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Johan KAUFMANN

TOWARDS A UNIQUE PARTNERSHIP

UNDP, UNIDO AND INDUSTRIAL ADVICE

REVIEW OF THE PROGRAMME

FOR

SENIOR INDUSTRIAL DEVELOPMENT FIELD ADVISERS
(SIDFA)

by

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Senior Consultants

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Vienna, December 1986

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CHAPTER I
INTRODUCTION

1.1. The Industrial Development Field Adviser (SIDFA) programme came into being on 3 October 1967, on signing of the agreement by the Administrator of the United Nations Development Programme (UNDP) and the Executive Director of the United Nations Industrial Development Organization (UNIDO) on the establishment of a UNIDO field service at the country level to be integrated within UNDP field offices. This Agreement (Annex I) represented the first step in the provision of services to the industrial sector similar to those already introduced in 1966 for the agricultural sector through the establishment of the system of Senior Agricultural Advisers (SAAs). In both cases UNDP played a decisive role by providing the administrative framework within which the advisers could function and by financing a majority of them. The introduction of sectoral advisers - both SAAs and SIDFAs - was one of many measures taken by UNDP to strengthen its programme, and marked an important step forward in providing services at the country level. Since 1972 the SIDFA program is being supported by a Junior Professional Officers scheme under which the JPOs function as assistants to SIDFAs under an arrangement formalised between UNDP and UNIDO through a Memorandum of Agreement dated February 5, 1979 (Annex II).

1.2. Until 1982, the programme was almost entirely financed by UNDP from its sectoral support allocation. Since UNDP could not maintain its contribution at the level required, its Governing Council invited the attention of the Economic and Social Council and the General Assembly to the urgent need for UNIDO to bear an increased share of the cost of the SIDFA programme. Subsequently, the General Assembly allocated further resources from the United Nations regular budget for 10 SIDFA posts in 1983 and for 9 in 1984, 1985. When UNIDO became a specialised agency, the General Conference provided for 9 posts in the biennium 1986/87. In addition to resources from the UNDP sectoral support and the United Nations regular budget, UNIDO has received voluntary contributions from Austria, Finland, Japan and the Federal Republic of Germany to strengthen the SIDFA programme; a contribution has also been announced in 1984 by Italy. Several developing countries have also contributed towards the local cost of SIDFA offices.

1.3. In accordance with various recommendations of the Industrial Development Board and the Governing Council of UNDP, the SIDFA programme has been the subject of continual analysis and review; reports and studies prepared on the programme are listed in Annex III. A note on the evolution of the system is provided in Annex IV. Annex V shows the country coverage by SIDFA/JPO service. The Job Descriptions of SIDFA and JPO is provided in Annex VI.

1.4. By its Resolution 86/50 (Annex VII) the Governing Council of UNDP, while approving \$ 9.6 million for the maximum possible number of Senior Industrial Development Field Advisers for the years 1987-89, requested the Administrator to undertake, jointly with UNIDO, an "objective, substantive review of the SIDFA programme". The review was to undertake the following tasks:

- (a) assessment of the modality and the functions of SIDFAs;
- (b) optimum number of SIDFAs required in the foreseeable future and their possible location;
- (c) their effective integration into the UNDP field offices, and
- (d) proposals for the long term financing of the SIDFA program.

1.5. By the middle of October the two consultants, Mr. Johan Kaufmann (Netherlands) and Mr. Abul Maal A. Muhith (Bangladesh) had been contracted. They accepted the terms of reference (Annex VIII) which had been drafted by UNDP and UNIDO with the understanding that the terminal date for delivering their report could be December 16, 1986, with, if necessary, an extension till the end of January and that they should be interpreted in a flexible manner. The consultants had to work under severe time constraint.

1.6. The consultants were able to consult a great deal of file information, including the materials made available to Messrs. Henein and Power about a year ago. This latter material included telexed replies to the questionnaire they issued to the Resident Representatives. At the suggestion of the consultants, a telexed inquiry on the significance of the SIDFA Programme (Annex IX) was circulated to the governments of the countries to which SIDFAs are accredited (such an inquiry had not been done before). A total of 31 replies has been considered by the consultants. All the previous reports on SIDFA system and a number of studies on various aspects or elements of it were

made available to the consultants. Besides, at the request of the consultants notes, comments and information on various elements of the SIDFA Program as well as UNIDO and UNDP operations were provided.

1.7. The consultants held consultations with a large number of officials in New York, Vienna and the three countries Barbados, Senegal and Thailand that they visited. At the UNDP headquarters they had meetings between October 20 and November 3 with various officials including the Associate Administrator, Assistant Administrators in charge of the Regional Bureaux and Acting Assistant Administrator for Policy Planning and Evaluation in UNDP. Mr. Muhith visited Senegal and Thailand between November 4 and November 13 and Mr. Kaufmann visited Barbados between November 2 and November 7. In the field they met with UNDP officials, SIDFAs and JPOs, officials and ministers of national governments and representatives of other multilateral organizations. In Bangkok extensive discussions with the staff of ESCAP were held including a meeting with the Deputy Executive Secretary in charge. They held long discussions with UNIDO officials in Vienna between November 10 and December 5 including meetings with the Director General and all the Deputy Directors General. A number of ex-SIDFAs were available for discussion in New York and Vienna including Mr. Henein. In Vienna the consultants also met some visiting SIDFAs, Resident Representatives or their Deputies and some JPOs including some undergoing training. They also met in New York and Vienna with members of the permanent missions of some donor governments. Moreover telephone interviews were conducted with certain resident representatives, SIDFA's and Junior Professional Officers in cases where there was no time or opportunity to meet them personally.

1.8. The consultants wish to put on record their appreciation for the cooperation and assistance they have received everywhere, also during the field visits. They wish to mention especially the support received at UNDP Headquarters from Programme and Evaluation Unit, in particular Ms. I. Kaul, and at UNIDO from the Deputy Director General, Mr. H. Wieseback, from the SIDFA and JPO Support Services Section, in particular Mr. V. Veltzé-Michel and Mr. G. Bauer. Without efficient secretarial assistance of a number of persons, in particular of Ms. C. Fränkel and Ms. A. Haubenwaliner this report could not have been finished on time. Ms. A. Haubenwallner simply performed miracles on the word processor.

CHAPTER II

PLACE OF INDUSTRY IN DEVELOPMENT AND THE NEED
FOR SPECIALISED SECTORAL ADVICE

Role of Industry

2.1. The history of attitude towards economic development can be characterised as one of transient raging fashions. In the early period of post war economic thinking industrialisation was considered synonymous with economic development. Very soon growth through expansion of trade became the dominant slogan. Import substitution versus export expansion provided the theme of a protracted debate in the decade of the 60's. This was followed by considerations of distributive justice and hence of rural development. Growth in food production and agriculture for its own sake and not simply for providing savings for industrialisation became an article of faith. It was believed that agricultural development provided for output growth as also income generation for the poor. Human resource development is now vying for the place of honour in the contest for development fashions. The truth, however, lies in the old dictum of balanced economic growth. A sound industrial sector requires adequate levels of food supplies at prices which permit a cost level in industry in line with competitive requirements. On the other hand, effective demand that sustains industrial activities depends on a buoyant agriculture sector. A healthy agricultural sector again is dependent on adequate supplies of inputs like chemicals and machines at reasonable prices and it demands industries for the processing of products.

2.2. The squeeze on capital resources which is being experienced for over half a decade has focused renewed attention on adjustment program in trade and industry. Technological innovations offer formidable challenges to development efforts. Growing protectionism dims the hope of market opportunities for developing countries. High interest rates, volatile exchange rates and an unprecedented debt burden stand in the way of investment momentum. The reduction of raw material needs of industry and the place of informatics, robotics and computer technology in industrialisation offer difficult choices for industrial strategy. Protectionist resurgence is a threat to international division of labour on the basis of comparative advantage. The global reach of transnational corporations and their strong

impact on trade in several sectors and their technological know-how call for highly specialised consideration of investment strategy in developing countries. The need for energy conservation while increasing overall energy consumption, the challenge of absorbing labour in the modern sectors, the imperative of modernising attitudes and organisations and the extreme urgency of increasing the value added of indigenous production are upsetting the social and economic fabric of the developing world. The place of small and medium industries in this era of conglomerates has not lost its appeal. Besides employment considerations there is the anxiety for quality as well as entrepreneurship. Sub-contracting has now become almost an art. Entrepreneurship in large corporations is a new manifestation of small enterprise. The blending of small industry with sophisticated modes of financing, organisation of production process, sub-contracting and application of new technology offer new challenge to industrial planning in developing countries. Thus industrial policy is all the more important today despite the temporary downgrading of the subject in the recent past.

Technical cooperation for industry

2.3. What Paul Hoffman said many years ago still holds good.

"Industrialisation opens a spiralling opportunity to acquire capital and reinvest it in further capital producing activities". It is equally true that the "pot of gold at the end of the rainbow" of industrialisation is "so glittering" that misdirection of investment has happened and it is still a frightening possibility.^{1/} Industrialisation today has become too complex an area to be tackled by generalist economic and management expertise. Industrial sector in the developing countries in this fast changing world of technology requires very special attention and it needs highly competent and specialised expertise. Again industrialisation demands special planning expertise. Because, as Secretary General Dag Hammarskjöld said in 1956 "it is not simply a tool that can be handed from one society to another. it is also a way of life, with implications beyond the economic field and with potentialities for harm as well as good"^{2/} This problem of linkage between industrial sector and the rest of the economy has in the context of the current situation been once again highlighted by UNIDO Director General

^{1/} Paul J. Hoffman, World without Want, New York, 1962, p. 70

^{2/} Dag Hammarskjöld, Statement before the Economic Council, 14 June 1956

Domingo L. Siazon, Jr., early this year. "The developing countries also suffer from weak structural linkages within their economies. In many instances the requisite relationship between technology and industry, between education, training and industrial production, between social development and industrialization, as well as between agriculture and industry is lacking. Furthermore, the institutional framework needed to sustain the process of industrialization is often missing".^{1/}

2.4. In the industrial sector technical assistance is more, or at least, equally important as investment funds. Use of sophisticated technology, assessment of markets, combination of skills and natural resources and a built-in mechanism in the production process for adjustment (i.e. balancing, modernisation and replacement) are matters that require careful consideration in an industrialisation process. Industrial strategy and concomitant manpower strategy are also subjects of specialist consideration. It is a herculean task to remain uptodate and adapt the fruits of research and development in the industrial field. Thus the industrial sector by its nature requires substantial technical cooperation programmes.

2.5. In the economic adjustment programmes of most countries today restructuring of industries is a major area of attention. Balancing, modernisation and replacement or rehabilitation is not the only requirement. A rehashing of priorities or a recasting of factor proportions are often involved. Export promotion as also investment incentives are matters of serious attention. Above all there is the need for technological improvement and continuous updating. What it means is the renewed emphasis on technical advice in the industrial sector in the developing countries. It will be observed that this is indeed the case in the use of IPF resources. Next to agriculture and planning and management, it is the sector of industry which is claiming an increasingly large share of technical assistance resources.

UNIDO and SIDFA service

2.6. Although the role of industry in development has always been recognised as crucial but no specialised agency was conceived for this sector in the post

^{1/} Domingo L. Siazon, Jr., address to the Vienna Institute for Development, Vienna, March 10, 1986

war international economic system. There were specialised agencies for Labour, Health, Agriculture and Education but not for Industry. Only in 1986 UNIDO came into existence as a specialised agency for industry. Not since the first intergovernmental functional agency, i.e. the International Telecommunication Union, was set up in 1865 has a functional agency been organised in the manner in which UNIDO has come into being. Established in 1969 as the precursor of UN Program, it has been converted to a specialised agency in 1986. "The primary objective of the organisation", as stated by its Director General, "will remain that of accelerating industrialisation in developing countries". UNIDO becomes a specialised agency with experience of work in the industrial area for almost two decades as a Program of the United Nations and thus well coordinated with the UN Development System at least in the field. The focus of new UNIDO in the words, again, of the Director General is as follows:

"... the new UNIDO will place increased emphasis on seeking to promote industrial cooperation between different regions and countries, and will seek the active participation of industrialists as well as Governments the world over to achieve the objective". ^{1/}

2.7. The new UNIDO has a very difficult task ahead of it. It must live up to its ideals and ambitions. Concrete results must confirm what is so easily put forward in written or spoken words. This is not easy, against the background of rapidly changing technological conditions, the eagerness with which other organizations, in or outside the UN system, will, upon any presumed or real failing of UNIDO, capture some activity for themselves, and the extreme cost-consciousness of member countries. It is, however, blessed with some advantages also. Over the years a pool of expertise has been established in Vienna. The new initiatives taken in the restructuring of the organisation should add to its strength. In the field, as compared to field operations of other agencies, a reasonably cost-effective system has been developed through the assignment of Senior Industrial Development Field Advisers in the field offices of UNDP. The integration of SIDFAs in UNDP field offices has avoided many of the difficulties of coordination. How this work should proceed in the future is the subject of this study.

^{1/} UNIDO: Industry and Development. Global Report 1986 (Preface)

CHAPTER III
OBJECTIVE ASSESSMENT OF THE SIDFA PROGRAMME
AND ITS EFFECTIVENESS

3.1. The consultants have been requested to assess objectively the contribution made by the SIDFA programme and its effectiveness in meeting industrial development needs, in particular of the least developed countries, paying special attention to a number of specific tasks discussed below. The consultants wish to stress again that in the short time available to them they could not undertake a full objective review of the programme. Their judgement is based mostly on desk study, consultation with the officials of UNDP and UNIDO, the limited field trips and their own previous interaction with the Program in their individual official capacities.

3.2. The consultants have interpreted the exercise to be one of more than simply examining the eight points mentioned in the terms of reference under the first task. They have observations to make on each individual point, but then they have gone on to express some comprehensive views on the functions of the SIDFA service. They have also taken into account the assessments made by the Makiedo, the Jackson and the Henein/Power study on the importance of the various functions. Further, they have looked at the response obtained from various Governments on questions addressed to them by the consultants on the functioning of SIDFA service.

(a) Provision of policy, planning and programming advice to the Government

3.3. In 1976 the Makiedo study found that SIDFAs were hardly tendering any advice to Governments. It made a judgement that about 10-15 % of SIDFA time was being spent on this item. The situation seems to have changed quite a bit in the recent past. In the low income as also in some middle income countries, SIDFAs have assumed quite an important role as adviser to Government. However, in many other countries, particularly those with substantial industrial sectors, SIDFAs have never been asked to perform such a role. Again the advisory role in policy planning and programming areas are not the same. In policy and planning only the least developed and low income countries seek advice from SIDFAs. In programming, however, even in more developed among the developing countries, SIDFAs can have and mostly do have some role.

3.4. The consultants have noted that there usually are four kinds of advice which SIDFAs provide to the Governments:

- (a) Policy advice is usually sought by low income countries wishing to formulate or design a systematic industrial policy. This may involve formulation of a sectoral development strategy. Another case may be one of advice on institutional framework for planning and investment in the industrial sector.
- (b) In both low income as well as middle income countries policy assistance may be required in establishing an investment framework involving advice on the incentive policy or strategy on investment approval procedure. Similarly, advice may be sought by these countries on ways and means, including institutional arrangements, to promote exports.
- (c) Countries at intermediate stage of development of the industrial sector may seek policy advice of a more limited nature. Advice may be sought on the preferable line of industry to be developed. Or advice may be sought for some sub-sectoral strategy in the industrial field. It has become fashionable to seek restructuring and rehabilitation of industries and this can be an area for advice from SIDFA.
- (d) Countries at all stages of development including some of the more industrialized developing countries usually receive assistance in programming. In the countries at the lowest level of development this involves programming of all available technical assistance in the industrial sector most of which is provided from IPF. In the countries of intermediate level of development it may involve provision of information on technical assistance and prioritization of projects in sub-sectors. In the more advanced developing countries the programming assistance may be limited.

3.5. In the case of broad policy advice of the first two kinds SIDFA as a specialist has a very important role, but he is required to work as a team with UNDP Resident Representative as well as representatives of other aid agencies and financing institutions like the World Bank, and at times also with representatives of trade and other organizations. Formulation of investment programmes and choice of industries require consideration of elements like factor endowment, prospective markets and training opportunities. There is thus a prima-facie case that such broad advice cannot be given by any one individual and it must emanate from a team. In designing

institutional arrangements also team work is apt to provide more reliable advice. But then on issues of investment incentive, export promotion strategy or management training policy the work of SIDFA essentially consists of providing access to appropriate data sources or formulating projects. In these days when policy dialogue is so important, the work of the Consultative Groups and Round Tables have assumed great significance. In the work of such groups in some countries the SIDFAs are deeply involved, in most others they remain on the periphery. Involvement of SIDFAs in such dialogue appears to be highly appropriate. SIDFAs may contribute to team work by identifying issues and programs which can be brought up for discussion in Round Tables or Consultative Groups.

3.6. In the third category of advice the expertise needed of the SIDFA can be highly specialized. In certain cases the SIDFA happens to have the technical specialization in the sector on which advice is sought. Thus, recently the government of one large developing nation with an already advanced technological sector, needed advice on which subsectors of the broad field of bio-technology it should develop. The SIDFA accredited to that country, a chemical engineer, was specialized in this particular field and at the request of the government was able to proffer useful advice. Even in a restructuring exercise in a low income country the SIDFA has been playing a major role in coordinating industrial policy in the broad sense of the term. It should be recognized, however, that in countries with more sophisticated industries what the SIDFA can usually do is to provide access to expert service or data bank.

3.7. In tendering advice on programming the SIDFA has to play many different roles, some of which may be of conflicting nature. Overall programming and coordination of assistance to individual sectors is essentially a function of the Government and it also happens to be the most important responsibility of the UNDP Resident Representative. SIDFA has on the one hand the role to assist the Resident Representative in his task and on the other to assist the host Government in the programming of the industrial sector only. He is required to promote industry, no doubt, but it should not be at the expense of the overall development strategy. Not only is he required to balance his own views but he should also help the Resident Representative and the host Government in assigning an appropriate role to the industrial sector in the

overall country programme. There is a second element in programming exercise. Once an industrial programme is determined, the question of prioritization within that program comes to the fore. In this area SIDFAs can be of great help and in many countries they indeed are. This is the role which needs to be emphasized further depending, of course, on requirement of governments. A third activity in programming exercise involves supply of information on availability of technical assistance from multifarious sources. This will be discussed later. In the area of advice and assistance in programming, SIDFAs in general have been performing with credit. This is recognized both by host governments and the respective Resident Representatives. The quality of performance as usual in such a case has been of mixed nature. The moot question is whether this role can be discharged efficiently without a SIDFA in a UNDP field office. In some countries with low level of industrial activities and limited prospects for industrialization in the near future it may be possible to do without SIDFAs. But in most countries, the complexity of the industrial sector, the issues of international market and technological changes and the availability of information and expertise in UNIDO and other data sources make a very strong case for the services of a specialist like SIDFA in the UNDP field offices.

- (b) Project identification, project selection
- and (c) Support to various aspects and phases of project preparation

3.8. Clearly the triple task of project identification, project selection and support to various aspects and phases of project preparation is at the heart of the SIDFA function. At the same time it is one of the more delicate parts of his tasks. The evils of "agency salesmanship" have often been decried. They were one of the reasons, then in 1957, for establishing the UN Special Fund which was to operate without any notion of specialized agency rights and with the option to give project execution to anybody, whether a UN agency or not. Therefore the SIDFA should not be a "salesman" who on his own initiative or provided with suggestions or proposals from his Headquarters, goes all out to convince government departments to submit requests for particular projects. Sitting passively waiting for requests, is obviously equally undesirable. The SIDFA's role would be derived from the place the industrial sector assumes in the country programme and from the type of industrial policy the host country has chosen or follows. The degree of development of the industrial sector and the question as to whether some

restructuring of the existing industrial sector is required, would be relevant. Thus the SIDFA's role would logically fill its place, and being the UN system's industrial specialist in the country, he should have his eyes and ears open for project possibilities. This requires an intimate knowledge of the country in question, an insight into the constraints which may make any project, however attractive at first sight, undesirable from a longer point of view and an awareness of financing possibilities, both as to the project itself and in relation to its follow-up.

