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HANDBOOK FOR UNIDO FIELD STAFF



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

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INTRODUCTION

Apprehensive new appointees to the Field Staff of UNIDO have to undergo - as if joining a new school - certain initiatory ceremonies. Could it have been how they looked when they were interviewed? Mysterious. Some are placed into a jar of rarefied culture labelled "200-series of the Staff Rules"; others are squeezed into a box with writing on the top saying "special service agreement". They emerge from these tribulations transmuted into the genus 'project personnel' and the genus 'consultant'. These unlovely terms are then centrifuged - and out come real people: all kinds of engineers, scientists, economists, managers and other specialists. Their expertise has been harnessed by UNIDO and they are headed for service in a developing country. Bringing gusts of fresh air from the outside world, they are very welcome to the UNIDO staff who recruited them, appointed them and will now provide them with supporting services, substantive and administrative, to the best of their abilities.

The UN System long ago introduced - and UNIDO uses - certain neutral labels to shorten texts and speed up work: words like 'expert', 'consultant', 'adviser', 'fellow' (meaning the national of a developing country who is awarded a Fellowship for study in a more advanced country). There are other ingrained terms: programme, project, equipment, sub-contracting, counterpart.

Superimposed on these, unfortunately, are clichés and jargon. To be fair, some of those who use them are busy people who are preoccupied with urgent action directed towards praiseworthy goals. They have little time to reflect on the use of words. On the other hand, there are some practitioners whose prose sadly seems to have been infected by the bacillus academicus.

Speaking of labels, another example is UNDP's ubiquitous use, especially in the Programme and Projects Manual, of the terms 'input' and 'output', respectively to, and from, a technical co-operation project. These neat, clean, neutral concepts are undoubtedly essential to the intellectual commerce of exposition, discussion and communication. They should not, however, blind us to the 'cinéma vérité' of real life. An 'input' may well be a newly arrived expert fuming at the airport because he isn't met by a UNDP office car; or a piece of equipment for the project chucked off the back of a lorry on to the tarmac outside the Res.Rep's office; or two participants in a study tour

who promptly catch influenza. 'Outputs', on the other hand, are results; and this includes calling an expert's final report "a documentary output" - a mad but logical conclusion of using bland terminology.

But then there are the bright clusters of abbreviations - the MODs, the PADs and the IOVs. No rose without a thorn, no IPF without an ABL! ^{1/}

To come to the point, the purpose of this Handbook is to supply UNIDO Field Staff with useful and interesting information, in a readable way, which will help them on their assignments and also give them a general background on UNIDO and its activities. It differs radically from its predecessor, the Chief Technical Adviser's (CTA) Manual: The Handbook is designed for all UNIDO staff who are serving in developing countries; it is much shorter than the Manual; and the last revision of the Manual appeared in February 1984, almost two years before UNIDO became a specialized agency.

The Handbook may perhaps also be of interest, as a reference guide, to UNDP field offices; and, as it gives an overall view of UNIDO, it could serve to brief newly appointed professional staff at UNIDO Headquarters.

The Introduction to the CTA Manual contained a lengthy passage on the human relations of the CTA, in the country of assignment, with the Government, the national counterpart staff and the people at large. This self-contained disquisition is still available as an excerpt with a printed cover, and is one of the items in the briefing folder given to newly appointed experts who pass through Vienna.

The present writer is somewhat sceptical on the subject. The representatives of UNIDO who interview candidates for expert posts - or for other posts in the field - are looking for personal qualities as much as for professional qualifications and experience. There is a reasonable presumption that, generally speaking, the field staff appointed by UNIDO already possess what Jane Austen called "Sense and Sensibility" and will be able to make good contacts and behave with tact in their country of assignment.

^{1/}

The definitions are given in Chapter XIII. B.

Even the "us-and-them" syndrome^{2/} - meaning the antagonisms which occasionally build up between staff in the field and staff at Headquarters (not mentioned in the CTA Manual) - is not what it used to be. UNIDO Headquarters staff are occasionally seconded to posts in the field; interregional advisers and backstopping officers visit projects; and experienced experts or field advisers have been appointed to UNIDO Secretariat posts. This "to-ing and fro-ing" is not by chance: it is a matter of Organizational policy.

Another sizeable passage in the Introduction to the CTA Manual contained advice on health in developing countries. This is an important subject which needs to be viewed in a different context. A separate booklet has been produced entitled 'Health in the Tropics'. It has an entirely new structure, worked out by the Director of the Medical Service at the Vienna International Centre and his Senior Nurse. The contents have been expanded and are completely up-to-date. One annex gives a table of immunizations and vaccinations required, the other lists the contents of a personal or family medical kit for the tropics. The booklet will be sent out by the Appointments Unit to experts or other UNIDO field staff who will be proceeding to tropical countries; and the Unit has been provided with an alphabetical check list of those countries. It is important that the Field Staff in question receive the booklet - if at all possible - before departure, as there are a number of things to be looked after besides the prescribed inoculations.

Returning to the world of technical co-operation projects, the newly appointed member of UNIDO's Field Staff, or of the UNIDO Secretariat, should not be dismayed by the various references in the Handbook to 'revisions' or 'rephasings' of projects or even occasional premature terminations or cancellations. After all, the perfect project, perfectly succeeding, is an important aim but remains a utopian concept.

Apart from that, it is, of course, the aim of UNIDO - and UNDP - to work themselves out of a job; but let's call it a long-haul job, a matter of generations.

^{2/} And whoever heard of the "we-and-they" syndrome ? Annoyance makes for bad grammar.

It's time to wind up this Introduction. This Handbook (surprisingly?) embodies the puritan ethic. A serious attempt was made to write the text in a straightforward, uncluttered way. Sober chapters of plain speech, devoid of wicked bureaucratic baroque ornamentation (to coin a phrase), and couched, wherever possible, in simple declarative sentences (which the New Yorker magazine used to like, way back) now follow.

Human frailty being what it is, an occasional blue butterfly may blunder in (in fact a number of them seem to have hit the windshield of this Introduction). But from now on they will be scarce. So be brave! tackle the text! good luck!

G.R.H.

CHAPTER I. A SHORT HISTORY OF UNIDO

A. The Origins

On 1 January 1986 the United Nations Industrial Development Organization (UNIDO) was established as the 16th specialized agency within the United Nations system.

The story started, however, on 26 June 1945, the date on which the Charter of the United Nations was signed in San Francisco. The determination to improve the standards of life of all the peoples of the world was set out in the Charter: "We the peoples of the United Nations determined.... to promote social progress and better standards of life and to employ international machinery for the promotion of the economic and social advancement of all peoples". Similar objectives, including the definition of specialized agencies, were outlined in Chapter IX of the Charter 'International Economic and Social Co-operation' (Articles 55 through 60).

As early as 1951 the United Nations General Assembly adopted resolution 521(VI) which called on the Economic and Social Council "to promote studies of a programme of rapid industrialization of under-developed countries....and the role that the industrially advanced and the under-developed countries have to play in such a programme." As a result of this request, the Council in 1952 asked the Secretary-General of the United Nations to undertake such studies. This was the origin of UNIDO's programme of research activities.

Nevertheless, it took nine more years before the Centre for Industrial Development was set up within the UN Secretariat and began its operations in July 1961. This delay was due less to the complexities of the subject than to historical and political facts.

When the United Nations was established in San Francisco in 1945, most of its 51 Members were countries at a high level of industrial development, many of which had been affected, more or less seriously, by the Second World War. Understandably, they gave the highest priority to post-war economic and political problems. The attainment of independence, statehood and membership

of the United Nations by peoples of most of the developing world during the late 1950s and through the 1960s created a totally new situation. From then on, the industrialization of the developing countries figured high on the agenda.

B. UN Technical Assistance

One of the earliest manifestations of the will of the international community to honour the pledge in the United Nations Charter to promote the economic and social advancement of all peoples took place in 1948. In that year, at its third session, the General Assembly unanimously adopted a resolution (200/III) creating a United Nations technical assistance programme. Under this programme, financed from the regular budget of the United Nations, the Secretariat made available to developing countries - at their request - experts to advise them on economic development problems. The Secretariat also arranged fellowship training abroad for officials and technical personnel from the developing countries, organized seminars and training courses, and provided limited quantities of technical equipment.

This modest start was followed in 1949 by the creation of the Expanded Programme of Technical Assistance. Financed by voluntary contributions, the Expanded Programme divided its resources among the United Nations and most of its specialized agencies. In its first year its total funds were less than \$20 million. The amount spent on industrial activities was miniscule. The types of assistance provided to developing countries followed the established pattern of the United Nations regular programme of assistance. The announced purpose of the Expanded Programme is however worth quoting. It was "to help the developing countries to strengthen their national economies through the development of their industries and agriculture with a view to promoting their economic and political independence in the spirit of the Charter, and to ensure the attainment of higher levels of economic and social welfare for their entire population."

An important innovation was the establishment by the United Nations in 1958 of the Special Fund, whose larger financial resources - all coming from voluntary contributions - made it possible to undertake larger and more complex projects of longer duration - e.g. the establishment of educational institutions and research centres; and to carry out resource surveys and feasibility studies designed to attract early investment.

In 1966, the Expanded Programme of Technical Assistance and the Special Fund were merged into the single United Nations Development Programme (UNDP).

These technical assistance programmes, and their origins, are mentioned here because they provided the means and mechanism for helping the developing countries. They were later to become of fundamental importance to UNIDO in its efforts to help the developing countries industrialize. Member States also gave considerable thought to the theoretical and substantive aspects of the whole process and the role of the industrialization of the developing countries in the world economy.

C. Creation of UNIDO

The establishment of the Centre for Industrial Development within the UN Secretariat at New York Headquarters in July 1961 had been preceded by a succession of three Committees and their procedural exchanges with the Economic and Social Council (ECOSOC), the General Assembly, and back again to ECOSOC, etc. In fairness to this trio, they did reflect the growing recognition by the United Nations policy organs of the importance of the industrialization of developing countries; and the necessity of the Secretariat's activities to be of direct practical value to Governments in such subjects as small industries, industrial zones and estates, management techniques and technological research institutes. Also a recommendation crystallized that a new United Nations body should be set up under the authority of the General Assembly to be responsible for the industrialization of developing countries.

Creation of the new organization was unfortunately delayed, partly because of the dimensions of the task but also because of a conflict of views between the developing and the developed countries. The former believed that only a specialized agency with adequate resources could be effective. The latter believed that there should be substantial improvements in organizational arrangements within the framework of the United Nations Secretariat. The proposal for the new organization was passed through the United Nations legislative machinery for over three years until there was a consensus concerning the structure, substance and purposes of the proposed new body.

An important experiment was, however, launched between the decision to create the new organization and its actual establishment. The operational possibilities of the Centre for Industrial Development were strengthened when a Trust Fund for Special Industrial Services was set up in 1965. Under this programme, financed from voluntary contributions, the Centre was able to provide emergency short-term expert help to solve urgent technical problems in developing countries. It became known as 'UNIDO's fire-brigade'.

At long last, on 17 November 1966, the General Assembly unanimously adopted resolution 2152 (XXI) which created UNIDO. No less than ten countries offered sites for the headquarters of the new Organization. After the General Assembly decision to select Vienna, the Austrian authorities undertook to construct premises for UNIDO on the left bank of the Danube, next to the Donaupark. This is now the Vienna International Centre (VIC).

The purpose of UNIDO as laid down in the founding resolution was to promote industrial development in accordance with the United Nations Charter, and encourage the mobilization of national and international resources to facilitate the industrialization of the developing countries, with emphasis on the manufacturing sector.

The Assembly decided that the administrative and research activities of the new body would be borne by the regular budget of the United Nations. Operational activities were to be financed by voluntary contributions from the resources of the United Nations Development Programme, in which UNIDO would be a participating organization; and from the technical assistance budget of the United Nations. UNIDO's principal organ was to be an Industrial Development Board. A full-time secretariat, appointed in accordance with the United Nations Charter, was to be headed by an Executive Director, appointed by the Secretary-General and confirmed by the General Assembly.

The first Executive Director was Ibrahim Helmi Abdel-Rahman, a national of Egypt, who had been Commissioner for Industrial Development, in charge of the Centre, since 1963.

UNIDO formally came into existence on 1 January 1967 at UN Headquarters in New York.

D. The Secretariat: removals

After the General Assembly decided on 17 December 1966 to locate the headquarters of UNIDO in Vienna, various things became urgently necessary: the choice of temporary headquarters premises in Vienna; the task of furnishing them with desks, chairs, typewriters and other equipment; the problem of persuading professional staff members to move from New York, and of assessing the validity of their reasons for not wanting to. In the final count, 35 out of 105 Professional staff members chose not to relocate. Some of them were placed in other Departments, the remainder took early retirement or resigned. The 70 other Professional staff did move to Vienna, mostly with their families, together with 10 senior secretaries with international experience. However, from 1 January to 31 December 1967, 86 professional appointments were made to UNIDO, as well as 182 General Service and 52 Manual Worker appointments, bringing the staff of UNIDO to a total of 400 at the end of the year.

As the Professional staff with their families and the individual staff members from New York started to arrive in Vienna, accommodation had to be found for them and assistance given in placing their children in an English or French language school. Very few of the New York staff initially knew any German. The arrivals were spread out from mid-August to late October 1967, with the heaviest concentration in September.

UNIDO was initially located in a six storey building called the Felderhaus, next to the City Hall. But the Organization was growing apace and the authorities of the City of Vienna constructed three interconnecting two-storey prefabricated buildings about ten minutes walk from the Felderhaus, which became known as annexes A, B and C. In 1971 another addition was made to UNIDO's temporary premises with the opening of a newly constructed six-floor building opposite the prefabs, called 'the Hostel', because when UNIDO was eventually to move to its permanent headquarters across the Danube, the Hostel building was earmarked to become, and actually became, a students' hostel of the University of Vienna.

The Industrial Development Board and, a few years later, its newly created Permanent Committee, held their sessions in the International Conference Centre located in one wing of the Hofburg, the former imperial palace in the city.

The first Executive Director, I.H. Abdel-Rahman, whose term of office ended on 31 December 1974, was succeeded by Abd-el Rahman Khane, a national of Algeria. In autumn 1975, Dr. Khane launched a far-reaching reorganization of the Secretariat. This necessitated a large-scale redeployment of staff within the limited and fragmented areas of UNIDO's temporary premises. It turned out to be a much more difficult operation than the full-scale removal of the Organization to its permanent headquarters across the Danube, the Vienna International Centre, which took place in August/September 1979. Then, we were moving from a variety of cramped quarters into two empty towers of a vast, modern office complex.

An account of the Vienna International Centre is given in Chapter II.

