also analysed in the STF evaluation in which a number of recommendations were made. These emphasized the need for UNIDO to ensure more intensive supervision and backstopping of associate experts. It also emanated from the evaluation that the career development of associate experts following their assignments should be given closer attention, both on the part of UNIDO and the donors. The work of associate experts represents an investment, with them acquiring experience and skills needed in multilateral and bilateral technical cooperation. The evaluation also recommended that there should be uniform treatment of associate experts among donors as regards duration of assignment, level of appointment, and the length of previous work experience required.

Technology transfer and development

19. During 1994, the Evaluation Section continued conceptual and other work on a thematic evaluation of UNIDO activities as regards technology transfer and development. For this purpose a separate review was made of the findings of 1993 in-depth evaluations. The review illustrated that most UNIDO projects are explicitly designed to effect technology transfer and or development of some kind. It was found that technology transfers from existing and well-established sources, complemented by local technical inputs, are preferable to developing technologies in isolation from outside sources. Another finding from the review is the relatively high share of projects in which technology transfer is not considered sustainable. To some extent this may reflect risks and uncertainties inherent to the transfer of advanced technologies, while less

sophisticated technologies are more likely to be effectively sustained. However, it would appear that the unsatisfactory record on sustainability stems in a large part from institutional weaknesses. These weaknesses usually involve the counterpart institution, and often include an uncertain financial position, poor physical infrastructure and inadequately trained staff. Institutional weaknesses were also found in the mechanisms of technology promotion and dissemination.

20. The key lesson learned is, perhaps, that for technology transfer and development projects involving institution-building, a specific risk assessment should be undertaken. A thorough sensitivity analysis of all the key parameters affecting the viability of the counterpart institution should be a prerequisite.

C. QUALITY ASSURANCE: LESSONS APPLIED

21. Responding to shortcomings in the design and impact of UNIDO projects, identified in evaluation reports and by some major donors to the Industrial Development Fund (IDF), the Director-General issued Bulletin UNIDO/DG/B.177, that established new guidelines and procedures for the management of UNIDO services. These guidelines represent a fundamental change in the management of the project cycle and in the manner in which the Member States' requests for services are processed and implemented. The new approach is based on the following principles:

- UNIDO is a service organization supporting the industrial development efforts of Governments, institutions and enterprises in developing countries that are responsible for their own development process;
- New procedures are based on responsibility, accountability and transparency. For each stage in the new process a clear indication is given of the unit responsible, the action to be taken, the output to be produced and the time frame to be observed;
- The process provides for screening at an early stage to ensure that the Organization focuses on those service requests that correspond to country requirements, the mandate and priorities of UNIDO, its technical capabilities and resource availability;
- The basis for the programming of UNIDO services has been strengthened through the new concept of UNIDO country support strategies and country programming briefs;
- Team work during programme and project implementation is actively encouraged through concrete team-building mechanisms.

Implementing the new quality system

22. Steps have been taken to ensure that the quality system of the Organization is effectively applied throughout the new service management process. Quality assurance officers in the various implementing Divisions are required to provide advice at both the screening and formulation stages, while the central Quality Assurance Unit is a permanent adviser to the Programme and Project Review Committee (PPRC).

23. In Director-General's Bulletin UNIDO/DG/B.178, the terms of reference for PPRC were revised, to bring them in line with the new service management process. For the first time, PPRC is now mandated to review projects funded from all UNIDO-managed funds, including IDF, the Special Industrial Services programme, trust funds and the programme for the Second Industrial Development Decade for Africa, as well as from a number of other funds such as the United Nations Development

Programme (UNDP) technical support services at the programme level (TSS-1). This new approach will ensure the application of consistent approval criteria and the observance of interlinkages between projects.

24. With the new service management guidelines issued only in April 1994, many of the projects submitted to PPRC during the year had still been developed in accordance with past practices. Therefore the full impact of the new guidelines has yet to be felt. A first review of 1994 project submissions showed that one third (32 per cent) were approved or recommended for approval by PPRC without any need for reformulation. There is, however, a large potential for further improvements in project design within the implementing divisions of UNIDO. Responding to this challenge, efforts were made to promote awareness of the Quality System among all UNIDO staff concerned (as described in document CPD.11), to train staff on the service management process, and to refine methodologies.

Training in quality

25. In 1994, members of PMC and PPRC as well as staff of the Mobilization and Management of Financial Resources Division, the Industrial Sectors and Environment Division and the Country and Programme Development Division were trained in the UNIDO quality system. The "cascade" approach to training requires that managers recognize training as their own management tool to improve the quality of their technical cooperation activities and that they assume responsibility. In 1995, it is expected that UNIDO Country Directors will be trained on the new service management process, and on their role in the analysis of existing problem situations and in project identification in the countries they cover.

26. The Quality Assurance staff was trained by the Management Centre Europe (American Management Association), the European Federation of Quality Management and the American Productivity and Quality Centre in specific aspects of total quality management (TQM) as applied to service organizations

such as UNIDO. These included, for example, cycle time reduction through business process management and mapping; benchmarking critical processes; how to assess the effectiveness of the Organization in ensuring client satisfaction; and the functioning of the quality system.

Continuing support of quality

27. A first draft of the quality manual for UNIDO technical cooperation services is under preparation. It will describe the quality management system and serve as a permanent reference for its implementation and maintenance.

28. During the year, UNIDO-trained moderators conducted eight OOPP project formulation workshops in the field. They were a direct and tangible contribution to the application of quality principles and methods in the analysis of existing problem situations in developing countries and in the formulation of UNIDO services to support these countries' own development programmes.

CHAPTER V

THE UNITED NATIONS SYSTEM CONTEXT

A. ENHANCING THE POSITION OF UNIDO

1. During the year, UNIDO participated actively in system-wide efforts to increase effectiveness and improve the division of labour between agencies. This involved preparation for and representation at major United Nations conferences as well as renewed approaches to promote inter-agency cooperation. In this context, the Organization reported on its reform process and stressed the need to enhance the role of industrial development in the overall development agenda.

System-wide policy debate

2. The Director-General and senior staff of the Organization actively participated in United Nations forums and debates, such as the high-level segment of the Economic and Social Council and the Second Committee of the General Assembly, especially on matters concerning international development cooperation and policy issues relating to the division of labour within the system. The Organization also participated in the discussion of the Secretary-General's efforts in formulating an Agenda for Development. At those forums UNIDO continued to emphasize that the United Nations system as a whole must work to promote sustainable economic development as the single most important factor in preventing social unrest, as well as national and regional conflicts.

3. The increasing number of global issues - and above all the environmental threats affecting the entire planet - require global responses that would best be developed within the United Nations system. This is contingent upon the shared vision, agreed objectives and common approach binding together United Nations funds and programmes, Bretton Woods institutions and the United Nations specialized agencies. The Director-General presented a report to the forty-ninth session of the General Assembly (document A/49/347) in which the contributions of industrial development and the role of UNIDO in achieving key global development objectives were outlined. The General Assembly unanimously welcomed the reform of UNIDO and stressed "the importance of industrialization as a dynamic instrument of growth that is essential to rapid economic and social development of developing countries" (General Assembly resolution 49/108).

Inter-agency cooperation

4. During the year, UNIDO worked to increase cooperation between United Nations programmes and agencies. In the case of the United Nations Development Programme (UNDP), beyond the continuous coordination of work at the field level, this involved the creation of a joint UNDP/UNIDO task force that began to define selected priority fields for future joint programme initiatives. These related in particular to global environmental issues, entrepreneurship development and post-emergency assistance. Consultations also took place with the Office for Project Services on options for enhanced cooperation following its establishment as a separate entity under the name United Nations Office for Project Services (UNOPS). The Organization signed an agreement with the United Nations Educational, Scientific and Cultural Organization, in which areas of cooperation were identified in human resource development, science and technology, and strengthening of industry-university links. Similarly, UNIDO and the Food and Agricultural Organization of the United Nations (FAO) initiated the formulation of agro-industry projects related to food security in Africa, to be the subject of joint funds mobilization and implementation. An agreement was signed with the United Nations International Drug Control Programme (UNDCP) to expand the ongoing cooperation on crop diversification through agro-industry projects (see also chap. II, para. 86).

Major United Nations Conferences

5. A UNIDO delegation headed by the Director-General attended the International Conference on

Population and Development held at Cairo, Egypt. In his statement to the Conference, the Director-General highlighted the relationship between population growth, urbanization and industrial development. He stressed that education, health and family planning programmes must be given attention in developing countries and that programmes supporting education, broad-based economic and industrial development and an enhanced role for women also require high priority.

6. The World Summit for Social Development, to be convened at Copenhagen, Denmark, in March 1995, is the next landmark in a series of major United Nations

conferences. UNIDO actively participated in the Preparatory Committee of the Summit, which held two sessions in 1994. As a result, in the draft programme of action proposed for adoption at the Summit, enhanced attention was given to the role of productive economic capacities as a basis for social development. In December 1994, a meeting of experts was held to elaborate the position of the Organization for the Summit.

7. Similarly, UNIDO started preparatory work for the Fourth World Conference on Women, to be held at Beijing, China, in September 1995, an item covered in greater detail in section II.C. of the present report.

B. TAKING THE LEAD IN INDUSTRIAL DEVELOPMENT ANALYSIS

8. Throughout the present report, activities of UNIDO have been highlighted that reflect its role as a centre of excellence on industrial development issues, be it in the context of global environmental issues (Agenda 21, Montreal Protocol) or in the framework of advice sought from UNIDO in developing subsector-specific codes and guidelines, for example, eco-labelling in the leather industry or regional design codes for timber structures.

9. In the present section, some of the analytical activities of the Organization in terms of industrial information, statistics and research are briefly described.

Industrial information

10. During the year, the UNIDO industrial information programmes and related services were strengthened to make better use of information technology developments, thus providing Member States with access to existing information resources and facilitating the transfer of required industrial information. The "Regional workshop on Industrial and Business Information Services and Networks", held for Central European countries and the New Independent States of the former Soviet Union (NIS), enhanced computer-linked Industrial and Technological Information Bank (INTIB) regional networks and helped integrate them with Investment Promotion Services offices, UNIDO Country Director (UCD) offices and subcontracting exchanges. In the coming year, similar regional workshops are planned for Africa, Asia and the Pacific and Latin America and the Caribbean. The combination of a central information clearing house at UNIDO with a decentralized global network of national information-gathering and dissemination focal points - over 80 at present - is an effective means of ensuring the exchange of information essential to industrial cooperation in technology transfer and investment promotion.

11. Decentralization was also the focus of activities under the Energy and Environment Information System project, which started pilot activities in Thailand with the aim of strengthening national mechanisms to provide energy and environmental technological information to small- and medium-scale enterprises (SMEs).

12. A variety of tools developed in 1994 helped INTIB network members function more effectively, in particular through the International Referral System. The System serves as a rapid means of identifying and matching different sources of information in response to

inquiries from business communities. An inventory was begun for each Member State of UNIDO of all the specialized sources of information that are prepared to handle technical inquiries.

13. Efforts continued in improving the connection of the INTIB focal points to the global communications network and knowledge base. In addition to electronic messaging, this includes access to computerized resources, commercial and non-commercial, and over 20,000 databases worldwide. Projects began that provide necessary training in the use of the Internet and other global networks in order to gain access to business, technology and investment information as well as for long-distance learning.

14. To provide further support to the efforts of the national focal points, various technical cooperation approaches were developed, depending on the level and sophistication of information services in a given country. The starting point is an assessment of the need for an industrial technology and market information network, together with an analysis of the potential of existing institutions as well as the need for human resources training and hardware and software facilities. If justified, a larger-scale assistance project works to establish comprehensive networked industrial information services in a country. A prerequisite is the existence of sufficient financial support within the private sector to establish and maintain a commercial industrial information service. A project of this type began in Sri Lanka.

15. To provide access to new and emerging technologies, including environmentally friendly technologies, UNIDO redesigned the Technology Monitors on Genetic Engineering and Biotechnology, Microelectronics, Advances in Materials Technology, High Technology Spin-Offs, Marine Industrial Technology and Environmental Technology.

Industrial statistics and empirical research

16. Following a meeting of the United Nations Statistical Commission in April 1994, UNIDO was designated as the official United Nations depository of industrial statistics for all developing countries and countries in transition. This helps ensure international comparability of industrial data and setting standards for their collection, processing and reporting. Following directly from this new mandate, the Organization prepared the *International Yearbook of Industrial Statistics* (for issuance in early 1995). This *Yearbook* replaces the *Industrial Statistics Yearbook* (Volume 1) previously prepared by the United Nations Statistical Office as well as the "Handbook of Industrial Statistics" previously prepared by UNIDO.

17. UNIDO conducted empirical research on specific industrial sectors and broader issues that affect technological development, competitiveness, human resource development, and industrial investment. Published in 1994, the most recent sectoral study, "The World's Leather and Leather Products Industry: A study of Production, Trade Patterns and Future Trends", provides an in-depth analysis of new forms of competitiveness of this important industry.

18. Two further publications were completed in 1994. One of which, "Beyond Quality: An Agenda for Improving Manufacturing Capabilities in Developing Countries", examines the application of quality and production improvement techniques in developing countries. Case studies of improvement programmes in Brazil, Hungary, Mexico and the United Republic of Tanzania illustrate how these methods enhance the productivity and competitiveness of a firm. The study shows that management systems and analytical tools can be key factors in developing human resources for industry. The second publication, "Towards Quality Improvements: A Primer on Statistical Quality Control", introduces the reader to the use of cost-effective methods of statistical quality control (SQC).

Country-level industry reviews

19. The Industrial Development Review series continued to support UNIDO's own technical cooperation programming at the country level and also provided a neutral assessment of industrial development in selected countries to Member States, the donor community and international business. The sales publications of the Review series for 1994 included those on Egypt - "An Enabling Environment for Investment" and India - "Towards Globalization". These Reviews were co-published with the Economist Intelligence Unit, whose sales network facilitates worldwide dissemination of specific information and analysis contained in the Reviews. Preparations were well underway for a Review on the Islamic Republic of Iran as well as one on six Central Asian republics: Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan,

Turkmenistan and Uzbekistan. Two country reviews, one on the Lao People's Democratic Republic - "Industrial Transition" and one on Namibia - "New Avenues of Industrial Development" were issued as non-sales publications. UNIDO also issued an industrial sector study of Argentina that focused primarily on industrial policy issues, a country strategy was prepared on Indonesia and a study was completed on private sector development and privatization in developing countries.

20. As regards investment policy, a workshop with leading Egyptian industrialists was held at Cairo to introduce and discuss the Industrial Development Review of Egypt in December. Further, an Investment Policy Review of India, "The changing investment environment", was prepared and presented at the UNIDO Invesmart held in that country in April.

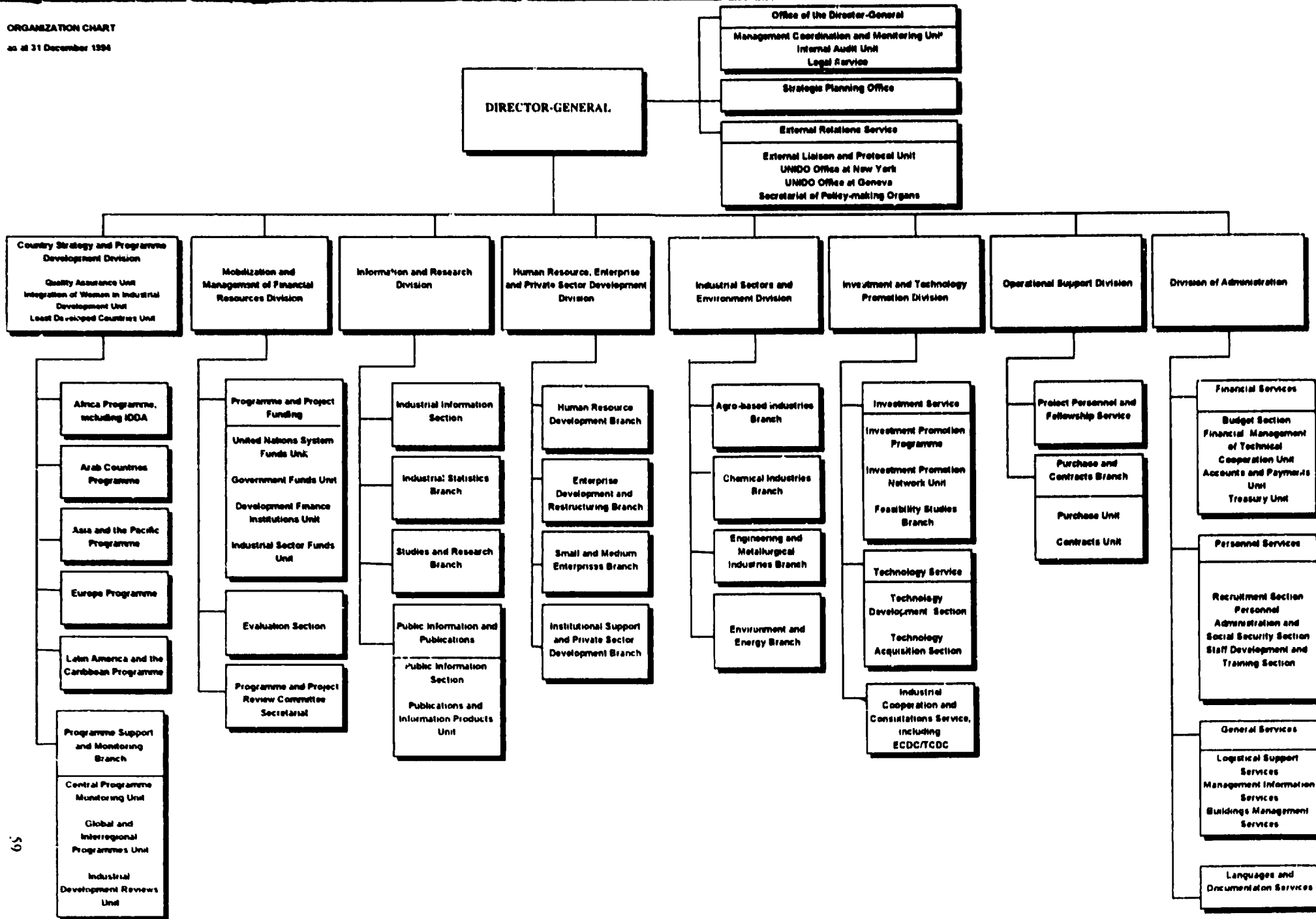
Research on global industrial issues

21. Reflecting the concern of UNIDO with the relationship between industrialization and broader development objectives, and in order to provide a conceptual basis for the operational activities of the Organization, policy-related research began to assess the impact of recent global developments on developing countries.

22. In this context, studies were completed on industrialization and poverty alleviation as well as on sustainable industrialization. With the recent conclusion of the Uruguay Round, UNIDO started a study on the impact of the GATT Accord on industrialization in developing countries. Another study is being undertaken to monitor the global economic and technological trends and assess region- and country-specific priorities for industrialization and competitiveness in developing countries.

23. The first part of the newly structured *Global Report*, scheduled for publication in 1995, will include the main findings of the above special studies together with a short- and a medium-term assessment of the current world economic situation. The second part of the *Report* will continue to focus on regional policy perspectives to provide a framework for enhancing the global restructuring of industry. It will review the past performance in the regions and provide various scenarios as a basis to derive policy recommendations. As in the past, the *Report* will include a statistical appendix containing detailed industrial data including gross output, employment and profit in each of the 28 industrial manufacturing sectors for some 100 countries, and general data for an additional 50 countries.

24. In addition to the above, in response to General Conference resolution GC.5 Res.9, UNIDO prepared for the thirteenth session of the Industrial Development Board a policy-oriented report on external debt and industrial development in developing countries.