3.9. In project identification and selection the SIDFAs generally have done a good job and this is more so in low income countries as well as in countries in the intermediate stage of industrial development. Project identification and selection has also required the SIDFA to be in close contact with not only the technical ministries in the host country, but also the agency co-ordinating external assistance. Non-resident SIDFAs in most cases were bound to under-perform in this particular job, not because of lack of goodwill or competence, but because their usually very short stop-overs in non-resident countries combined with lack of adequate support staff, did not permit appropriate follow-up after initial work by the SIDFA on project identification. It has been alleged that occasional visits of SIDFAs have raised unnecessary hopes which have not been pursued later. Similar complaints have also been heard about visits from Headquarter missions on project identification. In countries where SIDFA and Resident Representative have worked closely and in harmony, project identification and selection have gone on smoothly and this is how it should work.

3.10. In project preparation again the performance has differed from SIDFA to SIDFA and depended to some extent on the nature of projects. In many cases SIDFAs have been able to prepare project documents on their own. In some others assistance required from the Headquarters has entailed long processing. This is one area where much greater attention needs to be paid and perhaps assistance from UNDP programme officers can come handy. Once the project has been approved in broad outline, while its detail must still be agreed upon, the SIDFA by the nature of his function is eminently qualified to warn for pitfalls and mistakes and thus to optimize the design of the project as it will be executed.

(d) Support to project management, including monitoring and assistance to evaluation exercises

3.11. Again one can speak of a central task for the SIDFA. The question is: how much does the SIDFA do himself and how much is done by "others". Project management is mainly the responsibility of the Chief Technical Adviser under the direction of the relevant agency of the host government. The role of the SIDFA in this activity is essentially one of solving of problems as they arise or as they are anticipated. But in projects where there are no CTAs, SIDFAs have to assume at least the supervisory and coordinating role of CTAs. In projects executed by governments SIDFAs are usually called upon to play a more active role in project execution and supervision. SIDFA has a special responsibility in the early stages of project implementation to ensure timely start-up of projects. In many cases where there is a gap in project execution because of withdrawal of experts or termination of contracts before project completion, SIDFA naturally has to play some role in preventing interruption of project activities.

3.12 In project monitoring in the industrial sector SIDFA is the responsible official in the Resident Mission although a great deal of work is done by JPOs or Program Officers of UNDP. Logistic support to a project in the field is required to be provided by the Programme Officers of the UNDP field office. The involvement of SIDFA service in it is wasteful. But then quarterly monitoring and evaluation for tripartite reviews are matters in which SIDFA has a substantive role. While the CTA or the national project director is providing detailed reports on individual projects, SIDFA's quarterly reports on project execution are intended to provide a subsectoral or sectoral overview. In some countries, particularly in the low income ones, such reports are of considerable value to the Government. In the tripartite review it is indeed obligatory for SIDFA to assume an active role. SIDFA's role in project execution is maintenance of an oversight on the projects to have on the one hand a sectoral perception and on the other an anticipation of project bottlenecks and a hand in their removal.

(e) Support to the Resident Representatives in their co-ordination efforts, especially coordination of technical cooperation for industry

3.13. We have already touched upon the need for the correct balance between

industry and other sectors, in particular agriculture, and for the need for an appropriate balance within the industrial sector e. g. between light and heavy industry, industry dependent on elementary or to the contrary on advanced technology, etc. It is far from an easy task for the Resident Representative and by the same token for his Senior Industrial Adviser, to ensure that in spite of all sorts of pressures this double balance be observed. But it is an important responsibility, lest there are mistakes and wrongly invested resources.

3.14. The Resident Representative and the SIDFA should operate as a team in efforts towards "coordination" of technical cooperation for industry. But what exactly does "coordination" mean? There is an obvious difference between the theory and the practice of coordination or, as has been said, between "substance" and "process". The theory can be found in numerous resolutions of organs of the UN system, such as, to mention two recent examples, resolution 85/3 of the UNDP Governing Council and ECOSOC resolution The latter resolution "strongly urges governments and organizations of the U. N. system to provide Resident Coordinators with the requisite authority to carry out their role and responsibilities as defined in General Assembly resolution 32/197 in order to promote greater coherence and co-ordination within the UN system." In practice co-ordination is different in different duty stations.^{1/} The attribution of the explicit function of "resident co-ordinator" of all technical assistance activities, appears to have made it more difficult for the Resident Representatives to co-ordinate, also because it "aroused suspicions of power play"^{2/}. The situation is becoming more complicated as an increasing number of donors engages in technical assistance operations.

3.15. The consultants, in their field visits and in interviewing staff members, have encountered two extreme situations: The extremely favourable situation is where the role of the Resident Representative as coordinator of all technical assistance is recognized by all parts of the UN system and,

1/ See doc. DP/1985/4 and Add. 1, May 2, 1985, Governing Council UNDP, Co-ordination of External Technical cooperation at the Country level

2/ Field Representation of the UN System: Structure and Coordination (doc. A.41/424), par. 78 and 79).

especially important, by the host government. This situation exists in countries which have UNDP Round Tables and in exceptional cases also in countries which have World Bank Consultative Groups. The exact opposite situation is where the role of UNDP as the coordinator of technical assistance is contested either by important bilateral donors or in fact even by certain partners in the UN system. This takes us to an essential dividing line. If "coordination" is defined as the exchange of information, most donors, whether bilateral or multilateral, have little difficulty in coordination thus circumscribed. If, however, coordination includes a negotiating process, with a leadership role for the Resident Coordinator (who would chair meetings) to determine who finances and executes what, there are likely to be objections, since few donors are willing to submit their process of project and programme selection to the explicit supranational features of such a more ambitiously defined coordinating process. There are some hopeful recent examples towards real coordination, such as, on Sub-Saharan Africa.

3.16. Coordination in the field implies certain activities for the UNDP Resident Representative as Resident Co-ordinator, and thereby for the SIDFA as his industrial adviser. The functioning of SIDFA in the UNDP Resident Mission has clearly facilitated the coordination in the industrial sector to a considerable extent. Coordination of UNIDO activities under the country programming umbrella of the UNDP is certainly more efficient than in other sectors where specialised agencies have their own field missions. SIDFA can especially contribute to strengthening the Resident Representative's role of coordination for the industrial sector if, as is the case in Senegal SIDFA is entrusted by the World Bank as leader of a Consultative Group, with key functions for the entire industrial sector. In general, the expertise that comes with SIDFA's function and his position in the UNDP field office enhances the Resident Representative's coordination function. The process could be further improved by encouraging SIDFA to interact with other agencies operating in the industrial sector more freely. Of course a great deal depends on the quality, personality traits and dynamism of the individual SIDFAs, Resident Representatives, and other participants in the co-ordination process, and above all on the support they receive from the host governments.

(f) Mobilization of non-IPF resources, including those from the non-governmental sector, and related promotional and backstopping activities

3.17. At varying degrees SIDFA's, past or present, have been getting involved in "fund-raising" for projects (whether in the technical assistance or in the capital financing field), which seemed to be deserving to be financially supported from some source. Given the many financing sources potentially available from among the multitude of bilateral or multilateral entities, activities of the SIDFA in this area can be extremely time-consuming. In the case of industry, specific modes of financing are available. The SIDFA should be aware of these, in particular any financing facilities available on a national or regional basis in the country or countries where the SIDFA is accredited. Against this background, fund-raising should be a combined duty and activity of the Resident Representative and the SIDFA.

3.18. The very large expansion of UNIDO country delivery has surely been contributed in part by SIDFA service. In 1972 - 1976 UNIDO executed technical assistance projects worth \$ 141.8 million of which UNDP resources accounted for 82%, in 1985 the total delivery under technical assistance projects by UNIDO was \$94.5 million of which 68% was contributed by UNDP resources both from IPF and other resources like SIS. This is a welcome development in the area of resource mobilization. A substantial portion of technical assistance is presently provided by bilateral development banks and funds both for preparing investment projects as also for up-grading technical capability and efficiency of the industrial sector. SIDFAs, indeed, should try to play a larger role in programming and utilizing such resources. UNIDO is undertaking innovative measures. Investment Promotion, Investment Forum, Solidarity Meetings, Consultations and Co-operation with Private Sector are some of those initiatives. Greater integration of SIDFA service into these activities is very urgently called for.

(g) Promotion of TCDC/ECDC activities

3.19. A number of SIDFAs have taken initiatives in this field, and in several cases these have come to fruition. TCDC/ECDC is a new and promising field which requires new and imaginative methods of operation. Data banks are now

being organized by UNDP, UNIDO and others. Obviously direct contacts between various RR/SIDFA offices could be extremely useful. In various parts of the world there is renewed and increased attention to regional or subregional cooperation of various types, ranging from fairly loose cooperation to fully integrated economic or trade unions. Cooperation between various UNDP Resident Representative/SIDFA offices located in regions which have schemes to promote some sort of regional integration would seem a logical activity to develop. In fact, in the African context posting of one SIDFA in a subregion with possibility of joint investment can have positive value. Again, there are countries with capacity for TCDC which can be exploited to the advantage of some other countries in need of such technical cooperation. Here SIDFA can play a role as a source of information or as an agent for mutual contact.

(h) Contacts and communications with UNIDO Headquarters

3.20. It is self-evident that the success or failure for SIDFAs to operate efficiently is directly related to the quality of their contact with UNIDO Headquarters. The consultants have gained the impression that these contacts can at present be qualified as good or excellent in most cases. There are, however, complaints both among SIDFAs and among staff at UNIDO headquarters. Some SIDFAs have complained that they do not get timely replies from UNIDO Headquarters to requests for specific, usually technical, information, or, that the search of UNIDO Headquarters for experts with a specific expertise for approved projects takes too much time. At UNIDO Headquarters the consultants have heard complaints that in exceptional cases certain SIDFAs were deficient in reporting what they were doing: "we don't know what this fellow is spending his time on". Both complaints should in future be unnecessary.

3.21. A system of quarterly and annual reports from SIDFAs to the headquarters is well established now. The JPOs play an important role in the preparation and transmission of these reports. Communication also in respect of projects is fairly adequate. On innovative activities in which UNIDO is involved the communication between various Divisions and SIDFAs leaves much to

be desired. it is recognised by all quarters that communication should be more extensive as well as more effective. This recognition needs to be translated into action and the initiative lies more with the headquarters. The Regional Advisers who are accredited to the Regional Commissions have very little or no communication with the SIDFAs. They should not interfere in their respective jobs but it will serve them well to remain in touch. In regional projects SIDFAs may have something to contribute or at least they can acquaint their host governments with such projects. Similarly they can provide ideas to the Regional Advisers on regional projects.

3.22. UNIDO is passing through a restructuring process. The theme of country focus has important implications for SIDFA service. In the innovative measures which we have talked about earlier the SIDFAs have to play a more important role. The backstopping of SIDFAs deserves to be systematically pursued. In countries with no SIDFAs the UNDP Resident Representative is considered the SIDFA for the purpose of backstopping. The Area Branches, as the new coordinating units in UNIDO, should be encouraged to have more intensive cooperation with SIDFAs. The Divisions of Special Programmes and Activities, Studies and Research, Industrial Investment, Transfer of Technology and System of Consultations should have much closer relations with the Area Programme Division and in particular with the SIDFA and JPO Support Services Section. The traditional link between the Department of Industrial Operations and SIDFAs should improve in terms of speed of delivery of service and lesser pressure for salesmanship.

Evaluation of the functions of SIDFA

3.22. The Makiedo study tried to assess the nature of SIDFA work in the field. It grouped the functions into four categories and arrived at some distribution of SIDFA time for each of the categories of functions. The findings were as follows:

advising	10 to 15 %
programming	20 to 40 %
implementation	40 to 60 %
UNIDO channel of communication	
with governments	5 to 10%

3.24. A similar attempt was made by the Henein and Power Report based, however, on information from only 12 SIDFAs (i.e. 44%). However, the functional grouping was of a different nature. Their findings were as follows:

Country Program development and monitoring	54%
Formulation and implementation of non UNDP projects	15%
Representing UNIDO	4%
Reporting to UNIDO and contributing to internal evaluation system	8%
Providing specialized advice on technical and industrial matters	9%
Supporting activities, TCDC, industrial information, system of consultation, UNIDO regular training program, technology, industrial studies, investment promotion	10%

3.25. From these findings a broad tentative judgement on the major functions of SIDFAs and their importance can be made. The items that claim most of SIDFA time are indeed two, i.e. program implementation and project monitoring. Program implementation means identification, formulation and preparation of projects including some amount of promotion work. Project monitoring refers to provision of management assistance, reporting and evaluation involving assistance to problem solving. Advice and programming input come next but we have noted that it differs from country to country and depends to a large extent on the stage of development of countries. Representation and communication with UNIDO appears to be claiming nearly one fifth of SIDFA time.

3.26. On the whole it appears that SIDFA service has been able to achieve the objectives for which it was designed. Over time the elements of their functions have received varying emphasis. Broadly the functions are of four kinds and in the medium term they will continue to be so:

- (i) Provision of policy, planning and programming advice to host governments and UNDP Resident Representatives in the countries concerned.
- (ii) Implementation of technical assistance programmes through identification, promotion, formulation and preparation of projects both for IPF and other resources.

- (iii) Support to management of UNIDO projects as well as other technical assistance projects in the industrial sector involving technical help, removal of administrative and logistic bottlenecks, processing of fellowships and equipment supply, organisation of training programmes or seminar participation. An important element of assistance to project management consists of monitoring and periodic evaluation of projects. Supervision and coordination of projects which do not have CTAs and temporary management of projects in the absence of Chief Technical Advisers are also involved.
- (iv) Representation on behalf of UNIDO in a number of ways and on a wide front of activities. Attendance in conferences and seminars or organisation of visits of missions or UNIDO staff or acting as the defacto spokesman of UNIDO is one aspect of it. Another responsibility is to act as an antenna for information on industrial developments in the host country on the one hand and as a source of information on new challenges for industrialisation and technological revolution in the world of industry on the other. A third job is to act for and on behalf of the various programs of UNIDO such as Consultations, Technology Transfer, Industrial Investment, or Special Programs and Activities.

3.27. Within these broad functions, the emphasis on elements will vary from country to country. In some countries the need for acting as a repository of information on data source and technology banks may become so very important. In some others the role of a catalyst for TCDC or ECDC may be unduly prominent. There are a few matters in which great caution needs to be exercised. In programming, for example, SIDFA is an adviser to both the government in a technical ministry and to the Resident Representative of UNDP. There may be conflicting considerations crying out for balancing. There must also be the balance between project salesmanship and accommodation with an appropriately integrated development strategy. The interests of the industrial sector must be promoted, but within the limitations of the development priorities of a country. There is a need to advertise UNIDO services so that governments can take advantage of them. At the same time UNIDO expertise and perception have also to be enriched by feedback from the field. Advice to government is very important in some countries but consideration need be given to acting as a team with others involved in this business.

Recommendations

3.28. The consultants are reluctant to offer specific recommendations here but a few suggestions are offered:

- (i) The data bank function of UNIDO should be widely known and used. On industrial incentives, export promotion measures, technology information, investment approval procedure and similar other standard subjects networking with other sources of information should be tried. Greater use of this facility should be made by SIDFAs in the field.
- (ii) Industry wise efforts may be made to compile some kind of guidelines on project designing. Common errors and pitfalls in the selection and preparation of projects may be the subject of one such guideline.
- (iii) In project monitoring depending on the work load and complexity of projects in the industrial sector SIDFAs role should be clarified in individual countries. As a rule SIDFA should supervise the work of Program Officers giving special attention to problem solving, periodic reporting and evaluation. Simultaneously specialisation in industry sector by UNDP Program Officers in countries with numerous projects or in countries without a resident SIDFA or UNIDO JPO should be encouraged.
- (iv) A systematic inquiry could be undertaken on experience gained throughout the UN system with investment promotion efforts through organisation of investment fora, seminars and workshops, solidarity meetings and study tours with a view to optimise the organisation of such efforts.
- (v) In UNIDO the system of project preparatory work specially finalisation of project documents, fielding of expert-service, access to data source, organisation of training in response to SIDFA's requirements should be continuously reviewed to avoid delays and procedural complexities in service delivery.
- (vi) In the role of advisor to government a SIDFA should try to be a part of a team in tendering broad policy advice and other organisations should allow him to function in that way. Participation in Round Tables or Consultative Groups by SIDFAs should routinely take place.
- (vii) In discharging the programming function a SIDFA should find a balance between his roles as an advisor to government in the technical ministry and as an advisor to the Resident Representative. Promotion of the

industry sector should be tempered with consideration for the over-all development strategy of the country.

- (viii) SIDFAs should devote greater attention to project execution. They should also act to continue project activities without interruption when the CTA is temporarily withdrawn or absent. They should not only act on problem solving but also try to anticipate difficulties and to seek their resolution.
- (ix) SIDFAs should take special interest in projects enshrining regional or subregional cooperation and facilitate TCDC leading to ECDC.
- (x) SIDFAs should show more interest in innovative activities of UNIDO and relevant Divisions in the headquarters should make use of SIDFA service. The Divisions of Technology, Consultations, Studies and Research, Industrial Investment, Special Programs and Activities should involve SIDFAs more extensively in their activities.

CHAPTER IV: LOCATION OF SIDFA/JPO SERVICE

4.1. A review of possible criteria for selecting locations for SIDFA service is the second task listed in the Terms of Reference of the consultants.

4.2. Naturally this follows a clear perception of (a) the need for emphasis on the industrial sector in the development strategy and (b) the duties and functions of the SIDFA service. In chapter II we have considered item (a) and in chapter III we have considered item (b).

Is there an alternative to the SIDFA system?

4.3. Before further discussing the subject a question may be raised whether the entire SIDFA system as now conceived should be replaced by a different arrangement.

4.4. As to this question, some people have indicated to the consultants that the SIDFA system may be outdated. According to this view one could transfer most of the present tasks in the field of project selection, preparation and execution to Programme Officers in the UNDP field offices, and one would supplement this by special short- or medium-term missions of specialized experts to provide whatever additional services are required. However, the consultants have become convinced that at least for two categories of countries, i. e. the least developed countries, and the medium-level countries such an arrangement would not work. In these two situations what is needed is considerable continuity, patient and constant work with the public and/or the private sector in the host country, and a built-up experience on the characteristics and decision-making mechanisms in the host country to which the SIDFA is accredited. Moreover UNDP Programme Officers would, as a general rule, not take over the higher level contacts and specialised tasks of the SIDFAs. An additional consideration to have a SIDFA "en poste" in these countries is the fact that UNIDO, the more so now that it is a specialized agency, has a need to have its man in the field in a number of key geographic spots, especially if important UNIDO projects require more supervision than is available through routine procedures. Moreover it is sound practice to give Headquarters personnel from time to time an opportunity for certain amount of field exposure.

4.5. Having thus taken position in favour of maintaining in essence the SIDFA system (with certain modifications as discussed in this report) the consultants believe that maximum use should be made of certain facilities existing in UNDP and UNIDO to promote industrial development, such as the Project Development Facility (PDF), Umbrella projects (covering specific consultancies, planning and feasibility study activities, etc.). Industrial planning projects, and the Special Industries Services Programme (SIS). It is unlikely, of course, that all these facilities will occur simultaneously in any particular SIDFA post; they can, however, be an important adjunct to the SIDFA activities, or, in certain cases, permit SIDFA to concentrate on other tasks in his area. If it is decided gradually to phase out the presence of SIDFAs in the industrially advanced developing countries, the facilities just mentioned could, potentially, take over to a considerable extent what was hitherto performed by the SIDFA.