E. UNIDO's Co-ordinating Role

In the founding resolution, the General Assembly made it clear in a separate section entitled 'Co-ordination and Co-operation with United Nations bodies and other Organizations' that UNIDO: "shall play the central role in and be responsible for reviewing and promoting the co-ordination of all activities of the United Nations system in the field of industrial development." There was to be "a close and continuous working relationship" with the United Nations Conference on Trade and Development (UNCTAD), the UN body concerned with the foreign trade aspects of industrialization, as well as with the UN regional economic commissions, and similar bodies.

On 1 July 1967 UNIDO became responsible for the direction and management of all existing and planned United Nations activities in industry. It was also in 1967 that UNIDO became a participating and executing agency of the United Nations Developing Programme. In the same year UNIDO and UNDP reached agreement on stationing industrial field advisers in the offices of the UNDP resident representatives throughout the world. This facilitated the co-ordination of UNIDO field activities and helped the resident representatives and the countries in which UNIDO field advisers were taking up their duties.

It may be noted here that when the General Assembly assigned to UNIDO the central role in co-ordinating the industrialization activities of the United Nations family of organizations, it gave UNIDO a mandate, but no authority or resources to execute it. However, as the result of considerable effort and much good will, and to eliminate duplication of activities, UNIDO established co-operative arrangements with the International Labour Organization (ILO), the Food and Agriculture Organization of the United Nations (FAO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the United Nations Conference on Trade and Development (UNCTAD), the United Nations regional economic commissions, and certain intergovernmental and non-governmental bodies outside the United Nations system.

F. The First Four Conferences

International Symposium on Industrial Development (Athens, 1967)

Held in Athens from 29 November to 19 December 1967, the Symposium was attended by some 600 participants from 78 countries and representatives of 37 organizations. The basic importance of the Athens Symposium was that the international community attempted for the first time to ascertain what were, in reality, the experiences and wishes of the developing countries themselves concerning their industrialization. The exchange of information and experience between different regions provided participants - many of them directly responsible for industrial policies and programmes in their own countries - with a unique opportunity for comparing problems and future prospects. The Symposium approved, without vote, some 200 recommendations put forward by its three Committees. They covered virtually all the basic aspects of the industrialization process.

Following the Athens Symposium, a series of 21 monographs was issued by UNIDO under the general title 'Industrialization of Developing Countries: Problems and Prospects'. These were published in English, French, Russian and Spanish.

First General Conference (Vienna, 1971)

The Special International Conference of UNIDO, as it was called, was convened in accordance with a General Assembly decision following a recommendation of the Industrial Development Board. The Conference was held in Vienna from 1 to 8 June 1971.

It adopted a resolution representing to some extent a consensus of the views expressed, and including recommendations on three aspects of the organization:

(1) long-range strategy and orientation of activities, 2) organizational structure and 3) financing.

With regard to the future orientation of UNIDO's programmes, the Conference recommended that operational activities be geared to the varying needs of individual developing countries, bearing in mind their diverse resources, markets and levels of growth. It also recommended that particular emphasis be placed on the promotion of industries that would have a multiplier effect in other fields; the transfer and adaptation of technology; the collection and dissemination of industrial information; and the training of technical and skilled personnel.

It further recommended that the United Nations General Assembly request the Secretary-General to appoint a small group of high-level experts to formulate a long-range strategy for the activities of UNIDO. With regard to organizational structure, it requested the Industrial Development Board to establish a permanent committee to evaluate twice a year the results of UNIDO activities and to provide guidelines for the implementation of Board decisions.

Reservations or expressions of dissent on the resolution were registered by a number of Governments concerning the financing of UNIDO. The Group of 77 (developing countries) proposed that the General Assembly be asked to transform UNIDO into a specialized agency in the near future, with sufficient resources and full financial and administrative autonomy and, pending such transformation, to give the organization administrative and financial autonomy, including an independent geographical quota system in the recruitment of personnel. The industrialized countries were not convinced.

Second General Conference (Lima, Peru, 1975)

The Second General Conference of UNIDO was held from 12 to 26 March 1975 in Lima, Peru. The Conference adopted the Lima Declaration and Plan of Action on Industrial Development and Co-operation. It set a target figure of 25 per cent as the minimum share of the developing countries in world industrial production by the year 2000. The Declaration stated that a system of

consultations should be established. It set out measures for co-operation among developing as well as between developed and developing countries, special measures for the least developed, land-locked and island developing countries; and institutional arrangements. It recommended the conversion of UNIDO into a specialized agency and the establishment of an Industrial Development Fund.

Third General Conference (New Delhi, India, 1980)

The Third General Conference of UNIDO was held in New Delhi from 21 January to 9 February 1980. It adopted the New Delhi Declaration and Plan of Action on Industrialization of Developing Countries and International Co-operation for their Industrial Development. This re-emphasized the need for the implementation of the Lima Declaration and Plan of Action in general, and in particular that by the year 2000 the share of the developing countries in the total world industrial production should be increased to at least 25 per cent.

The New Delhi Declaration also reaffirmed the basic strategy, principles and measures for the achievement of the target within the framework of the new international economic order.^{1/}

Fourth General Conference (Vienna, 1984)

The Fourth General Conference of UNIDO was held from 2 to 19 August 1984 in Vienna. It adopted a series of proposals designed to accelerate industrial development in the developing countries as an integral part of promoting a dynamic world economy. The proposals, contained in 12 resolutions, dealt with such topics as the development of human resources, the strengthening of scientific and technological capacities, mobilization of financial resources and industrial restructuring. The Conference appealed to the General Assembly to increase to \$5 million its annual allocation to UNIDO for the programme of the Industrial Development Decade for Africa.

^{1/} The Declaration and Programme of Action on the Establishment of a New International Economic Order was promulgated by the Sixth Special Session of the United Nations General Assembly in 1974.

G. The Path to the Constitution

The General Assembly resolution of 17 November 1966 which founded UNIDO laid it down that the new Organization would function "as an autonomous organization within the United Nations." This was a contradiction in terms; paradoxically, it was supposed to represent a compromise. The developing countries, from the outset, believed that only a specialized agency with adequate resources, including finance, could be effective. The industrialized countries, on the other hand, considered that particularly the uncertainty of financial resources made it preferable to concentrate on the improvement of organizational arrangements within the framework of the United Nations Secretariat. What happened was that the Industrial Development Board - the principal organ of UNIDO - formulated the principles and policies to achieve the purposes of the organization and reviewed its programme of activities (autonomy); moreover, UNIDO quickly became a participating and executing agency of the United Nations Development Programme (more autonomy).

In matters of professional staffing and the organization's budget, on the other hand, UNIDO, located in Vienna, was subordinated to United Nations Headquarters in New York. This business of being "within the United Nations" also meant that the UN Financial Rules and Staff Rules applied to UNIDO.

Over the next several years UNIDO progressively gained "greater autonomy" in the administrative sector, but it was not until the Second General Conference held in Lima in March 1975 that the decisive step towards independence was taken. The Lima Declaration and Plan of Action recommended to the United Nations General Assembly that UNIDO should be converted into a specialized agency.

The General Assembly endorsed the Lima Declaration in September 1975 and decided to establish an Intergovernmental Committee of the Whole,^{1/} including States that participated in the Second General Conference, to meet in Vienna to draw up a constitution for UNIDO as a specialized agency, which should be submitted to a Conference of Plenipotentiaries to be convened by

^{1/} Endearingly referred to in transatlantic telex messages as "the cow".

the Secretary-General in the last quarter of 1976. The Committee was not able to complete its work in time; the General Assembly extended the Committee's mandate and called upon it to accelerate its work. The General Assembly, in resolution 32/167 of 19 December 1977, finally decided to convene a Conference of Plenipotentiaries on the establishment of UNIDO as a specialized agency. The Conference held its first session in 1978 in New York and a second session in Vienna in 1979. On 8 April 1979 the Constitution of UNIDO was adopted by the Conference.

The Constitution consists of a preamble and 29 articles arranged in six chapters, covering objectives and functions, participation, organs, programme of work and financial matters, co-operation and co-ordination, and legal matters including a set of final clauses. The Constitution also contains three annexes, listing Member States, defining expenses to be covered by the regular budget, and rules governing arbitration and conciliation.

H. The Conversion of UNIDO into a Specialized Agency

In accordance with article 25.1 of the Constitution, it would enter into force when at least 80 States that had deposited instruments of ratification, acceptance or approval notified the Secretary-General that they had agreed that the Constitution should enter into force. This condition was met following a one-day meeting convened by the Secretary-General in May 1985. The Constitution came into force on 21 June 1985.

The first session of the General Conference of the new UNIDO was held in Vienna from 12 - 17 August 1985 (part one) and from 9 - 13 December 1985 (part two). In the first part, the Conference adopted its rules of procedure, elected members to the Industrial Development Board and to the Programme and Budget Committee, and adopted the recommendation of the Industrial Development Board to appoint Domingo L. Siazon Jr., a national of the Philippines, as Director-General. Mr. Siazon took up his duties as Director-General on 1 September 1985.

In the second part of its first session, the General Conference established a scale of assessments of member states for 1986, 1987 and 1988. The General Conference also:

-Approved a programme of work for UNIDO together with the related regular and operational budgets for 1986-1987;

-Decided to establish a Working Capital Fund for 1986-1987 in the amount of \$9 million.

-Accepted the regulations of the United Nations Joint Staff Pension Fund, requested the Director-General to apply for membership for UNIDO from 1 January 1986, and to establish a UNIDO Staff Pension Committee.

Other matters dealt with were the appointment of an external auditor, and several legal questions that arose from the basic change in UNIDO's status, involving the Organization's relationships with the United Nations, UNDP, and with organizations outside the UN system.

The General Assembly in its resolution 34/96 on transitional arrangements relating to the establishment of UNIDO as a specialized agency, adopted on 13 December 1979, had decided to terminate UNIDO as one of its organs at the end of the calendar year in which the General Conference of the new agency was first convened. Since the first session of the General Conference was convened in 1985, UNIDO ceased to exist as an organ of the General Assembly on 31 December 1985 and assumed its functions as a specialized agency on 1 January 1986.

It was the first time, in the history of the United Nations System, that a Department of the UN Secretariat (as UNIDO originally was) had been converted into a specialized agency. All the other agencies were founded on their own, ab initio.

I. The Renewal of UNIDO

At a one-day special session of the new Industrial Development Board, held on 15 May 1986, the Board considered the recommendation by the Director-General of five candidates for the five posts of Deputy Directors-General and approved their appointments to head the five Departments of UNIDO.

An early major act of the Director-General was to undertake a thorough review of UNIDO's organizational structure. The outcome of this review was promulgated in April 1986 by an issuance of the Director-General's Bulletin entitled 'Re-organization of the Secretariat of UNIDO'. The Bulletin contained a new organizational chart designed to strengthen the capability of the Organization to fulfil its mandate and to enhance its operational efficiency. An annex set out the detailed responsibilities of the five Departments and the Office of the Director-General, and of all the component Branches, Sections, and Units within them. The reorganization had nine spelt-out aims; two major features which particularly led to positive results were the re-establishment of a clear country focus in the work of UNIDO and the determination to increase operational flexibility and capacity for change and innovation.

The reorganization was carried further in August 1987 through the creation, in the Department of Industrial Operations (DIO), of a Section for Integrated Industrial Projects. Its primary responsibility is to co-ordinate and monitor the implementation of large-scale technical co-operation projects involving several branches of DIO, or branches of DIO and other organizational units in UNIDO. In September 1988, in view of the high priority attached by Member States to the development and transfer of industrial technology, the Division bearing that title was recast into two separate Divisions - one covering the promotion of industrial technology, the other dealing with the development of new technologies.^{1/}

^{1/} For further details see Chapter III: The Structure of UNIDO

The conversion of UNIDO into specialized agency status coincided with the onset of a financial crisis. Both the regular and operational budgets of UNIDO were severely affected by exchange fluctuations; delays in the payment by Member States of their assessed contributions; and the zero-growth strategy for regular budgets throughout the UN System. In 1986, moreover, UNIDO had no working capital or other reserves.

In these difficult circumstances, it was only through the full co-operation of Member States and the dedication of the staff that the financial situation of UNIDO was gradually stabilized. Emphasis was placed on increasing technical assistance delivery so as to secure more overhead income.

This drive eventually achieved considerable momentum. At the end of 1988, some \$119.8 million worth of technical assistance had been delivered as against \$97.7 million in the previous year. Pledges to the Industrial Development Fund rose from \$14.5 million in 1985 to \$25.9 million in 1988.

Another sign of high activity in UNIDO was the sharp increase in the successful promotion of industrial investment projects. In 1988, 121 such projects were valued at \$414 million as against 43 projects with a total investment value of \$106 million in 1987.

A measure of financial rationalization was adopted at the second session of UNIDO's General Conference held in Bangkok in November 1987. The Conference agreed on a split-currency assessment between United States dollars and Austrian Schillings. Members' contributions would comprise 28 per cent in dollars and 72 per cent in Schillings. The Bangkok Conference also approved a working capital fund of \$9 million to finance budgetary appropriations pending the receipt of contributions and to meet unforeseen and extraordinary expenses.

In the substantive area, the Conference considered that new concepts and approaches for co-operation in industrial development should be continuously reviewed; reaffirmed priority for the Industrial Development Decade for Africa (IDDA); a second Decade should be envisaged. The Conference attached much importance to the role of UNIDO in developing human resources and technological capabilities in the Southern hemisphere countries. To augment

funding for industrialization, UNIDO was requested to intensify co-operation with regional and international financial institutions. Its investment promotion programme should be strengthened; so should UNIDO's co-ordination of industrial development activities within the UN System and with relevant organizations outside of it.

Two innovative studies of major importance were commissioned by the Industrial Development Board in October 1988. The Board requested the Director-General to undertake a study of the required scope and content of the operational budget and its relationship to the regular budget. An international team of four representatives of Member States was appointed to make this study. In February 1989, the team issued its 'Report to the Programme and Budget Committee on the Programmes and Budgets of UNIDO'. The team formulated a series of tactical and detailed recommendations aimed at increasing the efficiency of UNIDO's management of its resources; and a group of important strategic recommendations for major changes in direction and approach aimed at enhancing the effectiveness of the Organization.

The other study requested by the IDB was a Management Review of the Organizational and Staff Structure of UNIDO. As this study was to be made "within existing financial resources", it was carried out by nine designated members of the Secretariat who were obliged to take on the responsibility for the management review in addition to their normal workload. Their profoundly interesting report with the above title was also issued in February 1989.

The reports on both studies, together with the Director-General's comments on them, are to be considered by the Industrial Development Board.