ABBREVIATIONS

- A -			
ACC	Administrative Committee on Coordination	INTIB	Industrial and Technological Information Bank
AEC	African Economic Community	IPS	Investment Promotion Service
AIDMO	Arab Industrial Development and Mining Organization	ISO	International Organization for Standardization
ARCEDEM	African Regional Centre for Engineering Design and Manufacturing	ITC	International Trade Centre UNCTAD/GATT
ASEAN	Association of South-East Asian Nations	- L -	
- B -		LAN	local area network
BINAS	Biosafety Information Network and Advisory Service	LDC	least developed country
BOT	build-operate-transfer	- M -	
- C -		MERCOSUR	Common Market of the South
CACM	Central American Common Market	MVA	manufacturing value-added
CBP	chlorinated biphenyls	- N -	
CFC	chlorofluorocarbon	NAFTA	North American Free Trade Agreement
COMESA	Common Market for Eastern and Southern Africa	NCPC	National Cleaner Production Centre
COMFAR	UNIDO Computer Model for Feasibility Analysis and Reporting	NGO	non-governmental organization
CSO	Commission on Sustainable Development	NIS	Newly Independent States of the former Soviet Union
- D -		- O -	
DDSMS	Department for Development Support and Management Services	OAU	Organization of African Unity
- E -		ODS	ozone depleting substance
ECA	Economic Commission for Africa	OOPP	objectives-oriented project planning
ECDC	economic cooperation among developing countries	OPS	Office for Project Services
ECLAC	Economic Commission for Latin America and the Caribbean	- P -	
ESCAP	Economic and Social Commission for Asia and the Pacific	PC	personal computer
ESCWA	Economic and Social Commission for Western Asia	PPRC	Programme and Project Review Committee
ESID	ecologically sustainable industrial development	PTA	Preferential Trade Area for Eastern and Southern African States
- F -		- R -	
FAO	Food and Agriculture Organization of the United Nations	R and D	research and development
FDI	foreign direct investment	REED	Referral Database on Energy and Environment
- G -		- S -	
GATT	General Agreement on Tariffs and Trade	SADC	Southern African Development Community
GDP	gross domestic product	SELA	Latin American Economic System
GEF	Global Environment Facility	SME	small and medium enterprise
GNP	gross national product	STAS	Short-term Advisory Service
- H -		STF	special trust fund
HRD	human resource development	- T -	
- I -		TCDC	technical cooperation among developing countries
IACSD	Inter-agency Committee on Sustainable Development	TSS-1	technical support services at the programme level
ICGEB	International Centre for Genetic Engineering and Biotechnology	TSS-2	technical support services at the project level
ICMET	International Centre for Materials Evaluation Technology	- U -	
ICS	International Centre for Science and High Technology	UCD	UNIDO Country Director
IDDA	Industrial Development Decade for Africa	UNCED	United Nations Conference on Environment and Development
IFAD	International Fund for Agricultural Development	UNCTAD	United Nations Conference on Trade and Development
ILO	International Labour Organisation	UNDCP	United Nations International Drug Control Programme
		UNDP	United Nations Development Programme
		UNESCO	United Nations Educational, Scientific and Cultural Organization
		UNICEF	United Nations Children's Fund
		UNOPS	United Nation Office for Project Services
		- W -	
		WHO	World Health Organization



Distr.
GENERAL

IDB.14/10/Add.1
PBC.11/10/Add.1
22 March 1995

United Nations Industrial Development Organization

ORIGINAL: ENGLISH

Industrial Development Board

Fourteenth session

Vienna, 26-30 June 1995

Programme and Budget Committee

Eleventh session

Vienna, 24-28 April 1995

Item 5 of the provisional agenda

ANNUAL REPORT OF UNIDO, 1994

Addendum

Interim programme performance report for the biennium 1994-1995

Report by the Director-General

Summary

Provides an interim programme performance report covering the first year of the 1994-1995 biennium. The information which is presented in tables containing a comparison of measurable outputs implemented against outputs planned, is supplemented by a statistical annex and appendices on selected activities.

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V.95.50225 (E) (b.05/95pm)

Distr.: 29 March 1995

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Introductory note

1. The present report is submitted in compliance with conclusion 1987/19 of the Programme and Budget Committee in which the Director-General was requested to submit each year to the Board through the Committee a programme performance report describing the level of programme implementation.
2. In preparing the report, account has been taken of General Conference resolution GC.4/Res.2 in which the Director-General is requested to incorporate fully in the annual reports the programme performance report for the relevant period, as well as General Conference decision GC.5/Dec.9, in which the Director-General is invited to present the information in future annual reports as succinctly as possible with a particular focus on the quality of UNIDO services. In trying to accommodate these two concerns of the General Conference, the Annual Report of UNIDO, 1994 (IDB.14/10—PBC.11/10), has been redesigned as a new, succinct and analytic document, while the present addendum thereto supplements the information contained in the Annual Report by providing the programme performance report for the first year of the biennium 1994-1995 for those segments of the programme and budgets with measurable outputs. The information is further supplemented by a statistical annex and appendices on selected activities.

MAJOR PROGRAMME 200: GENERAL MANAGEMENT

Subprogramme 213: Internal Audit

Activities	Planned 1994-1995	Achieved 1994
Audit reports on:	22	12
Director-General's Bulletins		
Industrial Development Decade for Africa Programme management		
Common Fund for major repairs		
VIC Catering Service		
Project audit		
Video production		
Consultancy engagement		
International Centre for Science and High Technology, Trieste		
Centres for International Industrial Cooperation (2)		
Special Training services		
Write-off of receivables		
Manuals	2	-

MAJOR PROGRAMME 300: COUNTRY STRATEGY AND PROGRAMME DEVELOPMENT

Subprogramme 312: Quality Assurance

Activities	Planned 1994-1995	Achieved 1994
Quality manual on UNIDO quality system	1	1 (draft 1994 version)
Brochure/video/publication on PCM/OOPP development cooperation management	1	1 (video)
Report on harmonization of quality management concepts (through expert group meeting)	1	-
PCM workshops on preparation of country support strategies and integrated programmes	3	-
PCM/OOPP field workshops (and reports) on project identification and formulation	8	8
Report on internal PCM/OOPP workshops on UNIDO services design	10	-
Report to UNIDO management on impact of Quality System on quality of UNIDO services	2	1
Report on advice to Programme and Project Review Committee and others on quality of UNIDO service proposals	1	1
Managing Directors trained on quality system	8	2
Heads/chiefs of branches/sections trained on service management process	19	3
Staff trained on service management process	15 work-shops	3 (19 staff members trained)
UNIDO Country Directors/Junior Professional Officers trained on service management process	4 work-shops	4 (39 JPOs trained)
Training of PCM/OOPP workshop moderators on UNIDO	2	5
Transfer of PCM/OOPP methods to Indonesia	2	2 workshops (24 persons trained)

2/ Not planned at the beginning of the biennium.

PCM = Project cycle management

OOPP = Objectives-oriented project planning

Subprogramme 313: Integration of Women in Industrial Development

Activities	Planned 1994-1995	Achieved 1994
Regional typology studies on participation of women in manufacturing as preparation for the Fourth World Conference on Women	5	4
Synthesis of regional typology studies as input for Fourth World Conference on Women	1	-
Report for Commission on the Status of Women	1	-
Policy advisory services to Governments and NGOs on enhancing women's participation in industry	6	2
Training needs assessment for women in industrial management and decision-making	1	1
Technical cooperation projects developed	8	9
Technical cooperation projects implemented	13	3

Subprogramme 314: Least Developed Countries

Activities	Planned 1994-1995	Achieved 1994
UNIDO strategy paper on least developed countries (LDCs)	1	-
Issue papers on industrialization of LDCs	2	1
Manual on traditional textiles in Africa	1	1
Information base on LDCs	1	-
Policy advisory services to LDC Governments	2	-
Technical cooperation projects developed	50	35

Regional Programmes 320-360

Activities	Planned 1994-1995	Achieved 1994
Programme 320: Africa Programme, including the Industrial Development Decade for Africa		
UNIDO regional strategy paper	1	1
Contribution to United Nations country strategy notes	14	15 ^a
UNIDO country support strategy	15	- ^a
Policy advisory services to Governments	18	20
Identification and formulation of subsectoral programme at national level	4	3 ^a
Subregional industrial sector programmes	4	-
Technical cooperation projects developed	130	109
Programme 330: Arab Countries Programme		
UNIDO regional strategy paper	1	1
Contribution to United Nations country strategy notes	4	1
UNIDO country support strategy	5	1
Policy advisory services to Governments and subregional organizations	9	1
Identification and formulation of subsectoral programme at national level	9	-
Subregional industrial sector programmes	2	-
Report on regional expert group meeting on industrial policies and strategies	1	1
Report on national expert group meeting on development of industrial consulting services	5	-
Technical cooperation projects developed	120	40
Programme 340: Asia and the Pacific Programme		
UNIDO regional strategy paper	1	1
Contribution to United Nations country strategy notes	11	4
UNIDO country support strategy	4	-
Policy advisory services to Governments	13	8
Policy advisory services to subregional organizations	2	1
Identification and formulation of subsectoral programmes at national level	4	-
Subregional industrial sector programmes	3	1
Technical cooperation projects developed	120	93

Activities	Planned 1994-1995	Achieved 1994
Programme 350: Europe Programme		
UNIDO regional strategy paper	1	1
UNIDO country support strategies	2	-
UNIDO subregional support strategy	1	1
Report on expert group meeting on design of industrial support strategies	1	-
Guidelines for industrial restructuring of economies in transition	1	-
UNIDO Regional Development Programme for Europe	2	1
Consultations with Governments and other actors in framework of joint committee meetings	10	4
Development of special packages of UNIDO programmes (in cooperation with Programme 420)	11	5
Technical cooperation projects developed	200	100
Programme 360: Latin America and the Caribbean Programme		
UNIDO regional strategy paper	1	1
UNIDO country support strategies	9	6 ^a
UNIDO subregional support strategy	2	-
Workshop/seminar on industrial strategies, policies and competitiveness	5	4
Regional seminar on ISO 9000	1	-
Technical cooperation projects developed	160	90

- ^a Work is of an ongoing nature and is at various stages of completion. To be finalized in 1995.
- ^b Work has been initiated in 14 countries through Industrial Sector Programme Review Missions.
- ^c Identified for detailed formulation in 1995.
- ^d First drafts.

Programme 370: Programme Support and Monitoring

Activities	Planned 1994-1995	Achieved 1994
Subprogramme 371: Central Programme and Monitoring		
Improved country information system Phase I	1	-
Expanded Project Management Information System (PROMIS), Phase I	1	-
Sector/country database adjusted to new UNIDO	1	-
Project book on ongoing projects	6	6
Project book on completed projects	2	1
List of technical cooperation projects for Industrial Development Board	2	1
Statistics and tables for annual reports	2	1
Country Information Sheets	8	3
Ad-hoc country briefing notes on ongoing/completed projects for senior staff going on mission or receiving visitors	400	202
Ad-hoc reports on pipeline projects	80	361
Ad-hoc sectoral/thematic analyses and/or reports	20	9
Monthly reports and analyses of technical cooperation approvals and delivery	24	12
Subprogramme 372: Global and Interregional Programmes		
Requests for UNIDO technical cooperation and services received and screened	105	78
Technical cooperation projects submitted for financing from all sources of funds	70	52
Strategy and approaches towards programme development for global issues/themes	1	-
Strategy approaches towards interregional programme development	1	-
Strategy and programme development framework for social development	1	-
Strategy and programme development framework for 2 selected global issues/themes (follow-up to the World Summit for Social Development)	2	-
Strategy and programme development framework for 3 interregional schemes/activities	3	-

Subprogramme 373: Industrial Development Reviews		
Activities	Planned 1994-1995	Achieved 1994
Industrial Development Reviews	14	5
Industrial policy review (India)	1	1
Industrial sector study (Argentina)	1	1
UNIDO country support strategy (Indonesia)	1	-
Review of private sector development and privatization in developing countries	1	1

**MAJOR PROGRAMME 400: MOBILIZATION AND MANAGEMENT OF
FINANCIAL RESOURCES**

Programme 410: Office of the Managing Director

Activities	Planned 1994-1995	Achieved 1994
Integrated programmes for wooden furniture	2	1
Thematic programmes	2	1
Revised support costs system for non-UNDP-financed projects	1	-

Programme 420: Programme and Project Funding

Activities	Planned 1994-1995	Achieved 1994
Subprogramme 421: United Nations System Funds		
Information notes on funding institutions	20	28
Projects identified	100	112
Projects reviewed for funding prospects	500	253
Cooperation agreements with other organizations	10	6
Subprogramme 422: Government Funds		
Meetings of the Informal Group of Major Industrial Development Fund Donors organized	4	2
Updated internal guidelines on donor government priorities	2	1
Projects identified	50	30 [≠]
Projects reviewed for funding prospects	1000	274
Integrated development programmes reviewed for funding prospects	10	5
Cooperation agreements with other countries	20	7
Subprogramme 423: Development Finance Institutions		
Projects identified	60	200 [≠]
Projects developed	12	50 [≠]
Management of ongoing projects (approved before 1994)	-	10
Project agreements signed [≠]	-	4
Subprogramme 424: Industrial Sector Funds		
Projects identified	60	30
Projects developed	24	11
Advisory notes	20	12 [≠]
Project monitoring reports	30	20
Funds mobilization concepts	2	1
Core product packages	6	1

[≠] Number of projects submitted to government donors.

[≠] Development Financing Institute loans identified with possible components for UNIDO involvement.

[≠] Projects developed into pipeline.

[≠] Not foreseen at beginning of the biennium.

[≠] Promotional service reports prepared for external clients.

Programme 430: Evaluation

Activities	Planned 1994-1995	Achieved 1994
In-depth project evaluations	50	22
In-depth programme evaluation on development and transfer of technology	1	-
In-depth evaluation of special trust funds	1	1
Project design workshops	3	3
Analysis of project evaluations (annual)	2	1
Revised guidelines for evaluation	2	-
Self-evaluation reports of projects	200	92
Terminal evaluation of small-scale projects	200	68

Programme 440: Programme and Project Review Committee (PPRC) Secretariat

Activities	Planned 1994-1995	Achieved 1994
PPRC-related meetings organized	360	100
Project documents reviewed and processed for submission	1000	378
Decisions and recommendations on project approval processed	1000	378
Project allocation documents authorized	600	296
Database records input	1000	378
Service Request Data Sheet/Screening Notes processed	700	213
Statistical reports prepared and distributed	24	23
Informal consultative group of recipient countries meetings organized	- #	2

Not foreseen at the beginning of the biennium.

MAJOR PROGRAMME 500: INFORMATION AND RESEARCH

Programme 520: Industrial Information

Activities	Planned 1994-1995	Achieved 1994
Expansion of Industrial Development Abstracts (IDA) database	1	1
Training programmes on modern information and communication technologies	3	-
Monitors on advanced technologies	44	14
Energy and environment series	6	1
Environmental Awareness Bulletins	12	8
INTIBNET Newsletter	4	-
Regional workshops on INTIB network and services	4	1
TECHMART compendiums	4	2
Guidebook on Information Resource Management	1	-
Guidelines for organization of information services and access to business information for small and medium enterprise	2	-
National directories on sources of industrial and technological information	6	2

Programme 530: Industrial Statistics

Activities	Planned 1994-1995	Achieved 1994
Inventory of industrial statistics UNIDO database (annual)	2	1
Managing for quality and excellence (commercial publication) [≠]	1	1
International Yearbook of Industrial Statistics (annual sales publication)	2	1
Manual on statistical quality control and continuous improvement (sales publication)	1	-
Steel survey (commercial publication)	1	-
UNIDO general industrial statistics database (three-digit ISIC level; annual)	2	1
UNIDO general industrial statistics database (four-digit ISIC level; annual)	2	1
Demand-supply statistical file (annual)	2	1
Commodity balance database	1	-
Promotional leaflets on UNIDO/STAT databases	6	2

[≠] Title changed to: Beyond quality: Agenda for improving manufacturing capabilities in developing countries.

Programme 540: Studies and Research

Activities	Planned 1994-1995	Achieved 1994
Report on industrialization and poverty alleviation	1	1
Report on sustainable industrialization	1	-
Report on impact of Uruguay Round on industrialization in developing countries	1	1
Survey on monitoring of global economic and technological trends and assessing region- and country-specific priorities for industrialization and competitiveness in developing countries	1	-
Study on foreign direct investment, industrialization and competitiveness in developing countries	1	-
Sectoral surveys on: construction equipment manufacturing, machine tools and iron and steel industry	3	-
Sectoral surveys	9	-
Global Report 1995	1	-
Workshops on regional economic forecasts and industrialization issues (annual)	2	1

Programme 550: Public Information and Publications

Activities	Planned 1994-1995	Achieved 1994
Subprogramme 551: Public Information		
Press releases, information notes	80	65
Features releases	20	-
Publication notes	20	3
Press conferences	25	10
Special displays (exhibits)	9	-
Report on Information Strategy (UNIDO)	2	1
In-house newsletters	18	6
External newsletters	18	-
Quarterly Journal	4	2
Industrial Development Decade for Africa Journal	8	-
Brochures and flyers	12	2
Posters	6	1
Presentation material	10	1
Media/Presentation kits	2	-
Project support kit	1	-
Video spots (3 minutes)	12	-
Industrial Development Decade for Africa video features (30 minutes)	2	1
Video features (6-8 minutes)	6	2
Training videos	2	2
Subprogramme 552: Publications and Information Products		
Report on information products policy	1	1
Report on information products strategy	1	- ²
Publication guidelines	1	- ²
Machine readable product guidelines	1	-
UNIDO Newsletter	20	6 ²

² Depending on approval, in 1995, by reconstituted Publications Board.

² Two UNIDO Newsletters and four UNIDO Links (as redesigned successor publication).

MAJOR PROGRAMME 600: HUMAN RESOURCE, ENTERPRISE AND
PRIVATE SECTOR DEVELOPMENT

Programme 620: Human Resource Development

Activities	Planned 1994-1995	Achieved 1994
Report on expert group meeting on policies, strategies and planning of human resource development	1	-
Training manuals for women entrepreneurs in food-processing sector	3	1
Technical cooperation projects on human resource development reviewed for UNIDO funding	13	6
Project concepts identified and formulated for human resource development	23	23
Technical cooperation projects (including group training programmes) on human resource development completed	87	19

Programme 630: Enterprise Development and Restructuring

Activities	Planned 1994-1995	Achieved 1994
Report on workshop on privatization for the French- and Portuguese-speaking least developed countries (LDCs)	1	1
Restructuring and strengthening of competitiveness of export oriented agro-based industries in Morocco	1	-
Report on expert group meeting on diagnostic and restructuring of industrial enterprises in Africa	1	1
Manual on diagnostic and restructuring of industrial enterprises in Africa	1	-
Seminar on privatization and development of competitiveness in LDCs	1	-
Group training in identification and evaluation of energy conservation measures	1	1
Conversion of military plant into wheelchair manufacturing facility	1 ²	-
Industrial management and consultancy (Malawi)	1	-
Preparation on enterprise development for business community of Blantyre	1 ²	-
Preparatory assistance for an industrial energy efficiency and training centre	1	-
Technical cooperation projects completed	32	27

² Cancelled.

Programme 640: Small and Medium Enterprises

Activities	Planned 1994-1995	Achieved 1994
Promotional brochures on: Support systems for industrial small and medium enterprise (SME); Subcontracting and SME partnerships; SME flexible specialization; SME (general)	4	1
Set of documents on methodologies and tools for SME support systems	2	-
Report on subregional meeting on SME support systems (with associations of entrepreneurs)	1	-
Report on regional meeting on SME support systems and networking	1	-
Awareness creation through seminars on SME subcontracting and partnership	3	-
Training seminars for subcontracting and partnership exchanges	2	- ²
Report on expert group meeting to enhance UNIDO programme for the promotion of industrial subcontracting and partnership	1	1
English version of updated UNIDO subcontracting system software (UNIDOSS)	1	- ²
Manual on subcontracting and partnership exchange	1	- ²
Commercialization of UNIDOSS package	1	-
UNIDO programme framework papers on: Overall SME programme; Promotion of industrial subcontracting and partnership; Rural development	3	1
Within the framework of the Administrative Committee on Coordination Subcommittee on Rural Development		
Programme of Working Group on Industrial Contribution to Rural Development	2	1
Draft progress report on issues requested by Panel on People's Participation	2	1
Article and paper on UNIDO activities in rural development	2	1
Technical reports on: Intersectoral linkages; Impact assessment of market liberalization	2	-
Case studies on rural industry promotion measures and methodologies	2	-
Micro-loan cash flow analysis package (MCAP)	1	-

Activities	Planned 1994-1995	Achieved 1994
Technical papers on SME issues (in context of SME observatory and research network)	3	2
SME Newsletter	1	-
International SME symposium	1	-
Databanks on: SME projects; SMF institutions; SME documentation	3	-
Computerized monitoring system for follow-up of project activities	1	1
Technical cooperation projects completed	52	38
Technical cooperation projects developed on subregional SME support programmes	2	-

≠ Preparatory work completed. Pending final approval of project.

Programme 650: Institutional Support and Private Sector Development

Activities	Planned 1994-1995	Achieved 1994
Report on expert group meeting on role of Governments and industrial institutions in creating an enabling environment for private sector development	1	-
Report on role of Governments and industrial institutions in creating an enabling environment for private sector development	1	-
Thematic paper on institutional support for private sector development	1	1
Thematic paper on future trends in quality management and standardization issues	1	1
Manual on practical guidelines for business incubators in Central and Eastern Europe	1	-
Technical cooperation projects completed	95	28

MAJOR PROGRAMME 700: INDUSTRIAL SECTORS AND ENVIRONMENT

Programmes 720-740

Activities	Planned 1994-1995	Achieved 1994
Programme 720: Agro-based Industries		
Manual on waste and residue management technology for the leather industry	1	1
Technical cooperation projects	87	26
Programme 730: Chemical Industries		
Integrated strategy for use of cement in kilns for hazardous waste management in selected countries	1	-
Programme for promoting technology for chemical recovery in non-wood black liquor and bleaching in pulp and paper industries	1	-
Integrated programme on plastics recycling	1	-
Report on regional workshop on lime and alternative binders (Uganda)	1	1
Report on workshop on cleaner production, pollution abatement and waste digestion in cement plants	1	-
Improvement of quality assurance systems in pharmaceutical firms in developing countries	1	-
Pharmaceutical industrial waste treatment in small and medium enterprises	1	-
Strategy perspective study on non-metallic minerals	1	-
Presentation of the strategy perspective study on non-metallic minerals in three selected countries in a series of workshops	1	-
Technical cooperation projects completed	91	56
Programme 740: Engineering and Metallurgical Industries		
Report on expert group meeting on environmental issues in the aluminium industry	1	-
Discussion paper on environmental issues in the aluminium industry	1	-
Report on expert group meeting on the local manufacture of telecommunication system components in developing countries	1	-
Comparative analysis on telecommunication equipment and capabilities to identify production and international cooperation possibilities	1	-
Communication automation system	1	1
Study on automation and quality control in metalworking industries	1	-
Technical cooperation projects completed	80	55

Programme 750: Environment and Energy

Activities	Planned 1994-1995	Achieved 1994
Report on expert group meeting on industry and water conservation programmes	1	-
Report on expert group meeting on the role of UNIDO in eco-labelling	1	1 [#]
Report on expert group meeting on UNIDO response to Agenda 21 in China	1	1
Elaboration of national cleaner production programmes for Mexico and Brazil	1	1
Study on industry and water conservation	1	-
Study on the UNIDO role in eco-labelling	1	-
Case studies on the transfer of technology in the field of environment	2	-

[#] One meeting held on leather industry. Further sectors will be covered in 1995.