Present coverage by SIDFA/JPO services

4.6. SIDFA service at present is provided by various means. In Table 4.1. it will be observed that as of September 1986 some 117 countries are covered by resident or non-resident SIDFA service. There are 27 SIDFAs and two vacancies. In one duty station a CTA is acting as a SIDFA. There are 22 JPOs in stations where the SIDFAs are posted (including two vacant stations) and 27 JPOs in stations under the supervision of non-resident SIDFAs and 4 JPOs in independent charge. There are 56 countries covered by non-resident SIDFAs and there are no JPOs either. In a number of countries - to be exact 25, mostly in the Arab region, - SIDFA service is theoretically provided from the Headquarters of UNIDO. What it means is that where UNDP field offices operate they are supposedly backstopped on the industrial sector by UNIDO and in other places occasional missions from Vienna or contact with country missions to UNIDO are the vehicles for provision of SIDFA service.

4.7. It has been decided to restore in 1987 four SIDFA posts which were temporarily closed or downgraded. (Argentina, Nigeria, Philippines and Turkey). In addition the Director General has indicated that two new posts will be created (Ecuador and Vietnam). Thus there will be 35 or 36 SIDFAs and another 53 JPOs on board covering 117 member countries.

Table 4.1.
SIDFA and UNIDO JPO country coverage
by region and by type of coverage (September 1986)

Type of coverage \ Region	Europe & Arab States	Africa	Latin America	Asia & Pacific	Total	LDC's all regions
1. Resident SIDFAs ^{1/} and JPOs	-	10	7	5	22	5
2. Resident SIDFAs only	1	2	1	4	7	2
3. CTA acting SIDFA	--	--	--	1	1	--
4. Non-resident SIDFA ^{2/} and resident JPO	1	8	15	3	27	7
5. Non-resident SIDFA only ^{3/}	1	20	19	16	56	18
6. JPO only	3	1	-	--	4	--
7. From UNIDO Hqrs.	18	2	--	5	25	4
TOTAL countries	24	43	41	34	142	36

^{1/} Figures include two vacant SIDFA posts, one in Africa, and one in Asia and the Pacific region.

^{2/} Three of these countries are covered on ad-hoc basis only, i.e. the SIDFA visits the country when specifically requested to do so.

^{3/} Four of these countries are covered on ad-hoc basis only.

4.8. The consultants have the impression that the placement of SIDFA's in the past has been the result of a number of factors, of which the size of the UNIDO programme (in terms of approved projects from IPF or other sources), the question whether a particular Resident Representative requested the assistance of a SIDFA and, most importantly as it should be, the degree of interest of the host country in having a SIDFA, have been the most conspicuous.

Nature of SIDFA service and stage of development of host countries

4.9. The stage of development of a country is a very relevant factor in determining the need as well as the nature of SIDFA service. There are some countries where the industrial sector is very small and the potential for industrial development may also be limited. But in most countries not only the potential for industrial development is very significant but also the need for industrialisation is very great. Creation of employment opportunities, processing of agricultural or mineral production or instilling of what may be termed as the industrial ethos demand added emphasis on industrialisation. It is therefore that in all the least developed countries as well as in most low income countries where industrial output accounts for a small share of the GDP (around 20% or less), SIDFA service is specially required.* In such countries the industrial structure is simple, the share of manufacturing value added is very nominal, industrial employment is at a low level and industrial growth is very slow. The area of attention in such countries is the policy for industrialisation and its strategies, related institutional arrangements, the investment framework and linkages of the industrial sector with other development activities.

4.10. Then there is the category of industrially advanced developing countries. Not only the newly industrialised countries like Republic of

* There are 36 least developed countries as defined in UN categorisation. The World Bank defines low income countries as those with a per capita income of less than US\$ 400 as of 1983. This list excludes some least developed countries like Botswana, Samoa or the two Yemens but includes countries like China, India, Pakistan, Sri Lanka, Kenya or Senegal.

Korea, Brazil, Mexico or Argentina are included in this category. There are also other low and middle income countries with well developed industrial sectors like China, India, the Philippines or Trinidad and Tobago. These countries have sophisticated structures of industry, a reasonably good supply of technical expertise and a high share of manufacturing value added in the GDP (usually above 25%). China and India, however, are exceptional cases with a small share of MVA but high reservoir of technical expertise. This category of countries requires assistance in developing high technology projects or some subsectoral restructuring in specific aspects and above all access to data banks and technological innovation to avoid lags and errors and hence obsolescence.

4.11. Finally there is the third category consisting of a large number of countries which span across low, middle as well as high income developing countries. They usually have a well-articulated industrial policy. But subsectoral strategies are usually in an evolutionary stage. There are investment programs which usually suffer from either lags or strains. The reservoir of expertise leaves much to be desired and structural deficiencies or rigidities are quite common. The industrial sector may be registering handsome growth rate in such countries. This category needs technical assistance in the broadest sense of the term. Advice on strategy, help in project preparation and implementation, assistance in institution building and training are all required.

4.12. The need for SIDFA service in the low income category is primarily for promotion of industrialization. What is needed there is the development of basic planning and management skills as well as the establishment or improvement of institutions corresponding to the need. Misdirection of development thrust and frustration of industrial development process must be averted in those countries. SIDFA service thus enjoys high priority in this category of countries even if technical assistance projects in the industrial sector may be few or may account for small sums of money. The need for SIDFA service in the industrially advanced developing countries is for a different purpose. They need right and timely information on technical help. Information on and access to expert service, new technological developments or data bank on technology as well as investment modes are what is important to them. Perhaps some help in coordination within the industrial sector or specialised subsector is also called for. Provision of SIDFA service in these

countries require special expertise and perhaps pooling of talents. In the countries in the other category, at middle level of industrial development, the need for SIDFA service for discharge of all the normal functions of SIDFAs is very great indeed.

4.13. The consultants do not believe that any one or two of these three categories should have priority to the extent of excluding the others. Such an exclusion would run not only against the stream of political realities, but would also have the risk of being saddled with a rigid system and of allocating some SIDFA's to countries where they cannot function optimally. In the well to do developing countries, however, SIDFA service could be financed from their own resources (IPF or other).

Findings of earlier surveys and studies on location of SIDFAs

4.14. In 1982 an internal study conducted by the Field Reports Monitoring Section in the UNIDO tried to establish formal criteria for location of SIDFAs in countries and regions. It used two variables viz, size of the IPF resources and UNIDO's share in it. However it made adjustments for factors like:

- (i) the value of technical assistance outside IPF resources
- (ii) importance, both economic and political, of countries
- (iii) type and number of industrial projects
- (iv) local living conditions and infrastructure facilities and
- (v) seat of intergovernmental organisation relevant to UNIDO.

4.15. The Henein & Power Report identified nine variables for locating SIDFA posts in various countries. These variables are as follows:

- (i) the share of UNIDO in IPF resources
- (ii) the value of technical assistance from other sources
- (iii) the priority attached to industry by host government
- (iv) prospects for industrial development as seen by UNDP Resident Representative, UNDP HQs and UNIDO HQs.
- (v) the seat of regional, subregional, inter-governmental or non-governmental organizations of interest to UNIDO

- (vi) equitable regional distribution with special attention to the need of least developed countries.
- (vii) local cost financing by host governments.
- (viii) living conditions and infrastructure in duty stations.
- (ix) restoration of discontinued SIDFA posts.

4.16. In an internal study of December, 1986, by the UNIDO Director of Studies and Research Division, sixteen variables are listed for location of SIDFAs. A discriminant analysis established that most existing locations, about 75%, are justified. The sixteen variables are:

- (i) the share of MVA in GDP
- (ii) the growth rate in MVA
- (iii) structural change in manufacturing sector
- (iv) debt-service ratio
- (v) proportion of government expenditure in industrial sector
- (vi) total ODA per capita
- (vii) ratio of bilateral ODA to total ODA
- (ix) ratio of total TA to ODA
- (x) size of UNDP IPF
- (xi) UNIDO share in the IPF
- (xii) Non IPF allotment
- (xiii) Complexity of UNIDO assistance - size and type of projects
- (xiv) Fourth cycle IPF ratio to third cycle IPF
- (xv) Share of machinery and equipment in exports
- (xvi) Air and rapid transit network to neighbouring countries

4. 17. Thus the various evaluations and studies made in the past have addressed the issue of expansion of SIDFA service and location of SIDFAs quite extensively. A range of 40 to 60 SIDFAs have been suggested. A system of posting junior professionals in non-resident SIDFA stations has been proposed. Limited multi-country coverage by SIDFAs has been recommended. Various criteria for selection of SIDFA locations have also been indicated but none seems to be suitable as an automatic site-location system.

Criteria for deployment of SIDFA service

4.18. What should be the number of SIDFAs and where should they be posted at any given point of time depend not only on the needs of SIDFA service but also on availability of financial resources as well as of qualified professionals at the time. Theoretically, the decision is taken jointly by UNIDO and UNDP on the recommendation of what is now called the Support Services Division of UNIDO. The Support Services Division in consultation with the Area Program Divisions initiates the selection process. The concurrence of UNDP Resident Representative and concerned Regional Bureau is obtained. The interest of the Department of Industrial Operations and above all of the countries is given due consideration. The process though informal is quite satisfactory.

4.19. In 1973 when there were 24 SIDFAs in the field the General Assembly endorsed a recommendation for creating 60 posts of SIDFAs. In 1975 Makiedo Study contended that coverage of 100 countries by 30 SIDFAs was unsatisfactory and suggested that a SIDFA should be responsible "for not more than two, maximum three, countries depending on the special conditions of the subregion". The Jackson Study in 1979 suggested 50 SIDFAs although Sir Robert humbly pointed out that the tentative listing of countries was "one person's attempt - to create an approximate order of magnitude". He, however, recommended a basic system of single country representation. The specific case of Pacific Islands was recognised for multicountry representation and alternative arrangements were recommended for representation in other countries. The Henein and Power Report in 1985 recommended 60 SIDFAs by 1996 through addition of of three posts each year. While recognising the virtue of single country representation they suggested alternative arrangements like appointment of UNIDO JPOs, UNVs, Associate Experts or Assistant SIDFAs of P-3/P-4 level in non-resident SIDFA countries. Of the sixty SIDFAs they recommended there were to be 24 single country SIDFAs, 20 two country SIDFAs, 10 three country and 6 four country SIDFAs.

4.20. As discussed earlier a categorisation of countries on the basis of the stage of development and share of manufacturing sector in the GDP is a pre-requisite for determining the deployment of SIDFAs and appreciating the nature of the service to be provided.

4.21. The consultants recommend that this categorisation into three groups of countries, namely low income, middle level industrialised and advanced industrialised countries, should be made immediately and it should be reviewed periodically jointly by UNDP and UNIDO. Based on this categorisation the next decision will be regional distribution of SIDFA posts that can be accommodated within financial constraints. This decision will be partly normative and partly political. Application of purely objective criteria should ideally precede this basic political decision. As a minimum, if regional distribution is decided politically, deployment thereafter should follow rigid objective criteria.

4.22. Another issue relevant to deployment of SIDFA service is the concept of single country versus multicountry representation. Although single country representation is ideal, in the real world it is neither feasible nor necessary. In certain less developed countries with very small industrial sector and clearly limited industrial prospects SIDFA service does not have to be provided at all. Such countries are more likely to be in the low income and medium level categories. The UNDP Resident Mission in such cases can look after the limited work for the industrial sector assisted by UNIDO Headquarters. In some industrially more advanced developing countries also such a step may be desirable where Program Officers of the UNDP field offices can look after programming and project monitoring work while technical backstopping can be done from a pool of SIDFAs in the region, or specialists from headquarters or consultants. Then there may be another set of countries e. g. Pacific or Caribbean countries, where multicountry representation although not providing coverage of all countries is what is most desirable. In such countries there may be important work for a SIDFA but periodic presence may be quite sufficient provided it is for more than just a few days per year. There may also be need for some regional or subregional approach to industrialisation as it is being observed in many African countries, the Caribbean area and elsewhere. The compulsions of economic units for specific industries and geographical interdependence of countries or the considerations of sources of supply for labour, raw materials, energy or management as well as the market for products may demand sub-regional planning and programming. In such cases, subregional SIDFAs may be most appropriate.

4.23 Another kind of multicountry coverage for specific expertise may be

considered. There may be SIDFAs accredited to one or more countries with general industrial experience but also with acknowledged special expertise. This expertise may be needed in other countries of the region. Such a possibility exists in all categories of countries. It may be cost effective and beneficial for the region if talents are identified from among the SIDFAs and occasionally used also in countries where they are not accredited. For the purpose of using this resource even the expertise of the Regional Advisers working in the Regional Commissions should not be excluded. A focal point on a specific expertise is identified from among UNIDO officials working in a region and their expertise is used in whichever country is in need of it. In the Caribbean and Latin American region as well as in Asia-Pacific region some efforts in this direction have been initiated. For example, the present SIDFA in Barbados has been informally identified as a focal point for the "expertise on export zones". Any country in the region should be enabled to request his services on that specific expertise. In the African region such focal points can be identified for "expertise on small industry" or "expertise on incentives for foreign investment". The focal points remain SIDFAs accredited to specific country or countries but may be called upon occasionally to use their specific expertise in other countries of the region that need the expertise.

4.24. In multicountry representation two points have to be specially considered. First of all, there should be sufficient travel funds. No SIDFA should be accredited to a country concurrently if he cannot visit it for extended periods at least three times a year. For utilising the services of regional specialists or focal points also there should be sufficient funding. In these cases, perhaps, project funds can be legitimately used. Second, when a SIDFA is accredited to a country concurrently, some arrangements should be made to look after the industry sector there. Hence in a non-resident station there should be a UNIDO JPO or an UNDP Program Officer specifically earmarked for SIDFA service. They may perform other functions but in providing SIDFA service they will be guided by the non-resident SIDFA.

4.25. The desirable number of SIDFA posts has been variously placed at a range of 40 to 60. The Jackson study did look into specific country situation to arrive at a figure of 45 and provide for additional five posts to correct any margin of error. In 1987 there will be 35 or 36 posts of SIDFA with 24 posts financed by support cost from UNDP. UNDP provided for financing of 30

or more posts for most of the decade of the 70's. In 1980 provision was made for as many as 40 posts although all posts were not filled up. This was drastically cut down during the resource squeeze of the third cycle. Programs were then cut down by 55% although such a deep cut was not made in the administrative budget. Since SIDFA posts were being financed under a Program they suffered an unusually heavy cut involving even closure of existing offices despite financing of a few posts from the regular budget of UN and later UNIDO. A jump in the number of posts financed by Support Cost now, therefore, should not raise eyebrows as it will only revert to the position prior to the ad hoc cut imposed in 1983. The consultants could not evaluate every country situation and thus cannot competently judge as to what exactly should be the optimum number of SIDFA posts. But it seems that there are some obvious shortcomings in country coverage. No coverage at all of Kenya, Uganda or Egypt, or coverage of too many countries (other than island states) in both Africa or Americas are some cases in point. In the Europe and Arab States region the coverage is very nominal although the need cannot be denied. In some of these countries SIDFA service could be provided on reimbursible basis. The consultants, aware of their limitations, arrive at the tentative conclusion that a lower range of 36 which is the number for 1987 and a provisional upper limit of 50 appear to be a reasonable estimate.

4.26. As to objective criteria for selection of countries where SIDFA services should be provided and the capitals where SIDFAs should be posted, it is possible to determine a few in the context of the preceding analysis. Some basic politico-economic decisions, however, are needed as prerequisites for application of objective criteria. To sum up, these decisions, the consultants recommend, should be:

- (i) Categorisation of countries on the basis of the stage of their development to determine the nature of SIDFA service to be provided.
- (ii) Recognition that not all countries need posting of SIDFAs and some countries can do with non-resident SIDFAs, who should, however, be enabled to function effectively.
- (iii) Best estimate of resources available for provision of effective SIDFA service which should include staff support in countries of concurrent accreditation and adequate travel budget for SIDFAs.

4.27. The objective criteria are not likely to be exclusive. While the size of the industrial sector can be one criterion, the potentials for industrialisation may be another and the two may not be easily compatible. The number of projects in the industrial sector is obviously an important criterion but the complexity of one single project may justify SIDFA service. Bearing these complications in mind the consultants have selected a few criteria for this purpose.

4.28. The criteria recommended are as follows:

- (i) The total size of the IPF resources and the share of industry in it.
- (ii) The nature of other technical assistance projects in the industrial sector
- (iii) The total resources devoted to projects executed by UNIDO
- (iv) The number of UNIDO executed projects as well as the complexity of the projects.
- (v) The priority attached to industry sector in the country. The priority need not simply be demonstrated by allocation of public resources to this sector but also by the prospects for the industry sector in the economy. In the low income countries the willingness to move systematically in the industrial field should be considered as an indication of interest. An active private sector facing problems in a country should also warrant attention.
- (vi) The capacity of a country in TCDC and ECDC. Both the capacity to provide as also the capacity to absorb should be considered.
- (vii) In providing non-resident SIDFA service the ease of transport and communication links between the group of countries should be given due consideration. For a group of countries with limited needs or specialised needs consideration should be given to using regional resources on a pooled basis.
- (viii) The willingness of host countries to contribute to the cost of providing or maintaining SIDFA service. In all countries other than the least developed countries contribution from the host government in terms of expenditure in opening an office and financing of local costs on a recurring basis will be a prerequisite for stationing of SIDFA service. In well to do countries the principle should be extended to provide the service on reimbursement basis as is done for IPF in some countries.

CHAPTER V
FINANCIAL NEEDS AND RESOURCES

5.1 Estimation of financial needs for provision of SIDFA service and examination of alternative sources is the third task assigned to the consultants. This, in fact, is a two part exercise. One part relates to estimates of costs for different duty stations for the full contingent of SIDFA service. The other part is about sourcing of funds and their management.

Average cost of SIDFA service:

5.2 On the basis of past experience UNIDO has prepared some estimates for an average duty station. This can be seen in the table on next page. The average cost per duty station for 1986 is calculated at \$ 123,000.00 only. For opening a new post some additional one time expenditure is involved which may be about \$32,000.00. For a JPO post the average cost is about \$ 50,000.00 per annum. The travel budget of a SIDFA is about \$ 10,000.00 per annum. The expenditures on SIDFA post and travel are included in the budget of the SIDFA program. But the expenditure on JPO posts is borne from funds in trust provided by sponsoring governments and administered by UNDP. Effective SIDFA service requires assistance from a JPO in every SIDFA duty station. Thus it should be noted that the real cost of effective SIDFA service in every duty station is more than what is included in the budget for SIDFA program. Again, provision of effective non-resident SIDFA service should not be deemed to be without additional cost. There must be additional provision for travel, about \$ 3,000.00 per annum, as well as for a JPO post. Thus the total cost of SIDFA service in any one year will depend on the following factors:

- (i) the number of resident SIDFA posts (presently it is 29)
- (ii) provision of JPO in each SIDFA duty station (presently there is a shortage of 7 posts)
- (iii) provision of at least one JPO in every country covered by non-resident SIDFA (presently the shortage is 56)
- (iv) the number of new duty stations to be covered (expenditure of additional \$ 32,000.00 per station)
- (v) provision of additional travel funds to cover non-resident duty stations (expenditure of additional \$3,000.00 per station)

Yearly cost of one SIDFA office

(at 1986 rates)

A. SIDFA

(a) SIDFA Adviser (salary)	49.000
Common staff cost	<u>17.000</u>
SUBTOTAL (a)	66.000
(b) 2 local GS (salary)	26.000
Common staff cost	<u>8.800</u>
SUBTOTAL (b)	34.800
(c) General local office cost	
- general temporary assistance	778
- overtime	378
- local travel	3.333
- contractual services (printing)	556
- rental of premises	3.978
- maintenance of vehicle, local transp.	1.322
- communications	3.656
- hospitality	300
- office supplies	333
- furniture, fixtures	<u>1.956</u>
SUBTOTAL (c)	16.590
TOTAL (a) + (b) + (c)	<u>117.390</u> *)
(d) international travel	10.400
(co-ordinator only) - average	
TOTAL (a) - (d)	127.790
(e) for a new office, add. provisions will have to be taken into account	
1. cost of new office equip. and car	31.200

B. JPO (financed by Trust Funds)

Salary and common staff cost, L-1 50.000

*) The latest estimate furnished by UNDP indicates a figure of \$123,000.00 only.