It is evident from the information given in this, the last section of UNIDO's history, that the Organization, since becoming a specialized agency, has undergone a dynamic renewal. The two innovative studies described above reflect the strong commitment of the Member States, the Director-General and the Secretariat to strengthen UNIDO's capability to carry out the mandate set out in its Constitution. The results of the recent major studies will involve serious changes: but change has always characterized UNIDO, ever since the pioneering days of the early 1960s when, as the Centre for Industrial Development, it was part of a Department at UN Headquarters. Now it is independent and vigorous. UNIDO will certainly take useful, necessary change in its stride.

CHAPTER II. THE VIENNA INTERNATIONAL CENTRE

A. Location and Access

The headquarters of UNIDO are in the Vienna International Centre, known to its occupants as "the VIC" and to the Austrian population as "die UNO City". The VIC is located on Wagramerstrasse at the end of the Reichsbrücke, one of the southern bridges crossing the Danube River. It is on the left, or east, bank of the Danube, across from the city centre.

The VIC can be reached easily by road and public transportation. There are covered car parks within the VIC complex and public parking is available within walking distance of the buildings.

The U-1 subway (U-Bahn) which crosses the city from south-west to north-east has a stop (Kaisermühlen-Vienna International Centre) in front of the VIC. There are large plans of the subway system on the platforms of all the main stations and the stops are announced beforehand on the train. Small plans are available at most hotels and, in the VIC, at UNIDO's Briefing and De-Briefing Office in room D-1514.

The city terminal of the regular bus from Schwechat airport is at the Hilton Hotel. Lockers for luggage are available at the terminal. Opposite the Hilton Hotel is the stop Wien Mitte of the U-4 subway which, in direction Heiligenstadt, will take you to Schwedenplatz, (first stop after Wien Mitte), where you change to U-1 in direction Kagran.

B. History

The design of the VIC was the subject of an international architectural competition which was held in two stages, elicited 283 entries from 35 countries, and was finally won by an Austrian architect, Johann Staber.

The entire construction costs were borne by Austria (Government 65%, City of Vienna 35%). The Organizations based in the VIC pay a symbolic rent of one Austrian schilling per year for the lease of the premises for 99 years. The buildings maintenance costs are shared by the occupant organizations.

Clearance of the site began on 2 April 1973. Six years later, in autumn 1979 (after a solemn handover ceremony from the Government on 23 August 1979), UNIDO and the IAEA removed from their temporary premises to the VIC. The establishment of the International Atomic Energy Agency (IAEA) in Vienna in 1957, at the invitation of the Austrian Government, had preceded by ten years the arrival of the fledgling UNIDO from New York with a similar invitation.

C. Occupants and Common Services

There was another move from New York to Vienna - this time directly to the VIC in 1979/1980 - of those units of the United Nations Secretariat dealing with social development and humanitarian affairs; and with narcotic drugs and drug abuse control. Also moving in from UN headquarters was a Branch of the Office of Legal Affairs dealing with international trade law; and specially established for Vienna was a Section of the United Nations Postal Administration which issues UN stamps in Austrian schilling denominations. The branch office of the United Nations High Commissioner for Refugees (UNHCR), based in Vienna since 1951, moved across to the VIC. These various units were grouped together in one Office, designated as the United Nations Office at Vienna (UNOV), headed by a Director-General (with the rank of United Nations Under Secretary-General).

The VIC also became host to the administrative headquarters (originally located in Beirut) of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA).

Already some two years before the removal to the VIC, the three main future occupants - UNIDO, IAEA and United Nations Secretariat - negotiated an agreement on their respective responsibilities for certain VIC "common services", each of which should be administered as an entity for the benefit of all VIC occupants.

The division of responsibilities for the "common services" - i.e. for the whole of the VIC - was as follows:

UNIDO: -Buildings Management
 -Catering Services
 -Language Training

IAEA: -Medical Service
 -Main-frame Computer
 -Library
 -Commissary

United Nations:-Security
 -Communications

With the exception of fields of activity which were self-supporting (catering services, commissary), cost-sharing formulae were developed by the Financial Services of the Organizations.

With regard to the clientèle of the "common services", the 'permanent' or 'regular' occupants of the VIC in January 1989 - of over 100 nationalities - were as follows:

	<u>Staff</u>
UNOV	442
UNIDO	1,278
IAEA	2,061
UNRWA	<u>243</u>
Total:	<u>4,024</u>

To that total must be added the "floating population", consisting of participants in conferences and technical meetings, the permanent delegates of Member States, experts passing through for briefing or de-briefing, and official visitors. Collectively this amounts to some 300 extra occupants.

Separate from all of the foregoing is the system of Guided Tours, which functions throughout the working week.

D. Security

In observing the VIC complex from the outside, a cylindrical building will be noticed at the centre of the two sets of concave triangular office towers. It is the conference building of the international organizations, not to be confused with the large low building next to the VIC, which is the Austrian Conference Centre.

The VIC, including its grounds up to the perimeter fence and the five exterior entry checkpoints or "gates", has extraterritorial status. The Austrian Conference Centre, as a national institution, does not have that status.

Security within the extraterritorial limits of the VIC, including the whole building complex, is the responsibility of the United Nations, in the same way as at UN Headquarters in New York, the United Nations Office at Geneva and the United Nations regional economic commissions.

Security at the VIC is ensured by a force of 100 Security Guards under the supervision of two professional officers and a small support-team. Security functions continuously, around-the-clock throughout the year. Guards are recruited between the ages of 21 and 32; they must have served either in the armed forces of their country or in their national police force; they must also be bilingual in English and German. They happen to be of 34 nationalities, and among them they have 27 mother tongues. They are all trained in first aid, fire prevention, firefighting, use of firearms, the identification system and procedures, the technique of patrolling, and basic self-defense. Several of them are judo experts.

A vital feature of the security system is the Security Control Centre. The Centre has closed-circuit TV screens of sensitive areas, registers alarms from elevators and smoke-sensors, receives transceiver messages from guards, has a direct link with the nearest Austrian fire-station, a public address system and other important elements.

An Austrian police station was specially constructed just outside the VIC; the task of that police force is to guard the immediate area outside the VIC perimeter, also on a continuous 24 hour basis throughout the year.

E. Communications with UNIDO

The mailing address for official communications is UNIDO, P.O. Box 300, A-1400 Vienna, Austria. All mail sent to that address is opened by the Registry. Communications of a personal nature, which should be opened only by the addressee, should be addressed to P.O. Box 400.

Field staff should not direct personal mail such as letters, magazines, periodicals etc. to UNIDO for forwarding to their address at the duty station; UNIDO does not forward such mail through the pouch, nor does UNIDO re-direct it.

Correspondence from field staff on substantive matters should be addressed to the Head of the Branch or Chief of the Section responsible for backstopping the project or activity. This includes the specifications for equipment to be purchased, terms of reference for contractual arrangements, etc.

Correspondence concerning the actual purchase, shipment and delivery of equipment and supplies should be addressed to the Chief of the Purchase Section, General Services Division; concerning the conclusion of contracts to the Chief of the Contracts Section in the same Division.

On all administrative matters and personal entitlements, such as salary and allowances, travel arrangements, transportation of personal effects, administration of annual and sick leave, etc. correspondence should be addressed to the Project Personnel Recruitment and Administration Service.

The UNIDO telephone number in Vienna is 21131. The extensions within the VIC have four digits and through-dialling is normal. If the extension is not known, a zero (0) should be dialled after the UNIDO number in order to reach the switchboard.

Cables should be addressed to UNIDO VIENNA. The telex number is 135612; the fax number is 232156. The UNDP Field Offices have fax facilities, and it is strongly recommended that UNIDO field staff should use these - to the extent permissible - for urgent messages to UNIDO.

CHAPTER III. THE STRUCTURE OF UNIDO

A. Principal and Subsidiary Organs

The Constitution of UNIDO defines the principal organs of the Organization as:

- (a) The General Conference (referred to as the "Conference");
- (b) The Industrial Development Board (referred to as the "Board");
- (c) The Secretariat.

The General Conference consists of representatives of all Members. It generally meets once every two years unless it decides otherwise. Special sessions can be convened by the Director-General of UNIDO at the request of the Industrial Development Board or of a majority of all Members. The first regular session of the General Conference was held in Vienna in 1985; the second session in Bangkok, Thailand, in November 1987.

The Industrial Development Board consists of 53 Members of the Organization elected by the Conference for a four-year period. The election is based on the principle of equitable geographical distribution: 33 Members are from the list of developing countries; 15 from the market-economy countries (Western Europe, North America, Japan, Australia, New Zealand and Turkey) and five from the centrally-planned economy countries of Eastern Europe.

The UNIDO Constitution stipulates that the Board shall hold at least one regular session each year at such times as it may determine. Special sessions can be convened by the Director-General at the request of a majority of 11 members of the Board.

The Secretariat comprises a Director-General, five Deputy Directors-General and the staff. The Director-General is appointed by the General Conference upon recommendation of the Board for a period of four years. He may be reappointed for a further term of four years, after which he is not eligible for reappointment. He is the chief administrative officer of the Organization and has overall responsibility and authority to direct the work of the Organization.

The Director-General, Domingo L. Siazon (Philippines), took up his appointment on 1 September 1985.

A note on the hierarchy

-A Deputy Director-General is in charge of each of the five Departments of UNIDO.

-Within each Department, there are Divisions, which have Directors.

-Within a Division, the major subdivision is a Branch, which has a Head.

-A Division more usually has Sections, each with its Chief; and Units, with Chiefs or Supervisors.

The Programme and Budget Committee is a subsidiary body of the Industrial Development Board. It assists the Board in the preparation and examination of the programme of work, the regular budget, the operational budget and other financial matters pertaining to the Organization. The Committee, elected for a two-year term, holds at least one session each year. Additional sessions may be convened by the Director-General at the request of the Board or the Committee.

B. Office of the Director-General

The Office of the Director-General consists of: Policy Planning and Management Staff; Evaluation Staff (see Chapter V.G.); Internal Audit Unit; Legal Service; and the Co-ordination Unit for the Industrial Development Decade for Africa (see Chapter XII.A.).

C. Department of Administration

The Department consists of: Personnel Services Division, Financial Services Division, General Services Division, and an Electronic Data Processing and Office Automation Service.

Personnel Services Division

The Division comprises the following Sections: Recruitment Section; Personnel Administration Section; Staff Development and Social Security Section (which includes a Language Training Unit and a Social Security Unit).

Financial Services Division

The Division has a Budget Section, a Unit for the Financial Management of Technical Co-operation, an Accounts and Payments Section and a Treasury Unit.

General Services Division

The Division consists of: Purchase Section; Contracts Section; Buildings Management Section; Inventory Control and Property Management Unit; Archives and Records Management Unit; Travel, Transportation, Shipment and Insurance Unit.

Finally, as a separate entity, there is the Electronic Data Processing and Office Automation Service, which does what it says. One vital function it performs is to operate the payroll systems - including the one for project personnel serving in developing countries.

D. Department of External Relations, Public Information, Language and Documentation Services

The title is practically self-explanatory. The Department consists of an External Relations Division, a Public Relations and Information Section, and a Languages and Documentation Division.

External Relations Division

The Division comprises: Section for Relations with Governments, Intergovernmental Organizations and United Nations Agencies; Secretariat of Policy-making Organs; New York Liaison Office; Geneva Liaison Office.

The Secretariat of Policy-making Organs provides the necessary support services for the sessions of the General Conference, the Industrial Development Board and the Programme and Budget Committee; and maintains liaison on matters concerning those bodies with Member States and organizations related to UNIDO.

Public Relations and Information Section

The Section has two main functions: to assist the media (press, radio, television and film) and other bodies to cover comprehensively the policies and activities of the Organization; and to distribute information produced by the Section which reflects UNIDO's own view of its priorities and achievements. This is done through press releases, pamphlets, photographs, posters, audio-visual means, etc.

Languages and Documentation Division

The Division consists of: Translation Service; Editorial Control and Publications Section; and Documents Control Unit.

The Translation Service covers the Arabic, Chinese, English, French, Russian and Spanish languages. Each of these has its own Unit. (Simultaneous interpretation for meetings is provided by the United Nations Office in the Vienna International Centre). The Service also prepares summary records of the sessions of the policy-making organs; and provides reference and terminology services.

The Editorial Control and Publications Section edits sales and non-sales publications, project reports, circulars and newsletters; and provides copy-preparing, type-setting, proof-reading, and composition services, as well as graphic presentation. It also provides document distribution and photo-copying services.

The Documents Control Unit plans and oversees the production schedule in accordance with the document requirements of the meetings and publication programmes of UNIDO; and monitors the processing of documents to ensure their timely issuance.

E. Department for Programme and Project Development

The Department consists of: the Project Review and Appraisal Division; Area Programmes Division; Special Programmes and Activities Division; and the SIDFA/JPO ^{1/} Support Services Section.

Project Review and Appraisal Division

The Division ensures that all project designs conform with certain standards, with programme criteria and resource availability before final approval in UNIDO (for UNIDO-financed projects) or before submission to UNDP or other donors. The Division also manages the technical co-operation funds entrusted to UNIDO.

The Division comprises a Project Appraisal Section and a Project Review Committee Secretariat and Funds Administration Section. The funds in question are those available to UNIDO, namely the Industrial Development Fund (IDF), Special Industrial Services (SIS); and the Regular Programme for Technical Co-operation. For more detailed information, please refer to Chapter IV - Sources of Funds for Technical Co-operation.

Area Programmes: Division

The Division comprises Programmes (Sections) for Africa, Arab countries, Asia and the Pacific, Europe and the Mediterranean, Latin America and the Caribbean; there are also a Least Developed Countries Branch and a Global and Interregional Programmes and Projects Unit.

The Division plans and prepares programming activities in consultation with UNDP Headquarters (the relevant Bureau and Divisions for each region). It participates in those activities and monitors the overall implementation of the programme. The Division is also responsible for developing a balanced project portfolio and designing projects.

SIDFA Senior Industrial Development Field Adviser
JPO Junior Professional Officer

Industrial Policy and Perspectives Division

The Division has three Branches, respectively for Regional and Country Studies; Global Issues and Policy Analysis; and Industrial Statistics and Sectoral Surveys. It undertakes research and studies on industrial development at the global, regional and national levels, as well as by industrial sector. It reviews experts' reports and incorporates field experience in the studies. The Division also receives a flow of information from the United Nations regional economic commissions, universities, research centres, Government departments and industrial enterprises.

Special Programmes and Activities Division

The Division consists of: a Section for Economic Co-operation among Developing Countries; a Unit for the Integration of Women into Industrial Development; and an Industrial Co-operation Branch which comprises a Section for Co-operation with Non-governmental Organizations and Industrial Enterprises, and a Special Trust Fund Projects Section.