MAJOR PROGRAMME 800: INVESTMENT AND TECHNOLOGY PROMOTION

Programme 820: Investment Service

Activities	Planned 1994-1995	Achieved 1994
Subprogramme 821: Investment Promotion Programme		
Investment forums:	17	
Africa		2
Asia		1
Europe		2
Latin America and the Caribbean		3
Investment promotion-related workshops	30	9
Country presentation tours	30	12
Fellowships, study tours and delegates programmes	40	19
Trainees in group training programmes	100	360
New reports and manuals on investment promotion	6	9
Investment promotion projects concluded	260	22
Investment proposals identified	1800	935
Technical cooperation projects developed and formulated	40	34
Technical cooperation projects completed	60	38
Subprogramme 822: Investment Promotion Network		
Development of new Investment Promotion Service Offices (IPSO)	6	-
Delegates placed in IPSOs	75	79
World Investment Network Services (WINS)	1	1
Fifth volume of series "How to start manufacturing industries"	1	1
Industrial investment promotion meetings (heads of IPSOs)	4	2
Subprogramme 823: Feasibility Studies		
New version of COMFAR	1	1
Reference manual for preparation of feasibility studies on small and medium enterprises	1	1
Reference Manual and User Guide for COMFAR	1	1
Seminars on project preparation, appraisal and financing	20	11
Seminars on COMFAR	10	5
Technical cooperation projects completed	80	30
Investment proposals identified, screened and appraised	40	40
Investment project appraisal consultancy service	20	10

Subprogramme 831: Technology Promotion

Activities	Planned 1994-1995	Achieved 1994
General technology issues		
Study for the establishment of an international centre for the advancement of manufacturing technologies	1	-
Follow-up to the meeting in December 1993 on spin-offs of space-related technologies	1	-
New technologies round-table meeting	1	-
Preparatory study for strengthening seven R and D institutes of developing countries to centres of excellence in industries and technology	1	-
Case studies and guidelines on revitalization of R and D institutes in three Arab countries	-	-
Report on Technology and Development (for promotion of related UNIDO activities)	1	1
Biotechnology and genetic engineering		
Biotechnology policy formulation programmes for business development	2	-
Consultations on biotechnology informatics network including LABNET	2	-
Capability-building in biotechnology	-	-
Report on study on monitoring of intellectual property rights trends relating to biotechnology, including biodiversity prospecting	1	1
Report on expert group meeting on biotechnologies acquisition, partnerships and development: The role of intellectual property rights issues of concern to developing countries	-	-
Biosafety management workshops and regional nodes setting	2	2
Consultations on biotechnology industrial associations	2	1
Promotion programme of regional biotechnological cooperation	1	1
Report on biotechnology and industrial development	1	1
Strengthening and international networking of institutes in developing countries to promote mushroom biotechnology and bioconversion technologies for sustainable industrial production and processing	1	1
Training and technology transfer project on application of mushroom biotechnology and bioconversion technologies for sustainable small industries in developing countries. Phase II	1	-
Supporting technological network of LD's to promote integration of new biotechnologies with traditional food fermentation industries	1	-
Consultative meeting on strategies for development of industrial biotechnology in the Arab region	1	-

Activities	Planned 1994-1995	Achieved 1994
Report on expert group meeting on biotechnology regulation: towards the establishment of intergovernmental cooperation in Central and Eastern Europe	- ²	1
Informatics		
Re-engineering guidelines for the introduction of information technologies to small and medium enterprises (SMEs) in developing countries	1	-
Strengthening a centre for software products	1	1
Design telecommunications centres for testing/certification (Asia)	- ²	-
Report on meeting of the Consultative Group on Informatics Technology for Development	1	-
Improvement of management performance through computer application and training for SMEs	1	-
New materials		
Study on cooperation in the area of composite materials based on local resources	1	1
Study on trends in development of advanced materials with regard to environmental compatibility	1	-
Promotion of the network of materials technology centres in Asia and an Arab centre for multidisciplinary materials research	1	-
Feasibility study for the establishment of an Arab centre for multidisciplinary materials research	1	1
New energy technologies		
Study on strategies for the promotion and application of solar, eolic thermal and photovoltaic energy systems in developing countries (COSEKA)	1	-
Report on expert group meeting on solar energy technologies and their applications in developing countries for environment protection	1	-

Note: The planned activities of Subprogramme 831 were revised and merged with those planned in Subprogramme 833.

² Not planned at the beginning of the biennium.

Subprogramme 832: Technology Acquisition

Activities	Planned 1994-1995	Achieved 1994
General technology issues		
Studies on emerging issues of technology trends, policy and management for the years 1995-2000	3	-
Report on meeting for review of issues relating to technology policy and management	1	-
Study on application of technologies for sustainable development (Caribbean)	1 #	-
Studies on blending modern and traditional technologies (Asia and the Pacific)	2 #	-
Study on impact of Uruguay Round Agreement on developing countries, particularly relating to technology access and flows	1	-
Study on maximizing technological benefits to developing countries from formal and informal channels of technology transfer	1	-
Technology-related information		
TIES newsletter	3	3
Database on the legal and institutional environment in developing countries related to technology transfer and investment operations	1	-
Updated African TIES Guide	1	-
Technology acquisition, transfer and negotiation		
Package of working materials for advisory and training purposes on technology transfer issues in relation to joint ventures	1	-
Capacity-building in technology acquisition and negotiation	1	-
Group training programme in the field of technology management	1	-
Capacity-building workshops on technology transfer negotiation	1	2
Build-operate-transfer(BOT)-related activities		
Study on experience of promoting technology transfer through BOT arrangements	1	1
Assessment of BOT strategy	1	1
Capacity-building for development and construction of BOT projects	1	1
Techmarts		
Personal computer-based Techmart management and monitoring system	1	-
Techmart in Brazil for small and medium enterprises	1	-

Activities	Planned 1994-1995	Achieved 1994
Industrial Development Decade for Africa (IDDA) Technology for Development Programme		
IDDA Technology for Development Programme; reports of:		
National workshops on technology acquisition and negotiations	3	1
National workshop on industrial technology development	1	-
Regional workshops on technology acquisition and negotiations	2	-
Success cases of technology transfer and development	2	-
National workshop on technology management for enterprises	1	-
Techmart for countries of the Preferential Trade Area for Eastern and Southern African States	1	-
Promotion of small-scale palm-oil processing technology in selected African countries	1	-
Assessment of cassava-processing technology in five African countries	1	-
Transfer of cassava-processing technology	4 ^z	-
Promotion and diffusion of techno-enterprise incubators	1 ^z	-
Strengthening technological capabilities in agro-food and energy sectors	1 ^z	-

^z Cancelled due to non-availability of funds.

Programme 840: Industrial Cooperation and Consultations, including ECDC/TCDC

Activities	Planned 1994-1995	Achieved 1994
A. SECTORAL ACTIVITIES		
Construction Industry		
Report on the cement technology workshop - mini cement plants	1	1
Report on the subregional awareness seminar on refractories production for West African countries	1	1
Report on the expert group meeting on housing for LDCs in Africa (contribution to Regional Consultation on housing and HABITAT II)	4	-
Leather Industry		
Report on the twelfth session of the leather and leather products industry. Panel	-	-
Report on the regional Consultation on the leather and leather products industry in Asia and the Pacific	1	-
Medicinal Plants Industry		
Report on the interdisciplinary conference and trade fair on herbal medicine	1	-
Report on the expert group meeting on medicinal and aromatic plants for Africa	-	-
Report on the workshop on the promotion and development of the industrial utilization of medicinal plants	-	-
Telecommunications Industry		
Report on the expert group meeting on the manufacturing of telecommunication parts and components in Asian countries (in collaboration with ITU)	-	-
Automotive Industry		
Report on the expert group meeting on the automotive industry for selected developing countries	1	-
Animal Feed Industry		
Report on the workshop on quality control in the animal feed industry	-	-
Establishment of a database and information network for animal feed ingredients and nutritional value (in cooperation with IRD/INF)	1	-

Activities	Planned 1994-1995	Achieved 1994
B. THEMATIC ACTIVITIES		
Environmental management		
Reports on the regional expert group meetings on environmental management in the metallurgical sector	4	2
Report on the global preparatory meeting on environmental management in the metallurgical sector	1	-
Report on the first global consultation on environmental management/cleaner technologies in the metallurgical industry	1	-
Consulting Engineering Services		
Report on the global preparatory meeting for the First Consultation on Consulting Engineering Services	1	1
Report on the First Consultation on Consulting Engineering Services	1	-
Maintenance		
Finalization of UNIDO/ILO Maintenance management manual	1	1
Industrial Incubators		
Assessment of the possibility to establish an industrial incubator centre in Costa Rica	1	1
C. REGIONAL AND INTERREGIONAL COOPERATION		
Industrial cooperation in the dairy industry		
Report on symposium on development of partnership in the dairy industry between Brazil and selected African countries	1	-
Cooperation on fertilizer technology		
Report on the workshop on policy environment conducive to the growth of the fertilizer industry in developing countries	1	1
Report on the expert group meeting on ecologically-friendly fertilizer technology in developing countries	1	-
ECDC/TCDC - enterprise to enterprise cooperation		
Report on the regional workshop on Quality, Standardization and Metrology for Asia and the Pacific	1	-
Development of industrial cooperation between Gulf Cooperation Council States in small- and medium-scale industries	1	-
Report on the workshop on cooperation in the fishery industry	1	-
Report on the workshop on sugar-cane diversification and market cooperation for selected developing countries	1	1

≠ Not planned at the beginning of the biennium.

MAJOR PROGRAMME 1000: OPERATIONAL SUPPORT DIVISION

Programmes 1020-1030

Activities	Planned 1994-1995	Achieved 1994
Programme 1020: Project Personnel and Fellowships		
International experts recruited	3000	1278
National experts recruited	1200	470
Fellowships and study tours	2000	1692
Associate Experts	-	42 ^z
Junior Professional Officers ^y	-	72 ^z
Programme 1030: Purchase and Contracts		
Purchase orders placed		
Technical cooperation	4100	1590
Headquarters and others	2600	1607
Contracts awarded		
Technical cooperation	425	124
Headquarters and others	500	273

^z See also appendix K.

^y Originally under Major Programme 300.

MAJOR PROGRAMME 1100: JOINT AND COMMON SERVICES

Programme 1110: Buildings Management Services

Activities	1994
Carpets laid	8,431 sqm
Cables laid by contractor	86 km
Cables laid by in-house staff	21 km
Cable trays placed	110 m
Walls moved	287
Staff relocated (UNIDO/UNOV/IAEA)	528
Electricity costs	AS 24,794,000
Heating costs	AS 15,357,000
Cooling costs	AS 17,154,000
Water costs	AS 4,529,000
Contracts for repair work covered under the Major Repair Fund (MRF)	AS 10,829,368
Building Management Services (BMS) contracts (excluding MRF)	AS 56,960,000
BMS requisitions made	968
BMS requests executed	23,000

Programme 1120: Languages and Documentation

Table 1

Translation services, Editorial Control and Publications services

Activities	Achieved 1994	Share (percentage)	
		UNIDO	United Nations
Translation services (1000) words	15,141 [≠]	27.8	72.2
Editing services (1000 words)	3,919	44.9	55.1
Editorial assistance at meetings (days)	50	0.0	100.0
Preparation of camera-ready pages	15,961	29.0	71.0
Jobs processed	11,682	39.6	60.4
Documents/publications circulated (number of documents in millions)	4.0	40.8	59.2

[≠] Includes 2,468,200 words for the policy-making organs of UNIDO.

Table 2

Interpretation services and number of meetings serviced by the United Nations Office at Vienna

Activities	Achieved 1994	Share (percentage)		
		UNIDO	United Nations	IAEA
Interpretation services (in work days)	4,447 [≠]	10.6	57.4	31.3
Conferences/meetings (number of half-day meetings)	1,468 [≠]	41.9	58.1	

[≠] Includes 445 interpreter days for the policy-making organs of UNIDO.

[≠] Comprises 615 UNIDO meetings and 853 United Nations meetings, both with and without interpretation.

MAJOR PROGRAMME 1200: ADMINISTRATION

Subprogramme 1222: Financial Management of Technical Cooperation

Activities	Achieved 1994
Projects in database (year end)	1,930
Percentage of which non-UNDP (IPF) projects	62%
Group training programmes/workshops implemented	81
Travel authorizations implemented	3,452
Recruitment actions implemented	2,657
Purchase order implemented	2,044
Fellowships/study tour actions implemented	1,085
Number of mandatory revisions prepared for UNDP projects	658
Number of "Letters of Authorizations" raised for field offices for UNDP-funded projects	152

Programme 1230: Personnel Services

Activities	Achieved 1994
Applications received	
Professional	2,994
General Service	1,110
Professional candidates rostered	
Total number	1,524
From developing countries	922
External vacancy announcements	
Professional	35
General Service	59
Staff recruited ^{a/}	
Professionals	13 ^{b/}
recruited at the senior level	8
recruited from developing countries	8
UNIDO Country Directors	7
Other Professionals ^{c/}	18
General Service ^{d/}	17 ^{e/}
recruited on regular appointments	5
Short-term contracts issued	
Conference service staff	506
Secretariat staff	219 ^{f/}
Consultant contracts issued	130
Individual Contractors	104
Staff administered	
Headquarters ^{g/}	1,139
UCDs, and UNIDO staff in field offices	27
Support staff in the field	86
Language training enrolment	1,009
of which UNIDO	435
Participants in UNIDO internship programme	83
Staff training	
General knowledge updating	129
Computer-assisted learning	59
Management development	309
Managerial assistance	41
External training	38
Computer skills	520

^{a/} Professional staff subject to geographical distribution.

^{b/} Includes three females who advanced from the General Service to the Professional category.

^{c/} Includes staff holding contracts of less than one year and language staff.

^{d/} Includes one transfer from United Nations Office at Vienna.

^{e/} Includes 6 short-term advisory service staff

^{f/} Contracts of one year or more (regular appointments).

Subprogramme 1241: Logistical Support Services

Activities	Achieved 1994
Property records kept	
Non-expendable property records	2,078
Special property records	12,277
Expendable property records	11,168
Group item records	1,175
In-house property records purchased	285
United Nations property records kept	
Non-expendable and special records	4,037
Expendable records	5,327
Records for items in-house	670
Furniture and equipment (UNIDO)	
Request for furniture/equipment	688
Work order forms	1,223
Movement of furniture/equipment	9,315
Furniture and equipment (United Nations Office at Vienna (UNOV))	
Requests for furniture/equipment	492
Work order forms	785
Movement of furniture/equipment	6,570
Property Survey Board	
Total cases reported	113
Headquarters	40
UNIDO Country Director offices	14
Technical cooperation projects	59
Maintenance and repair contracts arranged	
UNIDO	24
VIC-located United Nations organizations	19
Repair/maintenance services completed (excluding computer equipment)	
UNIDO	
VIC-located United Nations organizations	3,470
	1,050

Activities	Achieved 1994
Stores and standard stock - expendable supplies	No.
Requests - Central Spare Parts Stores	2,867
Requests - Stationery Stores	4,230
Technical cooperation projects	No.
Total projects	750
Total transfer of title documents	103
Field offices property records kept	No. of offices
	47
Major Repair Fund	No. of items
Equipment and/or spare parts purchased	257
Receiving and shipping	Received
Items	3,778
	Dispatched
	171
Activities ²	Achieved 1994
Travel authorizations	7,664
Cables, telexes	1,281
Austrian visas	437
International visas	1,494
Shipments arranged/insured	2,907
Insurance claims	33
Official driving assignments	3,371
Total value of tickets issued in United States dollars	7,568,576

² Statistics represent UNIDO/UN until 31 August 1994 and UNIDO statistics thereafter.

Subprogramme 1242: Management Information Services

Activities	Achieved 1994
Programs maintained	2,734
Programs written	774
Databases	89
Data entry (millions of keystrokes)	8.0
Printed lines (millions)	167
Workstations installed	71
Printers installed	66
Number of help centre service calls	2,330
Number of equipment repair calls	733
Number of equipment moves	675
Mainframe utilization (percentage)	40.3 ²

² Based on a more powerful central processing unit installed at IAEA.

STATISTICAL ANNEX

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Table 1. Expenditures, 1992 to 1994

(In millions of US dollars)

	1992	1993	1994
Technical cooperation programmes	135.6	118.8	101.0
United Nations regular programme/ UNIDO regular budget a/	2.4	9.7	3.2
UNDP/IPF and cash counterpart	55.6	38.0	21.7
UNDP/SIS	1.8	3.0	3.3
UNDP-administered trust funds	1.5	0.1	0.7
Other trust funds	34.8	29.8	31.7
IDF b/	29.3	27.3	29.2
United Nations International Drug Control Programme (UNDCP)	4.4	2.0	3.8
Non-UNIDO funds	5.8	8.9	7.4
Headquarters	103.8	112.5	96.8
Regular budget	81.4	95.1	84.8
Overheads	22.2	17.4	12.0
TOTAL	239.4	231.3	197.8

a/ Includes regular programme and Industrial Development Decade for Africa (see appendix B).

b/ Includes Montreal Protocol.

Table 2. Technical cooperation programmes: project budget approvals and expenditures, 1992 to 1994

(In millions of US dollars)

	1992	1993	1994	1992	1993	1994	1992	1993	1994
	<u>All sources of funds</u>			<u>United Nations regular programme a/ / UNIDO regular budget</u>			<u>UNDP/IPF, cash counterpart and special measures</u>		
Residual value of projects brought forward	238.5	216.1	176.4	0.0	4.8	0.0	118.7	73.1	44.4
Value of project budgets approved in the year (net)	113.6	79.2	85.8	7.3	6.6	7.2	9.6	9.3	4.0
Total of approved projects under implementation	352.1	295.3	262.2	7.3	11.5	7.2	128.3	82.4	48.4
Expenditures in the year	135.6	118.8	101.0	2.5	9.7	3.2	55.6	38.0	21.7
Residual value of projects carried forward	216.1	176.4	159.4	4.8	0.0	4.1	73.1	44.4	26.7
	<u>UNDP/SIS</u>			<u>UNDP-nd-ministered trust funds b/</u>			<u>Other trust funds c/</u>		
Residual value of projects brought forward	2.7	2.8	3.2	1.0	1.1	0.9	59.1	70.3	59.8
Value of project budgets approved in the year (net)	1.9	3.4	3.8	1.4	0.0	5.2	45.5	19.2	11.8
Total of approved projects under implementation	4.6	6.2	6.9	2.4	1.1	6.1	104.6	89.5	71.6
Expenditures in the year	1.8	3.0	3.3	1.5	0.1	0.7	34.7	29.7	31.7
Residual value of projects carried forward	2.8	3.2	3.6	1.1	0.9	5.4	70.3	59.8	39.9
	<u>IDF d/</u>			<u>UNDCP</u>			<u>Non-UNIDO funds e/</u>		
Residual value of projects brought forward	40.3	43.0	45.6	2.2	3.8	3.0	13.5	17.2	17.8
Value of project budgets approved in the year (net)	32.1	29.9	42.1	6.0	1.3	3.3	9.8	9.5	8.3
Total of approved projects under implementation	72.4	72.9	87.7	8.2	5.0	6.3	23.3	26.7	26.1
Expenditures in the year	29.3	27.3	29.2	4.4	2.0	3.8	5.8	8.9	7.4
Residual value of projects carried forward	43.0	45.6	58.5	3.8	3.0	2.5	17.2	17.8	18.7

a/ Excludes the value of projects approved but not implemented within the biennium.

b/ Includes United Nations Trust Fund for Sudano-Sahelian Activities, United Nations Financing System for Science and Technology for Development, UNDP trust fund for projects financed by the United Nations Development Fund for Women, United Nations Capital Development Fund, and third-party trust funds.

c/ Includes special-purpose trust funds financed by recipient or third parties, government cash counterpart contributions paid to UNIDO, United Nations Population Fund and projects financed from World Bank loans.

d/ Includes Montreal Protocol.

e/ Includes projects executed by other agencies for which UNIDO is the associated or cooperating agency.

Table 3A. Technical cooperation activities: projects approved in 1993 and 1994, by source of funds

Source of funds	New projects approved			Existing projects revised			Total net value of approvals/revisions (\$000)
	Number of projects	Value of projects (\$000)	Average value of projects (\$000)	Number of projects	Value of revisions (\$000)	Average value of revisions (\$000)	
1993							
UNIDO regular budget	132	7,507	57	130	(920)	(7)	6,587
UNDP/IPF and cash counterpart	24	8,271	345	522	1,026	2	9,297
UNDP/SIS	58	5,540	61	78	(141)	(2)	3,399
UNDP-administered trust funds	0	0	0	26	(26)	(1)	(26)
Other trust funds	48	8,181	170	269	10,979	41	19,160
IDF a/	114	25,726	226	367	4,205	11	29,931
UNDCP	22	2,930	133	25	(1,590)	(64)	1,340
Non-UNIDO funds	33	15,784	478	66	(6,310)	(96)	9,474
TOTAL	431	71,939	167	1,483	7,223	5	79,162
1994							
UNIDO regular budget	139	7,208	52	0	0	0	7,208
UNDP/IPF and cash counterpart	20	5,398	270	395	(1,382)	(3)	4,016
UNDP/SIS	52	3,700	71	81	110	1	3,810
UNDP-administered trust funds				13	5,257	404	5,257
Other trust funds	31	5,002	161	200	6,883	34	11,885
IDF a/	122	40,062	328	320	1,989	6	42,051
UNDCP	20	4,144	207	21	(930)	(44)	3,214
Non-UNIDO funds	21	8,187	390	62	124	2	8,311
TOTAL	405	73,700	182	1,092	12,051	11	85,751

a/ Includes Montreal Protocol.