Present financing sources

5.3 The SIDFA service is now being financed from a variety of sources. When the service was first introduced in 1967 all costs were covered under the administrative budget of UNDP. Later when the system of Sectoral Support Cost financing was established in UNDP, SIDFA service cost moved to this budget head. Presently 17 posts are financed under support cost from UNDP. In 1987 there will be financing for 24 posts from this source. As support cost financing suddenly fell short of requirement, provision was made from UN regular budget in 1983 to finance 10 posts of SIDFA. Presently UNIDO regular budget is financing 9 posts. International travel of all SIDFAs is also financed from UNIDO regular budget. From 1987 UNIDO operational budget will finance 9 posts of SIDFA and travel cost of all SIDFAs. A third source of financing emerged in 1977 when Japan made a voluntary contribution to finance a SIDFA post. Since then other contributions have been made by Austria, Finland, FRG and Italy (pledged). In 1987 two or three posts will be financed from this source. Previously these contributions were treated as funds in trust, presently they are contributed to UNIDF for the specific purpose of SIDFA costs.

5.4 In 1972 UNIDO and UNDP jointly established a Junior Professional Officer Program to assist SIDFAs. To date this program has been sponsored by ten donor countries: Belgium, Denmark, FRG, Finland, Italy, Japan, Netherlands, Norway, Sweden and Switzerland. An average JPO is an economist, about 29 years of age, has worked in some jobs after leaving University and one out of four is a woman. They are recruited from among nationals of donor countries except that Norway and the Netherlands have also sponsored candidates from developing countries (13 in all). So far 249 JPOs have been recruited. UNIDO recruits them on the nomination of sponsors and UNDP governs their contract. They are recruited for one year and usually extended by another year. They undergo an initial training of two weeks and return to Vienna for a mid term review after one year. They work usually as assistants to SIDFA either in the SIDFA duty stations or in the outlying SIDFA countries. Some of them function as Associate Experts and work in projects or in the Regional Commissions (ESCAP and ECLA only).

5.5 It has been observed that there is an element of local cost expenditure in the average SIDFA cost per duty station. It can vary between 20% and 40%.

Increasingly host countries are being asked to finance this cost or at least a part of it. Thus this is one additional source of financing for the SIDFA service. In some of the well to do developing countries the need for SIDFA service can be met on a reimbursible basis in line with the practice on IPF on reimbursible basis.

5.6 UNIDO receives 13% for its operational budget as overhead costs for all projects it executes. Nine posts of SIDFAs and travel cost of SIDFAs will be financed from this source from 1987. UNIDO executed technical assistance projects worth \$ 94.5 million in 1985. Of this UNDP provided \$ 63.5 million of which IPF resources were \$ 58.6 million. UNIDO received about \$ 8.25 million in reimbursement of program support costs from UNDP (overhead of 13 %). Thus financing of 9 SIDFA posts in 1987 again will be partly with UNDP funds obtained under another channel. This is, however, a move of great significance. Unlike some other agencies UNIDO is not establishing any field representation as such. It is interested in providing a service for the developing countries and only incidentally will the professionals providing this service discharge a representation function. This position was clearly stated also in a letter from the Director General of UNIDO to the Administrator of UNDP dated February 13, 1986.

Evaluation of existing financing arrangements:

5.7 Multiplicity of sources of financing creates quite a lot of complications. SIDFAs financed from UNIDO budget get UNIDO contracts of employment. SIDFAs financed from UNDP support cost get UNDP contracts. SIDFAs are recruited by UNIDO through a complicated procedure which ensures UNDP concurrence. The utilisation of voluntary contributions create problems as these are not entirely untied money and in some cases they finance only specific costs. Provision of funds for international travel from one source and of other expenses from different sources is also not a very comfortable or efficient arrangement. SIDFAs are usually given limited terms of appointment but many of them are old hands in UNIDO. Only a few members of the headquarters staff have chosen to go out as SIDFAs and only a few have been absorbed in the headquarters on completion of their SIDFA assignment. While there are only 27 SIDFAs on board now, the total recruitment since 1967 has

been 92. Multiple loyalty is a problem with the SIDFAs not simply because of multiplicity of the sources of financing but it is surely aggravated by it.

5.8. The evaluation of the JPO program has generally been favourable but there are two complaints. First, the tenure is too short, they should be allowed at least three years contract. Second, some arrangement has to be made for overlap between a departing and an incoming JPO in every station. There is a third issue and that relates to availability of more JPOs. In every SIDFA country covered by resident or non-resident SIDFA there should ideally be a JPO under the SIDFA system. More of JPOs from developing countries will be good for the system.

5.9. There is a basic disagreement between member countries about the system of financing the SIDFA service. The issue is whether the cost of technical cooperation should be borne entirely or primarily from voluntary contributions or entirely or primarily from assessed budgets. Some countries oppose financing of SIDFA service from assessed budget because they are afraid that it will result in extensive field representation by agencies causing problem of coordination and expanding international bureaucracy. Some others oppose financing of SIDFA service from voluntary contributions because of the inherent instability of such a financing source. Some 85% of SIDFA work is related to technical assistance activities, only about 5% to UNIDO representational activities and some 10% to miscellaneous activities. There would therefore be some logic that each year an amount corresponding to 15% of total annual SIDFA cost would be borne by UNIDO.

5.10 Sectoral Support Cost since the inception of the item in the budget of UNDP has been financing the SIDFA program. In fact this program has been the major charge on this budget item. In the third cycle out of an allocation of \$ 19.1 million for sectoral support cost, SIDFA program claimed \$ 13.2 million or 69%. Sectoral support funding is conceived to be of short term nature but in practice it has tended to be otherwise. It should really relate to the need for the program it supports. It has supported SIDFA program for a decade and a half. As it appears the program is likely to continue for another term of the same length or more. So it is reasonable to expect that sectoral support cost allocation will continue to finance the program.

5.11. In an extensive and critical review of sectoral support program in

relation to smaller agencies undertaken in 1985 it was noted that these agencies had consciously limited the funds allocated directly to themselves for technical assistance work while calling on UNDP to increase its sectoral support contributions.^{1/} It was judged that this in effect reaffirms the principle of channelling technical assistance funds mainly through UNDP. It was agreed that smaller agencies should be provided sectoral support. UNIDO is in the same league as the smaller agencies in this respect. It has provided only 6% of its total regular budget for technical assistance work by itself. It has further decided not to have field representation. Thus it has firmly established its claim to sectoral support funding. Industry undoubtedly is an important sector demanding technical assistance. It is also a sector that requires advice and assistance from specialists. The SIDFA Program ensures that technical assistance for the industry sector by and large remains well-integrated in the UNDP field offices. SIDFA program, therefore, eminently qualifies for sectoral support funding.

5.12. It must be noted that important donor governments firmly oppose financing technical assistance, including SIDFA service, from UNIDO regular budget, and have even been withholding a part of their assessed contribution deemed to correspond to the technical assistance part of the budget. This "negative" factor combined with the distinctly positive consideration that the services rendered by SIDFA's to the UNDP in general and to Resident Representatives as their industrial advisers in particular are significant, make it logical that sectoral support remains an important source of finance. Of course, to the extent that it will be feasible that certain developing countries absorb the cost of SIDFA service from their IPF and other developing countries are willing to forego a semi-permanent SIDFA by making use of various other means to obtain SIDFA-type services, the need to have recourse to UNDP sectoral support financing could be correspondingly reduced. Unless Governments are willing to make long-term commitments for contributions to the SIDFA program, the sectoral support provides a firmer basis than voluntary contributions.

5.13. Voluntary contributions by individual governments uphold the principle of technical cooperation funding with donations. But the conditions under

^{1/} UNDP Governing Council Document DP 1985/63

which such contributions are made available make it often very cumbersome to administer them. The first voluntary contribution from one donor country could not be used for one year. Use of such funds call for quite an exercise in accounting and manipulations. Donors indicate countries of their choice. Sometimes they also indicate as to what specific elements of expenditure can be financed from the contribution. Country preference may be indicated only if such a country deserves to be covered by SIDFA service on the basis of objective criteria. It would, however, be desirable to make such contributions without conditions. If full cost for supporting SIDFA service in a country cannot be provided, it may defray a certain percentage of over-all expenditure without being tied to specific elements of total costs. Again, it should be possible for countries and even private organisations to make small contributions towards meeting the cost of SIDFA service. It is very important, however, that voluntary contributions have some assurance of continuity, at least for the five year cycle.

5.14. Utilisation of a part of funds received from funding agencies for overhead costs can also be justified when sufficient funds are otherwise not available to provide the basic support service in the field. However, the main purpose of overhead charges should be to provide technical backstopping from headquarters. The only difficulty with such funding is uncertainty about its magnitude. Although in expectation of a minimum level of program delivery a limited amount can be earmarked for financing SIDFA program on a semi-permanent basis. Therefore, the number of posts to be financed by such allocation should be small.

5.15. It has been suggested that SIDFA service particularly in more advanced industrialised countries can be financed from IPF resources. While project monitoring can be done by the UNDP field office, specialised technical advice which such countries need, can be provided from IPF resources. The Jackson study had also recognised the possibility of this source of financing. Earmarking of sectoral support funds for SIDFA service really means availability of less resources for IPF. So there is really no substantive change in providing resources from IPF for SIDFA service in preference to earmarking resources from sectoral support budget. This will, however, alter the distribution of resources. In 1987 support cost will be financing 24 out of 35/36 SIDFA posts. There will be 23 posts in low income countries and 13

in the other category, thus the ratio of posts between the two categories will be 64:36. Thus it can be surmised that sector support funds will be financing 15 posts in low income countries and 9 in the other category. (This is not exactly true because in two upper income category countries i.e. Thailand and Turkey voluntary contributions will be used). If support cost funds are transferred to IPF, the share of low income category in it would be large and if all of it is spent on SIDFA service it will finance 19 posts.^{2/} The difficulty in using IPF resources is that in that case negotiations with and between countries will be necessary to create or deploy SIDFA posts. And this can be quite a complicated and an inefficient process. Sectoral support cost, therefore, may continue to finance SIDFA costs. For industrially more advanced developing countries requiring specialist advice, consideration may be given to financing SIDFA posts from their own resources including IPF funds.

5.16. The consultants have tried to provide in this report an elaboration of the functions of SIDFA service and its modus operandi. The idea has been to provide a clear picture of the service and how it is to be delivered. At the core of the service is the provision of technical assistance for the industrial sector in an integrated approach to economic development. This service, it is believed, should enjoy priority in a large number of developing countries. It should be provided in a meaningful manner to countries that need the service. The consultants also believe that it will be required to be provided for years to come, for at least a medium term of fifteen years. The nature of the service will change with progress in industrialization in various countries. While some countries may dispense with such service, still

^{1/} The higher income category as per IPF distribution formula is countries with per capita income of over \$ 750.00. In 1987 such SIDFA countries will be Turkey, Nigeria, Cameroon, Argentina, Mexico, Brazil, Barbados, Jamaica, Peru, Ecuador, Thailand, South Korea, Philippines and Fiji. Some of these SIDFAs, however, also cover low income countries concurrently.

^{2/} As per fourth cycle IPF distribution formula, countries with per capita income of up to US\$750.00 will get 80% of the resources. Sectoral support funds for SIDFA service in 1987 is estimated at \$ 3.5 million, 80% of it will finance a little more than 19 SIDFA posts.

others may require it in some aspects. It will be desirable from this point of view to provide financing for this service on a secure basis. Like other activities in the area of technical cooperation it should be planned on a five year cycle in the absence of a longer reliable time frame.

Recommendations

5.17. The consultants recommend as follows:

- (i) SIDFA service should be provided secure funding, at least on a five year cycle basis, to avoid the uncertainty the program is facing presently.
- (ii) The funding of SIDFA service should be from a pooled account to be formed with all contributions, except local cost contributions of host countries, with four principal elements: (a) UNDP Sectoral Support Cost allocation; (b) payments to UNIDO by UNDP and from other sources (including IPF) for agency support cost (overhead) related to projects; (c) voluntary contributions by governments or private entities intended to finance the cost of one or more SIDFAs; (d) voluntary contributions by governments or private entities for general support of the SIDFA system. Sectoral support financing should bear the primary burden of the costs of SIDFA service which should be somewhere around 75%.
- (iii) These resources should be augmented by contributions from host countries for local expenditure, both for initial spending in connection with setting up an office as also for recurring expenditure of an established office. Except for the least developed countries all countries should provide for local cost expenditure of SIDFA service.
- (iv) An additional supplementary source of support will be the UNDP-UNIDO JPO Program that provides assistants to SIDFAs in the field. This should be expanded as far as practicable.
- (v) Voluntary contributions for SIDFA service by governments should be unconditional and have some assurance of continuity. Contributions to meet part of the cost of SIDFA program as well should be made to the common pool. If at all a donor wants it to be used in a region, it will be used in a country or countries already selected for SIDFA service on the basis of objective criteria.

- (vi) The common pool of resources should be administered by one agency and the agency should preferably be UNIDO. The budget will be prepared on a five yearly basis jointly with UNDP but annual implementation report will be furnished by UNIDO to UNDP.
- (vii) In addition SIDFA service in individual countries, who are in a position to afford it, may be set up on a reimbursible basis.

CHAPTER VI
ORGANISATIONAL ASPECTS

6.1. As the final task under the terms of reference the consultants have been asked:

- (i) to provide a profile of qualifications needed for SIDFA/JPO posts
- (ii) to examine the integration of SIDFA/JPO service into the UNDP field office and
- (iii) to suggest the optimum number and placement of SIDFAs/JPOs.

6.2. The consultants in course of undertaking their study have found it necessary to consider a few other items as well. These issues are:

- (a) elaboration of the 1967 Agreement between UNDP & UNIDO
- (b) relations of SIDFA with other offices of the UN system including Regional Commissions and both multilateral and bilateral donors in the field, and,
- (c) administration of the SIDFA service.

Some brief comments have been offered on JPO program as it constitutes an integral part of the SIDFA program. On the issue of recommendations on the optimum number and placement of SIDFAs/JPOs the consultants have only reviewed previous studies and made some comments on principles.

Profile of SIDFA/JPO

6.3. What should be the qualifications of a SIDFA essentially depends on what he is expected to do. Thus SIDFA profile has to relate to the functions of a SIDFA. In evaluating the functions in chapter III it has been observed that the detailed list is very long but emphasis on various jobs differ. Again it has been observed in both chapters III and IV that the nature of SIDFA job differs from country to country. In Senegal, for example, SIDFA is deeply involved in articulating the new industrial policy of the economic adjustment program of the country. In Thailand there is hardly any role in such an exercise, instead strengthening the planning machinery in the Industries Ministry is a matter of some concern. In Barbados the emphasis is on developing specific skills, and on investment promotion, both linked to viable industries.

6.4. A crucial element in the SIDFA operation is, of course, the quality of the persons who occupy SIDFA posts. It has been stated over and over again that SIDFAs should be of the highest quality, should be highly qualified to deal with development issues in the industrial sector. Such general requirements, which state the obvious, are not very helpful. At the present time about half of SIDFAs have advanced university degrees in some branch of engineering. Probably more important than an academic degree is the practical experience of each SIDFA in the sort of activities which are expected of him in his duty station, e. g. advising on general or specific industry matters. An analysis of the present SIDFAs by practical experience gives the following picture:

Practical years of	up to 5 years	2
experience in industry	5 to 10 "	3
	over 10 "	14
Government experience	up to 10 "	11
	over 10 "	6
Non-industrial experience	up to 10 "	7
	over 10 "	4
UNIDO experience	up to 5 "	8
	up to 10 "	2
	over 10 "	1

6.5. The practical job description of SIDFAs would require the SIDFA to be a person with encyclopedic knowledge which is rarely found in any single individual. In practice, of course, the SIDFAs are each very different person, some having specific industrial experience and some having general government experience, while others have come from a UNIDO career. But apart from specific or general knowledge, like for any function which is of a diplomatic nature, the character and personality traits of a person involved are of primary importance. They can not be deducted directly from any curriculum vitae, and sometimes become known only in a positive or occasionally in a negative way, after a person has been in a duty post for some time. As to the level of grading in UN terms of SIDFA's, it can be noted that most SIDFA's are P5 or D1, while a few were P4 and in exceptional cases D2 also.

6.6. In the recent past UNIDO has been trying to prepare job descriptions for individual SIDFA posts in a more concise form. An important element is that specific country requirements are also stated in such job descriptions.

6.7. While discussing the profile of a SIDFA some comments on his term of office seem to be in order. The tenure of office for a SIDFA in any one duty station is 2 to 3 years. But in many cases it has been extended even beyond five years. In terms of getting fully acquainted with the particular conditions of a country, of building up contacts with policy officials in that country and, of course, in minimizing costs involved in transfers, it could well be advisable to make it a general policy objective to station a SIDFA for the longer period of four to five years in any one duty station. It should, however, be examined as to whether frequent changes of policy in host countries would make the otherwise desirable longer term of office of a SIDFA a practical impossibility.

6.8. The consultants recommend that:

- (i) UNIDO in consultation with UNDP further develop a two-part job description. In the first part general qualifications as at present in a more concise form will be indicated. In the second part proficiency in particular issues or tasks confronting the country of accreditation should be solicited.
- (ii) For the JPOs such a two part job description will be of little value as most of them are young and inexperienced. However, brevity may be introduced also in that description.
- (iii) The level of SIDFAs should, in view of maintaining a high quality level, remain clustered around P5/D1.
- (iv) SIDFAs as at present should continue to be recruited from the market. But suitable members of UNIDO headquarters staff should be encouraged to go out as SIDFAs and as a rule be accorded preference in case of equal qualifications.
- (v) The SIDFAs should also be given contracts for a period of four or five years subject to initial probation. UNIDO on its part may consider lengthening the term of duty of a SIDFA in one country up to a period of four or five years.

Integration of SIDFA/JPO service into the UNDP field office

6.9. The problem of coordination in the field of services performed in various economic sectors by the UN development system is a very broad issue. We are concerned here with coordination of the programs of only the industrial sector with the overall program of economic development. The easiest prescription for coordination of the efforts of different functionaries is integration of all of them in one office. This is perhaps not feasible in the light of growing diversification of functions and complexities of individual economic sectors. It is no longer possible to pool all the expertise in one agency. With time specialization has grown. The evolution of Senior Agricultural Adviser and Senior Industrial Development Field Adviser is indeed a story of the growth of specialization. In the case of SAA the ultimate development has been the emergence of the new outfit working separately in the field owing allegiance to FAO, but subjecting itself to some measure of coordination under the UNDP Resident Representative. In the case of SIDFAs the question is whether such a development should be fostered or prevented. The difficulties of coordinating through the mechanism of the special role of a "primus inter pares" are well known but yet this is the only mechanism that must be tried persistently. If the alternative of integration exists in a sector it will pre-eminently be the better choice. In the case of SIDFAs, in the view of the consultants, there is such an option. Integration, however, should not be viewed as subjecting the SIDFA to the discipline of normal Programme Officers of UNDP. Integration of the SIDFA in the UNDP field offices should recognise his special role as also his status as a de facto spokesman of UNIDO. Such a role as "de facto spokesman" can and should leave fully intact the role of the Resident Representative as the official representative of UNIDO. UNIDO as a Specialized Agency has decided not to have separate field representation. This is a move that must be encouraged to promote the cause of coordination at the field level. The consultants believe that the opportunity should be seized to continue with and improve upon the integration of SIDFA into the UNDP field offices. This will demand of the Resident Representative some accommodation and of the SIDFA an understanding that his position is not exactly comparable to those of other field representatives, e.g. FAO and World Bank representatives. However, it will be wrong to treat the SIDFA as just an adviser in the office of the Resident Representative.