The Division is responsible for evolving and operating new methods for promoting industrial development. For an account of these interesting activities, please refer to Chapter XII. Some General UNIDO Themes. For Trust Fund arrangements see Chapter IV.E.

SIDFA/JPO Support Services Section

The Section is responsible for the overall management of the SIDFA/JPO Programmes, which involves policy, co-ordination, placement, recruitment, administration and control. These management activities include negotiations with UNDP, donor Governments and recipient Governments. For an account of the field responsibilities of SIDFAs and JPOs, and the related administrative arrangements, please refer to Chapter VI.A.

F. Department of Industrial Operations

The Department consists of three Divisions for, respectively, Industrial Operations Technology, Industrial Operations Support, and Industrial Institutions and Services; a Group of Interregional Advisers; and a Section for Integrated Industrial Projects.

The overall responsibility of the Department is to provide services to developing countries through the implementation of UNIDO technical co-operation field projects, as well as through the direct services of specialists from the Department.

Interregional Advisers

They are advisers for priority sectors of industry, attached to the Office of the Deputy Director-General in charge of the Department. They have no project backstopping responsibilities. What they do is to provide, at the request of governments, immediate advisory or trouble-shooting services in their particular sector, which may involve a question of policy or a technical problem. They are also available for specialized advice, and to produce new ideas, at UNIDO headquarters.

Section for Integrated Industrial Projects

The Section develops, co-ordinates and monitors the implementation of selected technical co-operation projects that are both large-scale and multi-purpose, and which involve two or more Divisions of the Department of Industrial Operations or branches of DIO and other organizational units of UNIDO. The Section is also responsible for the overall co-ordination of projects in the areas of energy, the environment and computerized systems; and for the overall management of a joint FAO/UNIDO technical co-operation programme.

Industrial Operations Technology Division

It has four Branches: for Agro-based Industries, Chemical Industries, Metallurgical Industries and Engineering Industries. They provide technical advice on project design and formulation, as well as on practical matters such as the specifications for equipment, terms of reference for contracts with firms, institutions, etc., job descriptions for experts, and curricula for training programmes. Each Branch monitors the implementation of projects in its area of responsibility, and gives technical information and support as required. Individual substantive officers, each of whom backstops a sizeable group of projects, also undertake field missions to review progress, discuss problems and evaluate results.

Industrial Operations Support Division

The Division comprises three Branches, respectively for Feasibility Studies (see Chapter XI.C); Industrial Training (see Chapter VI.C); and Project Personnel Recruitment (see Chapter VI.B). The Division also has a Central Reference Unit which keeps computerized records of projects (both actual and 'pipeline'), including project budgets.

Industrial Institutions and Services Division

This Division also has three Branches, covering Industrial Planning; Institutional Infrastructure; and Industrial Management and Rehabilitation. The Division looks after UNIDO technical co-operation projects designed to contribute to the establishment, strengthening and operation of industry-wide support services, institutions and government departments. The projects cover industrial planning and legislation, industrial management and consultancy, quality control, standardization, repair and maintenance, industrial information, marketing and supply/distribution systems, energy conservation and management etc.

G. Department for Industrial Promotion, Consultations and Technology

The Department has four Divisions. They are for Industrial Investment, the System of Consultations, Industrial Technology Promotion and Industrial Technology Development.

The role of the Department is primarily promotional.

Industrial Investment Division

The Division assists developing countries to expand their industrial production through the identification and promotion of increased private and public sector investment consistent with their national plans and policies. The Division consists of an Investment Project Identification and Formulation Branch, and an Investment Promotion Section.

The Branch, in doing what its title says, has developed some special methodology, including computer software. It also has a link with the Feasibility Studies Branch in the Department of Industrial Operations concerning the preparation and evaluation of feasibility studies of selected investment projects.

The Investment Promotion Section promotes international co-operation with developing countries as well as among those countries. It compiles and disseminates information on: project proposals; industrial partnership proposals; development finance institutions; manufacturing profiles; investment conditions; investment-related institutions; and project sponsors in developing countries.

The Section maintains an international Investment Promotion Service with representatives and offices (financed by the host countries) located in Cologne, Milan, Paris, Seoul, Tokyo, Vienna, Warsaw, Washington and Zurich.

For a fuller account, please see Chapter XI.D. Industrial Investment Programme.

System of Consultations Division

The Division plans, prepares and organizes Consultations between developed and developing countries, and between developing countries themselves, in specific industrial sectors and in topics common to all sectors. This work is carried out in close co-operation with the Department of Industrial Operations and the Department for Programme and Project Development. Apart from the topics in common, the general fields covered are agro-based industries, basic industries and chemical industries.

In practice, 'Consultations' are five-day meetings attended by 120-200 participants from 50-70 countries. Participants include government officials as well as representatives of industry, labour, consumer groups and others, as chosen by each Government. The system specifically seeks measures to deal with problems in a given sector from the policy, economic, financial, technical and social points of view. A special effort, moreover, is made to translate opportunities identified in the Consultations into technical co-operation programmes and projects.

The Consultations are carefully prepared. Each meeting is preceded by a global study of the industrial sector chosen; a global preparatory meeting in which representatives of industry, government, labour and others review the sector so as to provide a comprehensive overview; regional meetings in Latin America, Africa and Asia; Expert Group Meetings to recommend the precise problems to be considered by the Consultation so that its outcome is action-oriented; and, finally, an Advisory Panel to advise on the best way to implement recommendations and prepare the Consultation.

For a fuller account, please see Chapter XI.A.

Industrial Technology Promotion Division

The Division consists of the Industrial and Technological Information Section; and three Units: Technology Policy, Acquisition and Negotiation; Basic Technologies and Special Technologies Promotion.

Industrial and Technological Information Section

The Section maintains the Industrial and Technological Information Bank (INTIB) and its network system, as well as the Industrial Inquiry Service. It provides training and advice to centres in developing countries; and helps to develop information systems and data-bases at the national, regional and subregional levels. The Section also issues Guides to Information Sources, Industrial Development Abstracts and technological publications.

For a fuller account please see Chapter X, Industrial and Technological Information Services.

Technology Policy, Acquisition and Negotiation Unit

The Unit assists developing countries to formulate their policies and programmes for technology transfer; and provides advisory services to strengthen their negotiating skills for acquiring industrial technology and applying it commercially. The Unit also organizes training seminars and workshops for policy-makers and entrepreneurs.

Basic Technology Unit

The Unit deals with technologies for small-scale enterprises (e.g. in food processing and storage, fisheries and agricultural machinery); for the rural poor (food and fuel questions); and technologies developed by UNIDO (e.g. a system for designing wooden bridges using local timber).

Special Technologies Promotion Unit

The Unit promotes selected low-cost, clean and energy-efficient technologies - e.g. mini-hydropower, solar energy, biomass energy and wind energy. It is also involved in a joint effort with other UN Organizations for the safe management of hazardous materials and waste.

Both of the last mentioned Units provide advisory services and assist developing countries in the formulation of policies and programmes related to basic and specific technologies; and organize training seminars and workshops.

A fuller account of the activities of this Division is given in Chapter XI.B. Development and Transfer of Technology.

Industrial Technology Development Division

The Division has four Units: an Industrial Technology Monitors Unit, an Informatics Unit, Biotechnology and Genetic Engineering Unit, and New Technologies Unit.

Industrial Technology Monitors Unit

The Unit writes the UNIDO Newsletter, which has very wide circulation; and three quarterly current awareness bulletins (Microelectronics Monitor, Genetic Engineering and Biotechnology Monitor, and Advances in Materials Technology Monitor.

Informatics Unit

The Unit deals with microelectronics and other information technology, including the telecommunications industry. It provides guidelines for developing countries wishing to purchase hardware and software, and strengthens their capabilities to produce their own software.

Biotechnology and Genetic Engineering Unit

The Unit is involved with the activities of the International Centre for Genetic Engineering and Biotechnology which UNIDO was instrumental in promoting. The Centre has two components: in Trieste, Italy and in New Delhi, India. This technology has immediate applications for developing countries in sectors such as health care, agriculture, mining and chemical processing.

New Technologies Unit

The Unit takes action to increase the awareness in developing countries of new technologies such as the use of new materials, marine industrial technology, chemical sciences, new manufacturing technologies, solar photovoltaics and other high technologies.

The three last mentioned technology Units are all responsible, in their respective spheres, for providing advisory services and policy assistance to developing countries; and for organizing training seminars and workshops at the request of Governments. They also have to monitor and disseminate information on technological developments.

A fuller account of the activities of this Division is contained in Chapter XI.B. Development and Transfer of Technology.

CHAPTER IV. SOURCES OF FUNDS FOR TECHNICAL CO-OPERATION

A. UNDP Indicative Planning Figure and Cost-sharing

The largest source of financing for the technical co-operation activities of UNIDO is UNDP. For programming purposes UNDP uses an indicative planning figure (IPF). The 48-nation Governing Council of UNDP estimates the financial resources expected to be available to it over a five-year period. This estimate is then divided up into IPFs for each country or territory assisted. IPF allocations are based principally on each country's population and its per capita gross national product (GNP). In addition, least developed countries (LDCs), land-locked and island developing countries benefit from certain supplementary criteria. Approximately 18% of estimated resources are set aside to establish IPFs for regional, interregional and global programmes. The IPFs for individual countries are approved, and may only be changed, by the Governing Council.

The five year period referred to corresponds to the country programming cycle; the current cycle runs from 1987 to 1991. Using the IPF as a guide, each government draws up a "country programme" outlining its priorities for UNDP assistance and allocating its share of the funds among them. The country programme serves as a policy framework for the formulation of technical co-operation projects. It is mostly the specialized agencies of the UN system, such as UNIDO, who act as 'participating and executing agencies' on behalf of UNDP. This means, for example, that UNIDO participates in the country programming process and the formulation of projects within the programme. After the approval of the Government and UNDP, UNIDO then becomes responsible, jointly with the government, for implementing particular projects in the field of industrial development. The UNIDO share of total programmed resources is around 13%.

Cost-sharing, a term analogous to joint financing, is a co-financing arrangement whereby project costs and related UNIDO support costs are partly covered by a contribution from the recipient Government or a third party donor. The proportion of UNIDO projects funded by UNDP/IPF and cost-sharing has steadily increased, and is now running at about 12% of UNIDO's overall UNDP expenditure.

B. Special Industrial Services Programme (SIS)

Established in 1965, the SIS Programme is a fast and flexible technical assistance service provided by UNIDO to help solve urgent and unforeseen specific industrial problems of high priority. It operates mainly through the provision of short-term expert advisory services and deals with the practical rather than the theoretical problems faced by industry.

The SIS programme is financed by UNDP and the level of SIS resources for a given five-year programme cycle is determined by the Governing Council. The allocation for 1987-1991 is \$15 million, to be distributed in equal annual instalments throughout the cycle, i.e. \$3 million per year. This can finance about 70 projects.

There are plenty of requests for SIS assistance, originating particularly from industrial enterprises. The main fields involved are agro-industries, chemical industries, metallurgical and engineering industries.

In programming SIS resources, efforts are made to ensure a reasonable geographical distribution of funds, while trying to meet the requirements of those countries which are clearly most in need of such help. In fact one of the main advantages of the SIS programme is precisely that it can be used where and when it is most needed.

C. Regular Budget Allocations

Known as the UNIDO 'regular programme' of technical co-operation, it is, together with UNDP and SIS, one of the oldest sources of finance of this kind. Until UNIDO became a specialized agency, the programme was financed from the United Nations regular budget; since 1 January 1986, it is funded by UNIDO's regular budget as approved by the General Conference. Its size is modest: roughly \$3 million for the current 1988-1989 biennium. The largest share goes to the special needs of the least developed countries. Close after this comes training, subdivided into individual fellowships, group training, and the establishment and strengthening of training facilities in developing countries.^{1/} Lesser amounts are allotted to the transfer of technology, co-operation among developing countries and consultation with governments.

A separate allocation from the regular budget is made for the Industrial Development Decade for Africa (IDDA) in an amount of \$4 million for the 1988-1989 biennium. This sum is earmarked, in descending order of magnitude, for pilot and demonstration plants; human resources and technological capabilities; and industrial institutional infrastructure.

IDDA also has a special regular budget allocation for 'supplementary activities', covering the following components: short-term advisory services; studies and research in support of the Decade; meetings in support of the Decade; and promotional activities.

D. The Industrial Development Fund (IDF)

The purpose of the Fund is to enhance the ability of UNIDO to meet promptly and flexibly the requests of developing countries for assistance. It is used - as far as practicable - to finance innovative, non-traditional projects of a pilot character that will benefit as many countries as possible.

Special attention is given to global, regional and interregional projects. Africa is the main target for the regional projects.

The Fund was established in 1976 on the basis of a recommendation by the Second General Conference of UNIDO (Lima, Peru, March 1975). The hoped-for funding target of \$50 million per year was set by the former Industrial Development Board in 1977. Initially, the annual amounts pledged were meagre.

Even 10 years after the Fund's establishment, only \$17.7 million was reached. However, after UNIDO became a specialized agency, the level of pledges started to climb. At the second session of UNIDO's General Conference, held in Bangkok in November 1987, it was announced that 38 countries had pledged \$25.4 million to the IDF for 1988.

^{1/} For an account of UNIDO's training activities, please see Chapter VI.C. Training of nationals of developing countries.

Four types of pledges are made to the IDF:

<u>Type of pledge</u>	<u>Percentage</u> <u>(1988 pledges)</u>
-Special-Purpose Convertible	83
-Special-Purpose Non-Convertible	3
-General-Purpose Convertible	3
-General-Purpose Non-Convertible	<u>11</u>
	<u>100%</u>

Due to certain constraints imposed either by the donors or through the types of (non-convertible) currencies pledged, only the General-Purpose Convertible segment of the IDF can be freely programmed.

Projects proposed for financing under either of the two Special-Purpose segments have to be formulated on the basis of negotiations with donors.

The programming of the General-Purpose Non-Convertible segment is limited to the formulation and negotiation of projects in the donor country.

E. Trust Funds and Self-financing Arrangements

Industrial partners in the developed and developing countries are increasingly prepared to utilize UNIDO as an important and unique intermediary, and are willing to finance the costs for UNIDO to play this role. Consequently, trust fund projects are financed entirely by the recipient company or organization (self-financed); or by a third-party donor, which may be a development finance institution, a development-aid agency or a large corporation (third-party financed).

In negotiating Trust Fund Agreements and the related project documents, UNIDO acts as a competent and impartial go-between who is free of commercial interests; UNIDO's worldwide connections and long experience of technical assistance activities enable it, moreover, to provide high quality services reasonably promptly and at very competitive prices.

The trust fund schemes are considered advantageous for private sector development and well suited to provide direct support to manufacturing industries.