**Table 3B. Technical cooperation activities: comparison of the value of projects
as at 31 December 1993 and 31 December 1994, by source of funds**

Source of funds	Number of projects		Total value of projects (\$000)		Average value of projects (\$000)	
	1993	1994	1993	1994	1993	1994
UNIDO regular budget	301	139	13,869	7,208	46	52
UNDP/IPF and cash counterpart	673	537	477,709	397,026	710	739
UNDP/SIS	169	186	10,599	12,630	63	68
UNDP-administered trust funds	36	10	6,938	5,725	193	572
Other trust funds	363	309	200,531	202,069	552	654
IDF a/	605	555	163,317	187,745	270	338
UNDCP	76	71	12,109	12,717	159	179
Non-UNIDO funds	<u>134</u>	<u>123</u>	<u>43,485</u>	<u>48,516</u>	<u>325</u>	<u>394</u>
TOTAL	2,357	1,930	928,557	873,636	394	453

The following is a breakdown by status of projects:	Number of projects		Total value of projects (\$000)	
	1993	1994	1993	1994
New and ongoing	1,224	1,129	629,908	571,526
Operationally completed	358	236	83,941	93,211
Financially completed	<u>775</u>	<u>565</u>	<u>214,708</u>	<u>208,899</u>
TOTAL	2,357	1,930	928,557	873,636

a/ Includes Montreal Protocol.

Table 3C. Technical cooperation activities: value of new and net project approvals in 1994, by region and source of funds

(In thousands of US dollars)

Source of funds	Africa a/	Arab States	African Arab States b/	Asia and the Pacific	Europe + NIS	Latin America and Caribbean	Global and Interregional	Total
Existing projects revised								
UNIDO regular budget								
UNDP/IPF and cash counterpart	(304)	(1,220)	269	705	12	(844)	0	(1,382)
UNDP/SIS	27	(37)	7	69	(18)	62	0	110
UNDP-administered trust funds	5,303	0	0	0	0	0	(46)	5,257
Other trust funds	6,642	7,354	(7,063)	568	16	4,171	(4,805)	6,883
IDF c/	372	25	34	(61)	(5)	(71)	1,695	1,989
UNDCP	(537)	(271)	271	0	(78)	(314)	0	(930)
Non-UNIDO funds	516	0	0	(287)	(7)	(77)	(21)	124
TOTAL	12,020	5,851	(6,483)	994	(79)	2,927	(3,178)	12,051
New approvals								
UNIDO regular budget	3,090	465	(63)	831	505	409	1,971	7,208
UNDP/IPF and cash counterpart	2,398	121	(102)	0	1,512	988	480	5,398
UNDP/SIS	1,349	479	(150)	794	849	378	0	3,700
UNDP-administered trust funds	0	0	0	0	0	0	0	0
Other trust funds	1,054	0	0	1,045	1,441	944	517	5,002
IDF c/	10,989	11,522	(5,866)	10,267	1,469	5,107	6,575	40,062
UNDCP	1,143	720	(720)	1,267	570	1,164	0	4,144
Non-UNIDO funds	223	10	0	7,366	285	151	153	8,187
TOTAL	20,246	13,318	(6,901)	21,569	6,631	9,141	9,697	73,700

a/ Includes African Arab States.

b/ Figures in this column are deducted from the column "Total" since they are already included under "Africa".

c/ Includes Montreal Protocol.

Table 4. Expenditure on technical cooperation activities in 1993 and 1994, by source of funds and project component

Source of funds	Project personnel		Subcontracts \$000	Fellowships and training \$000	Equipment \$000	Miscellaneous expenses \$000	Total \$000
	Number of experts' work-months a/	\$000					
1993							
UNIDO regular budget	569.5	5,406	538	2,232	1,094	401	9,671
UNDP/IPF and cash counterpart and special measures	2,491.1	19,045	5,194	4,954	6,443	2,376	38,012
UNDP/SIS	153.7	1,852	462	418	226	73	3,032
UNDP-administered trust funds	1.9	49	41	(85)	108	21	134
Self-financed trust funds	4,691.8	10,585	342	128	766	199	12,021
Third party-financed trust funds	870.5	6,140	700	577	276	(59)	7,633
Other trust funds	716.7	5,162	1,400	1,283	2,000	219	10,064
IDF b/	1,832.8	15,411	4,051	3,216	3,298	1,312	27,288
UNDCP	12.6	151	0	50	1,828	11	2,040
Non-UNIDO funds	<u>284.3</u>	<u>2,356</u>	<u>1,123</u>	<u>1,551</u>	<u>3,760</u>	<u>140</u>	<u>8,930</u>
TOTAL	11,624.9	66,156	13,851	14,324	19,800	4,694	118,825
1994							
UNIDO regular budget	198.2	1,808	265	422	417	239	3,151
UNDP/IPF and cash counterpart and special measures	1,583.6	9,926	2,678	2,343	5,540	1,249	21,736
UNDP/SIS	93.1	2,160	232	505	364	72	3,333
UNDP-administered trust funds	0.0	15	600	2	30	55	702
Self-financed trust funds	3,191.9	8,934	1,211	435	669	465	11,714
Third party-financed trust funds	721.9	4,972	544	160	424	207	6,306
Other trust funds	649.7	5,496	1,051	1,560	5,118	439	13,665
IDF b/	1,774.9	14,642	4,284	3,460	4,842	2,002	29,230
UNDCP	15.9	217	55	150	3,356	26	3,803
Non-UNIDO funds	<u>407.1</u>	<u>3,278</u>	<u>845</u>	<u>1,434</u>	<u>1,672</u>	<u>136</u>	<u>7,366</u>
TOTAL	8,642.3	51,447	11,766	10,473	22,432	4,889	101,006

a/ Categories are as follows:

	Work-months
International experts and consultants	5,928.4
National experts	2,713.9
TOTAL	8,642.3

b/ Includes Montreal Protocol.

Table 5. Expenditure on technical cooperation activities in 1994, by source of funds and Division/programme component

(In thousands of US dollars)

Division/programme component	Regular budget	UNDP/IPF and cash counter-part	SIS	Trust funds				IDF a/	UNDCP	Non-UNIDO funds	Total
				UNDP-administered	Self-financed	Third-party financed	Other				
General Management + Mobilization and Management of Financial Resources	17	0	0	0	34	297	0	807	0	0	1,155
Country Strategy and Programme Development	271	220	0	0	0	808	0	1,051	0	129	2,479
Information and Research	337	56	228	0	369	277	0	161	0	49	1,476
Human Resource, Enterprise and Private Sector Development	605	9,069	700	31	144	1,070	201	2,196	0	972	14,990
Industrial Sectors and Environment											
Agro-based Industries	380	1,214	545	0	546	470	0	6,695	0	1,716	11,566
Chemical Industries	405	2,827	979	33	7,690	213	82	4,653	0	2,037	18,919
Engineering and Metallurgical Industries	423	6,871	611	633	992	449	0	1,420	0	1,529	12,928
Environment and Energy	108	0	14	5	0	0	0	448	0	62	646
Subtotal	1,317	10,911	2,148	671	9,228	1,141	82	13,216	0	5,345	44,058
Investment and Technology Promotion	494	1,479	257	0	1,940	2,600	13,381	11,798	0	836	32,785
Operational Support	0	0	0	0	0	114	0	0	0	0	114
Other	111	0	0	0	0	0	0	0	3,803	35	3,949
TOTAL	3,151	21,736	3,333	702	11,714	6,306	13,665	29,230	3,803	7,366	101,006

a/ Includes Montreal Protocol.

Table 6. Expenditure on technical cooperation activities in 1994, by Division/programme component and geographical area

(In thousands of US dollars)

Division/programme component	Africa a/	Arab States	African Arab States b/	Asia and the Pacific	Europe + NIS	Latin America and Caribbean	Global and interregional	Total
General Management + Mobilization and Management of Financial Resources	(6)	0	0	0	40	738	382	1,155
Country Strategy and Programme Development	302	253	(89)	941	343	308	420	2,479
Information and Research	228	(1)	(0)	289	114	468	378	1,476
Human Resource, Enterprise and Private Sector Development	7,446	2,118	(506)	1,987	1,514	1,418	1,013	14,990
Industrial Sectors and Environment								
Agro-based Industries	3,511	215	47	2,656	930	4,078	129	11,566
Chemical Industries	9,796	7,685	(7,098)	5,554	295	1,331	1,356	18,919
Engineering and Metallurgical Industries	4,388	897	(288)	6,633	359	695	245	12,928
Environment and Energy	<u>39</u>	<u>20</u>	<u>0</u>	<u>120</u>	<u>38</u>	<u>14</u>	<u>416</u>	<u>646</u>
Subtotal	17,733	8,817	(7,340)	14,963	1,622	6,118	2,145	44,058
Investment and Technology Promotion	2,367	883	(290)	3,458	710	4,685	20,972	32,785
Operational Support	0	0	0	0	0	0	114	114
Other	<u>1,097</u>	<u>675</u>	<u>(675)</u>	<u>1,259</u>	<u>424</u>	<u>1,055</u>	<u>113</u>	<u>3,949</u>
TOTAL	29,167	12,744	(8,900)	22,898	4,767	14,791	25,539	101,006

a/ Includes figures related to country projects in African Arab States.

b/ Figures in parentheses relate to country projects in African Arab States only and are deducted from the column "Total" since they are already included under "Africa".

Table 7. Expenditure on technical cooperation activities, by geographical area, 1992 to 1994

(In thousands of US dollars)

Area	1992	1993	1994
Africa			
Country projects a/	39,734	33,921	24,674
Regional projects	<u>6,792</u>	<u>6,742</u>	<u>4,493</u>
Subtotal	46,526	40,663	29,167
Arab States			
Country projects	15,119	14,768	12,278
Regional projects	579	640	466
Country projects (African Arab States) b/	<u>(12,581)</u>	<u>(12,063)</u>	<u>(8,900)</u>
Subtotal	3,117	3,346	3,844
Asia and the Pacific			
Country projects	35,516	28,142	18,800
Regional projects	<u>3,179</u>	<u>3,043</u>	<u>4,098</u>
Subtotal	38,695	31,185	22,898
Europe + NIS			
Country projects	5,172	3,758	4,363
Regional projects	<u>152</u>	<u>169</u>	<u>404</u>
Subtotal	5,324	3,927	4,767
Latin America and the Caribbean			
Country projects	8,997	8,300	13,037
Regional projects	<u>2,460</u>	<u>2,616</u>	<u>1,754</u>
Subtotal	11,457	10,917	14,791
Global and interregional projects	<u>30,513</u>	<u>28,788</u>	<u>25,539</u>
TOTAL	135,632	118,825	101,006

a/ Includes African Arab States.

b/ Figures deducted since already included under "Africa".

Table 8. Technical cooperation activities: project expenditure in 1994, by geographical area

(In thousands of US dollars)

	Africa a/		Arab States		African Arab States b/		Asia and the Pacific		Europe + NIS		Latin America and Caribbean		Global and Interregional		Total
		%		%		%		%		%		%		%	
A. By source of funds															
UNIDO regular budget															
RP	843	2.9	156	1.2	(42)	0.5	229	1.0	250	5.2	319	2.4	922	3.6	2,706
IDDA	445	1.5	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	445
UNDP/IPF, cash counterpart and special measures	9,533	32.7	2,559	20.1	(419)	4.7	7,761	33.9	1,460	30.6	823	5.6	19	0.1	21,736
UNDP/SIS	885	3.0	330	2.6	(155)	1.7	842	3.7	464	9.7	967	6.5	0	0.0	3,333
UNDP-administered trust funds	667	2.3	0	0.0	0	0.0	3	0.0	32	0.7	0	0.0	0	0.0	702
Self-financed trust funds	8,005	27.4	7,316	57.4	(7,049)	79.2	286	1.2	41	0.9	3,115	21.1	0	0.0	11,714
Third party-financed trust funds	854	2.9	36	0.3	0	0.0	1,342	5.9	834	17.5	744	5.0	2,496	9.8	6,306
Other trust funds	194	0.7	194	1.5	(194)	2.2	58	0.3	8	0.2	2,600	17.6	10,805	42.3	13,665
IDF c/	5,427	18.6	1,292	10.1	(366)	4.1	5,571	24.3	1,186	24.9	4,951	33.5	11,171	43.7	29,230
UNDCP	1,097	3.8	676	5.3	(675)	7.6	1,226	5.4	424	8.9	1,055	7.1	0	0.0	3,803
Non-UNIDO funds	<u>1,218</u>	4.2	<u>186</u>	1.5	<u>(10)</u>	0.0	<u>5,582</u>	24.4	<u>68</u>	1.4	<u>187</u>	1.3	<u>126</u>	0.5	<u>7,366</u>
TOTAL	29,167		12,744		(8,900)		22,898		4,767		14,791		25,539		101,006
B. By project component															
		%		%		%		%		%		%		%	
Project personnel	15,844	54.3	9,121	71.6	(7,137)	80.2	9,902	43.2	2,126	44.6	6,732	45.5	14,861	58.2	51,447
Subcontracts	4,321	14.8	937	7.4	(45)	0.5	2,037	8.9	1,030	21.6	1,372	9.3	2,115	8.3	11,766
Fellowships and training	2,252	7.7	489	3.8	(282)	3.2	3,778	16.5	424	8.9	764	5.2	3,048	11.9	10,473
Equipment	5,209	17.9	1,828	14.3	(1,141)	12.8	6,407	28.0	1,059	22.2	5,138	34.7	3,933	15.4	22,432
Miscellaneous	<u>1,542</u>	5.3	<u>369</u>	2.9	<u>(295)</u>	3.3	<u>775</u>	3.4	<u>130</u>	2.7	<u>785</u>	5.3	<u>1,583</u>	6.2	<u>4,889</u>
TOTAL	29,167		12,744		(8,900)		22,898		4,767		14,791		25,539		101,006

a/ Includes figures related to country projects in African Arab States.

b/ Figures in parentheses in this column relate to country projects in African Arab States only and are deducted from the column "Total" since they are already included under "Africa".

c/ Includes Montreal Protocol.

Table 9: Technical support services at the programme level (TSS-1), 1992 to 1994,
 by geographical area

	Number of activities under implementation			Work-months allotted			Work-months provided						Total work-months		
							Headquarters staff			International staff					
	1992	1993	1994	1992	1993	1994	1992	1993	1994	1992	1993	1994	1992	1993	1994
Africa															
Country a/	15	25	30	38.4	52.0	37.5	12.4	25.9	12.8	10.8	7.7	4.2			
Regional	1	2	2	7.0	11.6	10.5	1.0	2.7	1.0	0.9	3.4	3.0			
Subtotal	16	27	32	45.4	63.6	48.0	13.4	28.6	13.8	11.7	11.1	7.2	25.1	39.7	21.0
Arab States															
Country	2	4	7	2.1	1.8	4.7	2.1	1.5	1.5	0.0	0.0	2.3			
Regional	0	2	2	0.0	4.5	0.2	0.0	4.5	(0.3)	0.0	0.0	0.0			
Country (African Arab States) b/	0	(1)	(2)	0.0	(1.0)	(1.3)	0.0	(0.7)	(0.3)	0.0	0.0	(1.0)			
Subtotal	2	5	7	2.1	5.3	3.6	2.1	5.3	0.9	0.0	0.0	1.3	2.1	5.3	2.2
Asia and the Pacific															
Country	6	18	31	24.5	47.5	56.2	7.0	22.2	16.4	8.5	12.9	13.8			
Regional	0	2	2	0.0	6.8	0.0	0.0	5.3	0.0	0.0	1.5	0.0			
Subtotal	6	20	33	24.5	54.3	56.2	7.0	27.5	16.4	8.5	14.4	13.8	15.5	41.9	30.2
Europe + NIS															
Country	0	0	1	0.0	0.0	1.0	0.0	0.0	1.0	0.0	0.0	0.0			
Regional	1	1	1	4.0	0.7	0.0	2.3	0.7	0.0	1.0	0.0	0.0			
Subtotal	1	1	2	4.0	0.7	1.0	2.3	0.7	1.0	1.0	0.0	0.0	3.3	0.7	1.0
Latin America and the Caribbean															
Country	0	0	4	0.0	0.0	6.8	0.0	0.0	1.3	0.0	0.0	1.7			
Regional	1	3	3	4.0	15.4	6.6	1.5	6.1	2.3	0.5	4.0	1.0			
Subtotal	1	3	7	4.0	15.4	13.4	1.5	6.1	3.6	0.5	4.0	2.7	2.0	10.1	6.3
TOTAL	26	56	81	80.0	139.3	122.2	26.3	68.2	35.7	21.7	29.5	25.0	48.0	97.7	60.7

a/ Includes African Arab States.

b/ Figures deducted since already included under "Africa".

Table 10: Technical support services at the project level (TSS-2), 1993 and 1994,
by geographical area

	<u>Number of activities under implementation</u>		<u>Work-months allotted</u>		<u>Work-months provided</u>	
	1993	1994	1993	1994	1993	1994
Africa						
Country a/	12	30	22.8	45.4	12.0	24.4
Regional	<u>1</u>	<u>1</u>	<u>0.0</u>	<u>0.0</u>	<u>0.3</u>	<u>0.0</u>
Subtotal	13	31	22.8	45.4	12.3	24.4
Arab States						
Country	8	13	8.8	14.3	3.7	10.8
Regional	0		0.0	0.0	0.0	0.0
Country (African Arab States) b/	<u>(2)</u>	<u>(6)</u>	<u>(2.1)</u>	<u>(7.5)</u>	<u>(0.5)</u>	<u>(5.4)</u>
Subtotal	6	7	6.7	6.8	3.2	5.4
Asia and the Pacific						
Country	23	8	37.4	6.2	27.5	27.6
Regional	<u>0</u>	<u>2</u>	<u>0.0</u>	<u>5.0</u>	<u>0.0</u>	<u>4.2</u>
Subtotal	23	10	37.4	11.2	27.5	31.8
Europe + NIS						
Country	2	38	1.5	40.3	1.0	9.3
Regional	<u>0</u>	<u>1</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Subtotal	2	39	1.5	40.3	1.0	9.3
Latin America and the Caribbean						
Country	2	5	1.0	3.2	0.0	3.8
Regional	<u>1</u>	<u>3</u>	<u>0.3</u>	<u>1.0</u>	<u>0.2</u>	<u>0.8</u>
Subtotal	3	8	1.3	4.2	0.2	4.6
TOTAL	47	95	69.7	107.9	44.2	75.5

a/ Includes African Arab States.

b/ Figures deducted since already included under "Africa".

Table 11. Regular and operational budgets expenditures by programme and object of expenditure in 1994 a/

(In thousands of US dollars)

	Staff costs	Consultants	Meetings	Travel	Other	Total
100 Policy-making Organs	96	0	0	0	886	982
General Management						
210 Office of the Director-General	2,423	89	0	112	8	2,632
220 Strategic Planning Office	905	55	0	42	6	1,008
230 External Relations	<u>2,340</u>	<u>0</u>	<u>0</u>	<u>21</u>	<u>214</u>	<u>2,575</u>
	5,668	144	0	175	228	6,215
Country Strategy and Programme Development						
310 Office of the Managing Director	1,775	25	1	51	7	1,859
320 Africa Programme, including IDDA	1,676	104	1	186	0	1,967
330 Arab Countries Programme	873	11	0	34	0	918
340 Asia and the Pacific Programme	1,385	0	0	23	0	1,408
350 Europe Programme	529	8	0	14	0	551
360 Latin America and the Caribbean Programme	920	0	0	39	0	959
370 Programme Support and Monitoring	1,145	66	0	18	20	1,249
380 Field Offices	<u>2,624</u>	<u>0</u>	<u>0</u>	<u>176</u>	<u>695</u>	<u>3,495</u>
	10,927	214	2	541	722	12,406
Mobilization and Management of Financial Resources						
410 Office of the Managing Director	573	0	0	30	0	603
420 Programme and Project Funding	2,036	0	0	70	1	2,107
430 Evaluation	689	9	0	5	0	703
440 Programme and Project Review Committee Secretariat	<u>350</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>350</u>
	3,648	9	0	105	1	3,763
Information and Research						
510 Office of the Managing Director	413	0	0	3	0	416
520 Industrial Information	1,180	34	22	10	57	1,303
530 Industrial Statistics	1,608	20	0	14	7	1,649
540 Studies and Research	1,202	61	23	10	6	1,302
550 Public Information and Publications	<u>865</u>	<u>10</u>	<u>0</u>	<u>18</u>	<u>106</u>	<u>999</u>
	5,268	125	45	55	176	5,669
Human Resource, Enterprise and Private Sector Development						
610 Office of the Managing Director	691	0	0	0	1	698
620 Human Resource Development	1,124	0	0	16	41	1,181
630 Enterprise Development and Restructuring	1,017	0	0	3	0	1,020
640 Small and Medium Enterprises	1,104	8	5	12	1	1,130
650 Institutional Support and Private Sector Development	<u>1,221</u>	<u>0</u>	<u>0</u>	<u>26</u>	<u>0</u>	<u>1,247</u>
	5,157	8	5	63	43	5,276
Industrial Sectors and Environment						
710 Office of the Managing Director	809	23	0	54	9	895
720 Agro-based Industries	2,009	25	0	13	0	2,047
730 Chemical Industries	2,620	17	0	26	2	2,665
740 Engineering and Metallurgical industries	1,974	6	0	26	0	2,006
750 Environment and Energy	<u>1,395</u>	<u>63</u>	<u>3</u>	<u>91</u>	<u>0</u>	<u>1,552</u>
	8,807	134	3	210	11	9,165

Table 11 (continued)

	Staff costs	Consultants	Meetings	Travel	Other	Total
<u>Investment and Technology Promotion</u>						
810 Office of the Managing Director	659	0	0	8	2	669
820 Investment Service	3,305	46	1	48	24	3,424
830 Technology Service	1,822	22	17	29	13	1,903
840 Industrial Cooperation and Consultations, including ECDC/TCDC	<u>1,543</u>	<u>9</u>	<u>41</u>	<u>34</u>	<u>7</u>	<u>2,034</u>
	7,729	77	59	119	46	8,030
<u>Common Programmes</u>						
920 Industrial Development Decade for Africa	394	173	128	128	47	870
930 Interregional Advisers	<u>874</u>	<u>0</u>	<u>0</u>	<u>78</u>	<u>0</u>	<u>952</u>
	1,268	173	128	206	47	1,822
<u>Operational Support</u>						
1010 Office of the Managing Director	340	0	0	1	0	341
1020 Project Personnel and Fellowships	4,465	0	0	11	8	4,484
1030 Purchase and Contracts	<u>1,678</u>	<u>0</u>	<u>0</u>	<u>7</u>	<u>1</u>	<u>1,686</u>
	6,483	0	0	19	9	6,511
<u>Joint and Common Services</u>						
1110 Buildings Management Services	2,015	12	0	1	4,443	6,471
1120 Languages and Documentation	6,451	6	0	9	378	6,844
1130 Other services provided to UNIDO	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,762</u>	<u>2,762</u>
	8,466	18	0	10	7,583	16,077
<u>Administration</u>						
1210 Office of the Managing Director	361	66	0	3	437	867
1220 Financial Services	4,390	41	0	17	6	4,454
1230 Personnel Services	3,691	0	0	11	23	3,725
1240 General Services	<u>4,077</u>	<u>0</u>	<u>0</u>	<u>6</u>	<u>8,803</u>	<u>12,886</u>
	12,519	107	0	37	9,269	21,932
1300 Miscellaneous income	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(983)</u>	<u>(983)</u>
TOTAL	76,036	1,009	242	1,540	18,038	96,865

a/ Net of cost reimbursement income. Excludes Regular Programme of Technical Cooperation (programme 910).