6.10. The Memorandum of Agreement of 1967 concerning the Establishment of a UNIDO Field Service at the country level was based on the premise that it was undesirable for UNIDO to build up a separate field service. The agreement clearly tried to marry two concepts:

- (a) the full integration of UNIDO field activities into UNDP field office operations, and
- (b) the need to provide UNIDO with an adequate channel of communication with member states on non-UNDP matters.

6.11. The Agreement provides explicitly that SIDFAs can have "direct contacts with the technical authorities of the recipient governments" and that SIDFAs would report directly to UNIDO, with copies to the Resident Representative on all UNDP-related matters, and "keeping the Resident Representative informed" on non-UNDP matters. In the large majority of cases the dual line of functioning of SIDFA's, one to the Resident Representative and UNDP, the other to and from UNIDO, has caused no problems. On the contrary, the consultants have the impression that a useful cross-fertilization of ideas and experiences has taken place. The occasional situation where conflicts between Resident Representatives and SIDFAs have broken out, have, as is always the case in such situation, received some, perhaps major attention on the basis of the principle "bad news drives out good news". It is evident that the personal "chemistry" of inter-action between responsible officials can outdo and trespass the most perfect written manuals and procedures. Like between nations, mutual confidence between persons must be carefully nurtured and built up, and can be easily destroyed, even by unintended acts of behaviour. The consultants assume that both UNDP and UNIDO, in briefing their personnel going out in the field, give full attention to preparing staff members, where necessary, on the best ways how to operate in a multi-cultural environment and with persons with potentially very different backgrounds.

6.12. While some conflicts are related to personality clashes, others may be based on some genuine difference of judgment. Thus in a case concerning one small island country, the SIDFA recommended inclusion in the IPF of a very small project to provide a candlemakers cooperative with a machine and with related technical assistance, while the Resident Representative was of the

opinion that this project had lower priority than other projects and should be left out of the country programme. The views of the host government in a case like this may well be decisive. There is at present no established procedure for resolving differences of views between the Resident Representative and the SIDFA although the Agreement provides for both of them to approach their respective headquarters.

6.13. The consultants recommend that in cases like this the Resident Representative and the SIDFA should as a standard procedure submit their views to their headquarters with a view to arriving at an agreed point of view.

6.14. The Agreement of 1967 lays down that SIDFAs can have "direct contacts with the technical authorities of the recipient governments in matters of programming, execution and evaluation of UNIDO projects". But then it states that "contacts on matters within the sphere of interest of UNDP with the central organs of the recipient government (Head of State, Prime Minister, Ministry of Foreign Affairs, central coordinating authority) would be principally reserved for the Resident Representative". Resident Representatives are expected to associate SIDFAs in "such contacts when the matter concerns specifically the sphere of activities of UNIDO". It goes on further to instruct SIDFAs not to maintain independent contacts with the central organs of Government, "except at the request of the Executive Director of UNIDO and for matters outside the sphere of UNDP". In practice SIDFAs have built up valuable contacts with Ministries of Industry, planning offices and other government bodies concerned with industrial policy, not only for non-UNDP matters but also for UNDP related projects or activities. This is eminently sensible, SIDFAs are expected to and generally do keep their Resident Representatives informed, especially on the results of contacts related to UNDP matters. Now that UNIDO is a specialized agency, the amount and importance of contacts of the SIDFA with various "central government" entities related to industry, is bound to increase, especially in non-UNDP related matters. The consultants see this as a logical development, in which nobody loses and all potentially gain.

6.15. The consultants recommend that while the Resident Representative should continue to be UNIDO Representative, the negative injunctions of the Agreement of 1967 on direct contacts by SIDFA with central organs of the recipient government should be modified.

6.16 Under present arrangements the Resident Representative is the representative of UNIDO (It is understood, however, that since UNIDO became a specialised agency, no formal accreditation has yet been issued in favour of the Resident Representatives.). The SIDFA cannot call him or herself the deputy representative of UNIDO, although in practice he or she usually acts as such. In the case of the World Food Program the WFP officer attached to the UNDP field office, is given the title of Deputy Representative of WFP. The Administrator of UNDP earlier this year also recommended that SIDFAs should be UNIDO Deputy Representatives ^{1/}. The consultants, joining the Administrator, recommend that SIDFAs be given the title of Deputy Representative of UNIDO and accorded the status of an Agency official similar to that of representatives of other UN agencies, both by the Resident Representative and by the host Government.

6.17. According to the 1967 Agreement the Industrial Development Advisers (the adjective Senior was added later) would be "assimilated to the status of other international staff of equal grades, and therefore, would normally be assimilated to the status of a Deputy Resident Representative". However it continued to state that "for the present" in the absence of the Resident Representative the senior non-technical staff member would perform the duties of acting Resident Representative." In practice, this is precisely what has happened, and only in rare cases, in small Resident Representative offices, has the SIDFA been functioning as "Acting Resident Representative". This situation is, of course, comparable to that of bilateral diplomacy, where industrial or agricultural counselors would only rarely assume the duty of "acting head of mission" (with whichever title). There is no need to change this practice. What is, however, important is to provide "good" SIDFAs with a chance to pursue a career beyond their industrial expertise, and to become Deputy Resident Representative, Resident Representative or a senior official in UNIDO. Proposals along these lines have been made in previous SIDFA appraisal reports and recently in the JIU Report.^{2/} The consultants recommend that such career development for SIDFA's be made a real possibility.

^{1/} UNDP Governing Council Document DP/1986/66 dated March 27, 1986
^{2/} JIU Report op. cit paras 103, 115

6.18. It has been represented that the title SENIOR INDUSTRIAL DEVELOPMENT FIELD ADVISER is a clumsy epithet, leaving unclear to whom advice is given, whom he represents etc. Occasionally SIDFA is believed to be a first name! Ambiguity itself need not be bad; after all the SIDFA does advise various entities, including the host government, the Resident Representative, etc. In bilateral diplomatic usage personnel of this type usually have simpler titles, like "Industrial Counsellor", "Agricultural Attache" or the like. The title does not mean too much, since an "agricultural attache" may be quite senior. Since substance is more important than form, it must be presumed that the actual job performance will be neither enhanced nor diminished by the ambiguity of the title. "Resident Representative" can be equally regarded as an impractical title since there are no non-resident representatives and since he usually represents more than UNDP alone. The consultants recommend that a shorter title, like "SENIOR INDUSTRIAL ADVISER" be considered.

6.19. A SIDFA and JPO as a team function in dual capacity in the office of the Resident Representative. One aspect is industrial advice to the government and Resident Representative and assistance in programming exercise. The other aspect is project monitoring and evaluation. In the second aspect SIDFAs must maintain an oversight on project execution, follow the complex projects very closely and help in problem solving. Thus they are required to supervise the Program Officers of UNDP field offices in the industry sector. Quarterly reporting as also reporting for Tripartite reviews are important duties of SIDFAs. SIDFAs also transmit annual reports to UNIDO. The quality of annual reports leaves room for improvement and political reporting is more appropriately a job of the Resident Representative.

6.20. The consultants recommend that:

- (i) SIDFA should be responsible for the projects in the industry and related sectors in the UNDP field office. While Program Officers will do the routine monitoring of projects SIDFA should supervise their work and maintain an oversight on project execution.
- (ii) In the matter of reporting to UNIDO Headquarters while quarterly reports or reports for consideration of tripartite review should be handled by SIDFA/JPO, the scope of the annual report may be restricted to some extent. Report on political developments should better be

furnished by the Resident Representative. In fact such a system of reporting to both UNDP and UNIDO should be introduced if it does not exist now. Reporting on overall economic situation and the industrial sector even though it may be available otherwise should continue and efforts should be made to improve the quality of reporting on the industry sector.

Administration of SIDFA service:

6.21. On personnel procedures the consultants have noted that although selection and recruitment of SIDFAs are done by UNIDO and UNDP jointly, the actual contract is concluded separately, depending on which organization finances the SIDFA in question. As a result and also because UNDP contracted SIDFAs may hope to be better placed to pursue a career in UNDP, there is some practical difference between SIDFAs contracted by UNDP and those whose contracts are with UNIDO. The consultants found that evaluation of SIDFAs was not being made on a regular basis. While performance reports on UNDP appointed SIDFAs were there, nothing similar existed for UNIDO appointed SIDFAs. UNIDO SIDFAs were usually evaluated at the time of contract renewal. A system of joint evaluation by UNDP and UNIDO is followed when in fact a SIDFA is evaluated. UNIDO is now attempting to put in place a regular performance reporting system. UNDP follows rebuttal procedure for the sake of fairness of performance reporting. This is specially important in the case of SIDFAs as they are reported upon by different superiors in different organisations.

6.22. In line with their proposal that all funds available for the SIDFA programme be merged, the consultants recommend that all contracts with SIDFA's be made through a single channel and single procedure. UNIDO would seem most suitable to become, as in practice it already largely is, the "executing agent" for the SIDFA Programme seen as a project. However, concurrence of UNDP in the recruitment process should be obtained as it is done presently. On deployment of SIDFAs as well concurrence of UNDP should be secured.

6.23. It is further recommended that a system of evaluation of performance of the SIDFAs should be introduced on a regular basis. Obtaining the evaluation by UNDP Resident Representatives through the Directors of Regional Bureaux according to an established procedure should be ensured. A simple

procedure of rebuttal as obtains in UNDP may be followed for the sake of fairness, simplicity and speed.

6.24. Earlier it has been recommended that all resources financing the SIDFA program should be pooled and it should be managed by one agency i. e. UNIDO. Budget management thus will be in one office. Of course, budgets will have to be prepared in consultation with UNDP and accounts submitted to it annually.

6.25. SIDFAs are provided briefing only in UNIDO on their first appointment. Fresh recruits are briefed for 3/4 weeks while staff members are briefed for 2/3 weeks. They do not receive any briefing from UNDP at all. In fact, some of them never have any contact with UNDP headquarters. The consultants recommend that this shortcoming should be remedied by providing for some briefing in the UNDP headquarters within the first six months of the recruitment or assignment of a SIDFA.

6.26. SIDFAs do not have a Manual or Handbook. Work earlier started on a compilation has not gone far enough. Considering the complexity of his relationship with many actors and of his job, it is recommended that a Manual be prepared. A considerable part of the Manual will incorporate materials from the Manual for CTAs.

6.27. SIDFAs may get an unfair deal in the matter of career prospects. Those who are absorbed in the regular bureaucracy of UNIDO or UNDP do not always get the benefit of their SIDFA career in full. Again those who opt for field posting from the headquarters suffer in career prospects. Contract appointment is appropriate for SIDFAs but those among them who end up with a career in UNIDO or UNDP or those UNIDO or UNDP staff who volunteer to undertake a field assignment should not in any case be discriminated. The consultants recommend that service as a SIDFA should be fully taken into account by UNIDO and UNDP when they absorb a SIDFA in their regular staff either permanently or on contract. Similarly members of regular staff volunteering to undertake a SIDFA assignment should not suffer in their usual career prospects because of such assignment.

6.28. SIDFA programme presently is administered in the UNIDO headquarters primarily by the SIDFA and JPO Support Services Section. Personnel and Budget

branches of both UNIDO and UNDP also have quite a lot to do with its administration. It has been suggested that budgetary and administrative work for the SIDFA Program should be concentrated in one office. This will have repercussions on the restructuring of UNIDO that is being carried out now. The consultants recommend that in view of merging of all administrative and budgetary responsibility for the SIDFA program in one office, consideration should be given to strengthening and streamlining the capability in UNIDO headquarters for this purpose.

Elaboration of 1967 Agreement

6.29. It is a testament to the wisdom of the UNIDO UNDP collaborative efforts that the agreement of 1967 still largely holds. The UNIDO has changed its character but a major revision of the agreement is not necessary. However, some limited modifications will be desirable. The following recommendations are made:

- (i) If the recommendations made in administrative and budgetary management of SIDFA service is approved, paragraph 2 of the Agreement should be modified accordingly.
- (ii) In paragraph 5, as recommended earlier, a standard procedure for resolution of disagreements may be incorporated.
- (iii) In paragraph 6 the negative injunction may be changed to a positive one in the last sentence in recognition of the actually prevailing situation.
- (iv) In paragraph 8 the SIDFA should be allowed to intervene also at the request of the host government.
- (v) In paragraph 9 the version may be modified to convert the SIDFA into a Deputy Representative for UNIDO and facilitate him thereby to obtain diplomatic status and be treated on the same footing as a Chief of field office of other UN agencies with the understanding that he continues to remain a member of the UNDP field office.
- (vi) Paragraph 13 will obviously be substituted for whatever is agreed to as a new arrangement on financing.

Relations of SIDFA with other agencies and donors in the field

6.30. In many cases SIDFAs have become involved in the operations of agencies other than UNIDO and UNDP. This is only logical since industry is so wide a field that it is not the monopoly of a singly agency. Agro-industry or fish processing are matters of interest to both UNIDO and FAO.

Pharmaceuticals fall within the competence of WHO where standards are an issue. Publishing can be both within the competence of UNIDO and UNESCO. Employment generating activities like small and cottage industry or informal sector are covered by UNIDO as well as ILO. These agencies have some sort of field presence. Direct contact between representatives of these agencies and SIDFA is only natural. In some countries jurisdictional considerations may prevent SIDFAs from taking any action in agro-industry or employment generating informal industrial sector. In others the experience is different. In an Asian country the WHO component of a project is looked after by SIDFA (in this particular case by a JPO in charge). In an African country the entire area of industrial policy under a World Bank assisted structural adjustment program has become the primary responsibility of a SIDFA. He has assumed a major policy and program coordinating role in the entire industrial sector including agro-industry. In such cases it appears highly appropriate for a SIDFA to take care of the industrial sector in a broad sense.

6.31. It is recommended that either in consultation with the field missions or through negotiation between the respective headquarters it will be appropriate to entrust SIDFA with responsibility for the industrial sector as a whole. The SIDFA in such cases should have the freedom to directly communicate with either his counterpart in the field or the headquarter of the respective organisations. It is understood, however, that UNIDO headquarters and UNDP Resident Representative will be kept informed.

6.32. Then there are agencies which do not have field outfits but have interest in matters closely related to the industrial sector. The trade organisations like GATT, UNCTAD and ITC are such agencies. Joint UNIDO/ITC projects exist in the trade sector. Here not only the concerned agencies have to agree to the role of SIDFA but the UNDP Resident Representative has also to agree to the SIDFA getting involved in the related sector. In an African country the Resident Representative has assigned not only trade but also

the energy sector to the care of a SIDFA. Transport and communication is another area of interest to industry.

6.33. In these cases as well, the consultants recommend, that as the logical further step SIDFA is authorized to establish direct contact with the concerned agency in the interest of the industry sector projects. It is to be understood, however, that both Resident Representative and UNIDO headquarters must be kept informed. The consultants further recommend that in appropriate cases where also the respective agencies fully agree, under the overall guidance of the Resident Representative SIDFA assumes responsibility for energy and transport related projects, and be allowed to communicate directly with the various agencies or units in the UN system.

6.34. In some stations of SIDFA there are the headquarters of some regional or inter-governmental organisations with interest in the industry sector. Such agencies could be the Regional Commissions or a Regional Centre for Technology or an International Commodity Agreement. As for the Regional Commissions in Africa, Latin America and Asia-Pacific there are UNIDO staff seconded to the joint UNIDO/Commission Industrial Divisions. The arrangement is essentially being phased out now in view of UNIDO's pronounced country focus strategy. However, one Regional Adviser will be retained in the future in the headquarters of the three Regional Commissions. In two of these stations there are SIDFAs also. Presently the Regional Advisers rarely interact with the SIDFAs.

6.35. It is recommended that SIDFAs posted in the headquarters of regional or inter-governmental organisations of interest to UNIDO should interact with them under coordination to UNIDO headquarters and UNDP Resident Representative. It is further recommended that UNIDO Regional Advisers in the three headquarters of Regional Commissions should be utilised as focal points in the areas of their speciality and participate in the regional conference of SIDFAs. UNIDO should consider instituting regular communication between them and SIDFAs in the respective regions.

6.36. The time is long past when UNDP was the largest provider of technical assistance to the developing countries. In 1985 UNDP provided some 40% of technical assistance used by developing countries. Besides bilateral

donors, the multilateral development agencies provide more in technical assistance than UNDP. UNIDO, or for that matter any specialised agency, naturally has to look for cooperation with these agencies like World Bank, IFC, European Development Fund or Regional Banks. SIDFA is required to be in touch with the field representatives of such agencies and donor missions. In specific cases of interest to UNIDO such contact becomes necessary even with the headquarters of these agencies.

6.37. It is recommended that direct contact by SIDFA with bilateral donor missions in the field and both field missions and headquarters of multilateral development agencies should be allowed provided he keeps UNIDO headquarters and UNDP Resident Representative informed.

JPO Program

6.38. JPOs have been called "the eyes and ears" of the SIDFAs to whom they are attached. The salient elements of the Program have been discussed in chapter V. The consultants have the following recommendations in this respect:

- (i) Not only developed but also developing countries should be encouraged to make JPOs available under financial arrangements which can be negotiated in each case.
- (ii) The JPOs may be considered for posting for a three year term.
- (iii) Some arrangements may be made to provide an overlapping period between a departing and an incoming JPO.
- (iv) In every country covered by a SIDFA a JPO should preferably be posted.

Optimum number and placement of SIDFAs/JPOs

6.39. Some comments on this subject have been made in chapter IV, Despite their reluctance the consultants could not avoid offering these comments. In sum the recommendations are:

- (i) Deployment of SIDFAs/JPOs should be made on the basis of criteria discussed in chapter 4.
- (ii) the exact number of posts will depend on availability of resources and qualified professionals on the one hand and the needs of countries for

SIDFA service on the other.

- (iii) Multicountry representation by SIDFAs should be considered provided there are sufficient travel funds and in non-resident countries arrangements are made to earmark JPOs or Program officers for industry sector work. However, it should be recognised that not every country needs SIDFA service.
- (iv) Roughly 75% of costs for SIDFA posts should be obtained from UNDP Sectoral Support allocation. For well to do or industrially advanced developing countries, consideration should be given to provide SIDFA service on reimbursible cost basis or with IPF resources.
- (v) A range of 36 posts budgeted for 1987 and 50 posts at some later date appears to be a desirable level of optimality.