Trust Fund contributions must be in convertible currencies; they are paid in accordance with the payment schedule attached to the Trust Fund Agreement. Trust Fund deposits accrue interest which is paid to the donor, while UNIDO charges a programme support cost of 13% on the project expenditure incurred. The project documents are subject to revision by mutual consent and without penalty; they are therefore more flexible than commercial contracts. Project budgets are established at realistically estimated costs, and unspent funds are returned to the donor.

In general it can be said that the Trust Fund schemes - both self-financed and third-party financed - effectively complement UNIDO technical co-operation activities funded by multilateral sources such as UNDP and IDf. The schemes have high potential and are growing rapidly.

UNIDO field staff are encouraged to take the initiative in identifying opportunities for developing special trust fund projects; the Special Trust Fund Projects Section should, of course, be kept apprised of such initiatives so that it may participate and assist in the stages leading to project approval.

CHAPTER V. THE PROGRAMME AND THE PROJECTS

A. Country Programming

The country programme is a multi-year framework for technical co-operation activities aimed at achieving selected national development objectives. It forms a basis for the medium-term planning of technical assistance and the allocation of financial resources. The United Nations Development Programme (UNDP) operates its programming on a five-year cycle (at present 1987-1991). The periodicity of a country programme may, however, sometimes differ from this cycle. In each country, annual and mid-term reviews are carried out, which together make for continuous programming.

While the formulation of a country programme is primarily the responsibility of the Government and reflects its own views concerning its technical co-operation needs, UNIDO has an important role to play in this process. So, of course, do its sister agencies of the UN system - both in their own right and as executing agencies of UNDP. It is in that context that the exercise aims to promote a coherent and co-ordinated approach to technical co-operation.

For UNIDO, the task of country programming involves identifying those areas of activity that would make the most positive impact on industrial development; which measures would be required to bring that about; and how, exactly, external technical assistance could contribute to an effective outcome.

UNIDO draws up a programme of assistance for the industrial sector of each developing country. Conceptually, the following steps are required:

- (1) A general economic assessment of the country with a detailed analysis of the industrial sector and the identification of areas where assistance would be needed;

(2) A review of past UNIDO activities, as well as those of other agencies, in areas related to industrial development and an assessment of the need for future assistance;

(3) Identification and review of the Government's industrial strategy and policies; and its priority areas for technical co-operation;

(4) An assessment of the areas in which UNIDO is in a position to provide assistance;

(5) The development of a programme of technical co-operation activities, considering all possible sources of funding, e.g. United Nations Development Programme (UNDP) (indicative planning figure (IPF) and Government contribution), Industrial Development Fund (IDF) (with emphasis on special-purpose contributions), trust funds and regular programme.

For some countries, UNIDO fields a mission in conjunction with the preparation of the country programme. Such missions fall into two categories, of which either or both may prove necessary:

(1) The industrial sector review mission aims at providing a policy-oriented analytical basis for country programming purposes;

(2) The programming mission, in co-operation with the Government, defines and develops a programme of technical assistance that UNIDO could implement.

To the extent that a country programme involves the use of UNDP resources (IPF), it requires the approval of the UNDP Governing Council. Approval should not, however, be considered as a commitment by UNDP to provide the assistance identified in the programme. The commitment of UNDP resources results from the act of approving UNDP assistance to individual projects.

B. The Project Cycle

The project cycle consists of the various stages through which a project moves; it is the life cycle of a project. UNDP distinguishes the following stages:

- (1) Project identification and formulation;
- (2) Project appraisal and approval;
- (3) Project implementation;
- (4) Project revision (an amendment to an approved project, usually undertaken in the course of implementation);
- (5) Project evaluation (usually undertaken in the course of implementation);
- (6) Project completion (which also might be premature termination or cancellation).

C. Project Identification and Formulation

For UNIDO, a project begins with the identification of a constraint or problem related to the industrial development of a country, region, or interregional area, the solution of which requires external assistance. This identification of problems leads to the development of project ideas, which might merely indicate the problem to be solved, describe the assistance required or even consist of a complete project design. Country programming provides a structured approach to the development of project ideas. However, outside that exercise, project ideas may be developed by the Government, or by UNDP and UNIDO field staff, or by Headquarters staff on mission. Project ideas may also be initiated at Headquarters and subsequently proposed to the Government.

Project formulation entails collecting and analysing background information, designing the project, drafting the project document and keeping a critical eye open throughout the process in an effort to make sure that the project is technically and economically sound and possible to implement.

The recipient Government is, in principle, responsible for formulating technical co-operation projects. In most cases, however, it will require the assistance of UNIDO. Formulation calls for close co-operation between various units at Headquarters, as well as between UNIDO, the recipient Government and UNDP or another donor.

In some cases, field activities such as project formulation missions or preparatory assistance may be needed. If the information required for the project document is not available, preparatory assistance may take the form of surveys, detailed analyses, diagnostic studies or other activities that extend beyond the scope of a project formulation mission. Preparatory assistance of this kind is undertaken for large-scale and complex projects, where it accelerates the project development process and facilitates design, approval and implementation. It is also likely to result in more realistic projects.

UNDP requires two documents to be completed when UNIDO formulates a project to be financed by IPF or other UNDP funds. The first, called "Project Formulation Framework", is meant as a work-tool to stimulate the definition of the main elements of a project before the project document is prepared. After tripartite agreement is reached on these main elements, the Framework is sent to UNDP Headquarters for comments (mandatory for projects with a budget of more than \$700,000) and - if produced in the field - copied to UNIDO Headquarters. UNDP Headquarters uses the Framework for preliminary screening, and to provide information and feedback about UNDP experience.

The second document is the "Project Document", the complete definition of the project and its budgets. Once signed by all parties concerned, this constitutes the formal agreement between the Government, UNDP (and/or other donor) and UNIDO as the main basis for implementation, monitoring and evaluation.

For large-scale UNIDO projects (mainly those financed by the Industrial Development Fund) the same (UNDP) format is used for the project document. A simplified format is used for all projects financed from UNIDO-administered funds that have a budget of less than US \$150,000 (excluding overhead), as well as for group training projects. The project formulation framework may also be used for UNIDO projects, although it is not mandatory. It is, however, useful in negotiating special purpose contributions with donor countries.

The types of projects that are identified and formulated have been analysed by UNDP into five groups: institution building, direct support, direct training, experimental production work in technology, and pilot plant scale activities. These are discussed at some length in the UNIDO Guidelines for Project Design and Drafting of Project Documents on the back of page 4 (page 4a).

D. Project Appraisal

In English dictionaries, the words 'appraisal' and 'evaluation' are synonymous. The UN system, however, for reasons of organizational terminology, has given them divergent meanings. Appraisal is the examination of a project proposal beforehand to determine whether it is worth doing; evaluation (see section G of this chapter) is undertaken in the course of implementation and/or upon the project's completion.

For UNDP, appraisal is an exercise to ascertain whether a project is suitable for UNDP funding and, if so, whether the proposed project, as formulated, will make an effective contribution towards achieving the related development objective in the country programme. The final responsibility for ensuring proper appraisal rests either with the Resident Representative or with UNDP headquarters and is determined by which of them exercises the authority to approve a particular project (see under Section E). In either case, however, whether in the field office or at UNDP headquarters, the principal forum in which appraisals are discussed is a Project Appraisal Committee.

For UNIDO, appraisal represents a critical analysis of the relevance, feasibility and potential effectiveness of a project before a decision is made to undertake it. The project proposal is carefully reviewed to establish whether it is technically sound, cost-effective and well designed. Within UNIDO, appraisal is carried out by the Project Appraisal Section. There is also a Project Review Committee (PRC), an interdepartmental body which advises the Director-General on the optimal use of UNIDO-administered funds for technical co-operation.

The appraisal exercises of UNIDO and UNDP have basic elements in common: a favourable appraisal of the draft project document is an absolute prerequisite for project approval; occasionally, however, additional investigations and clarifications may be required; and appraisal may even call for reformulating or withdrawing the proposal.

E. Project Approval

The agreement of UNIDO to implement a project has to be decided upon in all cases and is normally given before the approval. Only in the case of the Special Industrial Services programme (SIS), the Regular Programme (RP) and the Industrial Development Fund/General Pool is the approval given simultaneously with the agreement.

Approval of a project represents the agreement of a funding agency (e.g. UNDP) or a donor Government (trust fund or IDF) to fund the project as set forth in the project document. In the case of UNDP, its signature of the project document is the final formality in the approval of the project. The Governing Council alone has the authority to approve UNDP funding of projects. The Council has delegated this authority to the Administrator while reserving the right to have particular projects referred to the Council for its consideration. The Administrator has in turn delegated to resident representatives the authority to approve projects where the total cost of UNDP inputs, including cost sharing, does not exceed \$700,000, subject to certain non-financial limits affecting a few special categories of projects.

Similarly, the signature of a trust fund agreement (annexed to the project document) by the donor (for third-party trust funds) or by the recipient (for self-financing trust funds) and, in the case of IDF projects financed by special purpose donors, the letter conveying their approval constitutes the project approval.

Within UNIDO, the Director-General has delegated authority for the approval of projects proposed for financing under UNIDO-administered funds, and recommended for approval by the Project Review Committee, to the following officials:

(1) For projects involving amounts from \$50,000 to \$75,000

Chairman of the Project Review Committee, upon the recommendation of the Committee.

Note: Projects with a budget of \$50,000 or less are reviewed and eventually approved by the Chairman of the Committee acting alone. The PRC deals only with project proposals with a budget of more than \$50,000.

(2) For projects involving amounts of more than \$75,000 and up to \$150,000

Deputy Director-General of the Department for Programme and Project Development.

The Director-General approves all projects involving amounts in excess of \$150,000.

Exception: For projects under the Industrial Development Decade for Africa (IDDA(XA)), the approval authority is delegated to the IDDA Task Force irrespective of the level of the amount.

F. Project Reporting

General

It is necessary to distinguish between management or monitoring reports and technical reports, including the terminal report. The management/monitoring reports are mandatory for projects above \$400,000; such reports are occasionally needed for projects below that amount, depending on the discretionary decision of the UNDP Resident Representative. The technical reports required are defined in the project document. The UNIDO backstopping officer for the project sometimes asks for supplementary information. In UNDP terminology, technical reports are referred to as "documentary outputs".

Where a project is implemented fully or partially through the use of a sub-contractor (engaged by UNIDO's Contracts Section), the sub-contractor is responsible for the production, and submission to UNIDO, of whatever reports are stipulated in the contract.

Contents

The organization and content of a technical report (documentary output) should, to the extent feasible, be structured as follows:

- (1) Title page;
- (2) An abstract of the report, or a list of key words reflecting the principal subject fields in the form required for computer storage and retrieval;
- (3) An introduction providing information on the project activity relating to the report; the authorship; the purpose(s) of the report; how it should be used; and the proposed distribution.
- (4) A summary of findings and recommendations;
- (5) Substantive sections or chapters; and
- (6) Annexes or appendices as appropriate.

The Editorial Control and Publications Section of UNIDO has issued notes on the proper format of experts' reports. They are reproduced at the end of this chapter, together with a model cover-page.

Derestriction of technical reports

Technical reports on country projects are initially to be considered "restricted". They are available to the Government, the executing agency (UNIDO), UNDP and other organizations within the United Nations system. They may also be made available to other parties on a case-by-case basis upon written consent from the Government. However, except in those cases where a report is clearly of a confidential nature, the Government is invited to derestrict it as soon as possible.

A technical report (documentary output) becomes automatically derestricted six months from the date of its submission unless the Government requests in writing, before the six-month period has elapsed, that the report remain restricted.

Procedures

The number of copies of a technical report required by the Government and UNIDO should preferably be determined in the work plan. Depending mainly on the firm requirements of the institution or the Government, the number of copies is normally limited to a maximum of 50.

The project management - or, in small projects, the expert - submits the draft version of the report to the government implementing agency and to UNIDO as executing agency. UNIDO provides advice and assistance in the preparation of the draft as well as the final version of the document.

When the final version of the technical report is prepared, and if it is reproduced within the country, the project management submits copies, as required, to the authorities concerned. It also makes sufficient copies available to the Resident Representative for distribution on a "restricted" basis to:

- (a) The Government;
- (b) The executing agency (UNIDO);
- (c) UNDP headquarters;
- (d) The office of the resident representative;
- (e) The library at United Nations headquarters;)UNIDO normally
- (f) The United Nations library at Geneva;)handles this
- (g) The library of the Vienna International Centre.)distribution

Terminal reporting

A terminal report is required for each project except when it was agreed in advance by the parties concerned and specified in the project document that other papers to be produced by the project would serve the same purpose.

The purpose of a terminal report, if one is required, is to convey to the Government and UNDP the principal results of a project as well as its most important findings.

A terminal report should not present a historical narrative; it may be structured as follows:

- (1) Development problem and immediate problems attacked;
- (2) Principal results and problems encountered;
- (3) Objectives achieved or soon likely to be achieved;
- (4) Findings and lessons learned;
- (5) Recommendations, and
- (6) Annexes as appropriate.

If a project terminal report is required for consideration at a terminal tripartite review meeting, it should be prepared in draft sufficiently in advance to allow review and technical clearance by UNIDO in good time before the meeting.

G. Monitoring and Evaluation of Projects

The policies and procedures of UNIDO's evaluation system are in harmony with, and complementary to, those of UNDP. The system covers all projects implemented by UNIDO.

1. The Goals of Evaluation

The system used by UNIDO for evaluating its technical co-operation projects is designed to enable UNIDO management to focus on the quality, effectiveness and impact of its technical co-operation activities by supplying timely analytical information to all management levels on project achievements and problems. It often gives direction and justification for any remedial action that may be required and offers lessons to be learned for future use.

The system also helps to establish the respective responsibilities of each party to the project for ensuring its effectiveness and impact.

2. Project Performance Evaluation Report (PPER)^{1/}

The PPER is a record and analysis of the progress of a project. It is a monitoring exercise by project management (i.e. the national and the international project co-ordinators). It contains conclusions derived from the information and analysis; and recommendations for future actions which should indicate who is to carry them out and by when. A report completed by project management is passed on to the local SIDFA, JPO or UNDP programme officer for comments before it is forwarded to the evaluation staff at UNIDO Headquarters. After a quality check the report is passed on to the backstopping branch in the Department of Industrial Operations who will prepare the UNIDO feedback to the field as well as take any necessary action.

A PPER is mandatory for UNDP projects with a budget over \$400,000 when it is required as an input for the annual tripartite review (see under heading 4 of this section).