APPENDICES

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APPENDIX A
TECHNICAL COOPERATION STATISTICS

Table 1

Number of technical cooperation projects under implementation in 1994 by region,
by field of activity and size of project a/

Division/ programmatic component		Africa	Arab States b/	Asia and the Pacific	Latin America			Subtotal	Total
					Europe + NIS	and Caribbean	Global and interregional		
Country Strategy and Programme Development	(i)	10	6 (0)	18	3	7	9	53	
	(ii)	3	2 (1)	4	1	4	7	20	
	(iii)	0	0 (0)	0	0	0	0	6	73
Mobilization and Management of Financial Resources	(i)	1	0 (0)	0	0	1	11	13	
	(ii)	1	0 (0)	1	1	0	7	10	
	(iii)	0	0 (0)	0	0	1	0	1	24
Information and Research	(i)	9	1 (0)	3	5	2	1	21	
	(ii)	2	1 (1)	4	0	3	4	13	
	(iii)	0	0 (0)	0	0	0	0	0	34
Human Resource Development	(i)	7	1 (0)	8	0	3	33	52	
	(ii)	2	2 (1)	1	0	2	3	9	
	(iii)	0	0 (0)	0	0	0	0	0	61
Enterprise Development and Restructuring	(i)	8	1 (1)	3	12	1	0	24	
	(ii)	7	3 (3)	5	2	1	1	16	
	(iii)	4	1 (0)	3	2	1	0	11	51
Small and Medium Enterprises	(i)	14	5 (2)	7	3	8	5	40	
	(ii)	24	11 (4)	6	1	3	3	44	
	(iii)	9	0 (0)	2	0	1	2	14	98

Table 1 (continued)

Number of technical cooperation projects under implementation in 1994 by region,
 by field of activity and size of project a/

Division/ programme component		Africa	Arab States b/	Asia and the Pacific	Latin America			Subtotal	Total
					Europe + NIS	and Caribbean	Global and interregional		
Institutional Support and Private Sector Development	(i)	23	7	3	6	11	6		
			(3)					53	
	(ii)	22	6	10	3	10	4		
			(5)					50	
	(iii)	7	3	2	0	2	0		
			(0)					14	117
Agro-based Industries	(i)	17	6	6	4	19	4		
			(3)					53	
	(ii)	31	5	13	4	8	3		
			(4)					60	
	(iii)	8	2	10	0	4	0		
			(2)					22	135
Chemical Industries	(i)	31	14	29	15	20	11		
			(10)					110	
	(ii)	22	8	27	6	10	8		
			(6)					75	
	(iii)	20	16	27	0	1	1		
			(15)					50	235
Engineering and Metallurgical Industries	(i)	22	13	28	14	9	4		
			(7)					83	
	(ii)	20	5	35	4	6	5		
			(5)					70	
	(iii)	12	7	19	0	2	0		
			(5)					35	188
Environment and Energy	(i)	2	1	1	1	1	10		
			(0)					16	
	(ii)	0	0	0	2	6	0		
			(0)					8	
	(iii)	1	0	0	0	0	1		
			(0)					2	26
Investment Service	(i)	17	6	11	9	11	15		
			(0)					69	
	(ii)	22	7	22	3	0	22		
			(4)					72	
	(iii)	4	1	2	0	1	16		
			(1)					23	164

Table 1 (continued)

Number of technical cooperation projects under implementation in 1994 by region,
by field of activity and size of project a/

Division/ programme component		Size of project					Global and interregional	Subtotal	Total
		Africa	Arab States b/	Asia and the Pacific	Europe + NIS	Latin America and Caribbean			
Technology Service	(i)	2	3 (1)	7	0	7	26	44	
	(ii)	4	0 (0)	5	0	5	3	17	
	(iii)	0	0 (0)	0	0	1	5	6	67
Industrial Cooperation and Consultations Service, including ECDC/TCDC	(i)	1	2 (0)	5	0	1	9	18	
	(ii)	1	0 (0)	0	0	2	0	3	
	(iii)	0	0 (0)	0	0	0	0	0	21
Other	(i)	7	1 (1)	4	4	0	16	31	
	(ii)	2	1 (1)	2	1	5	4	14	
	(iii)	0	0 (0)	0	0	0	0	0	45
Total number of technical cooperation projects under implementation in 1994	(i)	171	67 (28)	133	76	101	160	680	
	(ii)	163	51 (35)	135	28	65	74	481	
	(iii)	65	30 (23)	65	2	14	25	178	1,339

a/ Not including technical support services at programme (TSS-1) and project (TSS-2) level.

b/ Figures in parentheses relate to African Arab States and are already included under Africa.

Table 2
Regional distribution of technical cooperation expenditure, by field of activity
(Percentage)

Division/ programme component	Africa	Arab States a/ (3.7)	Asia and the Pacific	Europe + NIS	Latin America		Total
					and Caribbean	Global and interregional	
Country Strategy and Programme Development	12.6	10.5 (3.7)	39.1	14.3	12.8	14.4	100
Mobilization and Management of Financial Resources	(0.6)	0.0 (0.0)	0.0	3.8	70.2	26.6	100
Information and Research	15.5	(0.1) (0.0)	19.6	7.7	31.7	25.6	100
Human Resource Development	16.3	3.8 (0.2)	27.3	0.0	13.3	39.5	100
Enterprise Development and Restructuring	57.9	8.2 (8.2)	5.5	36.9	(1.0)	0.7	100
Small and Medium Enterprises	65.7	5.2 (0.6)	17.4	0.8	8.8	2.7	100
Institutional Support and Private Sector Development	41.4	26.9 (4.5)	9.4	9.2	13.4	4.2	100
Agro-based Industries	30.4	1.9 0.4	23.0	8.0	35.2	1.1	100
Chemical Industries	51.8	40.6 (37.5)	29.4	1.5	7.0	7.2	100
Engineering and Metallurgical Industries	33.9	6.9 (2.2)	51.3	2.8	5.4	1.9	100
Environment and Energy	6.0	3.0 (0.0)	18.6	5.9	2.1	64.4	100
Investment Service	11.1	4.6 (1.4)	17.3	4.2	11.6	52.6	100
Technology Service	1.0	0.6 (0.3)	2.8	0.0	17.6	78.3	100
Industrial Cooperation and Consultations Service, including ECDC/TCDC	72.3	2.1 (0.0)	18.1	0.0	1.5	6.0	100
Other	25.9	15.9 (15.9)	29.7	10.0	24.9	9.5	100
Total	28.9	12.6 (8.8)	22.7	4.7	14.6	25.3	100

a/ Figures in parentheses relate to African Arab States and are already included under Africa.

Table 3
Number of technical cooperation projects by Division/programme component a/ b/

Division/ programme component	(1)				(2) Projects approved in 1994 d/	(3) Projects completed in 1994
	Projects in progress at 31.12.1994					
	Intercountry	Interregional/ global	Country c/			
Country Strategy and Programme Development	24	10	21	(17)	30	17
Mobilization and Management of Financial Resources	6	13	2	(2)	5	10
Information and Research	2	4	20	(17)	17	5
Human Resource Development	8	13	5	(5)	33	19
Enterprise Development and Restructuring	1	1	29	(16)	9	27
Small and Medium Enterprises	9	6	44	(36)	16	38
Institutional Support and Private Sector Development	12	5	54	(38)	37	28
Agro-based Industries	20	4	76	(43)	37	26
Chemical Industries	18	15	139	(49)	62	56
Engineering and Metallurgical Industries	15	5	111	(40)	49	55
Environment and Energy	3	9	6	(6)	13	4
Investment Service	21	45	64	(37)	38	38
Technology Service	15	29	10	(8)	17	7
Industrial Cooperation and Consultations Service, including ECDC/TCDC	8	6	0	(0)	8	6
Other	2	18	20	(19)	28	32
Total	164	183	601	(112)	399	368

a/ Not including technical support services at programme (TSS-1) and project (TSS-2) level.

b/ For multifund projects, each project number (each fund source) is counted as a separate project.

c/ Numbers in parentheses indicate the number of countries with country projects in progress.

d/ All the projects included in column (2) are not necessarily reflected in column (1), particularly in the case of approvals made late in the year.

APPENDIX B
TECHNICAL COOPERATION -
REGULAR BUDGET ALLOCATIONS AND
DELIVERIES IN 1994

(In thousands of US dollars)

Categories of activities	Allocation for the biennium 1994-1995	Deliveries in 1994
UNIDO priorities: a/	3,561.9	2,319.3
Development and transfer of technology	521.6	
Economic cooperation among developing countries	445.9	
Energy	38.4	
Environment	141.3	
Financial resources mobilization	181.8	
Human resources development	523.7	
Industrial rehabilitation	177.4	
Small- and medium-scale industries	118.4	
Integration of women in industrial development	170.8	
Consultations with Governments	116.6	31.0
Industrial Development Decade for Africa	<u>2,133.2</u>	<u>800.8</u>
TOTAL	5,811.7	3,151.1

a/ With particular attention paid to the special regional programmes.

APPENDIX C
INDUSTRIAL DEVELOPMENT FUND

Table 1
Pledges and receipts, 1994

(In US dollars)

Country/ organization	Firm pledges for		Collections	
	1994	Future years	Against prior pledges	1994
GENERAL-PURPOSE CONVERTIBLE				
Austria	170,023	0	166,667	181,134
Bangladesh	2,420	2,420	0	0
Czech Republic	25,000	0	0	25,000
Ethiopia	1,013	0	0	0
Hungary	20,162	0	0	0
India	250,000	250,000	0	250,000
Indonesia	10,000	0	0	10,000
Italy	300,000	0	0	300,000
Malaysia	20,000	20,000	20,000	0
Mauritius	9,000	0	0	9,000
Netherlands	0	0	301,896	0
Philippines	10,909	0	0	10,909
Sri Lanka	3,333	0	0	3,333
Syrian Arab Republic	1,617	0	0	1,617
Thailand	23,500	23,500	0	23,500
Yemen	2,000	0	0	0
Zimbabwe	1,534	0	0	0
Subtotal	850,511	295,920	488,563	814,493
SPECIAL-PURPOSE CONVERTIBLE				
Australia	120,128	0	0	27,120
Austria	2,889,742	4,855,997	0	2,896,585
Belgium	589,352	36,936	0	0
China	657,422	88,931	0	400,000
Costa Rica	66,029	0	0	0
Czech Republic	0	0	0	30,000
Democratic People's Republic of Korea	0	0	0	31,963
Denmark	1,593,021	3,447,103	0	1,494,913
Finland	720,253	50,000	(520,467)	0
France	3,164,447	605,707	0	3,530,448
Germany	6,511,596	7,627,099	0	3,628,207
Greece	260,728	647,720	0	294,844
India	1,322,884	832,986	0	250,000
Italy	5,766,682	2,197,085	0	3,080,791
Japan	4,266,624	2,303,142	0	1,870,000
Multi-donor project	1,409,655	378	0	0
Netherlands	2,194,320	1,080,958	0	1,218,747
Norway	943,126	104,816	0	147,616
Poland	113,885	269,300	0	72,631
Portugal	479,260	0	0	61,000
Republic of Korea	280,683	0	0	236,808
Romania	0	0	0	2,381
Saudi Arabia	572,355	74,277	0	828,413
Sweden	61,004	0	0	0
Switzerland	4,215,225	3,074,744	0	2,715,444
Venezuela	15,470	0	0	0

Table 1 (continued)

Country/ organization	Firm pledges for		Collections	
	1994	Future years	Against prior pledges	1994
SPECIAL-PURPOSE CONVERTIBLE (continued)				
<u>Organizations</u>				
Agence de coopération culturelle et technique (ACCT), Paris	68,534	0	0	40,425
Agence Wallonne a l'Exportation, Brussels	88,262	81,012	0	169,274
Arab Industrial Development and Mining Organization (AIDMO)	60,000	0	0	44,970
Caritas, Vienna	(1,065)	0	(991)	0
Convention to Combat Desertification (INCD)	39,000	0	0	39,000
Corporación Andina de Fomento (CAF)	12,052	0	(101,231)	0
Instituto Tecnológico y de Estudios Superiores de Monterrey	50,000	0	0	50,000
Montreal Protocol Fund	7,348,676	15,441,723	0	32,707,529
S.G. des Eaux Minérales de Vitte, France	6,539	0	0	0
United Nations International Drug Control Programme	2,565,242	1,187,171	0	1,220,000
Subtotal	48,451,131	44,007,085	(622,689)	57,089,109
NON-CONVERTIBLE				
China	21,420	16,000	0	40,230
Cuba	(28,000)	0	0	28,378
Czech Republic	344,821	344,826	0	342,466
Hungary	98,933	0	0	184,615
India	1,359,468	412,500	0	503,205
Poland	267,354	830,003	0	208,469
Romania	(60,447)	0	0	0
Slovakia	0	0	0	81,474
Turkey	57,337	0	0	126,947
<u>Organizations</u>				
Technology Information, Forecasting and Assessment Council (TIFAC), New Delhi	3,205	0	0	0
Subtotal	2,064,091	1,603,329	0	1,515,784
TOTAL	51,365,733	45,906,334	(134,126)	59,419,386

Notes:

The statement of pledges and receipts as at 31 December 1994 since the inception of UNIDF/IDF is included in the interim financial performance report for the biennium 1994-1995 (PBC.11/8).

Negative amounts denote repayments to donors or reductions in project allotment documents.

Table 2

New approvals in 1994 of projects financed under IDF,
excluding Montreal Protocol

(By region and medium-term plan priority area)

Region	US dollars	Percentage
Africa (excluding Arab States)	2,686,230	12.6
Arab States	395,000	1.9
Africa	95,000	0.4
West Asia	100,000	0.5
Regional	200,000	0.9
Asia and the Pacific	6,356,200	29.9
Europe + NIS	1,388,685	6.5
Latin America and the Caribbean	4,050,780	19.0
Global and interregional	6,400,331	30.1
TOTAL	21,277,226	100.0
<u>Medium-term plan priority area/common element</u>		
Human resource development	2,257,990	11.9
Development and transfer of technology	4,132,030	21.7
Industrial rehabilitation and modernization	721,784	3.8
Small- and medium-scale industries	3,729,022	19.6
Environment	3,128,870	16.5
Energy	1,399,144	7.4
Mobilization of financial resources for industrial development	4,155,149	21.8
Economic cooperation among developing countries	379,163	2.0
Integration of women in industrial development	1,374,074	7.2
TOTAL	19,019,236	100.0

Table 2 (a)

General-purpose convertible projects

Region	US dollars	Percentage
Africa (excluding Arab States)	31,150	3.8
Arab States	0	0.0
Africa	0	0.0
West Asia	0	0.0
Regional	0	0.0
Asia and the Pacific	212,453	26.2
Europe + NIS	35,432	4.4
Latin America and the Caribbean	321,485	39.7
Global and interregional	209,406	25.9
TOTAL	809,926	100.0
<u>Medium-term plan priority area/common element</u>		
Human resource development	218,970	37.1
Development and transfer of technology	284,406	48.1
Industrial rehabilitation and modernization	21,500	3.6
Small- and medium-scale industries	49,900	8.4
Environment	0	0.0
Energy	0	0.0
Mobilization of financial resources for industrial development	114,000	19.3
Economic cooperation among developing countries	0	0.0
Integration of women in industrial development	121,150	20.5
TOTAL	590,956	100.0

Table 2 (b)

Special-purpose convertible projects

Region	US dollars	Percentage
Africa (excluding Arab States)	2,655,080	14.7
Arab States	395,000	2.2
Africa	95,000	0.5
West Asia	100,000	0.6
Regional	200,000	1.1
Asia and the Pacific	5,782,688	32.1
Europe + NIS	1,288,284	7.1
Latin America and the Caribbean	3,729,295	20.7
Global and interregional	4,187,641	23.2
TOTAL	18,037,988	100.0
<u>Medium-term plan priority area/common element</u>		
Human resource development	1,048,557	6.2
Development and transfer of technology	3,847,624	22.6
Industrial rehabilitation and modernization	700,284	4.1
Small- and medium-scale industries	3,528,588	20.8
Environment	3,128,870	18.4
Energy	1,399,144	8.2
Mobilization of financial resources for industrial development	2,772,039	16.3
Economic cooperation among developing countries	359,958	2.1
Integration of women in industrial development	1,252,924	7.4
TOTAL	16,989,431	100.0

Table 2 (c)

Special-purpose and general-purpose non-convertible projects

Region	US dollars	Percentage
Africa (excluding Arab States)	0	0.0
Arab States	0	0.0
Africa	0	0.0
West Asia	0	0.0
Regional	0	0.0
Asia and the Pacific	361,059	14.9
Europe + NIS	64,969	2.7
Latin America and the Caribbean	0	0.0
Global and interregional	2,003,284	82.5
TOTAL	2,429,312	100.0
<u>Medium-term plan priority area/common element</u>		
Human resource development	990,463	68.8
Development and transfer of technology	0	0.0
Industrial rehabilitation and modernization	0	0.0
Small- and medium-scale industries	150,534	10.5
Environment	0	0.0
Energy	0	0.0
Mobilization of financial resources for industrial development	1,269,110	88.2
Economic cooperation among developing countries	19,205	1.3
Integration of women in industrial development	0	0.0
TOTAL	1,438,849	100.0

UNIDO TECHNICAL ASSISTANCE TO THE LEAST DEVELOPED COUNTRIES, 1 JANUARY TO 31 DECEMBER 1994

Table 1
 Delivery, by country and source of funds a/
 (In US dollars)

Region/country	Regular budget	UNDP/IPF	SIS	Trust funds	IDF b/	Other sources c/	Total
Africa							
Benin	0	6,038	43,064	0	0	0	49,102
Botswana	0	0	0	0	0	0	0
Burkina Faso	0	228,860	0	0	0	0	228,860
Burundi	0	6,781	0	0	0	0	6,781
Cape Verde	50,259	1,648	12,003	0	0	0	63,910
Central African Republic	0	0	0	0	0	0	0
Chad	0	90,616	0	0	0	0	90,616
Comoros	0	0	0	0	0	0	0
Equatorial Guinea	0	(1,174)	0	0	0	0	(1,174)
Ethiopia	62,189	462,465	0	0	229,398	0	754,052
Gambia	39,475	(20,000)	0	0	0	0	19,475
Guinea	45,919	920,042	23,760	0	0	0	989,721
Guinea-Bissau	7,117	177,555	0	(2,069)	0	0	182,603
Lesotho	0	(5,230)	0	0	0	0	(5,230)
Liberia	0	0	0	0	0	0	0
Madagascar	16,576	459,766	130,513	341,588	(2,722)	26	945,747
Malawi	0	2,073	0	12,035	1,203	193,858	209,169
Mali	0	0	24,056	0	0	388,783	412,839
Mauritania	0	51,325	0	0	0	0	51,325
Mozambique	33,211	20,573	51,313	0	10,776	0	115,873
Niger	9,532	317,204	9,472	0	0	0	336,208
Niger	33,520	4,108	0	0	0	0	37,628
Rwanda	0	16,520	14,902	0	0	0	31,422
Sao Tome and Principe	18,835	(25,688)	4,947	0	0	0	(1,906)
Sierra Leone	0	26,088	23,958	35,919	0	78,425	164,390
Togo	0	960,828	0	630,000	149,476	73,019	1,813,323
United Republic of Tanzania	14,010	920,526	45,730	118	305,768	108,849	1,395,001
Zaire	0	441,762	(4,350)	0	0	(13,503)	423,909
Zambia	<u>4,600</u>	<u>(5,032)</u>	<u>0</u>	<u>92,798</u>	<u>169,836</u>	<u>514,258</u>	<u>776,460</u>
Subtotal	335,243	5,057,654	379,368	1,110,389	863,735	1,343,715	9,090,104
Latin America and the Caribbean							
Haiti	0	16,187	0	0	10,642	0	26,829

APPENDIX D

 IDB.L4/10/Add.1
 PBC.11/10/Add.1
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 Appendix D

Table 1 (continued)

Region/country	Regular budget	UNDP/IPF	SIS	Trust funds	IDF b/	Other sources c/	Total
Arab States							
Djibouti	32,850	0	0	0	0	0	32,850
Somalia	0	0	0	0	0	0	0
Sudan	5,437	101,478	0	43,783	32,714	152,600	336,012
Yemen	0	<u>166,960</u>	0	0	0	<u>9,474</u>	<u>176,434</u>
Subtotal	38,287	268,438	0	43,783	32,714	162,074	545,296
Asia and the Pacific							
Afghanistan	0	(229)	0	0	0	0	(229)
Bangladesh	0	71,546	0	0	0	87,225	158,771
Bhutan	0	(16,288)	27,335	0	0	36,373	47,420
Cambodia	39,355	0	24,502	0	0	0	63,857
Kiribati	0	0	0	0	0	0	0
Lao People's Democratic Republic	0	0	0	0	0	0	0
Maldives	0	0	(94)	0	0	0	(94)
Myanmar	0	3,372	0	0	0	0	3,372
Nepal	3,499	155,188	25,470	0	16,184	323,199	523,540
Samoa	0	0	0	0	0	0	0
Solomon Islands	0	74,879	0	0	0	0	74,879
Tuvalu	0	0	0	0	0	0	0
Vanuatu	0	<u>(2,445)</u>	0	0	0	0	<u>(2,445)</u>
Subtotal	42,854	286,023	77,213	0	16,184	446,797	869,071
Regional, interregional and global projects especially designed for LDCs	0	0	0	0	66,993	0	66,993
TOTAL	416,384	5,628,302	456,581	1,154,172	990,268	1,952,586	10,598,293

a/ Does not include regional, interregional and global projects or individual fellowships and group training programmes in which LDCs have been involved together with other developing countries; such activities are usually financed from non-least developed countries funds.

b/ Excluding 13 per cent overhead costs.

c/ Includes projects executed by other agencies for which UNIDO is the associated or cooperating agency.