ANNEXES

- I. Memorandum of Agreement between UNIDO and UNDP (1967) on Establishment of a UNIDO Field Service at Country Level.
- II. Memorandum of Agreement between UNDP and UNIDO concerning Junior Professional Officers as Assistants to SIDFAs (1979)
- III. List of Reports and Studies on SIDFA Program
- IV. Note on Evolution of SIDFA System
- V. Deployment of SIDFAs and JPOs in various countries and regions
- VI. Job Descriptions of SIDFA and JPO
- VII. UNDP Governing Council Resolution DP 86/50 on Sectoral Support
- VIII. The Terms of Reference of the Consultants
- IX. The Questionnaire addressed to Governments in SIDFA accredited countries

ANNEXURE 1

MEMORANDUM OF AGREEMENT CONCERNING THE ESTABLISHMENT
OF A UNIDO FIELD SERVICE AT THE COUNTRY LEVEL
TO BE INTEGRATED WITHIN UNDP FIELD OFFICES

1. The purposes of the arrangements described below are:
 - (a) To achieve with respect to the UNIDO field staff and activities a desirable degree of co-ordination with and integration within the offices of UNDP Resident Representatives, particularly in respect to efforts aimed at expanding operational activities in the industrial field.
 - (b) To provide, as required, the services of qualified Industrial Development Field Advisers (UNIDO) on matters of technical co-operation both to the technical authorities of the recipient governments and to the Resident Representatives.
 - (c) To assure UNIDO an adequate channel of communication with Member States on matters outside the scope of UNDP-sponsored activities, as well as with the regional economic commissions and with other regional and sub-regional organizations.
2. It is intended that the above purposes will be gradually met by the appointment of Industrial Development Field Advisers (UNIDO) to be stationed in the respective offices of UNDP Resident Representatives. The Advisers would be selected by UNIDO and agreed to by UNDP; they would serve under a Letter of Appointment issued in the joint names of the Executive Director of UNIDO and the Administrator of UNDP; they would be subject to the rules, regulations and the administrative instructions applicable to UNDP's field staff and their emoluments would be paid within the UNDP Administrative Budget.
3. The Industrial Development Field Adviser (UNIDO) will be asked to service one or several developing countries as may be required in the light of the needs of the industrial development field programmes of the countries concerned. When Industrial Development Field Advisers (UNIDO) are assigned to several UNDP field offices, the provisions of the present Agreement shall apply separately to their relationship with each Resident Representative.

4. The Industrial Development Field Advisers (UNIDO) would carry the main responsibility for industrial development policy aspects under the general administrative authority and policy guidance of the Resident Representative, and in particular for the following functions:

(a) Direct contacts with the technical authorities of the recipient governments in matters of programming, execution and evaluation of UNIDO projects.

(b) Contact with and guidance for UNIDO experts.

The Industrial Development Field Advisers (UNIDO) would receive instructions from UNIDO and would report directly to UNIDO, copying all of their correspondence to the Resident Representative on matters concerning UNDP. On matters not concerning the UNDP they would report to UNIDO, keeping the Resident Representative informed.

5. In matters of programming and especially in all negotiations leading to the initiation of new projects, Industrial Development Field Advisers (UNIDO) would keep in close touch with Resident Representatives. If the Resident Representative deems that such negotiations are inopportune at a given moment, either because of general reasons or because he deems the prospective projects to have a lower order of priority, he may request the Adviser to suspend action. The adviser would, in such a case, be expected to comply with the request, but he may refer the matter to UNIDO, which in turn, may raise the question with the Resident Representative directly, or with UNDP headquarters and such action as appropriate would be taken by the two Organizations.

6. Contacts on matters within the sphere of interest of UNDP with the central organs of the recipient government (Head of State, Prime Minister, Ministry of Foreign Affairs, central co-ordinating authority) would be principally reserved for the Resident Representative. Resident Representatives would associate the Industrial Development Field Adviser (UNIDO) in such contacts when the matter concerns specifically the sphere of activities of UNIDO. The Adviser should, however, not maintain independent contacts with the central organs of the government, except at the request of the Executive Director of UNIDO and for matters outside the sphere of UNDP.

7. Any local administrative action which would need to be undertaken as a result of contacts between the Industrial Development Field Advisers (UNIDO) and UNIDO experts would be, as far as feasible, entrusted to the appropriate administrative services of the office of the Resident Representative (for instance, secretarial assistance, transportation, customs clearance, housing, identity cards, all matters pertaining to the expert's formal accreditation and legal status in the country and to his privileges and immunities).

While the Adviser must be concerned with the effective administrative servicing of the UNIDO activities, he should, as far as possible, avoid getting involved in administrative work and should concentrate on questions of programming, execution and evaluation of UNIDO projects in close touch with the Resident Representative and the technical services of the government.

8. While the Industrial Development Field Adviser (UNIDO) would participate in the planning stage of Special Fund sector projects for which UNIDO is to be the executing agency, including the negotiations of plans of operations of such projects, the Project Manager, once he has assumed his duties, will carry the main responsibility for the implementation of the Special Fund projects.

While the Adviser would maintain a general oversight of the projects for the purpose of liaison, reporting and evaluation, he would only intervene directly in questions connected with a project on request of the Project Manager, the Resident Representative, or UNIDO headquarters.

9. The internal status of Industrial Development Field Advisers (UNIDO) in the offices of UNDP Resident Representatives would be assimilated to that of other international staff of equal grades and, therefore, would normally be assimilated to the status of a Deputy Resident Representative. However, in the case of absence of the Resident Representative or during a period before the assignment of a new Resident Representative, the senior non-technical staff member in the office would, for the present, perform the duties of acting Resident Representative.

10. Arrangements will be made to provide Industrial Development Field Advisers (UNIDO) with office space in the offices of the Resident Representatives. These offices will be also responsible for the necessary

support of the work of the Adviser (secretarial assistance, local transportation, etc.).

11. Industrial Development Field Advisers (UNIDO) may be entrusted by the Executive Director of UNIDO with certain functions outside the sphere of UNDP sponsored activities; such functions would be defined as precisely as possible in a letter issued by UNIDO to the Adviser prescribing his terms of reference; a copy of such letter would be communicated to UNDP headquarters and to the Resident Representative.

12. It is understood that the Resident Representative would continue to be responsible as regards the activities mentioned in this Agreement for all contacts, communications, reports to UNDP headquarters and to the governments on behalf of the Administrator of UNDP.

13. Subject to approval by the Governing Council of UNDP, the Administrator will include in the UNDP Administrative Budget beginning with the year 1969 allocations required for the financing of the Industrial Development Field Advisers (UNIDO). Since UNIDO does not have other arrangements for outpostting field staff, it is considered necessary to proceed early with the initial posting of Industrial Development Field Advisers (UNIDO) and, therefore, appropriate temporary arrangements will be arrived at between UNDP and UNDP for the appointment and financing of a first group of several Industrial Development Field Advisers (UNIDO) in 1967 and 1968.

New York, 3 October 1967

(Signed): Paul Hoffman
Administrator
United Nations Development
Programme

New York, 3 October 1967

(Signed): I.H. Abdel-Rahman
Executive Director
United Nations Industrial
Development Organization.

ANNEX II

MEMORANDUM OF AGREEMENT

BETWEEN

UNDP AND UNIDO

CONCERNING

JUNIOR PROFESSIONAL OFFICERS

AS ASSISTANTS TO THE SENIOR INDUSTRIAL FIELD ADVISERS

I. Generalities

UNDP and UNIDO have, since 1972, been operating a special Junior Professional Officer programme to provide Associate Experts (hereafter referred to as UNIDO JPOs) to function as "Assistants to the SIDFAs". It has been agreed that, regardless of whether financial contributions to the Junior Professional Officer programme are made to UNDP under its general JPO agreements with donor countries, or directly to UNIDO, the modalities of this programme shall be consistent with those which apply to the collaboration between UNDP and UNIDO with regard to SIDFAs, including the exchange of letters of November 7 and 30, 1977, between the Administrator of UNDP and the Executive Director of UNIDO.

II. Administrative Arrangements

The terms of employment of the assistants to the SIDFAs will be governed by the agreements concluded between UNDP or UNIDO and donor Governments on the provision of Junior Professional Officers. They will be governed by the 200 Series UN Staff Rules. The following arrangements will govern the administration of the UNIDO JPO Programme.

- a) The establishment of posts for UNIDO JPOs will be based on a consensus between UNIDO and UNDP.
- b) UNIDO will keep donor countries abreast of vacancies as they occur.
- c) UNIDO will make the necessary arrangements with the Governments for the selection of potential JPO candidates through interviews.
- d) UNIDO will suggest the candidates for specific openings to UNDP which in its turn will clear these candidates with the Regional Bureaux and the field office concerned.

- e) The appointment of the candidates will be initiated by the Divisions of Personnel of UNDP or of UNIDO, as the case may be, depending on whether the requisite funding is provided by donor countries to UNDP or to UNIDO.
- f) UNDP will be responsible for the personnel administration of the UNIDO JPOs funded by it in the same manner as for other UNDP field staff.
- g) UNIDO will train the JPOs prior to their departure for the designated duty station at UNIDO Headquarters. UNDP will be consulted on this training programme and will be given an opportunity to participate in it (see short description of the Training Course as given in Annex I).
- h) The UNIDO JPOs will be responsible to the UNDP Resident Representative, but direct supervision over them will be exercised by the SIDFA covering the particular countries in which they are stationed.
- i) The JPOs will report periodically to UNIDO Headquarters on their activities and work programme; they will also submit Performance Review Reports to UNDP, in line with the standard practice applicable to all staff in UNDP; copies of these reports will be made available to both UNDP and UNIDO.
- j) Requests for the extension of UNIDO JPO contracts will be submitted to Governments on the basis of a consensus between UNDP and UNIDO.
- k) UNDP or UNIDO, as the case may be, will directly approach donor Governments with a request to deposit the necessary funds into its contributions account for all the administrative expenses, including salaries and remunerations, travel to duty station and home leave, etc., as well as 12% overhead costs.
- l) Overhead costs will be shared by UNDP and UNIDO on the basis of 6% each.
- m) UNIDO will finance the duty travel of JPOs from funds assigned by UNDP to UNIDO on a pool basis from the travel allocations received from each donor country. UNIDO will provide accounting on its utilization. It is of course understood that the ultimate authority for approval of such travel will rest with the UNDP Resident Representative.
- n) Terms of employment for JPOs administered by UNDP are attached as Annex III. Although this document has been specifically prepared for JPOs working directly for UNDP, its provisions, mutatis mutandis, in the light of Annexes I and II, also apply to the UNIDO JPOs.

III. Functions and Activities of the UNIDO JPOs as Assistants to SIDFAs

Based on consultations between UNIDO and donor Governments, it was agreed that the UNIDO JPOs as Assistants to SIDFAs will primarily deal with aspects of Industrial Development.

The functions are described in Annex II (Job Description for the Assistant to the Senior Industrial Development Field Adviser), (SIDFA). In addition, UNIDO may request the JPOs to undertake specific ad-hoc assignments in relation with the activities and work programme of UNIDO.

Signed: B. Morse

Signed: A. Khane

Date: 5-2-79

ANNEX III

LIST OF REPORTS AND STUDIES ON SIDFA PROGRAM

<u>Symbol</u>	<u>Title</u>
<u>General Assembly documents:</u>	
A/39/830	Development and International Economic Co-operation; Industrialization, programme budget for the biennium 1984-1985.
A/RES/37/212	Resolution adopted by the General Assembly 37/212 - Industrial Development Co-operation.
A/RES/38/192	Resolution adopted by the General Assembly 38/192 - Industrial Development Co-operation.
<u>United Nations Development Programme documents containing information about SIDFAs</u>	
DP/GC/XXII/BFC/CRP.2	Re-orientation of the SIDFA programme
DP/GC/XXIV/CRP.3	Budgetary, administrative and financial matters. Administrative budget for 1978.
DP/1983/56	Budgetary, administrative and financial matters - Sectoral support.
DP/1984/64	Financial, budgetary and administrative matters - Sectoral support.
DP/1985/63	Financial, budgetary and administrative matters - Sectoral support.
Decision 85/41	Governing Council decision on sectoral support 38th meeting, 29 June 1985
DP 1986/66	Report of the Administrator, "Financial, Budgetary and Administrative Matters: Sectoral Support, Governing Council, 33rd Session, 2 - 27 June 1986
Decision 86/50	Governing Council decision on sectoral support 36th Meeting, 27 June 1986
<u>Industrial Development Board documents containing information about SIDFAs</u>	
ID/B/126	Report on the implementation of the recommendations of the Ad-hoc Committee on Co-operation between UNDP and UNIDO.
ID/B/127	Co-ordination of activities of the United Nations system in the field of industrial development.

<u>Symbol</u>	<u>Title</u>
ID/B/140	Annual Report of the Executive Director, 1973, chap.VI, paras.722-726
ID/B/150	Annual Report of the Executive Director, 1974, chap.VI, paras.53-60
ID/B/160	Annual Report of the Executive Director, 1975, chap.VI, paras.30-356
ID/B/180	Annual Report of the Executive Director, 1976, chap.III, paras.51-57
ID/B/200	Annual Report of the Executive Director, 1977, chap.VI, paras.25-31
ID/B/203	Increasing the effectiveness of the Industrial Development Field Advisers programme. Report by the Executive Director.
ID/B/220	Annual Report of the Executive Director, 1978, chap.V, paras.23-29
ID/B/228	Strengthening the effectiveness of the Industrial Development Field Adviser programme.
ID/B/231	Statement by Sir Robert Jackson at the thirteenth session of the Industrial Development Board (261st plenary meeting, 3 May 1979).
ID/B/240	Annual Report of the Executive Director, 1979, chap.V, paras.11-17
ID/B/260	Annual Report of the Executive Director, 1980, chap.V, paras.62-70
ID/B/280	Annual Report of the Executive Director, 1981, chap.VII, paras.32-41
ID/B/300	Annual Report of the Executive Director, 1982, chap.VII, paras.1-9
ID/B/300/Add.1	Proposals for strengthening the network of Industrial Development Field Advisers and Junior Professional Officers.
ID/B/320	Annual Report of the Executive Director, 1983, chap.VII, paras.45-59
ID/B/340	Annual Report of the Executive Director, 1984, chap.VII, paras.197-200
ID. 2/10	Annual Report of UNIDO, 1985, Chap. VII Paras 36 - 47

<u>Symbol</u>	<u>Title</u>
<u>Permanent Committee documents</u> <u>containing information about SIDFAs</u>	
ID/B/C.3/15 and Corr.1 & Corr.2	Report on the activities of the Industrial Development Field Advisers.
ID/B/C.3/61	Evaluation of the Industrial Development Field Advisers programme.
ID/B/C.3/75	Industrial Development Field Advisers programme in light of United Nations Development Programme discussions on sectoral support, June-July 1978.
ID/B/C.3/75/Add.1	Industrial Development Field Advisers programme: Action taken by UNIDO in response to Economic and Social Council resolution E/RES/1978/65.
ID/B/C.3/93/Rev.1	Industrial Development Field Advisers programme.
IDB. 2/24	Follow up of the recommendations of the former Industrial Development Board: Senior Industrial Development Field Advisers, interregional and regional advisers. Senior Industrial Development Field Advisers. Report by the Director-General.
<u>Other reports and documents</u>	
10 January 1976	Report of Sergije Makiedo, Senior Consultant to the Administrator of UNDP and the Executive Director of UNIDO for the joint review of the system of SIDFAs.
A.74, Sept. 1985	The Field Representation of Organizations of the United Nations system by the Joint Inspection Unit.
UNIDO/PC.108	JPO programme review, prepared by the Field Reports Monitoring Section.
UNIDO/PC.R8	Summary report and recommendations, second regional SIDFA meeting for Africa, Douala, Cameroon, 7-13 December 1983.
UNIDO/PC.111	Summary report and recommendations, second regional SIDFA meeting for Latin America and the Caribbean, 10-14 December 1984.
22 January 1986	Report of Saad K. Henein, UNIDO Consultant, and Thomas F. Power, Jr., UNDP Consultant, on Strengthening of the UNDP/UNIDO Sectoral Support in the Industrial Field

ANNEX IV

EVOLUTION OF THE SIDFA SYSTEM*

A. Number and distribution of SIDFAs and JPOs

1. The programme became operational in 1967 with the posting of a Field Adviser to cover all Latin American countries, and two others to cover the whole of Asia and the Far East. Coverage for Africa and the Middle East was provided by ad-hoc arrangements. There was a gradual increase of the number of SIDFA posts up to a maximum of 35 in 1979, when financial constraints forced a decline in the early 1980s, down to the current total of 27 posts, as illustrated in the following table:

Table 1.
Actual number of SIDFAs by geographical regions

Region	1970	1973	1976	1979	1982	1985	1986
Arab States	1	3	4	4	2	1	1
Europe	--	1	1	1	1	--	--
Africa	3	8	7	13	12	11	11
Asia and the Pacific	4	4	6	10	10	8	8
Latin America	6	8	6	7	7	7	7
TOTAL	14	24	24	35	32	27	27

2. A total of 92 SIDFAs have been appointed since inception of the programme, 44 from developing countries, 39 from market economy developed countries, and 9 from centrally planned developed countries, representing 46 nationalities, in 55 duty stations.

*) Adapted and updated from the "Report on Strengthening of the UNDP/UNIDO Sectoral Support in the Industrial Field by Messrs. Saad K. Henein and Thomas F. Power Jr., 1985, Chapter II

3. UNDP and UNIDO have, since 1972, been operating a special Junior Professional Officer programme to provide UNIDO JPOs to function as assistants to the SIDFAs, dealing primarily with aspects of industrial development. Some of these officers function as Associate Experts in projects as well as in the Joint Industry Divisions in two Regional Economic and Social Commissions. The number of UNIDO JPOs grew rapidly from two in 1972 to a total of 77 by the end of 1986^{*}). Belgium was the first country to start the JPO program but now there are ten sponsoring countries: Belgium (1972), Sweden (1973), Switzerland (1975), Japan and the Netherlands (1976), Federal Republic of Germany (1977), Denmark (1978), Finland (1980), Norway (1981) and Italy (1983). By November 1986, 249 UNIDO JPOs had been appointed, of whom 60 have been female and 13 have been from the developing countries (sponsored by Norway and the Netherlands). The numbers of JPOs supported each year including terminations during the year have been as follows:

Table 2
UNIDO JPOs per year since 1972

Year	No. of UNIDO JPOs
1972	2
1973	8
1974	16
1975	21
1976	23
1977	36
1978	39
1980	52
1981	72
1982	65
1983	59
1984	64
1985	74
1986	77

4. The present SIDFA and JPO coverage is given in Annex V. 117 Countries are covered by SIDFA service, 29 by resident SIDFAs (presently two posts are

^{*}) There are 53 on board as some have completed their assignment during the year.

vacant), one by an acting SIDFA and 31 by JPOs. 22 JPOs are posted in stations under resident SIDFAs.

B. Previous evaluations of system's effectiveness

5. In accordance with the various recommendations of the Governing Council of UNDP and the Industrial Development Board, the SIDFA programme has been the subject of continuous analysis and review. Reports and studies on the subject are included in the Executive Director's Annual Reports, UNDP documents on the re-orientation of the SIDFA programme, and the budgetary, administrative and financial matters related to sectoral support, and various IDB documents including reports on the activities and evaluation of the SIDFA programme, as well as actions taken by UNIDO in respect of strengthening the programme.

6. The first evaluation was undertaken by a senior consultant, Mr. Sergije Makiedo, in 1975 on behalf of UNDP and UNIDO. His report was submitted in early 1976 to the executive heads of the two Organizations. The report highlighted the following points:

- (a) The charge of a SIDFA should be not more than two at best three countries.
- (b) Advice to governments was offered on a limited scale.
- (c) It was a good channel of communication between UNIDO and governments.
- (d) The issues of double loyalty did not pose a serious problem in the field.
- (e) The system received widespread support from the governments.

7. The second evaluation was undertaken by Sir Robert Jackson in 1979 in pursuance of an ECOSOC Resolution (1978/65). The main conclusions of this Report were as follows:

- (a) SIDFA program should be strengthened and the conversion of UNIDO to a specialised agency and opening of a field service would do it.
- (b) SIDFA should in principle cover one country but alternative arrangements should be made for covering more countries.
- (c) Some fifty SIDFAs should be posted in selected countries.
- (d) UNDP should support the SIDFA cost till they can be transferred to the assessed budget of UNIDO as it becomes a specialised agency.