All projects executed by UNIDO are required to prepare reports in accordance with the following rules:

(a) If the duration of the project is 24 months or more, a PPER is to be prepared once every year, the last time being three months before the planned operational completion of the project;

(b) If the duration of the project is less than 24 months and the external contribution to the project is US\$150,000 or more, a PPER is to be prepared three months before the planned operational completion of the project;

(c) If the duration of the project is less than 24 months and the external contribution is less than US\$150,000, a simplified PER may be chosen instead of the PPER and would be conducted once, just before the project is declared operationally completed.

^{1/} Report forms are available from the Evaluation Staff, Office of the Director-General

UNIDO Headquarters will schedule the annual PPER preparation for all projects with a budget of \$400,000 or more based on information available concerning the timing of the tripartite review.

3. Evaluation of group training programmes

Special evaluation procedures have been evolved for UNIDO group training programmes. Upon the completion of such a programme, an evaluation of it is carried out by the host training organization with the participation, whenever possible, of a qualified UNIDO staff member. The evaluation report is submitted to UNIDO on a specific form (PER/GT).

For selected programmes, after the participants have been back in their home countries for some time, UNIDO sends them specially designed questionnaires to elicit information on the extent to which they were able to apply their newly acquired skills and knowledge in their work. The results of such a survey may indicate the need for an in-depth evaluation of a specific group training programme.

4. Tripartite Review Meeting (TPR)

If the total UNDP budget of a project equals or exceeds \$400,000 (including cost sharing), a formal tripartite review meeting is mandatory at least once a year. Such a review, which is the monitoring of a project in progress, provides an important opportunity for the three parties (UNDP, UNIDO, recipient Government) to consider project objectives and outputs, progress towards them and the need for any change of action to ensure project achievements. The review process includes: planning, scheduling, an agenda, invitations, a meeting and a report.

The main input to the tripartite review is the Project Performance Evaluation Report (PPER - described under heading 2). The PPER has to be completed and forwarded to UNIDO Headquarters three months before the review, so as to permit UNIDO to review the report and prepare feedback which is to be distributed in time for the three parties involved to study the report and the feedback and brief their representatives accordingly.

If the total UNDP contribution is less than \$400,000, a formal tripartite review should be held when justified or when requested by any of the parties. In other cases, the review can be informal and brief; however, the same range of issues should be considered.

It is the UNDP Resident Representative who takes the initiative, in consultation with the Government and the project management, for planning the tripartite reviews to be held each year. However, any of the parties may take the initiative to organize a TPR whenever considered necessary. A visit of UNIDO staff undertaken as part of regular backstopping activities should, where possible, be timed to coincide with the review.

The agenda of the tripartite review, and the subsequent report prepared by the Resident Representative, should be presented in the following order:

- (a) Follow-up to any previous review;
 - (b) Project concept and design;
 - (c) Progress;
 - (d) Operational issues;
 - (e) Work plan;
 - (f) Decisions and recommendations; and
 - (g) Need for evaluation: i.e. whether an in-depth evaluation is needed.
- (See under heading 5).

In the last month of project operations, a terminal tripartite review is held. A draft of the terminal report of the project is prepared for, and considered at, the terminal tripartite review meeting. It is part of UNIDO's backstopping function to ensure that the draft report is made available in good time for the review.

The terminal review considers the implementation of the project as a whole, paying particular attention to whether it has produced the outputs foreseen and achieved its objectives; and decides whether any actions are still necessary in order to increase these achievements.

5. In-depth evaluations of Technical Co-operation Projects

In-depth evaluations are organized for specific reasons which may include technical/economic problems with the project, disagreements between the parties involved, consideration of important changes in a project underway, the need to identify and specify follow-up action based on the experience of a completed project or to draw upon such experience for other (future) projects. The specific reasons for an evaluation are given in the Terms of Reference (see below).

In-depth evaluations are carried out by a team of independent, objective evaluators (who should not have been directly involved in the project design, appraisal or implementation) specially assigned by the parties involved in the project (the host Government, the funding organization and the technical or implementing organization). Evaluations normally involve a study of the files and 2 - 3 weeks of field work.

UNIDO-executed projects are subject to in-depth evaluation as follows:

(a) Projects with a budget of more than \$1 million are normally required to have at least one evaluation during their operation. This should take place either halfway through the project, or just before its completion, or else at a key decision-point in the course of the project. A provision for the evaluation should be included in the project document and budget.

(b) Projects with a budget of less than \$1 million may require an in-depth evaluation in response to specific problems, decisions to be taken or other circumstances. Whenever this can be foreseen, a provision should be built into the project document.

The Terms of Reference are contained in a formal document which has five main sections:

(a) Background: a summary of the project and its circumstances; reasons for conducting the evaluation;

(b) Scope, Purpose and Methods of the Evaluation as well as any specific issues to be studied by the evaluation;

- (c) Composition of the Mission (one representative each of the funding Organization, the recipient Government and UNIDO);
- (d) Consultations in the Field (e.g. with the UNDP Resident Representative, local UNIDO staff, the Government organizations concerned, and the project's national and international staff);
- (e) Timetable and Report of the Mission (the Mission should normally complete its work in 2-3 weeks; the question of the Report is dealt with next in this section).

Detailed guidelines for the preparation of Terms of Reference as well as for the evaluation report can be obtained from the Evaluation Staff, Office of the Director-General.

It is important that the evaluation report rely as far as possible on objective facts. All assessments and judgements made, as well as the recommendations, should be supported by a presentation of the relevant facts and their analysis. This is also important because the report will be the basis for decision-making affecting the future of the project, while the evaluators will not be directly involved in that process.

A model of the contents page for a project evaluation report is shown opposite.

Model of contents page for a project evaluation report

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Annexes

- I. Terms of reference of the evaluation mission.....
- II. List of persons consulted during the mission.....
(Give organization and function.)
- III. Other annexes as required.....
(Please note: Pages of each annex to be numbered separately.)

Tables

Figures

Preparation of Reports by UNIDO Field Staff

GUIDELINES FOR STANDARD PRESENTATION

The pages of a report should be typed in 1 1/2 spacing within an area of 16.5 cm x 24 cm so that it can be reproduced at Headquarters in the A-4 format (normal full page size). Pages should be numbered consecutively with Arabic numerals from the beginning (including all front matter) to the end (including annexes). The numbers should appear, centred, at the top of the page.

Use only the following system of heading:

I. CHAPTER HEADING

Capital letters, centred, preceded by a Roman numeral, except for introduction and recommendations, which are not numbered

A. Section heading

Lower case letters, centred, underlined, preceded by a capital letter

Subsection heading

Lower case letters, left margin, underlined; numbered (1, 2, 3 etc.)

Model cover page for terminal report

PHILIPPINES PHARMACEUTICAL INDUSTRY DEVELOPMENT STUDY

DP/PHI/87/019

PHILIPPINES

Terminal report*

Prepared for the Government of the Philippines
by the United Nations Industrial Development Organization
acting as executing agency for the United Nations Development Programme

Based on the work of Dr. K. Ivanov, Chief Technical Adviser and
Dr. W.N. Walker, Consultant

Backstopping Officer: Dr. Zoltan Csizer, Chemical Industries Branch

United Nations Industrial Development Organization
Vienna

* This document has not been edited.

H. Revision of Projects

(1) General

The introduction of changes in an approved and fully signed project document, or parts of it, or in an already revised version of the document, constitutes a project revision.

The purpose of a project revision is either to modify the design of a project (i.e. adjust its immediate objective, inputs, activities and/or outputs), to correct the budget, or to do both.

The revision of a project document will in many cases also require changes in the work plan and possibly in the other annexes to the project document, but periodic updating of these annexes alone should not be construed as a project revision. Such changes may be made without the formality of a revision.

A revision is also not used when the intent is to produce further outputs in order to obtain a higher level, or different, objective; this normally requires a new phase with a new project document.

Revisions should ensure that project inputs are kept up-to-date as much as possible, taking into account any substantive reasons, changed circumstances or slippage, so that project expenditures remain as close as possible to approved project budgets.

(2) Revision of UNDP-assisted Projects^{1/}

For UNDP-assisted projects an annual mandatory revision (sometimes referred to as "mandatory rephasing") is required when end-of-year detailed project delivery information becomes available. Mandatory revisions (or rephasings) are prepared at UNIDO headquarters; details of the procedures to be followed are set out under heading (c) of this section.

^{1/} Readers are strongly advised to study the original section 30107 of UNDP PPM carefully when project revisions for UNDP-assisted projects become necessary, and for additional important information on mandatory revisions and rephasings.

(a) Annualized portion of project budgets

The UNDP Resident Representative, in agreement with the Government and the executing agency concerned - i.e. UNIDO, should establish annual project budgets for the entire duration of each project. Approved annual project budgets included in a signed project document or its revisions will constitute the annual upper limit to incur expenditures in that project.

Within the annual ceilings of a project, executing agencies, in this case UNIDO, are authorized to enter into commitments and make expenditures for the delivery of project inputs as specified in the approved project document or its revisions and covering the duration of the project. In cases where the cost of approved project inputs is higher than expected, the advice in the next paragraph will apply.

(b) Expenditure flexibility of the executing agency

The executing agency, i.e. UNIDO, is authorized, without requiring a revised project budget, to incur project expenditures in any given year in excess of the project budget for that year, but not exceeding \$20,000 or 4 per cent of that budget, whichever is the higher. These expenditures are authorized provided the total amount of excess expenditures of UNIDO for that year does not exceed 2 per cent of the total of UNDP funds approved for expenditure by UNIDO for that year.

At the first opportunity, expenditure in excess of the budget resulting from application of the flexibility provision should be reflected in a revision. In the event that a revision is not undertaken before receipt by the Resident Representative of the end-of-year detailed project delivery report, the excess expenditure should be reflected in the revised budget prepared on the basis of that report.

(c) Annual mandatory revisions of UNDP projects and project budgets

(i) As soon as actual project expenditure at the end of each year is known, but not later than the end of March of the following year, UNIDO prepares for each UNDP project a draft of a revised project budget reflecting actual expenditure for the prior year, as reported in the year-end project delivery

reports (PDRs), and annual expenditure estimates for the current and following years, taking into consideration the rephasing of the delivery of project inputs made necessary by delays in planned delivery or changes in work plans.

The draft revisions are submitted to Resident Representatives with an explanation of the reasons for any changes in delivery; and an account of how the revised delivery schedules, as reflected in the drafts, have been arrived at. The drafts are then reviewed by field offices with a view to having them approved, signed and returned to UNIDO as soon as possible, but not later than the first week in June.

For the purpose of finalizing the annual mandatory revisions, the revision document should reflect prior-year expenditure as reported by UNIDO in the end-of-year delivery reports. Discrepancies between UNIDO's end-of-year delivery reports and the records of the Resident Representative should be brought to the notice of UNIDO and their clarification pursued. Any rectification required should be reflected in the current year's budget or a subsequent project revision.

(ii) Rephasings of selected projects in October

Additionally, in September/October of each year, certain types of projects are subject to a further "mandatory rephasing", the purpose of which is to establish plans and budgets for the next and future years, and to facilitate planning to achieve improved delivery in the current year.

As for the mandatory revision exercise prepared earlier in the year, the October exercise is initiated by UNIDO; the drafts of the revised project budgets reflect actual expenditures as at 31 August.

In UNIDO, the exercise is limited to those projects for which the current year's budget is \$100,000 or more. Budget revisions for projects not selected by UNIDO may be prepared by field offices, if so desired.

Field offices should ensure the approval of revisions not later than 1 December of the current year.

(d) Rephrasing of newly-approved projects

For new projects, within 45 days of the signature of a project document, or of the project leader's being in place, UNIDO is obliged to provide the Resident Representative with a project revision reflecting the actual starting date of the project and providing an updated project budget based on the likely schedule of delivery of inputs for the current and subsequent years of the project.

(e) Documentation

A project revision should be prepared in the form of a document which should contain:

- (i) a cover page prepared in accordance with the format given in UNDP's Section 30107(5.2);
- (ii) justification for the revision, which, if straightforward, can simply be provided on the cover page;
- (iii) the amended text of those parts or sections of the project document being changed, with reference to the amended page and paragraph numbers; and
- (iv) the revised project budget.

Whenever a project revision is prepared, a new designation should be given within the project number for the project budget code, e.g. from "A" to "B" to "C" and so forth.

The budget included in a revision document should show the same detail as the preceding budgets, providing comprehensive information at the line and component levels, thus permitting each revised budget to supersede the previous one as a self-contained instrument for financial control. Prior

year(s) expenditure should be shown by year at the line level up to and including the final year of an IPF cycle. After the mandatory revision showing actual expenditure for the last year of the IPF cycle, all further revisions should show expenditure during the previous IPF cycle cumulatively in a single column entitled "prior years".

(f) Preparation and submission of revisions

A project revision should be prepared in close consultation between the Government, the Resident Representative and UNIDO. UNIDO, where possible, delegates authority to discuss project revisions on its behalf to its field staff.

(g) Signature of revision document

The revision document should be signed by UNIDO, by the Resident Representative on behalf of UNDP and by the Government, where appropriate. UNIDO may authorize the Resident Representative, or a designated official in the field, to sign on its behalf.

Revisions which do not involve significant changes in the immediate objectives, outputs or activities of a project, but are confined to the rearrangement of the timing of inputs already agreed to, or to cost increases for experts or other items due to inflation, require only the signature of the Resident Representative following appropriate consultation with UNIDO and the Government, and provided they have no objections. Mandatory annual revisions which rephrase the delivery of agreed project inputs or increased expert or other costs due to inflation, or take into account UNIDO's expenditure flexibility, also require only the signature of the Resident Representative.

After signature of the revision document the Resident Representative sends one signed copy each to the Government, the regional bureau at UNDP headquarters and UNIDO, retaining one for the field office's own record. The Administrator of UNDP may authorize the Resident Representative to approve the revision on his behalf if he agrees in principle with the proposed revision and is of the opinion that the involvement of UNDP headquarters in its finalization will not be required.

(h) Advance authorization

The Resident Representative, after having ascertained that the Government and UNIDO agree to the nature and scope of a revision, may authorize UNIDO, prior to the signing of a project revision document by the parties concerned, to enter into commitments and incur expenditures in accordance with the requirements of the proposed project revision document. Revisions falling outside the scope of the Resident Representative's approval authority require the approval of UNDP headquarters before an advance authorization may be extended.

Authorizations in advance of a revision may be used to allocate funds for indispensable inputs required to maintain project momentum, pending the finalization and formal approval of the revision document. While the budget changes authorized by an advance authorization need not be identical to the budget changes in the ensuing project revision document, they must not exceed the latter. An advance authorization should be replaced within 60 days by a fully-signed project revision document.

Cabled advance authorizations may be accepted, provided they are in accordance with the PPM, section 30108.

(3) Revision of projects financed from UNIDO-administered funds

In cases where the immediate objectives of a project change, completely new project activities are introduced, appreciably increased resources are required or extensive changes in project inputs are envisaged, a new project proposal is prepared and submitted to the Project Review Committee Secretariat for processing.