Table 2
New project approvals, by country and source of funds a/

(in US dollars)

Region/country	Regular budget	UNDP/IPF	SIS	Trust funds	IDF b/	Other sources c/	Total
Africa							
Benin	0	0	0	0	0	0	0
Botswana	0	0	0	0	0	0	0
Burkina Faso	0	0	0	0	0	0	0
Burundi	0	0	0	0	0	0	0
Cape Verde	49,434	0	0	0	0	0	49,434
Central African Republic	0	0	0	0	0	0	0
Chad	0	386,800	0	0	0	0	386,800
Comoros	0	0	0	0	0	0	0
Equatorial Guinea	0	0	0	0	0	0	0
Ethiopia	80,902	593,218	0	0	0	0	674,120
Gambia	85,855	0	0	0	0	0	85,855
Guinea	144,500	750,000	116,000	0	0	0	1,010,500
Guinea-Bissau	7,200	0	0	0	0	0	7,200
Lesotho	0	0	0	0	0	0	0
Liberia	0	0	0	0	0	0	0
Madagascar	55,200	210,247	0	530,974	0	0	796,421
Malawi	0	0	0	0	0	0	0
Mali	0	0	0	0	0	0	0
Mauritania	0	0	0	0	0	0	0
Mozambique	114,550	0	60,200	0	0	0	174,750
Niger	12,774	0	74,200	0	0	0	86,974
Rwanda	33,053	0	0	0	0	0	33,053
Sao Tome and Principe	42,000	0	0	0	0	0	42,000
Sierra Leone	74,800	0	60,200	0	0	0	135,000
Togo	72,000	0	148,000	0	0	104,870	324,870
Uganda	0	0	0	0	0	73,876	73,876
United Republic of Tanzania	14,010	0	40,200	0	1,706,400	107,570	1,868,180
Zaire	0	0	0	0	0	0	0
Zambia	<u>134,890</u>	<u>0</u>	<u>107,000</u>	<u>0</u>	<u>0</u>	<u>226,675</u>	<u>468,565</u>
Subtotal	921,168	1,940,265	605,800	530,974	1,706,400	512,991	6,217,598
Latin America and the Caribbean							
Haiti	0	0	0	0	21,500	0	21,500

Table 2 (continued)

Region/country	Regular budget	UNDP/IPF	SIS	Trust funds	IDF b/	Other sources c/	Total
Arab States							
Djibouti	46,000	0	0	0	0	0	46,000
Somalia	0	0	0	0	0	0	0
Sudan	13,061	0	0	0	0	0	13,061
Yemen	0	0	0	0	0	10,000	10,000
Subtotal	59,061	0	0	0	0	10,000	69,061
Asia and the Pacific							
Afghanistan	0	0	0	0	0	0	0
Bangladesh	0	0	0	0	0	0	0
Bhutan	0	0	0	0	0	50,000	50,000
Cambodia	49,800	0	0	0	0	0	49,800
Kiribati	0	0	0	0	0	0	0
Lao People's Democratic Republic	0	0	0	0	0	0	0
Maldives	0	0	0	0	0	0	0
Myanmar	0	0	0	0	0	0	0
Nepal	3,500	0	60,000	0	0	43,000	106,500
Samoa	0	0	0	0	0	0	0
Solomon Islands	0	0	0	0	0	0	0
Tuvalu	0	0	0	0	0	0	0
Vanuatu	0	0	0	0	0	0	0
Subtotal	53,300	0	60,000	0	0	93,000	206,300
Regional, interregional and global projects especially designed for LDCs	0	0	0	0	0	0	0
TOTAL	1,033,529	1,940,265	665,800	530,974	1,727,900	615,991	6,514,459

a/ Does not include regional, interregional and global projects or individual fellowships and group training programmes in which LDCs have been involved together with other developing countries; such activities are usually financed from non-least developed countries funds.

b/ Excluding 13 per cent overhead costs.

c/ Includes projects executed by other agencies for which UNIDO is the associated or cooperating agency.

Table 3
Total project approvals (new projects, plus additional allocations to ongoing projects,
minus cancellations), by country and source of funds a/
 (In US dollars)

Region/country	Regular budget	UNDP/IPF	SIS	Trust funds	IDF b/	Other sources c/	Total
Africa							
Benin	0	66,389	0	0	0	0	66,389
Botswana	0	(154)	0	0	0	0	(154)
Burkina Faso	0	184,663	0	0	0	0	184,663
Burundi	0	197,616	0	0	0	0	197,616
Cape Verde	49,434	2,026	0	0	0	0	51,460
Central African Republic	0	0	0	0	0	(8,370)	(8,370)
Chad	0	256,966	0	0	0	(10,225)	246,741
Comoros	0	0	0	0	0	14,568	14,568
Equatorial Guinea	0	(6,054)	0	0	0	0	(6,054)
Ethiopia	80,902	568,368	0	0	(21,887)	0	627,383
Gambia	85,855	(21,887)	0	0	0	(6,820)	57,148
Guinea	144,500	761,932	116,000	0	0	(137,727)	884,705
Guinea-Bissau	7,200	152,998	0	(2,800)	0	0	157,398
Lesotho	0	30,405	0	0	0	0	30,405
Liberia	0	0	0	0	0	0	0
Madagascar	55,200	232,893	4,000	530,974	(1,274)	(41,894)	779,899
Malawi	0	(319,425)	0	(17,876)	0	96,132	(241,169)
Mali	0	3,741	23,500	0	(151)	0	27,090
Mauritania	0	(16,138)	0	0	(718)	(38,102)	(54,958)
Mozambique	114,550	37,834	58,331	0	0	0	210,715
Niger	12,774	4,706	74,200	0	0	(93)	91,587
Rwanda	33,053	0	0	0	0	0	33,053
Sao Tome and Principe	42,000	0	8,600	0	0	0	50,600
Sierra Leone	74,800	(104,211)	60,200	0	0	0	30,789
Togo	72,000	(117,590)	148,000	32,958	0	103,879	239,247
Uganda	0	63,955	0	(258,814)	0	73,876	(120,983)
United Republic of Tanzania	14,010	472,340	40,200	0	1,700,044	104,749	2,331,343
Zaire	0	(23,301)	0	0	0	(24,804)	(48,105)
Zambia	<u>134,890</u>	<u>(69,026)</u>	<u>107,000</u>	<u>0</u>	<u>(4,468)</u>	<u>189,461</u>	<u>357,857</u>
Subtotal	921,168	2,359,046	640,031	284,442	1,671,546	314,630	6,190,863
Latin America and the Caribbean							
Haiti	0	0	0	0	21,500	0	21,500

Table 3 (continued)

Region/country	Regular budget	UNDP/IPF	SIS	Trust funds	IDF b/	Other sources c/	Total
Arab States							
Djibouti	46,000	0	0	0	0	0	46,000
Somalia	0	(47,322)	0	0	0	0	(47,322)
Sudan	13,061	(36,070)	0	(18,401)	(4,033)	0	(45,443)
Yemen	0	<u>(135,955)</u>	0	0	0	<u>10,000</u>	<u>(125,955)</u>
Subtotal	59,061	(219,347)	0	(18,401)	(4,033)	10,000	(172,720)
Asia and the Pacific							
Afghanistan	0	(5,681)	0	0	0	0	(5,681)
Bangladesh	0	112,253	0	0	0	2,500	114,753
Bhutan	0	(44,374)	0	0	0	50,000	5,626
Cambodia	49,800	0	0	0	0	0	49,800
Kiribati	0	0	0	0	0	0	0
Lao People's Democratic Republic	0	0	0	0	0	0	0
Maldives	0	0	(1,562)	0	0	0	(1,562)
Myanmar	0	(21,996)	0	0	0	0	(21,996)
Nepal	3,500	(3,023)	60,000	0	26,000	30,375	116,852
Samoa	0	0	0	0	0	0	0
Solomon Islands	0	0	0	0	0	0	0
Tuvalu	0	0	0	0	0	0	0
Vanuatu	0	<u>39,664</u>	0	0	0	0	<u>39,664</u>
Subtotal	53,300	76,843	58,438	0	26,000	82,875	297,456
Regional, interregional and global projects especially designed for LDCs							
	0	0	0	0	(2,491)	0	(2,491)
TOTAL	1,033,529	2,216,542	698,469	266,041	1,712,522	407,505	6,334,408

a/ Does not include regional, interregional and global projects or individual fellowships and group training programmes in which LDCs have been involved together with other developing countries; such activities are usually financed from non-least developed countries funds.

b/ Excluding 13 per cent overhead costs.

c/ Includes projects executed by other agencies for which UNIDO is the associated or cooperating agency.

APPENDIX E

**EXPERT GROUP MEETINGS, SYMPOSIA, SEMINARS, WORKSHOPS, COURSES AND
OTHER MEETINGS OF A NON-TRAINING CHARACTER HELD DURING 1994***

Date		Place
10-11 January	Seminar on private sector development and investment	Khartoum Sudan
17-20 January	African regional expert group meeting on women in the food-processing industries	Arusha United Republic of Tanzania
18-21 January	PTA Investors Forum	Lusaka Zambia
1 March	International forum on build-operate-transfer (BOT) projects	Hanoi Viet Nam
14-15 March	High-level seminar on industrialization	Havana Cuba
15 March	Seminar on industrial cooperation with Japanese partners	Prague Czech Republic
21-25 March	Workshop on harmonizing timber structural design codes in the Latin American and Caribbean region	Sao Paulo Brazil
22-24 March	Consultative group meeting on collaboration in testing and evaluation of new materials in Asia	Daejeon Republic of Korea
23-25 March	Seminar on new forms of production and competition within the framework of the process of industrial conversion in Nicaragua	Managua Nicaragua
23-28 March	Export and trade promotion meeting for medicinal and aromatic plants and essential oils from Africa	Wiesbaden Germany
27-31 March	Workshop on eco-toxicology	Islamabad Pakistan
29-31 March	Expert group meeting on consideration of automotive fuel quality standards and their effect on motor vehicle emissions in the Asia-Pacific region	Beijing China
4-21 April	Workshop on industrial utilization of medicinal and aromatic plants	Havana Cuba
7-8 April	Workshop on negotiating joint ventures and technology transfer	New Delhi India

* Includes meetings sponsored jointly with other organizations.

Date		Place
12-15 April	Madagascar International Industrial Forum	Antananarivo Madagascar
12-21 April	Technical workshop on production technologies for ceramics and building materials	Pilsen Czech Republic
18-19 April	UNIDO/ESCAP validation workshop on participation of women in manufacturing	Bangkok Thailand
18-21 April	OOPP workshop for small and medium industries development in Viet Nam	Hanoi Viet Nam
18-22 April	India Invesmart	New Delhi India
20 April	Investment meeting (Kejriwal, India, and Czech companies)	Prague Czech Republic
26-28 April	International workshop on industrial energy management	Lagos Nigeria
27-29 April	Regional workshop on quality management and ISO 9000 in software development	New Delhi India
2-6 May	Workshop on transgenic organisms: assessing safety risk	Brasilia Brazil
9-11 May	Industrial Development Board, twelfth session	Vienna Austria
10-12 May	Workshop on the use of rubber-based bearings for earthquake protection of small buildings	Shantou City China
16-19 May	Workshop on sugar-cane diversification and market cooperation for selected developing countries	Yogyakarta Indonesia
16-20 May	International workshop on restructuring and application of management techniques at steel industries in Ukraine in transition towards market economy conditions	Dnepropetrovsk Ukraine
16-21 May	Seminar on industrial restructuring, enterprise management and investment appraisal	Kiev Ukraine
31 May	Investment meeting (Kejriwal, India, and Czech companies)	Prague Czech Republic
6-9 June	International conference on human resource development in a time of global change	Umea Sweden
13-15 June	OOPP workshop for the establishment of a national cleaner production centre in Mexico	Mexico City Mexico

Date		Place
13-15 June	Subregional workshop on the impact of the CFA franc devaluation on the manufacturing sector of the countries of the West African Monetary Union	Bamako Mali
15-22 June	International meeting on environment management in metallurgical processes	Prague Czech Republic
20-22 June	Global preparatory meeting for the First Consultation on Consulting Engineering Services	Geneva Switzerland
20-23 June	Programme and Budget Committee, tenth session	Vienna Austria
20-24 June	Expert group meeting on the UNIDO industrial subcontracting system (UNIDOSS) and partnership	Vienna Austria
20-24 June	Workshop on policies, strategies and privatization methods in the context of Francophone and Lusophone African least developed countries	Bissau Guinea-Bissau
22-24 June	BORITEC '94 - Sixth international cooperation, development and investment exchange	Milan Italy
23-24 June	Arab regional meeting of Ministries of Industry to discuss challenges, tasks and prospects of future industrial development in the region	Rabat Morocco
27 June	Workshop on capacity building for investment promotion in Russia	Vienna Austria
27 June - 3 July	Workshop on mini cement plant technology	Tianjin China
28-30 June	Forum on business cooperation in Russia through investment	Vienna Austria
5-8 July	Meeting on Japanese management-style techniques in manufacturing industry	Windhoek Namibia
18-19 July	Workshop on sludge treatment in the steel industry	Bangkok Thailand
1-2 August	OOPP workshop for the establishment of a centre for textiles and garments industry in Syria	Aleppo Syrian Arab Republic
2-3 August	UNIDO/ECLAC validation workshop on participation of women in manufacturing	Santiago Chile
7-11 August	UNIDO-ILAFAC-CANACERO regional meeting on environmental management in the iron and steel industry	Morelia Mexico

Date		Place
16-17 August	UNIDO/ECA validation workshop on participation of women in manufacturing	Addis Ababa Ethiopia
16-18 August	OOPP workshop for the establishment of a national cleaner production centre in Zimbabwe	Harare Zimbabwe
22-26 August	OOPP workshop for the establishment of a national cleaner production centre in Tanzania	Dar es Salaam United Republic of Tanzania
23-25 August	OOPP workshop for the establishment of a national cleaner production centre at National Productivity Council, India	New Delhi India
1-3 September	Expert group meeting on policy issues in the Asia and Pacific region for bio- and neem-based pesticides development in support of integrated pest management	Bangkok Thailand
5-7 September	OOPP workshop for the establishment of a national cleaner production centre in Indonesia	Jakarta Indonesia
5-9 September	Workshop on environmental testing and tropicalization of telecommunications equipment	Harare Zimbabwe
6-10 September	Workshop on pesticide data collection systems	Bangkok Thailand
19-20 September	Workshop on robotics	Budapest Hungary
22-23 September	Meeting on biotechnology regulation: towards the establishment of intergovernmental cooperation in Central and Eastern Europe	Vienna Austria
26-29 September	Investment promotion forum	St. Petersburg/ Novgorod Russian Federation
3-4 October	Expert group meeting on eco-labelling for leather and leather products	Vienna Austria
4-5 October	Workshop on regional economic forecasting	Vienna Austria
6 October	Seminar for chief executives of development banks	Madrid Spain
10-13 October	Seminar on refractories production	Accra Ghana
17-19 October	Regional workshop on industrial and business information services and networks	Budapest Hungary

Date		Place
20-25 October	EUROPALIA '94 investment forum for promotion of agro-industries in Latin America	Paris France
24-25 October	Workshop on economic industrial restructuring reforms and formulation of concerted strategies	Vienna Austria
27-28 October	First Meeting of the Regional Forum on Industrial Policies in Latin America and the Caribbean	San José Costa Rica
28-30 October	Conference on women entrepreneurs in sustainable economic development	Yokohama Japan
30-31 October	UNIDO/ESCWA validation workshop on participation of women in manufacturing	Amman Jordan
1-4 November	Viet Nam Techmart	Hanoi Viet Nam
3-4 November	Meeting of technical experts of OAU, ECA, UNIDO and ADB on the industrialization of Africa	Vienna Austria
7-11 November	Industrial Development Board, thirteenth session	Vienna Austria
14-22 November	OOPP workshop for the development of drug demand reduction programme in Nigeria (UNDCP workshop)	Lagos Nigeria
15-17 November	Southwest China international Invesmart	Kunming China
22-25 November	Meeting on cooperation in technology monitoring in developing countries	New Delhi India
24-25 November	Regional meeting on the founding and formation of the Eastern and Southern Africa leather industry association	Nairobi Kenya
28-29 November	Promotion and needs assessment seminar on standardization and quality control	Singapore
29 November - 1 December	Expert group meeting on recommended policies for a regional approach to motor vehicle emission control in the Asia and Pacific region	Bangkok Thailand
30 November - 3 December	Subregional workshop on the impact of the CFA franc devaluation on the manufacturing sector of the countries of the West African Monetary Union	Brazzaville Congo
30 November - 2 December	Workshop on policy environment conducive to the growth of the fertilizer industry in the developing countries	New Delhi India
30 November - 2 December	Regional workshop on project identification, development and promotion in small fruit- and vegetable-processing industries	Tegucigalpa Honduras

Date		Place
5-9 December	Workshop on industrial hygiene and occupational health safety	Davao City Philippines
5-15 December	Workshop on theory and practice on chain reaction of polymerase in environment monitoring	Havana Cuba
12-16 December	Workshop on pri /atization and restructuring of public enterprises	Addis Ababa Ethiopia
19-21 December	Workshop on strategic management of industrial development	Addis Ababa Ethiopia

GEOGRAPHICAL DISTRIBUTION OF EXPERTS

Table 1

Distribution of experts by regional groups of countries, 1994

	Number of experts					
	UNIDO roster <u>a/</u>	Percentage of roster <u>a/</u>	Submitted to Governments	Selected by Governments <u>b/</u>	Appointed <u>c/</u>	Percentage of appointments
Developing countries <u>d/</u>	3,119	34.0	126	697	671	38.4
List B countries <u>e/</u>	4,705	51.2	454	873	791	45.2
List D countries <u>f/</u>	1,102	12.0	126	234	222 <u>g/</u>	12.7
Countries not included in any list of Annex I to the UNIDO Constitution	258 <u>h/</u>	2.8 <u>h/</u>	31	65	64	3.7
Total	9,184 <u>i/</u>	100.0	737	1,869	1,748	100.0

APPENDIX F

- a/ As of 31 December 1994, excluding roster candidates for Secretariat posts only (1,516).
b/ Including government nominees and national professional personnel.
c/ Including appointment of 470 national professional experts.
d/ States in lists A and C of Annex I to the UNIDO Constitution plus Cyprus, Greece, Romania and Turkey.
e/ States in list B of Annex I to the UNIDO Constitution, excluding Cyprus, Greece and Turkey.
f/ States in list D of Annex I to the UNIDO Constitution, excluding Romania.
g/ Including 60 appointments of experts from Hungary and Poland for large-scale trust fund projects.
h/ Includes candidates without clear indication of nationality.
i/ During 1994 priority was assigned to updating the roster. In the course of this exercise, the inactive files of some 3,300 candidates were removed, while some 1,200 new candidates were added to the roster.