8. A JPO programme review was undertaken by the Field Reports Monitoring Section in January, 1985, which concludes that the JPO programme is an integral and vital element of UNIDO's field representation. If they are assigned to a UNDP office with a resident SIDFA, they assist in improving the co-ordination of UNIDO activities at field level. They also enable the SIDFA to concentrate more on advising the Government and the Resident Representative. In offices without a resident SIDFA the JPO, guided by the advice of the SIDFA resident in a neighbouring country, strengthens the communication between Government, the UNDP office and UNIDO Headquarters.

9. The last study was conducted by Messrs. Sadd K. Henein and Thomas F. Power Jr. in pursuance of UNDP Governing Council decision no. 85/41 in 1985. This was a study commissioned jointly by UNDP and UNIDO to assess the effectiveness of the system and recommend criteria for placement of SIDFAs, their selection, financing of the Program as well as organisational rearrangements. This Report concluded that the system has worked very well and made many recommendations, the most important of which are as follows:

- (a) SIDFAs should be UNIDO Field Coordinators and where necessary they should be assisted by Assistant Field Coordinators.
- (b) There should be 60 Field Coordinators' posts to be reached in five years and nine objective criteria should be applied to select the duty stations.
- (c) UNIDO field service should be administered by UNIDO and it should be backstopped better from the headquarters.
- (d) UNDP should support SIDFA service costs as a temporary measure but ultimately it should be financed by the assessed budget of UNIDO.
- (e) The Agreement of 1967 between UNIDO and UNDP as well as the 1979 Agreement concerning JPOs should be substituted to separate UNIDO field service altogether providing only for a coordinating mechanism.

C. Financing of SIDFA posts

10. Since it was not possible to reach a long-term solution on financing, approvals for SIDFA posts suffered set-backs in times of financial constraints, as may be clearly seen from the following table:

Table 3.

Approvals for financing of SIDFA posts from all sources of funds

Year	UNDP Sect. Support	Actually in position at year end	Year	UNDP Sect. Supp.	R. B. of U. N.	Funds-in-Trust	Total approved posts	Actually in position at year end
1967	3	1	1977	30	--	1	31	21
1968	5	1	1978	36	--	1	37	28
1969	10	9	1979	36	--	2	38	29
1970	20	12	1980	40	--	2	42	30
1971	22	18	1981	33	--	3	36	34
1972	26	22	1982	33	--	3	36	34
1973	30	21	1983	26	10	2	38	29
1974	30	15	1984	19	9	2	30	29
1975	30	23	1985	19	9	1	29	27
1976	23	20	1986	18	9	2	29	27
			1987	24	9	3	36	

11. Because of financial difficulties, UNDP was obliged in early 1976 to impose a moratorium on the recruitment of SIDFAs, the numbers of which had been depleted by staff transfers to UNIDO Headquarters and other forms of alternatives resulting in only 23 posts actually occupied. The Governing Council of UNDP at its twenty-third session, in January 1977, decided to increase again the number of field advisers financed by UNDP to 30 in 1977. At its twenty-fourth session in June 1977, the Governing Council decided to raise the number further to 36 in 1978. The Council, at its twenty-seventh session in 1980, decided to increase the allocation to US\$ 7,962,000 to cover the net additional costs for SIDFA services to finance 40 posts based on an estimate of US\$ 100,000 per year for each post.

12. The Governing Council, by decision 81/39 in 1981, approved US\$8,311,000 to cover the net costs for SIDFA services during the biennium 1982-1983, but the expectations in filling 44 SIDFA posts to be financed by UNDP were not fulfilled, as UNDP imposed a freeze on recruitment at 33 posts actually occupied.

13. Efforts to finance SIDFAs from Funds-in-Trust resulted in the

Government of Japan financing one post in 1977, and in later years two more were financed by the Governments of Austria and Finland. In response to the approval of the General Assembly in 1984, Italy announced a contribution. Japan and FRG will be financing two posts in 1987. Some developing countries have also contributed to the local costs of the SIDFA offices.

14. The General Assembly, in its resolution 38/192, Section I of 20 December 1983, decided that adequate resources should be provided from the United Nations Regular Budget to UNIDO in 1984 to maintain the existing level of appointed SIDFAs, in addition to full utilization of the UNDP allocation and voluntary funding through UNIDO. The General Assembly also appealed to all States, particularly developed countries, to provide voluntary contributions for the SIDFA programme, aiming at maintaining and increasing the number of posts. As a result the General Assembly approved an additional appropriation of US\$1 million for the Regular Budget for the SIDFA programme for the biennium 1984-85^{1/}. This enabled the financing of three SIDFAs at the D-1 level, and six at the P-5 level.

15. The Programme and Budget Committee of UNIDO approved US\$2,053,000 as indicated earlier for the SIDFA programme for the biennium 1986-1987 from the UNIDO Regular Budget. For 1987 UNIDO will finance 9 posts and travel costs from the operational budget.

D. Other important reports, decisions or resolutions concerning the SIDFA system^{2/}

16. The General Assembly, at its twenty-eighth session^{3/} in 1973 endorsed the decision of the Industrial Development Board, recommending the progressive increase of the number of SIDFAs to 40 in 1975, and to 60 in 1977.

^{1/} General Assembly resolution 38/236, Section A
^{2/} Annex III, list of reports and studies on the SIDFA and JPO programmes.
^{3/} General Assembly resolution 3086 (XXVIII)

17. The Administrator of UNDP, in his report to the thirty-first session of the Governing Council^{1/}, reviewed the history and rationale of UNDP Sectoral Support, and documented the status of the SIDFA programme. He concluded that the SIDFA programme continued to serve a vital function, and enjoyed broad support in developing countries, but that its financial conditions remained uncertain.

18. In its resolution on UNIDO's co-ordinating role in the United Nations system on industrial development^{2/}, the Fourth General Conference of UNIDO recommended that UNIDO "strengthen its field co-ordination in close co-operation with the United Nations Development Programme through the Senior Industrial Development Field Advisers programme, in order to make its operational activities more effective, and continuous negotiations to ensure adequate financing for the programme^{3/}".

19. The Industrial Development Board, at its seventeenth session in 1983, examined the Annual Report of the Executive Director, as well as proposals for strengthening the network of SIDFAs and Junior Professional Officers^{4/}, and re-emphasized the importance and effectiveness of the SIDFA programme, and the need to strengthen it.

20. The Industrial Development Board of UNIDO, at its nineteenth session in May 1985, underlined the need to strengthen and improve the SIDFA programme, invited the Governing Council of UNDP to finance the maximum number of SIDFA posts in 1986-1987 and urged member states to provide generous voluntary contributions for the programme.^{5/}

1/ DP/1984/64

2/ ID/CONF.5/RES.11

3/ ID/CONF.5/46, Chapter II, Section B.

4/ ID/B/300/Add.1: Proposals for strengthening the network of Industrial Development Field Advisers and Junior Professional Officers.

5/ UNIDO/IDB/1/14, 1985

21. The General Conference of the new UNIDO, at its first-session in December 1985, approved provision for financing nine SIDFA posts. ^{1/}
22. The Governing Council of UNDP, at its thirty second session in 1985, requested the Administrator to review UNDP policy concerning the future of the SIDFA Programme during the fourth country programme cycle. ^{2/} The Administrator jointly with UNIDO commissioned a study in 1985.
23. The Governing Council of UNDP, in its thirty third session in 1986, considering the consultants report on Strengthening of the UNDP/UNIDO Sectoral Support in the Industrial Field, provided funding for SIDFA program for a three year period and requested the Administrator to undertake jointly with UNIDO another objective and substantive review of the SIDFA Programme. ^{3/}
24. The IDB, at its second session in October 1986, re-emphasized the importance of the SIDFA Programme and the need for further strengthening of it and in particular took note of the Governing Council's decision 86/50. ^{4/}

^{1/} UNIDO/GC/1/10 Rev. 1, 1985
^{2/} DP 1985/63 and Decision 85/41
^{3/} DP 1986/66 and Decision 86/50
^{4/} GC 2/2, 1986

ANNEX V
DEPLOYMENT OF SIDFAS AND JPOS BY COUNTRIES
- 82 -

DEPARTMENT FOR PROGRAMME AND PROJECT DEVELOPMENT
AREA PROGRAMMES DIVISION
SIDFA and JPO SUPPORT SERVICES SECTION

September 1986

SENIOR INDUSTRIAL DEVELOPMENT FIELD ADVISERS (SIDFAs)
AND THEIR ASSISTANTS (JPO)

(Conseiller industriel principal hors siège)
(Alto Asesor Industrial Extrasede)

EUROPE AND ARAB STATES

A. Countries covered by SIDFA and JPO

<u>Duty Station</u> Countries	<u>SIDFA</u> JPO
<u>Khartoum</u>	<u>F. M. Iqbal</u>
*SUDAN	
*DEM.YEMEN(ad hoc)	I. Mohamed
*YEMEN AR.REP	---

B. Countries covered only by JPO:

MOROCCO	S. Rimoldi (Ms.)
TUNISIA	D. Zarrouk-Hicquet(Ms.)
TURKEY	W. Dreusch

C. Countries covered from Headquarters:

ALGERIA	JORDAN	OMAN
BAHRAIN	KUWAIT	QATAR
CYPRUS	LEBANON	SAUDI ARABIA
*DJIBOUTI	LIBYA	*SOMALIA
EGYPT	MALTA	SYRIA
IRAQ	MOROCCO	UNITED ARAB EMIRATES

JPOs assigned to UNIDO Headquarters:

A. KLOCKE

Note: For countries listed under C contact should be made through UNDP Resident Representative.

* Indicates Least Developed Countries

AFRICA

A. Countries covered by SIDFA and JPO

Duty Station

Countries

Addis Ababa

*ETHIOPIA

Antananarivo

MADAGASCAR

*COMOROS

MAURITIUS

Conakry

*GUINEA

*GUINEA BISSAU

*CAPE VERDE

Dakar

SENEGAL

*MALI

MAURITANIA

*GAMBIA

Dar-es-Salaam

*TANZANIA

*MALAWI

SEYCHELLES

Freetown

*SIERRA LEONE

GHANA

LIBERIA

Kinshasa

ZAIRE

*BURUNDI

*RWANDA

CONGO

Lomé

*TOGO

*BENIN

IVORY COAST

*NIGER

*BURKINA FASO

Luanda

ANGOLA

*SAC TOME AND PRINCIPE

Lusaka

ZAMBIA

*BOTSWANA

ZIMBABWE

Maputo

MOZAMBIQUE

*LESOTHO

SWAZILAND

Yaoundé

CAMEROON

*CENTRAL AFR. REP.

*CHAD

GABON

*EQUATORIAL GUINEA

SIDFA

JPO

M. K. Vencatachellum (also Personal Rep. of
Director General to ECA)

G. Stevens

V. Andersen(Ms.)

--

--

Vacant

H. Van Oijen(Ms.)

--

--

D. Mostefai

D. Gessler(Ms.)

--

--

--

T. Kikuchi

M. Falch

P. Barsotelli (Ms.)

--

M. Alemayehu

J. Vestgaard

A. Capalbo

S. Berthelsen

G. Bauduy

P. Dereppe

--

M.H. Bollen(Ms)

--

D. E. Ghozali

A. Mbekek(Ms.)

--

--

P. Baldan

L. Schoenmaeckers

A. Milovanov

E. Bengtsson

--

G. Bekele

E. Mus

--

K. Stig...

C. Goulart

--

A. Mlynarczyk

--

Mr. M. Konaré

A. Jibidar(Ms.)

--

--

--

--

B. Countries covered only by JPO:

NIGERIA T. Kamigatakuchi

C. Countries covered from Headquarters:

*UGANDA

KENYA

THE AMERICAS

A. Countries covered by SIDFA and JPO

Duty Station
Countries

SIDFA
JPO

Brasilia

BRAZIL
PARAGUAY

L. Soto-Krebs

W. Mathis
A.M. Reina (Ms.)

Bridgetown

BARBADOS
GUYANA
ANTIGUA/GRENADA
BRIT. VIRGIN ISLANDS
SURINAM/NET. ANTILLES
TRINIDAD-TOBAGO
ST. CHRISTOPHER/NEVIS
ST. LUCIA/ ST. VINCENT
DOMINICA/MONTSERRAT

P. Ryan

J. van der Nat
E. Appiateng

--

--

--

Dessalegne

--

--

Kingston

JAMAICA
BAHAMAS/BERMUDA
CAYMAN ISLANDS
*HAITI
TURKS AND CAICOS
DOMINICAN REP.

S. Dello Strologo

A. Von Monbart(Ms)

--

--

E. Verschuur

--

I. Barbolani Di Montauto(Ms.)

La Paz

BOLIVIA
ARGENTINA
URUGUAY

R. Peña Herrera

S. Aarslev
J. Delahaut
R. Buitelaar

Lima

PERU
CHILE
COLOMBIA
ECUADOR

M. Dizy

C. Mayer(Ms.)

--

--

H. Vadmand(Ms.)

Mexico-City

MEXICO
CUBA
NICARAGUA
VENEZUELA(ad hoc)

J. Ayza

E. Schumacher-Schubert(Ms.)
B. Jaretti-Cappellato (Ms.)
E. L. Myllymake(Ms.)
H. Von Gersdorff

Tegucigalpa

HONDURAS
BELIZE
COSTA RICA
EL SALVADOR
GUATEMALA
PANAMA

M. Savarain(Ms.)

W. Kelderhuis

--

U. Seiler

S. Stracchi (Ms.)

N. Bertolini

E. Bastiaans

ASIA AND PACIFIC

A. Countries covered by SIDFA and JPO

<u>Duty Station</u> Countries	<u>SIDFA</u> JPO
<u>Bangkok</u> THAILAND BRUNEI DARUSSALAM MALAYSIA	<u>Vacant</u> K. Kimpara -- A. Versluis
<u>Beijing</u> CHINA (PEOPLE'S REP.) KOREA DEM. REP.(ad hoc)	<u>A. Sissingh</u> -- --
<u>Colombo</u> SRI LANKA *MALDIVES *NEPAL(ad hoc)	<u>T. Schroll</u> S. Ericsson -- D. Plas
<u>Dhaka</u> *BANGLADESH	<u>V.C. Lavidés</u> R. Petri
<u>Islamabad</u> PAKISTAN	<u>K. Stephens</u> A. Olsen
<u>Jakarta</u> INDONESIA PHILIPPINES	<u>G. Narasimhan</u> S. Bardelle E. Bos
<u>New Delhi</u> INDIA *BHUTAN(ad hoc)	<u>M.K. Hussein</u> -- --
<u>Rangoon</u> BURMA *LAO PEOPLE'S REP.(ad hoc) VIETNAM(SOC. REP. OF)(ad hoc)	<u>J.B. Gorski</u> -- -- --
<u>Seoul</u> KOREA Rep.of	<u>A. Nasir</u> , Proj. Man./Co-ordinator ROK/77/007 -- Acting SIDFA
<u>Suva</u> FIJI KIRIBATI (REP. of) NAURU (REP. of) SOLOMONS (REP. of) TONGA (KINGDOM of) TUVALU AND VANUATU (REP. of) *SAMOA PAPUA NEW GUINEA COOK ISLANDS NIUE (REP. of) TRUST TERR PACIFIC ISL (Ponape, Kosrae, Truk, Yap)	<u>I. Contreras</u> -- -- -- -- -- -- -- -- -- -- -- -- --

C. Countries covered from Headquarters:

*AFGHANISTAN	MONGOLIA
HONG KONG	SINGAPORE
IRAN (Islamic Rep. of)	

ANNEX VI

UNITED NATIONS



NATIONS UNIES

SECRETARIAT - JOB DESCRIPTION

DO NOT WRITE IN THIS SPACE

DATE RECEIVED: _____

OFFICERS: _____

LEVEL: _____

SECTION A: May be completed by the incumbent of the post

1. IDENTIFICATION of the post:

1.1 Department/Secretariat/Office UNDP Field Office

Division/Centre

Branch/Service

Section

Unit

1.2 Functional Title: Senior Industrial Development Field Post Number: _____
Adviser

Duty Station: to be determined Occupational Code: _____

2. ST/SGB/Organization Reference: Memorandum of Agreement concerning the establishment of a UNIDO field service at the country level to be integrated within UNDP Field Offices dated 3 October 1967.

3. ORGANIZATIONAL SETTING: ATTACH A COMPLETE AND CURRENT ORGANIZATION CHART FOR THE ORGANIZATIONAL STRUCTURE OF THE POST BEING DESCRIBED

3.1 Professional posts DIRECTLY supervised:

<u>Functional Title</u>	<u>Classification Level</u>	<u>Number of Posts</u>
Junior Professional Officer	P-1/P-2	1

Total number of professional posts supervised directly, and through subordinate supervisors: _____ 1

3.2 Total number of posts in other categories supervised: _____ 2

3.3 Title and classification of supervisor's post Director General

4. Summary of the assigned duties:

Under direct policy guidance from the Director General with respect to UNIDO's programmes and overall policy guidance from the UN resident co-ordinator the post is responsible to respond to the needs of Governments for sectoral advice on their industrial development programmes and to provide the UN resident co-ordinator with sectoral support.

<p>5. Describe the main DUTIES AND RESPONSIBILITIES of the post, indicate WHAT is done and HOW it is done. Duties should be presented in order of importance. Please indicate the approximate percentage of time devoted to each duty.</p>	%
<p>In particular the SIDFA should specifically undertake the following duties:</p>	
<p>1. <u>Activities related to direct provision of technical assistance</u></p>	40 %
<p>(a) <u>Programme Support</u></p>	
<ul style="list-style-type: none"> - identification of the technical co-operation requirements of the country to enable it to carry out its industrialization strategy, plans and policies; - formulation of intersectoral and sectoral technical co-operation programmes for financing from external sources based on the requirements of the country; - country-level co-ordination of UNIDO programmes and projects in the industry sector with other industrialization activities; - evaluation of UNIDO projects and programmes, and application of evaluation findings in the design, appraisal and implementation of the projects and programmes; - promotion of economic and technical co-operation activities among developing countries in the industrial sector; - provision of information concerning the country's industrial sector and its plans and strategies for industrialization as well as its political, administrative and institutional infrastructure. 	
<p>(b) <u>Project Support</u></p>	
<ul style="list-style-type: none"> - monitoring of delivery of project inputs, with appropriate follow-up with UNIDO headquarters; - assessment of substantive progress of work, with periodic reporting; - assistance in the preparation for and conduct of tri-partite and other project reviews; - assistance in the preparation of revisions of project documents; - assistance in the selection of candidates for expert posts for submission to the government and in their processing for clearance; - assistance to project expatriate staff, particularly short-term experts or those assigned to projects without an expatriate Chief Technical Adviser, in establishing liaison with the appropriate government authorities; - assistance in appropriate follow-up actions by UNIDO following project completion. 	35 %
<p>2. <u>Activities other than those directly related to technical co-operation field projects:</u></p>	25 %
<ul style="list-style-type: none"> - assist UNIDO Headquarters in the promotion and execution of specific activities such as the System of Consultations, Transfer of Technology, Investment Promotion, etc.; - inform government officials and other concerned persons of the results of relevant research and studies carried out by the Division of Industrial Studies; - facilitate and encourage participation in UNIDO sponsored expert group meetings, seminars, consultations, etc.; - identify research institutions, consulting firms, training institutions and manufacturers who might provide goods and services for UNIDO activities; - establish and maintain contacts with non-governmental organizations as well as with intergovernmental organizations and other UN system organizations active in the country's industrial sector; - assist in the identification and promotion of industrial investment projects; - promote contributions to the United Nations Industrial Development Fund; - represent UNIDO whenever requested in congresses, conferences, meetings, seminars etc. organized by governments, organizations, institutions and where UNIDO has been invited to participate. 	