(a) Apart from ad hoc revisions, all projects implemented under UNIDO-administered funds should be rephased each year. Rephasing, however, should be a continuing exercise conducted throughout the year so that, by the end of each year, all projects will either have been rephased or declared operationally completed. The procedures for the rephasing exercise are given in paragraph (h) below.

Procedures

(b) All revisions must be approved prior to the expenditure or obligation of funds.

(c) The reasons for a proposed revision must be given in full as outlined below. In instances where reasons other than unexpected cost increases apply, the changes and the justification for them should be given for all the project design elements affected, following the sequence in which the information was given in the original project document. The project revision will include at least a new work plan and revised inputs but may also include revised objectives and outputs.

(d) In the case of proposed revisions to establish allotments under a new budget line, to introduce increases or to shift allotments from one budget line to another, a full explanation should be provided on a line-by-line basis, justifying reduced expenditures, savings or increased costs.

(e) In the case of any changes to budget line 16 (staff travel), the number of staff members to be financed and the branch(es) or section(s) to which they belong should be indicated and a description of their substantive contribution to the project given.

(f) When proposing the rephrasing of a project, a full explanation should be given of the reasons why the original schedule could not be maintained and the new operational completion date should be indicated.

(g) The officer backstopping the project should prepare the project revisions in consultation, as deemed necessary, with the Financial Services Division. The area officer should review and clear the project revision. After confirming the correctness of the revision procedures followed, the adequacy of the information provided and the validity of the reasons for the revision, the area officer should forward the project revision to the Project Review Committee Secretariat for its review and recommendations.

(h) In accordance with the monthly print-out of all UNIDO-administered projects, which is issued by the Financial Services Division, the Director of the Project Review and Appraisal Division sends a notification, at least once a year, to the Directors of the implementing Divisions of those projects that require rephrasing, requesting that such projects should either be rephased (through a project revision) or declared operationally completed. The Director of the Project Review and Appraisal Division will also send a copy of the notification to the Financial Services Division, thus authorizing it to declare the project(s) financially completed if no project revision has been processed within three months of the date of the notification.

(i) Authority to approve revisions is delegated by the Director-General as follows:

(i) For revisions involving amounts of up to \$75,000

Chairman of the Project Review Committee

(ii) For revisions involving amounts of more than \$75,000 and up to \$150,000

Deputy Director-General of the Department for Programme and Project Development

Revisions involving amounts of more than \$150,000 will be approved by the Director-General.

(j) Revisions related to Industrial Development Fund projects financed from special-purpose contributions will first be processed as indicated in paragraphs (b) to (g) and then forwarded by the Project Review Committee Secretariat to the relevant donor(s) for clearance. Revisions of projects financed under special-purpose contributions may only be considered to have been approved once notification of their clearance by the donor(s) has been received.

(k) For all projects except those financed from special-purpose contributions, the backstopping officer is authorized to take the following steps without having to process a budget revision as outlined in paragraphs (b) to (i):

(i) Implementing the physical inputs as approved for the components of personnel (budget lines 11-01 to 19-99) and training (budget lines 31-00 to 39-99), despite divergence from the approved costs (NOTE: No change in physical inputs, in terms of work-months of personnel or training, is involved);

(ii) Incurring expenditures of up to 5 per cent in excess of the latest approved total budget (budget line 99), or of US\$ 2,500, whichever is higher, for the components indicated below:

Budget line 21-00: sub-contracts;

Budget lines 41-00 to 49-99: equipment;

Budget lines 51-00 to 59-99: miscellaneous (excluding budget line 55-00: hospitality).

(iii) Shifting allotments between existing budget lines with no change in the latest approved total budget, provided that the amount shifted does not exceed 5 per cent of the total (Budget line 16 is excluded in accordance with paragraph (e)).

In respect of items (i) and (ii), the backstopping officer is required to initiate a request to the Financial Services Division (Financial Management of Technical Co-operation Unit) to incur additional expenditure. In respect of item (iii), the backstopping officer is required to request FMTC Unit to amend the existing allotments. Additional expenditures or shifts in allotments resulting from the application of the above flexibility provisions should be reflected in the first subsequent regular processing of a budget revision according to paragraphs (b) to (i) and in any event not later than during the annual rephasing exercise.

CHAPTER VI. THE PEOPLE IN THE FIELD

A. Senior Industrial Development Field Advisers and Junior Professional Officers

1. Background

The appointment of "Industrial Development Field Advisers (UNIDO)", as they were originally called, was the subject of a "Memorandum of Agreement concerning the establishment of a UNIDO field service at the country level to be integrated within UNDP field offices" signed by the Administrator of UNDP and the Executive Director of UNIDO on 3 October 1967.

The 1967 Agreement has been replaced, in April 1989, by a new one which takes into account UNIDO's status as a specialized agency. The new Agreement is entitled: "Memorandum of Understanding concerning the integration of the UNIDO field service within the UNDP field office."

The purposes of the arrangements set out in the new Memorandum of Understanding are defined in the following terms:

- (a) "to achieve with respect to the UNIDO field staff and activities a desirable degree of co-ordination with and integration within the field 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 Senior Industrial Development Field Advisers (SIDFA) (to be renamed UNIDO Country Directors (UCDs), if this change of title is approved by the UNDP's Governing Council and UNIDO's Industrial Development Board), on matters of industrial development to recipient governments and to Resident Representatives, as well as support and guidance to UNIDO experts on technical co-operation activities;
- (c) to assure for UNIDO an adequate channel of communication with Member States on matters outside the scope of UNDP-sponsored activities, as well as with the United Nations Economic Commissions and with other regional and sub-regional organizations."

2. Senior Industrial Development Field Advisers (SIDFAs)
(UNIDO Country Directors - UCDs)

The UNDP Resident Representative is - among other things - the UNIDO Representative in the country of assignment. After consultation with the Governments concerned and UNDP, UNIDO appoints SIDFAs (UCDs) who have the function of Deputies to UNDP Resident Representatives in the latter's capacity as UNIDO Representatives; the SIDFAs are responsible for the industrial sector of the UNDP country programme; and act as Senior Advisers on industrial matters to Governments.

As regards the appointment of SIDFAs (irrespective of whether their posts are financed by UNDP or UNIDO) the previous paragraph represents the arrangement due to come into force on 1 January 1990, when all SIDFAs will be given UNIDO contracts. In this respect 1989 is a transitional year; there are at present (June 1989) four different kinds of SIDFA appointments with administrative services which, for the above reason, it would be pointless to enumerate.

The SIDFA (UCD) receives instructions from, and reports directly to, UNIDO on matters pertaining to the formulation, implementation and evaluation of UNIDO-financed projects, and other matters of direct concern to UNIDO. The SIDFA (UCD) is the principal channel of communication between UNIDO and the Government.

He or she keeps the Resident Representative informed of such contacts.

Under the general direction of the Resident Representative the SIDFA (UCD) bears the main responsibility for industrial development policy in the UNDP field office. In particular he or she is responsible for the following functions:

- (a) to maintain direct contacts with the technical authorities of the recipient Government on matters of policy, programming, execution and evaluation of industrial co-operation projects;
- (b) to make contact with and provide guidance to UNIDO experts;

(c) under the general guidance of the Resident Representative, to co-ordinate activities within the field office with respect to operations in the industrial sector of the country programme, including co-ordination with other international and bilateral agencies.

The central or "core" activities of SIDFAs (UCDs) comprise the following:

- project development and programming;
- project implementation;
- provision of policy and technical advice to the Resident Representative;
- provision of policy advice to the Government;
- assistance to the Government in identifying and assessing problems and needs; making arrangements to solve or meet them;
- provision of policy and technical advice for regions and sub-regions. SIDFAs (UCDs), in addition to their normal duties, may be called upon to assume special advisory roles throughout the region;
- supporting UNIDO activities and programmes such as ECDC/TCDC^{1/} investment promotion, the System of Consultations, the integration of women into industrial development, rural development, technology transfer and industrial information;
- establishment and maintenance of contacts with non-governmental organizations and UNIDO national committees;
- co-ordination of industrial project activities in the field;
- coverage, on behalf of UNIDO, of conferences, seminars and meetings in the country.

Other functions related to the specific host country or countries are incorporated in the individual SIDFA job description issued by UNIDO after consultation with the Resident Representative.

^{1/} ECDC/TCDC Economic and technical co-operation among developing countries

SIDFAs serve under the 200-series of the UNIDO Staff Rules applicable to project personnel. They are required to submit quarterly and yearly reports to the Director of the Area Programmes Division, Department for Programme and Project Development at UNIDO headquarters.

3. Junior Professional Officers (JPOs)

In addition to the SIDFAs (UCDs), UNIDO places Junior Professional Officers (JPOs) in the countries of the duty stations of SIDFAs and also in other countries, whether under the coverage of SIDFAs or not.

The JPO programme was jointly established by UNIDO and UNDP in 1972 with the following objectives:

- To assist the SIDFA in all aspects of his/her work including project formulation, appraisal, monitoring and evaluation;
- To provide on-the-job training in UNDP field offices for young people who wish to pursue a career in the field of international development assistance and in particular industrial development;
- To give sponsoring Governments the opportunity for their nationals to acquire first-hand experience of development issues and the procedures of UNIDO technical assistance.

The JPO programme is sponsored by a number of donor countries, originally European, and more recently including Japan and the USA.

UNIDO JPO posts are established by consensus with UNDP. Since JPOs are primarily recruited to assist the SIDFAs, posts are consequently set up according to the priorities of the SIDFA Programme and its needs in terms of coverage.

In practice, the need for JPO posts is usually pinpointed in the course of direct discussions with UNDP Resident Representatives during their visits to UNIDO Headquarters. (UNIDO receives about 50 such visits per year).

The recruitment procedure is two-fold: first, at the national level, and second, at the UNIDO/UNDP level. The national selection is conducted according to the procedure and criteria set by the sponsoring Governments. The candidates are then interviewed by UNIDO and submitted to UNDP for appointment.

JPOs are offered one-year contracts which are normally renewed for a second year. Depending on the JPO's performance and the views of the sponsoring Government, the contracts of some JPOs are renewed for a third year.

At the time of his or her recruitment, the average JPO is an economist,^{1/} around 30 years old, who has already held one or more jobs in private business or industry, national administration or a university. Roughly 25% of the JPOs have been women.

Some sponsoring Governments conduct an orientation course of their own for JPOs under recruitment. UNIDO JPOs then go through a two-week training course in Vienna, which includes individual briefing by backstopping officers on projects in the country of assignment.

The training course introduces the newly recruited JPOs to the work environment of the UN and UNIDO with special attention to the UNIDO technical assistance programme.

Generally, the status of a JPO and the tasks assigned to him/her depend to a great extent on whether there is, or not, a resident SIDFA in the UNDP office.

In an office with a resident SIDFA, the JPO works under the administrative authority of the Resident Representative, and under the direct supervision of the SIDFA. In such cases the JPO is seen as an administrative supplement to the SIDFA, who delegates tasks in accordance with his/her needs.

^{1/} More than half of the JPOs are economists; one quarter has studied business administration, and the rest have a university degree in sociology, political science or law. Some JPOs also have some engineering background.

In UNDP offices without a resident SIDFA, the JPOs are closely integrated in the UNDP office, receiving instructions either from the Resident Representative, Deputy Resident Representative, or a Programme Officer. Very few of them deal only with UNIDO-related matters and are expected to take over more or less the same responsibilities as a programme officer. So, in addition to monitoring the UNIDO projects, and following-up actions for the S'DFA and UNIDO headquarters, they are in charge of the projects of other UN agencies whose activities are related to industry, i.e. GATT, UNCTAD and ILO.

After approximately one year of assignment, the JPOs of the same "generation" return to Vienna for a mid-term review meeting. This meeting, which lasts five days, includes plenary sessions and individual briefing.

The mid-term review meeting has proved to be most useful for UNIDO headquarters staff. The JPOs complete a special questionnaire which enables UNIDO to have a clear idea of the percentage of time they spend on UNIDO-related matters in the field and to discuss any individual or general problems encountered during the first year of assignment.

The JPOs have also found it useful and interesting to be able to exchange professional experience and learn about technical assistance in other developing countries.

B. Experts: recruitment and administration

1. General

The provision of expertise to a developing country at the request of its Government is a classical form of technical co-operation. The recruitment of experts for UNIDO is carried out by the Project Personnel Recruitment and Administration Service (PRAS) in the Department of Industrial Operations. The Service recruits project personnel from as broad a range of nationalities and geographic regions as possible. In keeping with the mandates of UNIDO's policy-making organs, PRAS also tries to promote the appointment of women to field projects, and the appointment of nationals of developing countries.

2. Categories of Experts

UNIDO appoints, or employs, two categories of experts: international and national. The field staff are predominantly international, but national experts (i.e. nationals of the recipient country) are increasingly a feature of the project scene.

International Experts

(a) The Chief Technical Adviser (CTA), also referred to as project co-ordinator or team leader, is responsible for overseeing a large project and co-ordinating the various UNIDO inputs. The CTA supervises the international and national staff, controls the equipment, vehicles and supplies, and manages the allotted funds. He or she has to maintain good relations with the national counterparts in the recipient country. The duration of the CTA's appointment should ideally coincide with the life of the project. Details of the CTA's manifold duties are set out in a document provided by UNIDO's briefing officer.

(b) An Expert may be assigned to work alone, or with one or two others, or as a member of a team. The expert's job is to advise, assist and participate with counterpart national staff in undertaking certain duties or operations aimed at improving the country's industrial potential. The duration of the expert's appointment varies according to the nature of the project. It may be anything from a few weeks to a few years. Sometimes there are 'split missions', when a government has planned, or realizes it needs, the expert's return visit.

(c) An OPAS expert (OPAS = operational assistance) supplies, for a developing country, the services of an international expert who temporarily fills an executive post in the administration of the Government. The OPAS expert is a civil servant of the recipient Government, which pays his or her emoluments at the rate applicable to national counterparts. The OPAS expert obtains from UNIDO a stipend to supplement the local salary. He or she does not receive a UNIDO letter of appointment or a laissez-passer and does not become a participant in the UN pension fund.

(d) Consultants may be engaged for short periods, not exceeding six months, to carry out specific tasks, normally under 'a special service agreement'. They receive a gross fee, previously agreed upon, which covers the whole assignment. The fee is not exempt from national income tax as are the salaries of UNIDO staff members.