Table 2
Appointments of experts, 1994

<u>Country/area/territory</u>	<u>Number of appointments</u>	<u>Country/area/territory</u>	<u>Number of appointments</u>
United Kingdom	172	New Zealand	6
France	111	Niger	6
India	109	Romania	6
Poland	108	Uruguay	6
United States of America	80	Guatemala	5
Germany	66	Slovakia	5
Italy	65	Angola	4
Austria	58	Costa Rica	4
Argentina	51	Côte d'Ivoire	4
Hungary	48	Ghana	4
Russian Federation	41	Greece	4
Netherlands	40	Mauritius	4
Denmark	37	Uganda	4
Canada	33	Uzbekistan	4
Japan	33	Azerbaijan	3
Chile	25	Bangladesh	3
Viet Nam	25	Bulgaria	3
China	24	Cyprus	3
Bolivia	23	Hong Kong	3
Belgium	20	Iran (Islamic Republic of)	3
Finland	20	Lebanon	3
Peru	20	Namibia	3
Spain	20	Nicaragua	3
Australia	19	Pakistan	3
Ethiopia	18	Republic of Korea	3
Nigeria	18	Saudi Arabia	3
Honduras	17	Senegal	3
Brazil	16	South Africa	3
Cameroon	14	Zimbabwe	3
Croatia	14	Burkina Faso	2
Egypt	14	Jordan	2
Algeria	13	Malawi	2
Czech Republic	13	Malaysia	2
Ecuador	13	Mauritania	2
Norway	13	Mozambique	2
Sri Lanka	13	Singapore	2
Kenya	12	Togo	2
Turkey	12	Yugoslavia	2
Ireland	11	Belarus	1
Sweden	11	Benin	1
Cuba	10	Bosnia and Herzegovina	1
United Republic of Tanzania	10	Botswana	1
Philippines	9	Burundi	1
Switzerland	9	Haiti	1
Venezuela	9	Israel	1
Colombia	8	Kazakhstan	1
Guinea	8	Kyrgyzstan	1
Morocco	8	Myanmar	1
Thailand	8	Slovenia	1
Tunisia	8	Somalia	1
Zambia	8	The former Yugoslav Republic of Macedonia	1
Indonesia	7	Trinidad and Tobago	1
Nepal	7	Zaire	1
Sudan	7		
Jamaica	6		
Madagascar	6		
Mexico	6		
		Total	1,748
		(110 countries/areas/territories)	

TRAINING ACTIVITIES IN 1994

Table 1
In-plant group training programmes in 1994 a/

Field of study	Type of programme			Host country/ territory	Number of participants of which			
	National	Regional	Inter- regional		All developing countries	LDCs	Female	African participants b/
Modern footwear technology		X		Czech Republic	5	2	-	5
Steel production technologies for higher quality		X		Czech Republic	14	-	1	14
Metal forming			X	Czech Republic	8	-	-	6
Technical aspects of power supply development	X			Czech Republic	21	-	8	-
Market economy, marketing, total quality management and auditing	X			Czech Republic	14	-	4	-
New technologies in agriculture			X	Czech Republic	4	-	1	1
Marketing and business	X			Czech Republic	11	-	3	-
Small- and medium-sized enterprises			X	Czech Republic	23	-	1	9
New developments in food industry laboratory techniques and technology			X	Czech Republic	5	-	1	2
Cleaner production			X	Denmark/Netherlands	16	-	4	4
Leather technology		X		Germany	7 c/	2	2	7
Footwear technology		X		Germany d/	13 c/	4	-	13
Special training activities in cement, computerized control in kiln operation, control of ball mills and roller mills			X	India/Turkey	16	1	1	4
Production management in manufacturing			X	Japan	14	3	1	4
Quality improvement of industrial products			X	Japan	14	2	2	3
Footwear technology		X		Kenya	16	4	3	16
Leather finishing in the African region		X		Kenya	60	5	1	60

Table 1 (continued)

Field of study	Type of programme				Number of participants of which			
	National	Regional	Inter-regional	Host country/ territory	All developing countries	LDCs	Female	African participants b/
Gender development in leather and leather products		X		Malawi	50	5	50	50
New production forms	X			Nicaragua	84	-	17	-
Cement industry			X	Turkey	10	2	-	5
Iron and steel industry			X	Turkey	9	3	-	-
Fruit and vegetable processing			X	Turkey	10	5	2	6
Small-scale foundry industry for LDCs and other selected developing countries			X	Turkey	11	6	2	6
Hides and skins improvement		X		United Republic of Tanzania	36	28	1	35
TOTAL					471	72	105	250

a/ Not including training activities organized within the framework of UNIDO-executed field projects.

b/ Including participants from African Arab States.

c/ Each participant represented one enterprise.

d/ Two programmes carried out in 1994.

Table 2 a/
Other group training programmes in 1994

Field of study	Type of programme			Host country/ territory	Number of participants of which			
	National	Regional	Inter- regional		All developing countries	LDCs	Fema le	African participants b/
COMFAR <u>c/</u>	X			Argentina	8	-	2	-
Build-operate-transfer strategy	X			Australia/Hong Kong/ India/Philippines/ Thailand	5	-	-	-
Industrial investment project appraisal for Nigerian investment bankers <u>d/</u>	X			Austria	10	-	-	10
COMFAR III for trainers			X	Austria	15	-	1	-
Investment appraisal			X	Austria	16	-	2	3
Investment decision-making and project analysis <u>c/</u>		X		Austria	33	2	14	-
Railway infrastructure maintenance			X	Austria	17	5	1	6
Build-operate-transfer strategy	X			Austria/Hungary/ Norway/United Kingdom	5	-	3	-
Project identification and evaluation of feasibility studies <u>c/</u>	X			Bahrain	22	-	2	-
Project evaluation formulation - PROSPIN	X			Bolivia	9	-	1	-
Technology transfer negotiation and contracting	X			Brazil	40	-	10	-
Build-operate-transfer strategy			X	Brazil	40	-	15	-
Integration of China's Agenda 21 into national economic plans	X			China	50	-	10	-
Particle board technology		X		China	10	-	-	-
Project evaluation, formulation and promotion (PROSPIN and DIPP software)	X			Cuba <u>e/</u>	66	-	28	-
Management	X			Ethiopia	50	50	6	50
Restructuring	X			Ethiopia	50	50	6	50

Table 2 (continued)

Field of study	Type of programme			Host country/ territory	Number of participants of which			
	National	Regional	Inter- regional		All developing countries	LDCs	Female	African participants <u>b/</u>
Methods and techniques for building materials and components quality and productivity development		X		France	13	-	5	-
Clean technology and treatment methods in the chemical industry		X		France	13	-	3	-
Treatment of clean and used waters in industry in Africa		X		France	16	-	5	16
COMFAR <u>c/</u>	X			Germany	6	-	2	-
Privatization		X		Guinea-Bissau	20	20	4	20
Bio-medical electronic and computer-assisted equipment maintenance			X	Hungary	14	4	2	3
Industrial project preparation and appraisal			X	India	26	10	7	10
Women entrepreneurs			X	India	20	6	10	10
Entrepreneur trainer-motivators			X	India	24	12	22	11
Appraising and financing projects of women entrepreneurs			X	India	22	11	8	10
PCM/OOPP methods	X			Indonesia	24	-	10	-
Technology acquisition and negotiation	X			Indonesia	40	-	10	-
Industrial feasibility study development <u>c/</u>	X			Italy	48	-	18	-
Planning, implementing and monitoring/evaluation of public investment programmes and projects <u>c/</u>	X			Italy	9	3	2	7
COMFAR <u>c/</u>	X			Jamaica	7	-	7	-
Technology management and industrial development		X		Japan	9	3	4	-
Exchange of cooperation between African, Arab, Asian and Latin American iron and steel associations			X	Japan/Malaysia/ Republic of Korea/Singapore	5	-	-	4
Coordinated approach to development of appropriate technologies	X			Malawi	50	50	8	50

Table 2 (continued)

Field of study	Type of programme				Number of participants of which			
	National	Regional	Inter-regional	Host country/ territory	All developing countries	LDCs	Fema le	African participants ^{b/}
Manufacturing and utilization of hand-tools	X			Malawi	30	30	30	30
Promotion of private national and foreign investment in the industrial and handicrafts sector	X			Morocco	2	-	2	2
Evaluation and promotion of investment projects (PROSPIN)	X			Nicaragua ^{f/}	34	-	16	-
Design, implementation and application of databases on IBM-compatible computer	X			Poland	3	-	1	3
Industrial project preparation, appraisal and financing (for countries in transition)		X		Poland	26	-	11	-
Bioinformatics and biosafety		X		Thailand	15	1	3	-
Medicinal and aromatic plant utilization in the pharmaceutical industry			X	Turkey	10	3	5	5
Textile processing and cotton textile finishing			X	Turkey	10	6	4	7
Technology acquisition and negotiation	X			Uganda	30	-	-	30
COMFAR ^{g/}	X			United Republic of Tanzania	24	15	1	24
					<u>996</u>	<u>281</u>	<u>301</u>	<u>361</u>

- ^{a/} Not including training activities organized within the framework of UNIDO-executed field projects.
^{b/} Including participants from African Arab States.
^{c/} Organized by other institutions with UNIDO inputs.
^{d/} Self-financed.
^{e/} Three programmes carried out in 1994.
^{f/} Two programmes carried out in 1994.

Table 3

Number of fellowships and study tours started in 1994,
by nationality/home area, country or territory and source of funds

Nationality/home area, country or territory	Number of individuals placed									
	UNDP			Regular Programme			Other programmes			Total
	Male	Female	Total	Male	Female	Total	Male	Female	Total	
AFRICA a/										
Benin	4	0	4	0	0	0	1	0	1	5
Burkina Faso	2	0	2	0	0	0	0	0	0	2
Cameroon	0	0	0	0	0	0	2	0	2	2
Ethiopia	14	0	14	0	0	0	6	0	6	20
Ghana	0	0	0	0	0	0	0	1	1	1
Guinea	2	1	3	0	0	0	0	0	0	3
Kenya	3	40	43	0	0	0	3	0	3	46
Madagascar	13	1	14	0	0	0	0	0	0	14
Malawi	0	0	0	0	0	0	4	0	4	4
Mauritius	2	0	2	0	0	0	0	0	0	2
Mauritania	1	0	1	0	0	0	0	0	0	1
Namibia	0	0	0	0	0	0	1	0	1	1
Niger	6	0	6	0	0	0	0	0	0	6
Nigeria	16	0	16	1	0	1	10	2	12	29
Rwanda	0	1	1	0	0	0	0	0	0	1
Togo	2	0	2	0	0	0	0	0	0	2
Uganda	3	0	3	0	0	0	1	0	1	4
United Republic of Tanzania	6	1	7	0	0	0	3	2	5	12
Zambia	0	0	0	0	0	0	11	2	13	13
Zimbabwe	0	0	0	0	0	0	13	4	17	17
Total Africa	74	44	118	1	0	1	55	11	66	185
ARAB STATES										
Algeria	26	0	26	1	0	1	7	0	7	34
Egypt	7	1	8	0	0	0	2	0	2	10
Jordan	4	0	4	0	0	0	3	0	3	7
Libyan Arab Jamahiriya	0	0	0	0	0	0	25	0	25	25
Morocco	3	0	3	0	0	0	5	0	5	8
Palestine	0	0	0	0	0	0	1	0	1	1
Qatar	1	0	1	0	0	0	0	0	0	1
Saudi Arabia	5	0	5	0	0	0	1	0	1	6
Sudan	4	0	4	0	0	0	5	2	7	11
Syrian Arab Republic	0	0	0	0	0	0	8	0	8	8
Tunisia	5	0	5	0	0	0	7	0	7	12
Total Arab States	55	1	56	1	0	1	64	2	66	123
ASIA AND THE PACIFIC										
Bangladesh	2	0	2	0	0	0	1	0	1	3
Bhutan	0	0	0	0	0	0	4	0	4	4
China	11	2	13	0	0	0	76	17	93	106
Democratic People's Republic of Korea	14	1	15	0	0	0	27	0	27	42
India	68	2	70	1	0	1	52	2	54	125
Indonesia	9	0	9	4	0	4	3	1	4	17
Iran (Islamic Republic of)	8	1	9	0	0	0	0	0	0	9
Malaysia	2	0	2	0	0	0	0	0	0	2
Marshall Islands	2	0	2	0	0	0	0	0	0	2
Micronesia	6	0	6	0	0	0	0	0	0	6
Mongolia	2	1	3	0	0	0	0	0	0	3

Table 3 (continued)

Nationality/home area, country or territory	Number of individuals placed									Total
	UNDP			Regular Programme			Other programmes			
	Male	Female	Total	Male	Female	Total	Male	Female	Total	
ASIA AND THE PACIFIC (continued)										
Nepal	1	0	1	0	0	0	0	0	0	1
Pakistan	8	0	8	0	0	0	6	0	6	14
Philippines	1	0	1	0	0	0	1	0	1	2
Sri Lanka	4	0	4	0	0	0	5	0	5	9
Thailand	7	1	8	1	1	2	4	0	4	14
Viet Nam	13	2	15	0	0	0	10	12	22	37
Total Asia and the Pacific	158	10	168	6	1	7	189	32	221	396
EUROPE AND NIS										
Albania	20	0	20	0	0	0	0	0	0	20
Bulgaria	2	0	2	0	0	0	2	1	3	5
Czech Republic	13	1	14	0	0	0	5	0	5	19
Hungary	2	0	2	0	0	0	26	14	40	42
Italy	0	0	0	0	0	0	1	1	2	2
Poland	0	0	0	1	0	1	13	4	17	18
Romania	1	0	1	0	0	0	0	0	0	1
Russian Federation	0	0	0	0	0	0	9	6	15	15
Slovakia	0	0	0	0	0	0	6	0	6	6
Slovenia	3	0	3	0	0	0	1	0	1	4
Turkey	7	3	10	0	0	0	2	0	2	12
Ukraine	3	0	3	0	0	0	0	0	0	3
Uzbekistan	6	1	7	0	0	0	0	0	0	7
Total Europe and NIS	57	5	62	1	0	1	65	26	91	154
LATIN AMERICA AND THE CARIBBEAN										
Argentina	2	0	2	0	0	0	6	5	11	13
Belize	2	0	2	0	0	0	0	0	0	2
Bolivia	0	0	0	1	0	1	7	0	7	8
Brazil	0	0	0	0	0	0	14	1	15	15
Chile	0	0	0	1	0	1	6	0	6	7
Colombia	0	0	0	0	0	0	6	0	6	6
Cuba	5	3	8	0	0	0	10	3	13	21
Ecuador	2	1	3	0	0	0	4	1	5	8
Guatemala	0	0	0	0	0	0	1	0	1	1
Jamaica	2	0	2	0	0	0	0	0	0	2
Mexico	8	1	9	1	0	1	6	1	7	17
Paraguay	0	0	0	0	0	0	1	0	1	1
Peru	0	0	0	0	0	0	7	0	7	7
Trinidad and Tobago	1	0	1	0	0	0	0	1	1	2
Uruguay	0	0	0	0	0	0	2	1	3	3
Venezuela	0	0	0	0	0	0	4	1	5	5
Total Latin America and the Caribbean	22	5	27	3	0	3	74	14	88	118
GRAND TOTAL	366	65	431	12	1	13	447	85	532	976 b/

a/ African Arab States (Algeria, Egypt, Libyan Arab Jamahiriya, Morocco, Sudan and Tunisia) included under "Arab States".

b/ Including 151 females, 106 individuals from least developed countries, 285 individuals from African countries (including African Arab States).

Table 4
Fellowships and study tours started in 1994
by country, geographical area or territory of study
and source of funds

Country/ geographical area/ territory of study a/	Number of individuals placed			Total
	UNDP	Regular Programme	Other programmes	
Argentina	0	0	6	6
Australia	13	0	2	15
Austria	17	0	43	60
Austria (UNIDO Headquarters)	45	1	30	76
Bahrain	1	0	0	1
Bangladesh	0	0	2	2
Belgium	10	0	20	30
Botswana	0	0	1	1
Brazil	6	0	7	13
Burkina Faso	2	0	1	3
Cambodia	0	0	3	3
Canada	22	0	12	34
Chile	4	0	7	11
China	36	4	38	78
Cook Island	3	0	0	3
Costa Rica	1	0	0	1
Côte d'Ivoire	1	0	0	1
Cuba	6	0	20	26
Czech Republic	9	0	13	22
Democratic People's Republic of Korea	3	0	0	3
Denmark	0	1	39	40
Egypt	1	0	12	13
Ethiopia	1	0	0	1
Fiji	3	0	0	3
Finland	3	0	0	3
France	39	1	77	117
Germany	55	0	50	105
Ghana	1	0	1	2
Greece	7	0	1	8
Guatemala	1	0	0	1
Hong Kong	12	0	6	18
Hungary	11	0	5	16
India	26	0	13	39
Indonesia	20	0	1	21
Ireland	0	0	1	1
Italy	25	0	92	117
Jamaica	0	0	4	4
Japan	4	3	29	36
Jordan	0	0	3	3
Kenya	0	0	12	12
Lao People's Democratic Republic	0	0	3	3
Madagascar	4	0	0	4

Table 4 (continued)

Country/ geographical area/ territory of study a/	Number of individuals placed			Total
	UNDP	Regular Programme	Other programmes	
Malawi	0	0	2	2
Malaysia	13	3	2	18
Malta	0	0	3	3
Mauritius	17	0	0	17
Mexico	6	0	4	10
Mongolia	0	0	3	3
Morocco	10	0	0	10
Namibia	9	0	0	9
Netherlands	14	0	29	43
Norway	17	0	0	17
Pakistan	2	0	0	2
Philippines	19	0	6	25
Poland	15	0	12	27
Republic of Korea	3	3	9	15
Réunion	7	0	0	7
Romania	5	0	0	5
Russian Federation	3	0	0	3
Samoa	3	0	0	3
Senegal	5	0	0	5
Singapore	14	3	14	31
South Africa	22	0	0	22
Spain	6	0	6	12
Sri Lanka	5	0	2	7
Sweden	17	1	13	31
Switzerland	22	2	59	83
Thailand	17	0	14	31
Togo	1	0	0	1
Tonga	3	0	0	3
Tunisia	4	0	2	6
Turkey	5	0	0	5
Ukraine	5	0	2	7
United Arab Emirates	3	0	1	4
United Kingdom	65	0	55	120
United Republic of Tanzania	10	0	1	11
United States of America	76	0	55	131
Viet Nam	5	0	0	5
Zimbabwe	1	0	1	2
TOTAL	821	22	849	1,692 b/

a/ Where a fellowship/study tour included more than one country/geographical area/territory, it is listed against each one concerned. Thus the totals in table 4 do not correspond to those in table 3.

b/ Of these placements, 588, or 35 per cent, were arranged in developing countries, thus contributing to technical cooperation among developing countries.

APPENDIX H

AGREEMENTS CONCLUDED BY UNIDO IN 1994

Agreements with States

Gambia

Basic cooperation agreement between the United Nations Industrial Development Organization and the Government of the Republic of the Gambia, signed on 27 January.

Greece

Exchange of letters between the Secretary General of International Economic Relations of Greece and the Officer-in-Charge of the United Nations Industrial Development Organization for the extension from 20 October 1994 until 19 October 1996 of the project concerning the UNIDO Service in Greece for the promotion of industrial investment and the strengthening of cooperation with developing countries, signed on 26 October and 17 November.

India

Agreement between the United Nations Industrial Development Organization and the Government of India on the establishment of an INDIA-UNIDO working group, signed on 24 April.

Exchange of letters concluded between the Director-General of UNIDO and the Government of India regarding the extension until 31 March 1995 of the basic terms and conditions governing UNIDO projects envisaged for the International Centre for Genetic Engineering and Biotechnology (ICGEB), its related exchange of letters and trust fund agreement and of the revised related project, signed on 31 May and 8 August.

Islamic Republic of Iran

Memorandum of understanding between the United Nations Industrial Development Organization and the Islamic Republic of Iran on cooperation, signed in January.

Netherlands

Memorandum of understanding between the United Nations Industrial Development Organization and the Netherlands Minister for Development Cooperation concerning associate experts, signed on 21 December.

Poland

Exchange of letters between the Minister for Foreign Economic Relations of Poland and the Director-General of the United Nations Industrial Development Organization concerning the establishment of the UNIDO industrial cooperation and investment promotion service in Warsaw, Poland, from 1 January 1995 to 31 December 1997, signed on 9 and 15 December.

Republic of Korea

Exchange of letters between the Permanent Representative of the Republic of Korea to UNIDO and the Director-General of the United Nations Industrial Development Organization for the extension from 1 January to 31 March 1994 of the project concerning the UNIDO service for promotion of industrial investment in developing countries, signed on 28 January.

Exchange of letters between the Permanent Representative of the Republic of Korea to UNIDO and the Director-General of the United Nations Industrial Development Organization for the extension from 1 April to 31 December 1994 of the project concerning the UNIDO service for promotion of industrial investment in developing countries, signed on 29 and 31 March.

Slovakia

Memorandum of understanding between the United Nations Industrial Development Organization and the Government of the Slovak Republic on cooperation in industrial development, signed on 20 January.

Tunisia

Basic cooperation agreement between the United Nations Industrial Development Organization and the Government of the Republic of Tunisia, signed on 11 May.

Turkey

Agreement between the United Nations Industrial Development Organization and the Republic of Turkey with regard to a special-purpose contribution to the Industrial Development Fund and to the establishment of a UNIDO service office in the Republic of Turkey for the promotion of industrial investment and the strengthening of cooperation with developing countries, signed on 9 June.

Uganda

Basic cooperation agreement between the United Nations Industrial Development Organization and the Government of the Republic of Uganda, signed on 27 May.

Viet Nam

Memorandum of understanding between the United Nations Industrial Development Organization and the Socialist Republic of Viet Nam on cooperation in industrial development, signed on 22 November.

Agreements with the United Nations and specialized agencies

United Nations International Drug Control Programme (UNDCP)

Memorandum of understanding on cooperation between the United Nations Industrial Development Organization and the United Nations International Drug Control Programme, signed on 25 October.