6. Indicate the CONTACTS required with persons outside the immediate work unit:

6.1 Inside the regular Secretariat, including UNIDO, UNCTAD, regional economic commissions, etc.

<u>Functional Title and Classification</u>	<u>Purpose and Frequency</u>
Staff at all levels up to the Director General	- to receive guidance and/or to exchange views on priorities and needs of developing countries and the effectiveness of technical assistance activities of UNIDO (as required).
Regional Economic Commissions and other departments of the UN Secretariat.	- to exchange views on priorities and needs of developing countries and the activities of UNIDO. (as required).

6.2 Outside the Secretariat, for example, UNDP, UNHCR, specialized agencies, delegations, government officials, etc.

<u>Title and Level</u>	<u>Purpose and Frequency</u>
UN Resident Co-ordinator	to receive guidance and to advice on priorities and needs of developing countries in the industrial (sector weekly)
Representatives of Specialized Agencies such as FAO, ILO, etc.	- to discuss joint programmes, projects and matters of mutual interest (as required).
Government officials up to Ministerial level and Government Representatives accredited to UNIDO.	- to advice and exchange views on programming and project developments and possibilities of increasing future co-operation (daily/weekly).

(please see continuation - additional page)

7. DECISION MAKING AND CONSEQUENCE OF ERROR

7.1 Describe the type of decisions regularly made and the IMPACT of these decisions.

The incumbent makes decisions with respect to technical advise given to governments on their industrialization strategy; formulation of technical co-operation programmes; evaluation of programmes and projects; promotional activities; and establishing contacts.

The work of the incumbent is essential in fulfilling UNIDO's mandate. It has a direct impact on the effectiveness of the technical assistance activities of UNIDO and contributes to the generation of higher quality projects and to the development of programmes that meet the needs of developing countries.

7.2 Describe the type of recommendations made.

Technically as Adviser the incumbent makes recommendations and proposals which form a major part in the policy decisions of technical assistance offered by UNIDO; main policy lines followed by the Organization in programme and project development on the full range of the UNIDO technical assistance activities.

7.3 Describe the consequence of errors.

Errors would have long term negative consequences for the development of his/her country of coverage and on the quality of UNIDO's technical assistance activities. They would directly affect the Organization's prestige and credibility with recipient countries.

Continuation of 6.2

<u>Title and Level</u>	<u>Purpose and Frequency</u>
Senior officials of Industrial Organizations and Associations, Universities, and other Institutions concerned with UNIDO's work.	- To consult on programmes of mutual interest, obtain their support and co-operation, exchange views and information about recent technological developments and trends in research activities, etc.

8. Indicate the **GUIDELINES** and directives available; describe the **INTERPRETATION OF** and **DEVIATION FROM** existing guidelines, and the authority to establish new guidelines.

Broad guidance for the work of the incumbent is provided by the relevant decisions and resolutions of policy-making bodies such as the United Nations General Assembly, the Industrial Development Board, and the UNDP Governing Council, as well as the Director General of UNIDO and the UN Resident Co-ordinator. Administrative instructions, rules and procedures, issued by the UNDP, United Nations, and UNIDO, are used as appropriate for the formulation and implementation of technical assistance projects. Guidance with regard to the overall priorities of the activities of the incumbent are provided by the Executive Director of UNIDO.

The incumbent is entirely responsible for the correct interpret of these guidelines in relation to the performance of his/her duties.

SECTION B : To be completed by the SUPERVISOR of the post.

1. Describe the type and extent of the supervision given to the post.

Under the overall policy guidance of the UN Resident Co-ordinator and direct instructions from UNIDO, the SIDFAs are responsible for the overall activities of UNIDO in their countries of assignment. They also give technical advice to the government.

(see also additional comments)

2. Define the objectives or goals of the post.

As the UNIDO SIDFA in his/her country of assignment to present, promote and co-ordinate the implementation of UNIDO's programmes in the most accelerated, effective and efficient manner.

3. Indicate the minimum knowledge, abilities and skills required to perform the assigned duties of the post.

3.1 Level and **FIELD OF STUDY** of university or equivalent training; and the degree of specialization required:

Advanced degree in engineering, economics or science or the equivalent in training and experience. Specialization in international industrial development issues.

3.2 Length and type of practical experience required at the national, and if so required, at the international level:

Eight to ten years experience at the national level and over ten years experience at the international level in international industrial development. A knowledge of the operations and organizational set-up of UNIDO and other UN organizations is desirable.

3.3 Language(s) proficiency required:

Fluency in English and French and/or of Spanish. Languages to be determined according to the countries of coverage.

4. If the job description is to be used for requesting a review of the classification level, indicate the changes that have occurred in the duty assignment.

SECTION C : Signatures

SIGNATURE OF INCUMBENT: _____

DATE: _____

NAME: _____

SIGNATURE OF SUPERVISOR (Confirmation of correctness of job description): _____

DATE: _____

NAME: _____

SIGNATURE OF CHIEF OF SECTION/BRANCH OR DIRECTOR (Authorization of approval): _____

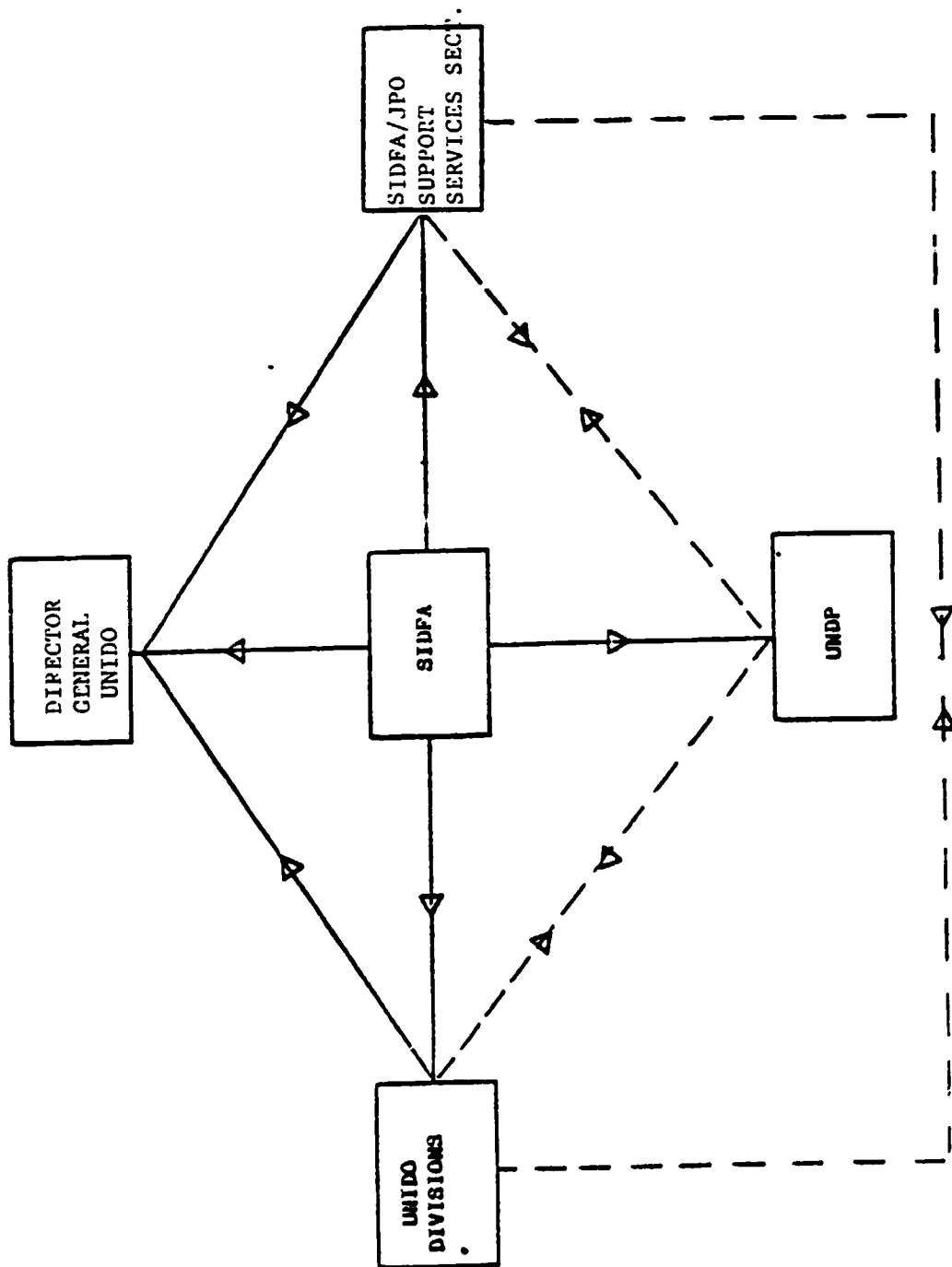
DATE: _____

NAME: _____

Additional comments:

The SIDFAs are appointed in accordance with a UNDP/UNIDO Agreement. They serve in UNDP field offices under the administrative authority of the Resident Co-ordinator and receive direct instructions from UNIDO. Consequently, they report to two different organizations, to the Resident Co-ordinator and to UNIDO, through the SIDFA and JPO Support Services Section, the Section in charge of backstopping the SIDFAs and of co-ordinating their activities. The Section is also responsible for the liaison with UNDP on all matters regarding the SIDFAs.

UNIDO/UNDP SIDFA PROGRAMME



ANNEXURE VI

JOB DESCRIPTION OF JPO

UNITED NATIONS DEVELOPMENT PROGRAMME
UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION
UNDP/UNIDO

JOB DESCRIPTION

POST TITLE Assistant to the Senior Industrial Development Field Adviser, SIDFA (Junior Professional Officer, JPO).

DUTY STATION As designated, with possibility of some travel in region if deemed necessary by SIDFA and/or UNDP Resident Representative, subject to approval by UNIDO Headquarters.

DURATION Initially one year which may later be extended to a second year upon the SIDFA's request, the recommendations of the Resident Representative and the SIDFA with the agreement of the Junior Professional Officer and his sponsoring Government. In exceptional cases, a third year may be approved.

DUTIES AND RESPONSIBILITIES Subject to the overall supervision of the UNDP Resident Representative, under the general guidance of the SIDFA and in accordance with the rules and regulations of UNDP, the JPO will be expected to assist the SIDFA in the performance of such duties and responsibilities as are outlined below. Within this framework, his/her duties may include the following:

- assistance in the elaboration and formulation of projects to be executed by UNIDO;
- assistance in the preparation of the industrial background papers related to the establishment of the UNDP Country Programme and its periodic revisions;
- assistance in the preparation of documents for projects, included in the Country Programme and those financed by SIS or any other source for UNIDO execution;
- assistance in the evaluation of progress made by ongoing UNIDO projects;
- assistance in the preparation of regular correspondence with UNIDO Headquarters on programme and project implementation;
- assistance in the preparation of periodic progress reports on UNIDO field activities;
- assistance in follow-up with government officials on selection of experts, clearance of proposed lists of sub-contracting firms, as well as nomination of candidates for fellowships or other UNIDO training programmes;
- assistance in follow-up with government officials and with Headquarters on matters involving operational and projected UNIDO projects;

- assistance in installation of new UNIDO experts, and
- in the organization of UNIDO staff members' visits;
- co-operation with UNIDO experts, and assistance to sub-contracting firms implementing UNIDO projects in the country, when applicable;
- periodic reporting to UNIDO Headquarters in accordance with the existing reporting requirements, as requested;
- performance of such other duties which the Resident Representative, the SIDFA or UNIDO headquarters may assign, primarily in the field of industrial development;

QUALIFICATIONS
EXPERIENCE

- A solid academic background at the post graduate level in economics, industrial engineering, public/business administration etc., or relevant demonstrated professional experience;
- Initiative and sound judgement; ability to organize work and to co-operate in harmony with local and international staff members in the Resident Representative's office;
- Fluency in English essential. In addition an excellent knowledge of French or Spanish is necessary when one of these languages is the official language of the country of assignment.

Resolution of UNDP Governing Council 86/50
36th Meeting
June 27, 1986

Sectoral Support

The Governing Council,

Having considered the report of the Administrator on sectoral support (DP/1986/66) and the views and comments of members thereon,

1. Notes the allocation of \$25,000,000 for the fourth programming cycle, together with any savings arising in the third cycle, to be used as follows:
 - (a) \$9,600,000 to cover the costs to the United Nations Development Programme for the services of the maximum number of senior industrial development field advisers (SIDFAs), in 1987, 1988 and 1989 within these resources.
 - (b) \$9,000,000 to be used at the discretion of the Administrator for the smaller agencies,
 - (c) \$6,400,000 to be maintained for SIDFAs in the sectoral support line for further consideration of the Council,

2. Requests the Administrator to undertake an objective, substantive review of the SIDFA Programme, jointly with UNIDO, and to report to the Governing Council at its thirty-fourth session (1987) on the results of that review. The review should include an assessment of the modality and the functions of SIDFAs, the optimum number of SIDFAs required in the foreseeable future and their possible location, their effective integration into the UNDP field offices, and proposals for the long-term financing of the SIDFA programme.

TERMS OF REFERENCE OF THE CONSULTANTS

STRENGTHENING OF THE SECTORAL SUPPORT IN THE INDUSTRIAL FIELD
TERMS OF REFERENCE

BACKGROUND

The Governing Council of the UNDP in its thirty-third session requested the Administrator to undertake an objective, substantive review of the SIDFA Programme, jointly with UNIDO, and to report to the Governing Council at its thirty-fourth session (1987) on the results of that review.

The purpose of the UNIDO services established at the field level and the responsibilities of the Senior Industrial Development Field Advisers (SIDFAs) were outlined in the "Memorandum of Agreement concerning the establishment of a UNIDO Field Service at the country level to be integrated within UNDP Field Office" dated 3 October 1967.

the primary role of SIDFAs is to respond appropriately to the requirements of Governments for technical assistance in their industrial development efforts by, inter alia:

- (a) providing sectoral advice and support to governments through the UNDP Resident Representative in the formulation of the UNDP country programme and in the monitoring of technical co-operation activities;
- (b) maintaining a link between Governments and UNIDO to ensure that Governments are fully aware of and benefit from UNIDO programmes and activities, in addition to technical co-operation programmes;
- (c) maintaining relations with field personnel of all UN organizations and other multilateral and bilateral programmes, to ensure proper co-ordination at the field level in the preparation and execution of industrial programmes;
- (d) advising Governments of LDCs, specially in relation to the UN activities in Africa, and other countries at initial stages of industrial development;
- (e) promoting TCDC/ECDC activities between countries with a high degree of industrialization and other developing countries.

Purpose of the Review

The purpose of the review is to undertake an objective and substantive review of the SIDFA Programme and the effectiveness of SIDFAs. It should cover possible modalities of providing support to Governments in the industrial field, the functions of SIDFAs, the optimum number of SIDFAs required in the foreseeable future and their possible location, their effective integration into the UNDP field offices, and proposals for the long-term financing of the SIDFA Programme.

Tasks

In line with the above-stated purpose of the review, the consultants should undertake the following tasks:

1. objective assessment of the contribution made by the SIDFA Programme and its effectiveness in meeting industrial development needs, in particular of those LDCs, paying special attention to:
 - (a) provision of policy, planning and programming advice to the Government;
 - (b) project identification and selection;
 - (c) support to various aspects and phases of project preparation;
 - (d) support to project management, including monitoring and assistance to evaluation exercises;
 - (e) support to the Resident Representatives in their co-ordination efforts, especially co-ordination of technical co-operation for industry;
 - (f) mobilization of non-IPF resources, including those from the non-governmental sector, and related promotional and backstopping activities;
 - (g) promotion of TCDC/ECDC activities;
 - (h) contacts and communications with UNIDO Headquarters.

2. review of possible criteria for the selection of locations for SIDFA/JPO services, taking into account that a SIDFA could have to cover several countries and paying special attention to the following criteria:
 - (a) the level of industrialization and the type of industrial policy;
 - (b) the dynamics of the industrial process (regardless of the level of industrial development);
 - (c) the absolute size of the technical co-operation programme in the industrial sector executed by UNIDO, covering both UNDP-financed activities and those supported by other funds;
 - (d) complexity of the technical co-operation programme (e. g. type and number of projects);
 - (e) relations of the country to other countries (e. g. foreign trade and TCDC capacity), including regional and sub-regional groupings;
 - (f) Government's interest in SIDFA services (related to criterium c);
 - (g) geographic location of the country with regard to other countries in need of advice and technical co-operation;

3. review of financial needs and resources, including
 - (a) provision of realistic estimates of the financial costs of SIDFA posts, taking into account the financial needs of different duty stations and based on the recommended number of resident SIDFA posts;

- (b) examination of the various alternative sources of finance for the SIDFA programme, and making appropriate recommendations regarding contributions to the total net cost;
4. based on points 1 to 3 above, formulation of recommendations on:
- (a) the profile of qualifications needed for SIDFA/JPO posts;
 - (b) the integration of SIDFA/JPO service into the UNDP field office, including the status of the SIDFA vis-a-vis the Resident Representative;
 - (c) the optimum number and placement of SIDFAs/JPOs to be deployed in relation to various assumptions regarding available financing.

Organization of Work and Reporting

The study will be undertaken by two consultants, one each to be provided by UNDP and UNIDO. Both consultants will be briefed and debriefed at UNDP and UNIDO Headquarters.

The consultants will visit a selected number of host Governments (approximately four countries).

The implementation of the study should begin by mid-October and be completed by 30 November 1986 in time for UNDP to finalize its report to the February 1987 session of the Governing Council

ANNEX IX

QUESTIONNAIRE TELEXED TO RESIDENT REPRESENTATIVES IN
COUNTRIES COVERED BY SIDFA SERVICE FOR
GOVERNMENT VIEWS ON CERTAIN MATTERS

REF GC DECISION 86/50 PARA 2 REQUESTING ADMINISTRATOR TO UNDERTAKE OBJECTIVE SUBSTANTIVE REVIEW SIDFA PROGRAMME JOINTLY WITH UNIDO AND REPORT THEREON TO JUNE 1987 GC SESSION.

(AAA) REVIEW TO BE UNDERTAKEN BY TWO INDEPENDENT CONSULTANTS WHO WISH TO BASE THEIR STUDY INTER ALIA ON GOVERNMENTS' VIEWS ABOUT EFFECTIVENESS OF SIDFAS.

(BBB) WOULD THEREFORE APPRECIATE YOUR CONTACTING PERSONALLY CO-ORDINATING GOVT ENTITY TO ASCERTAIN HOW GOVERNMENT WOULD EVALUATE FUNCTIONING SIDFA ASSIGNED TO YOUR COUNTRY IN TERMS OF HIS/HER CONTRIBUTION TO:

1. TECHNICAL ASSISTANCE PROGRAMMING
2. IDENTIFYING, FORMULATING AND PREPARING PROJECTS
3. PROJECT EXECUTION AND MONITORING
4. TENDERING ADVICE ON POLICY FORMULATION AND SELECTION DEVELOPMENTAL STRATEGIES AND
5. TECHNICAL/SUBJECT MATTER ADVICE NEEDED IN SPECIFIC CASES.

(CCC) WOULD APPRECIATE RECEIVING CABLED GOVT RESPONSE LATEST BY 22 NOVEMBER 1986 WITH COPY TO UNIDO FOR HORST WIESEBACH, DDG, DEPT FOR PROGRAMME AND PROJECT DEVELOPMENT.

KING, OIC, BPPE