United Nations Educational, Scientific and Cultural Organization (UNESCO)

Memorandum on areas of cooperation between the United Nations Educational, Scientific and Cultural Organization and the United Nations Industrial Development Organization, signed on 21 October.

United Nations Office at Vienna (UNOV)

Agreement between the United Nations Industrial Development Organization and the United Nations Office at Vienna on transitional procedures for transfer of contracting services, signed on 23 December.

Agreement between the United Nations Industrial Development Organization and the United Nations Office at Vienna on transitional procedures for transfer of purchasing services, signed on 23 December.

Agreements with intergovernmental organizations

Economic Cooperation Organization (ECO)

Relationship agreement between the United Nations Industrial Development Organization and the Economic Cooperation Organization, signed on 25 January.

League of Arab States (LAS)

Relationship agreement between the United Nations Industrial Development Organization and the League of Arab States, signed on 15 June.

Agreements with governmental and private institutions

African Business Round Table (ABR)

Memorandum of understanding between the United Nations Industrial Development Organization and the African Business Round Table, signed on 29 November.

Chilean International Cooperation Agency (AGCI)

Working Arrangement between the United Nations Industrial Development Organization and the Chilean International Cooperation Agency, signed on 7 and 22 March.

BIO 95 Foundation

Memorandum of understanding between the United Nations Industrial Development Organization and the BIO 95 Foundation, signed on 27 May.

APPENDIX I
COUNTRY PROMOTION PRESENTATIONS ORGANIZED
BY UNIDO IN 1994

Country promoted	Venue	Number of presentations
Algeria	France (2)	2
Argentina	Austria (1), France (5), Germany (1)	7
Bolivia	France (1)	1
Brazil	France (2), Poland (1)	3
Chile	France (1)	1
China	Germany (4), Italy (2), Switzerland (1), United States of America (4)	11
Colombia	France (1)	1
Czech Republic	Italy (1), Switzerland (6), United States of America (2)	9
Ecuador	France (1)	1
Hungary	Switzerland (2)	2
India	France (2), Germany (1), Italy (1), Switzerland (2), United States of America (2)	8
Madagascar	France (5), Germany (1), Italy (1)	7
Mexico	France (4)	4
Peru	France (1), Switzerland (1)	2
Philippines	Italy (1)	1
Poland	Italy (1)	1
Romania	Italy (1)	1
Ukraine	Poland (1)	1
Uruguay	France (3)	3
Venezuela	France (1)	1
Viet Nam	France (5), Germany (1)	6
		73

Total: 21 countries promoted at 73 presentations held in 7 countries.

APPENDIX J

PURCHASE ORDERS PLACED AND CONTRACTS AWARDED, 1994

Activities	No.	%	Value (millions of US \$)	%
Purchase orders placed				
Technical cooperation (all funds) whereof	1,590		22.7	
(a) Developing countries	646	40.0	3.9	39.0
(b) Underutilized major donor countries	65	4.0	1.1	4.0
Headquarters and others	1,607		5.0	
Contracts awarded				
Technical cooperation (all funds) whereof	124		10.1	
(a) Developing countries	71	57.3	2.6	26.0
(b) Underutilized major donor countries	3	2.4	0.075	0.7
Headquarters and others	273		12.2	

APPENDIX K
FIELD REPRESENTATION

Table 1

UNIDO field offices as of 31 December 1994, by region

UNIDO Country Directors	UNIDO National Directors/Officers	Junior Professional Officers	Associate Experts
AFRICA			
Algeria Côte d'Ivoire Cameroon Ethiopia Ghana Guinea Kenya Madagascar Mozambique Nigeria Senegal Sudan Uganda United Republic of Tanzania Zambia Zimbabwe	Togo	Benin Botswana Burundi Cameroon Cape Verde Côte d'Ivoire Ethiopia Ghana Guinea Kenya Madagascar Malawi Mauritius Mozambique Namibia Nigeria Senegal Sierra Leone Uganda United Republic of Tanzania Zambia Zimbabwe	Kenya Togo
ARAB STATES			
Algeria Lebanon Sudan		Algeria Egypt Morocco	
ASIA AND THE PACIFIC			
Bangladesh China India Indonesia Pakistan Philippines Thailand Viet Nam	Nepal Sri Lanka	Bangladesh China Fiji India Indonesia Pakistan Papua New Guinea Philippines Republic of Korea Sri Lanka Thailand Viet Nam	India Micronesia Philippines Sri Lanka Thailand
EUROPE + NIS			
Turkey Uzbekistan		Kazakhstan Uzbekistan	

Table 1 (continued)

UNIDO Country Directors	UNIDO National Directors/Officers	Junior Professional Officers	Associate Experts
LATIN AMERICA AND THE CARIBBEAN			
Argentina	Bolivia	Bolivia	Brazil
Barbados	Chile	Costa Rica	Chile
Brazil	Cuba	Cuba	Costa Rica
Colombia	Peru	Ecuador	
Ecuador	Venezuela	El Salvador	
Honduras		Guatemala	
Jamaica		Guyana	
Mexico		Jamaica	
		Mexico	
		Nicaragua	
		Trinidad and Tobago	

Table 2

Junior Professional Officers and Associate Experts
financed during 1994

Donor Government	Junior Professional Officers	Associate Experts
Austria	7	-
Belgium	7	1
Denmark	13	4
Finland	4	1
France	1	-
Germany	11	6
Italy	5	13
Japan	-	1
Netherlands	14	15
Norway	5	1
Sweden	2	-
Switzerland	3	-
TOTAL	72 a/	42 b/

a/ The figure includes 51 JPOs who were on board at the end of 1993 and 21 recruited in 1994. At the end of the year there were 46 JPOs working in the field, 34 of whom at UCD duty stations.

b/ The figure includes 36 associate experts who were on board at the end of 1993 and six recruited in 1994. At the end of the year there were 27 associate experts who continued into 1995, 10 of whom at Headquarters.

APPENDIX L

COMPOSITION OF THE SECRETARIAT AND PERSONNEL - RELATED INFORMATION

Table 1
Composition of the UNIDO Secretariat

Category	As at 12 December 1994 ^{a/}	
	Male	Female
P-5 and above	113)	13)
P-1 to P-4	174)	78)
General Service	252	499
Language teachers	<u>2</u>	<u>3</u>
Subtotal	541	593
TOTAL		1,134

^{a/} Figures include 18 interregional and special technical advisers attached to UNIDO Headquarters and 12 staff members serving in the capacity of UNIDO Country Directors. Excluded are 23 staff holding fixed-term contracts under one year.

Table 2 (a)
Composition of Professional staff, by gender, 1994
(Number)

Grade	Male 1994	Female 1994	Total 1994
DDG	-	-	-
D-2	6	2	8
D-1	28	0	28
P-5	<u>79</u>	<u>11</u>	<u>90</u>
Subtotal	113	13	126
Per cent	89.7	10.3	100
P-4	106	30	136
P-3	54	26	80
P-2/1	14	21	35
TOTAL	287	90	377
Per cent	76.1	23.9	100

Table 2 (b)
Composition of Professional staff, by gender, 1994
(Percentage)

Grade	Male 1994	Female 1994
DDG	-	-
D-2	75	25
D-1	100	0
P-5	88	12
P-4	78	22
P-3	68	32
P-2/1	39	61

Table 3 (a)
Composition of Professional staff subject to geographical distribution, by gender, 1994
(Number)

Grade	Male 1994	Female 1994	Total 1994
DDG	-	-	-
D-2	6	2	8
D-1	23	0	23
P-5	68	10	78
Subtotal	97	12	109
Per cent	89.0	11.0	100
P-4	95	25	120
P-3	35	22	57
P-2/1	12	20	32
TOTAL	239	79	318
Per cent	75.2	24.8	100

Table 3 (b)
Composition of Professional staff subject to geographical distribution, by gender, 1994
(Percentage)

Grade	Male 1994	Female 1994
DDG	-	-
D-2	75	25
D-1	100	0
P-5	87	13
P-4	79	21
P-3	61	39
P-2/1	38	62

Table 4
Recruitment statistics by gender, in 1994

	Total	Female	Male
Applications received for Professional-level posts	2,994	933	1,988
Professional candidates rostered			
Total number	1,524	347	1,177
From developing countries	922	188	734
Staff recruited			
Professionals	13 ^{a/}	5	8
At the senior level	8	1	7
From developing countries	8	1	7

^{a/} Includes three females who advanced from the General Service to the Professional category.



Distr.
GENERAL

IDB.14/10/Add.1/Corr.1
PBC.11/10/Add.1/Corr.1
24 April 1995

United Nations Industrial Development Organization

ORIGINAL: ENGLISH

Industrial Development Board

Fourteenth session
Vienna, 26-30 June 1995

Programme and Budget Committee

Eleventh session
Vienna, 24-28 April 1995
Item 5 of the provisional agenda

ANNUAL REPORT OF UNIDO, 1994

Addendum

Interim programme performance report for the biennium 1994-1995

Report by the Director-General

Corrigendum

Page 22

Replace page 22 with page 22 attached.

Page 32

Replace page 32 with page 32 attached.

Pages 95 and 96

Replace Appendix I. with Appendix L attached.

MAJOR PROGRAMME 800: INVESTMENT AND TECHNOLOGY PROMOTION

Programme 820: Investment Service

Activities	Planned 1994-1995	Achieved 1994
Subprogramme 821: Investment Promotion Programme		
Investment forums:	17	
Africa		2
Asia		1
Europe		2
Latin America and the Caribbean		3
Investment promotion-related workshops	30	9
Country presentation tours	30	12
Fellowships, study tours and delegates programmes	40	19
Trainees in group training programmes	100	360
New reports and manuals on investment promotion	6	9
Investment promotion projects successfully negotiated	260	69
Investment proposals identified	1800	935
Technical cooperation projects developed and formulated	40	34
Technical cooperation projects completed	60	38
Subprogramme 822: Investment Promotion Network		
Development of new Investment Promotion Service Offices (IPSO)	6	-
Delegates placed in IPSOs	75	29
World Investment Network Services (WINS)	1	1
Fifth volume of series "How to start manufacturing industries"	1	1
Industrial investment promotion meetings (heads of IPSOs)	4	2
Subprogramme 823: Feasibility Studies		
New version of COMFAR	1	1
Reference manual for preparation of feasibility studies on small and medium enterprises	1	1
Reference Manual and User Guide for COMFAR	1	1
Seminars on project preparation, appraisal and financing	20	11
Seminars on COMFAR	10	5
Technical cooperation projects completed	80	30
Investment proposals identified, screened and appraised	40	40
Investment project appraisal consultancy service	20	10

Programme 1230: Personnel Services

Activities	Achieved 1994
Applications received	
Professional	2,994
General Service	1,116
Professional candidates rostered	
Total number	1,524
From developing countries	922
External vacancy announcements	
Professional	37
General Service	60
Staff recruited ^a	
Professionals	11 ^b
recruited at the senior level	8
recruited from developing countries	6
UNIDO Country Directors	7
Other Professionals ^c	18
General Service ^d	17 ^d
recruited on regular appointments	5
Short-term contracts issued	
Conference service staff	539
Secretariat staff	245 ^e
Consultant contracts issued	
	145
Individual Contractors	
	105
Staff administered	
Headquarters ^f	1,135
UCDs, and UNIDO staff in field offices	27
Support staff in the field	86
Language training enrolment	
of which UNIDO	1,009 435
Participants in UNIDO internship programme	
	82
Staff training	
General knowledge updating	129
Computer-assisted learning	59
Management development	309
Managerial assistance	41
External training	38
Computer skills	520

- ^a Professional staff subject to geographical distribution.
- ^b Includes two females who advanced from the General Service to the Professional category.
- ^c Includes staff holding contracts of less than one year and language staff.
- ^d Includes one transfer from United Nations Office at Vienna.
- ^e Includes 6 short-term advisory service staff
- ^f Contracts of one year or more (regular appointments).

APPENDIX L

COMPOSITION OF THE SECRETARIAT AND PERSONNEL - RELATED INFORMATION

Table 1
Composition of the UNIDO Secretariat

Category	As at 31 December 1994 ^{a/}	
	Male	Female
P-5 and above	112)	13)
P-1 to P-4	175)	77)
General Service	252	501
Language teachers	<u>2</u>	<u>3</u>
Subtotal	541	594
TOTAL		1,135

^{a/} Figures include 17 interregional and special technical advisers attached to UNIDO Headquarters and 11 staff members serving in the capacity of UNIDO Country Directors. Excluded are 23 staff holding fixed-term contracts under one year.

Table 2 (a)
Composition of Professional staff, by gender, 1994
(Number)

Grade	Male 1994	Female 1994	Total 1994
DDG	-	-	-
D-2	6	2	8
D-1	27	0	27
P-5	<u>79</u>	<u>11</u>	<u>90</u>
Subtotal	112	13	125
Per cent	89.6	10.4	100
P-4	107	30	137
P-3	54	26	80
P-2/1	14	21	35
TOTAL	287	90	377
Per cent	76.1	23.9	100

Table 2 (b)
Composition of Professional staff, by gender, 1994
(Percentage)

Grade	Male 1994	Female 1994
DDG	-	-
D-2	75	25
D-1	100	0
P-5	88	12
P-4	78	22
P-3	68	32
P-2/1	40	60

Table 3 (a)
Composition of Professional staff subject to geographical distribution, by gender, 1994
(Numbers)

Grade	Male 1994	Female 1994	Total 1994
DDG	-	-	-
D-2	6	2	8
D-1	22	0	22
P-5	68	10	78
Subtotal	96	12	108
Per cent	88.9	11.1	100
P-4	95	25	120
P-3	35	22	57
P-2/1	12	18	30
TOTAL	238	77	315
Per cent	75.6	24.4	100

Table 3 (b)
Composition of Professional staff subject to geographical distribution, by gender, 1994
(Percents)

Grade	Male 1994	Female 1994
DDG	-	-
D-2	75	25
D-1	100	0
P-5	87	13
P-4	79	21
P-3	61	39
P-2/1	40	60

Table 4
Recruitment statistics by gender, in 1994

	Total	Female	Male
Applications received for Professional-level posts	2,994	933	1,988
Professional candidates rostered			
Total number	1,524	347	1,177
From developing countries	922	188	734
Staff recruited			
Professionals	11 ^a	3	8
At the senior level	8	1	7
From developing countries	6	2	4

^a Includes two females who advanced from the General Service to the Professional category



Distr.
GENERAL

IDB.14/10/Add.2/Corr.1
20 June 1995

United Nations Industrial Development Organization

ORIGINAL: ENGLISH

Industrial Development Board

Fourteenth session

Vienna, 26-30 June 1995

Item 7 (b) of the provisional agenda

ANNUAL REPORT OF UNIDO, 1994

Addendum

**Interim programme performance report for the biennium 1994-1995:
information on trust fund contributions**

Report by the Director-General

Corrigendum

Page 2, first column "Donor"

The second subheading *should read* Associate Expert programme and JPO travel funds^{b/}

At the bottom of the page *insert* b/ Covers only the local travel budget of JPOs at the duty station received via UNDP, New York.



Distr.
GENERAL

IDB.14/10/Add.2
13 June 1995

United Nations Industrial Development Organization

ORIGINAL: ENGLISH

Industrial Development Board

Fourteenth session

Vienna, 26-30 June 1995

Item 7 (b) of the provisional agenda

ANNUAL REPORT OF UNIDO, 1994

Addendum

Interim programme performance report for the biennium 1994-1995: information on trust fund contributions

Report by the Director-General

Summary

Provides information on projects approved in 1994 under trust fund arrangements.

1. At its eleventh session, the Programme and Budget Committee, in its conclusion 95/5, while taking note of the interim financial performance report for the biennium 1994-1995 (PBC.11/8 and Corr.1) and the *Annual Report of UNIDO 1994* (PBC.11/10; PBC.11/10/Add.1 and Corr.1), requested the Director-General to reflect information on trust fund contributions from Member States in the programme performance report to the Industrial Development Board at its fourteenth session.

2. Detailed information on the utilization of financial resources available for technical cooperation activities under trust funds for the 12-month period ended 31 December 1994 is provided in document PBC.11/8, statement VI, schedule 6.3.

3. The statistical annex to the interim programme performance report for the biennium 1994-1995 (IDB.14/10/Add.1) provides details on project expenditure under trust fund schemes by project component (table 4), by division/programme component (table 5) and by geographical area (table 8). It also provides information on approvals in 1994 by region

(tables 3A and 3C). The latter information is supplemented by the annex to the present document which reports on net approvals in 1994 by donor and recipient and which, in the future, will be the subject of an appendix to the programme performance report, somewhat similar to appendix C to document IDB.14/10/Add.1 on the Industrial Development Fund

4. The present annex does not contain information on new approvals by medium-term plan priority area since such a classification was only recently introduced for trust fund projects. Accurate reporting by medium-term plan priority area will be possible commencing with the 1996-1997 biennium. The projects financed under trust funds cover a variety of areas, in particular: human resource development, modernization and restructuring of industrial enterprises, development and transfer of technology, environment and integration of women in industrial development.

ACTION REQUIRED OF THE BOARD

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

V.95 54896 (E) (b)(1995pmo.9)

Distr.: 15 June 1995

Annex

PROJECTS APPROVED IN 1994 UNDER TRUST FUND ARRANGEMENTS

Table 1. Third party-financed trust funds

Donor	Project no.	Amount approved a (excluding overheads) (US\$)
Governmental funds		
Australia	TF/GLO/93/013	125,487
China	TC/TN/GLO/89/002	18,962
Japan	TF/CRO/93/D10	619,469
	TF/GLO/89/905	10,619
	TF/GLO/93/C 10	128,400
(Umbrella programme \$1,800,000)	TF/GLO/94/100	1
	TF/KEN/92/F10	347,500
	TF/MEX/92/D10	166,500
	TF/PER/91/E10	231,000
	TF/RAF/93/B10	176,000
	TF/RAS/91/E10	88,400
(Forum Yokohama)	TF/RAS/94/005	28,300
	TF/ROM/93/A10	214,000
	Subtotal	2,010,189
Republic of Korea	TF/GLO/93/011	30,000
Russian Federation	TC/TN/GLO/89/001	131,163
Sweden	TF/RUS/94/001	220,000
United Kingdom	TF/GLO/92/003	132,720
	TF/HUN/94/A90	132,500
	TF/POL/90/917	40,000
(Umbrella programme \$1,052,788)	TF/RER/94/900	1
	Subtotal	305,221
United States of America	TF/GLO/86/002	462,035
	Minor revisions/project closures	(128,060)
	TOTAL	3,174,997
Associate Expert/JPO travel funds		
Austria		6,750
Belgium		14,263
Denmark		153,153
France		3,000
Germany		197,170
Italy		813,118
Netherlands		705,055
Norway		20,911
Sweden		6,000
Switzerland		4,000
	Minor revisions/project closures	(34,062)
	TOTAL	1,889,358
Non-governmental funds		
Premag Handelsges. M	TF/USR/93/004	102,000
ABV Leasing und Hote	TF/USR/93/005	54,200
H. Neumann Internationa	TF/USR/93/OA5	46,468
Industrifadet, Denmark	TF/CPR/89/003	66,453
Kwang Hua Dev. & Inv	TF/RAS/94/001	447,181
Banco de Sabadell, Spain	TF/CPR/91/001	42,526
Sibir Inc., USA	TF/GLO/91/029	115,044
FAO	TF/GLO/94/009	5,310
	Minor revisions/project closures	(12,593)
	TOTAL	866,589

a/ Net approval figures: new projects approved plus changes/revisions to existing projects

Table 2 Self-financed trust funds

<u>Donor</u>	<u>Project no.</u>	<u>Amount approved a/ (excluding overheads) (US\$)</u>
Governmental funds		
Argentina	SF/ARG/92/004	651,214
	SF/ARG/93/001	297,345
	Subtotal	948,559
European Union	EU/SLO/94/001	52,643
Oman	SF/OMA/93/001	129,995
	SF/OMA/93/002	148,556
	Subtotal	278,551
World Bank	BR/COL/92/001	2,361,725
	BR/IND/92/004	398,460
	SF/MAG/93/001	530,974
	Subtotal	3,291,159
	Minor revisions/project closures	(264,274)
	TOTAL	4,306,638
Non governmental funds		
Centro de Investigaciones Textiles	SF/ARG/90/001	15,530
Centro de Investigacion Agroindustria	SF/ARG/91/002	71,238
Servicio Nacional de Aprendizagem Industrial (SENAI)	SF/BRA/92/001	518,910
Servicio Nacional de Aprendizagem Industrial (SENAI)	SF/BRA/93/001	46,018
	Subtotal	564,928
Korea Pyengwang Trading Corporation	SF/DRK/92/001	65,721
National Cement Company, Cairo	SF/EGY/90/001	1,280,998
Helwan Portland Cement Company	SF/EGY/88/001	248,913
Beni Suel Cement Company	SF/EGY/93/001	1,338,737
El Fatayeh Cement Factory	SF/LIB/86/001	1,706,188
Libyan Cement Company	SF/LIB/88/006	1,422,193
Arabian Cement Company	SF/LIB/86/0A2	338,938
	SF/LIB/86/0B2	346,194
	SF/LIB/86/0C2	123,008
	SF/LIB/86/002	522,613
	Subtotal	1,330,753
Comité Técnico Empresarial (CTE)	SF/MEX/94/001	355,878
Cement Company of Northern Nigeria	SF/NIR/93/001	30,974
Benue Cement Company Ltd	SF/NIR/87/006	146,768
	Minor revisions/project closures	(615,486)
	TOTAL	7,963,333

a/ Net approval figures: new projects approved plus changes/revisions to existing projects