(e) Associate Experts are provided by certain donor governments for a dual purpose: to give assistance to project activities while granting their nationals the opportunity of on-the-job training in a developing country. Associate experts are university graduates and may have a few years of professional experience. They are assigned to work under the supervision and guidance of fully fledged UNIDO experts in order to acquire development experience; and increasingly contribute advisory services not normally foreseen in the project document, but offered as an additional input. They are provided in response to specific requests from developing countries, whose approval of the candidate must be obtained (as in the case of full experts) prior to appointment by UNIDO. The donor government deposits funds with UNIDO to cover all costs such as salary, allowances, insurance and travel to and from the duty station. Associate experts become staff-members, subject to UNIDO rules and regulations. The duration of their assignment is usually not less than two years.

(f) United Nations Volunteers come under a special programme, administered by UNDP within the framework of the United Nations system. Requests for Volunteers for industrial development projects are channelled through UNIDO to the office of the United Nations Volunteers Co-ordinator in Geneva. This office selects candidates in co-operation with UNIDO. The Volunteers are

recruited and administered during their assignment by the same office. The costs for Volunteers are financed from a special fund made up of voluntary contributions from Governments, international organizations and individuals. Local costs are in most cases paid by the recipient country's Government; the international costs are charged to the UNDP component of the budget.

(g) Regional Advisers are UNIDO project personnel attached to the United Nations regional economic commissions or their subregional offices. Their job is to improve co-operation between UNIDO and the commissions, and improve the quality of assistance provided to the developing countries of their respective geographical areas. Working with the Senior Industrial Development Field Advisers (SIDFAs), where available, they try to ensure that the country programmes correspond as closely as possible to the real needs of the regions.

According to the requirements of each region, UNIDO recruits regional advisers in such fields as metallurgy, industrial training, agricultural machinery and implements, chemical industries and industrial programming and planning. Regional Advisers' posts are financed from the UNIDO regular programme of technical co-operation.

(h) Interregional Advisers are specialists in priority sectors of the work programme and operate from UNIDO Headquarters in Vienna, where they are attached to the office of the Deputy Director-General, Department of Industrial Operations. They are immediately available, at the request of Governments, for short missions to provide high-level advice on industrial development policies or technical problems. Their posts are financed from the UNIDO regular programme of technical co-operation.

National Experts (National Professional Project Personnel - NPPP)

National experts - i.e. nationals of the recipient country - are increasingly employed as an appropriate and less costly alternative to internationally recruited experts for providing a UNIDO input into a project. The procedures for the recruitment and appointment of national experts are set out in section 5 - Recipient Country Nationals - of this chapter.

3. Job Descriptions

The basis of all recruitment is the job description: it is the main instrument in the recruitment of UNIDO experts; and it has the widest circulation of basic information on a given project. The job description must define the work to be done; state why, where, when and for how long it should be performed; and what qualifications are required to perform it successfully.

In terms of pertinent information concerning the objectives of the project, the duties involved and the expertise needed, it is vital that the job description be realistic, clear and complete. If it is prepared in a hurry, without due care, the results are bound to cause trouble. To put it plainly, the job description exercises a powerful, even decisive influence on the success or failure of a project; and it involves the reputation of UNIDO.

Some important considerations for completing the UNIDO job description form ^{1/} against the various headings now follow:

The post title - the first thing to strike the eye of potential candidates - should indicate the specific function to be performed rather than the general area of work. For instance, a request for assistance in the textile sector should be specified as "Expert in Textile Fibre Research" or perhaps "Expert in Quality Control and Testing/Man-Made Textiles" and not "Chemical Engineer" or "Industrial Engineer".

The duration of an assignment must be realistically determined according to the task to be accomplished; and the amount of time that potential experts may be willing to serve. Certain types of mission, moreover, do not really require the continued presence of an expert in the country of assignment. Lengthy laboratory work and report writing could at times be done at home. In such cases, a sensible alternative to a long assignment would be a mission of shorter duration with one or two follow-up visits.

^{1/} Available from the Project Personnel Recruitment and Administration Service, UNIDO, Vienna.

As regards the date on which the expert is required, it is essential to allow sufficient time (four to six months) for the search, evaluation, recipient government's clearance, appointment and preparation of experts.

The main duty-station should be specified, with a special mention if travel away from it is envisaged. If the duty-station is a town which is not internationally known, the province or the geographical location should be indicated.

The scope of the duties to be performed must be realistically tailored to the capacity of one person and the duration of the assignment.

The following paragraph should always appear at the end of the list of duties:

"The expert will also be expected to prepare a final report, setting out the findings of the mission and recommendations to the Government on further action which might be taken."

The statement of qualifications required is of central importance to recruitment and a principal source of information for interested applicants. Only the specific skills essential for carrying out the duties should be stated. Great care should be taken to avoid demanding a combination of skills or a variety of experience unlikely to be encountered in any one individual.

Finally, in the matter of language requirements, an expert is obliged to work in one of the 'working languages' of the UN system (English, French and Spanish). Very occasionally a bilingual expert is needed. Knowledge of other languages should not be made an essential requirement and should only rarely be indicated as "an asset", when there is strong justification.

4. Sources of Recruitment

(a) The Roster

The UNIDO roster, a computerized index containing the names of some 14,000 professionals who have expressed interest in being considered for vacant posts as they occur, is the primary, constantly consulted source of candidates for the technical co-operation programme. Candidates are evaluated; only those whose qualifications correspond to UNIDO's activities are placed on the roster. The candidates are classified according to detailed industrial area and function codes. A small team of experienced staff keeps the roster up-to-date, and reclassifies or removes the files of candidates as necessary.

It is also possible to roster technical colleges, consulting firms, institutes and industrial and business organizations as sources of expertise.

If a roster search fails to disclose good candidates, the job description is given general circulation to national recruitment services, the offices of Resident Representatives, and selected institutions in developed and developing countries. The post may also be advertised in the UNIDO NEWSLETTER.

(b) National Recruitment Services

Most of the governments of Europe, as well as those of Australia, Canada, Japan, New Zealand and the United States of America, have designated departments or organizations to assist UNIDO in locating highly qualified nationals of their countries. UNIDO keeps them informed of the status of vacant field posts. In response, they propose candidates both for these specific posts and for general consideration; they also advertise in certain national media; and they arrange and facilitate interviews of the candidates by representatives of UNIDO.

Certain developing countries have established 'focal points' or committees to reach their own potential candidates who could serve in another developing country. Details of such candidates reach UNIDO through the intermediary of the UNDP Field Offices.

(c) Offices of the UNDP Resident Representatives

In developing countries, the office of the UNDP Resident Representative is also a potential recruitment source. By circulating job descriptions, it brings vacancies to the attention of government departments, universities, private companies, industrial consultants and industrial organizations. The UNDP office nominates candidates and interviews them upon UNIDO's request and on its behalf. It also negotiates the release of government civil servants selected for assignments abroad.

(d) Other Sources

As a result of meetings, group training programmes and advertisements in the UNIDO NEWSLETTER, many universities, technical colleges, consulting firms, institutes and industrial and business organizations have become well aware of UNIDO's activities. They have shown much interest in providing highly qualified experts or consultants to serve in the technical co-operation programme either on a short-term appointment or by means of a 'reimbursable loan' agreement.

(e) UNIDO Headquarters Staff

UNIDO encourages qualified staff members at Vienna headquarters to take up duties as technical co-operation field experts on short-term assignments consistent with their professional knowledge, particularly in response to urgent requests for specialized advice. Such assignments can effectively promote project implementation while giving the staff member useful new experience.

(f) Government nominees

The nomination by recipient Governments and counterpart personnel of specific individuals to fill posts as experts and consultants is a useful source of candidates and is always seriously taken into account. Quite often it resolves a specific staffing need. In some cases, however, it would be advisable that UNIDO be given the possibility of proposing alternative candidates from the roster; and often the backstopping officer at UNIDO Headquarters has a knowledge of project requirements which makes the selection of another candidate more suitable, the timing of the latter's availability more convenient, and the nominee's utilization in another post more appropriate.

5. Recipient Country Nationals

The employment of locally recruited nationals of developing countries to serve in UNDP-supported technical co-operation projects takes two forms:

(a) National Experts; and (b) General Service staff.

(a) National Experts (National Professional Project Personnel - NPPP)

The procedures for the recruitment and appointment of national experts are as follows:

(i) After reviewing, and preferably interviewing, more than one candidate, the UNDP Resident Representative in whose jurisdiction the project is located forwards requests for the recruitment of national experts to UNIDO Headquarters, marked for the attention of the backstopping/substantive officer for that project, together with the following documents:

- The Personal History Form of the candidate (or equivalent résumé);
- The Job Description;
- The suggested remuneration to be paid to the person to be recruited;
- The entry-on-duty date;
- The results of a medical examination of the candidate.
(For appointments of less than six months, a simple medical certificate will suffice.)

If the backstopping officer considers the candidate qualified, he or she sends the relevant papers, together with the evaluation and related forms, to the Project Personnel Recruitment and Administration Service (PRAS) for appointment; otherwise, he or she should consult with the UNDP Field Office and the project authorities to see whether more suitable national expert candidates could be found.

PRAS reviews the remuneration proposal made by the Resident Representative (in accordance with UNDP guidelines), requests clarification when necessary and processes the appointment in the following order:

- Sends an offer of appointment (normally a Service Agreement, sometimes a reimbursable loan) to the candidate after, or subject to, health clearance of the candidate by the Medical Service of the Vienna International Centre;
- Receipt of signed Service Agreement from the candidate;
- UNIDO authorizes the UNDP Office to make payments to the national expert.

Salaries are paid in local currency. National experts are not staff members. They do not have UNIDO or UNDP insurance coverage, nor do they participate in the United Nations Joint Staff Pension Fund. They receive no UNIDO allowances and no annual leave is paid.

(b) General Service Staff

In principle, recipient governments are expected to provide whatever secretaries, clerks, manual workers or drivers are required for a project. Sometimes, however, this is not entirely practicable; in such cases project funds are made available for the local recruitment of support staff.

Before hiring a local employee to be paid from project funds, the Chief Technical Adviser (CTA) or Team Leader should secure the agreement of the UNDP Resident Representative, who can also assist in identifying suitable candidates. The two of them should select the best candidate and decide on the 'grade' (salary level). The assessment of qualifications, background, responsibility and the functions to be performed should be based on UNDP practices.

Contrary to the status of national experts serving in the project, the General Service person appointed to it becomes a staff member of UNIDO. The salary and related allowances payable to locally-recruited personnel from project funds should be the same as those paid to staff performing similar services in the local UNDP field office. For every duty station the United Nations Office of Financial Services issues a salary scale for locally-recruited staff, based on the principle of the best prevailing local conditions of service. CTAs will sign all contracts and certify all related expenditures. The latter are payable by the UNDP office. The Resident Representative's signature has to be obtained on the contracts of employment which are then forwarded to UNIDO for final approval.

Initial appointment and extensions

The initial appointment, usually granted for three months, expires on the last day of the third completed month. Subject to satisfactory service and the progress of the project, it may subsequently be extended for periods of up to one year at a time, after medical clearance has been received from UNIDO Headquarters.

The following documents are required by UNIDO for an initial fixed-term appointment of three months:

- (a) Letter of appointment;
- (b) Personnel action form;
- (c) Medical report and chest x-ray; (eye examination for drivers before recruitment); and
- (d) One copy of the personal history form.

One month before the expiration of an appointment, and subject to local review and agreement, a new letter of appointment and the relevant personnel action form covering the extension may be forwarded to UNIDO headquarters for approval.

Other forms of local recruitment are: on a short-term basis, with no dependency allowances (maximum 6 months); under a special service agreement (maximum 6 months); or under a special service agreement providing a lump-sum with no entitlements.

Annual within-grade increment

A salary increment in the form of a single step-increase within the staff member's grade is awarded after each year of satisfactory service. A notification recommending the within-grade increment should be sent to UNIDO one month in advance of the effective date.

Medical insurance coverage

All locally recruited General Service staff are entitled to participate in a medical insurance programme (including their dependents) with after-service coverage. This is administered by UNDP on behalf of UNIDO.

Pension Fund participation

A staff member with an appointment of six months or longer must participate in the United Nations Joint Staff Pension Fund. The conditions and benefits of participation are described in the Regulations and Rules of the United Nations Joint Staff Pension Fund. These rules do not permit an exemption from participation.

Expiration of appointment

Separation from service should be reported to UNIDO Headquarters on a personnel action form. The effective date of separation is the staff member's last day of duty in the office.

If the staff member is a participant in the Pension Fund, he or she must complete and sign the form "Instructions for payment of benefits" which should then be forwarded to UNIDO together with the personnel action form. Reimbursement of the staff member's contributions will be effected directly by the Pension Fund.

Correspondence with UNIDO

All correspondence with UNIDO on matters concerning the recruitment, appointment and administration of locally recruited General Service Staff should be addressed to:

Project Personnel Recruitment and Administration Service,
Department of Industrial Operations,
UNIDO,
P.O. Box 300,
A-1400 Vienna, Austria.

6. Appointment Procedure

The Project Personnel Recruitment and Administration Service first ascertains whether candidates for UNIDO expert posts who are found suitable for, and are interested in, a particular job, are in fact available. Once this has been confirmed, (or sometimes while it is in process), PRAS submits their names, together with a summary of their professional qualifications, directly to the UNDP Resident Representative in the country concerned, who submits them in turn to the appropriate government authorities for approval.

With each submission, PRAS requests the UNDP Resident Representative to inform the government that UNIDO cannot ensure the availability of the candidates if the government's decision is not received within one month from the date of receipt of the submission.

After reviewing the candidate proposed, the government informs UNIDO through the Resident Representative whether the candidate is acceptable. Where a panel of candidates has been submitted, the government may, and should, select more than one, indicating the priority of its preference. The government may request additional candidates or reject the candidate submitted. In such cases, UNIDO should be informed of the reason, for guidance in the further search and/or for revising the job description, if required.

After confirmation is received that the government has approved the candidate, the backstopping/substantive officer is informed and various procedures have to be followed.

The offer of appointment to the successful candidate contains information on the conditions of service and the formalities to be completed before his or her formal appointment, i.e. medical examination and release by the government, if applicable. With the offer of appointment, the expert is provided with various documents and forms related to medical instructions, inoculation requirements, travel, visa, conditions of service, the 200 series of Staff Rules and Regulations and Pension Fund Regulations, if applicable. In addition, the expert is asked to confirm or propose an acceptable reporting date.

7. Types of Appointment

There are four types of appointment for service with a UNIDO technical co-operation project:

(a) Regular appointment (staff member)

Experts receiving regular appointments are considered staff members of the Organization, and their conditions of service are governed by the provisions of the 200 series of the Staff Rules. PRAS issues a letter of appointment, which the expert receives either during his or her briefing in Vienna, or at the duty station if briefing was not considered necessary.

The regular appointments fall into three categories:

(i) Short-term appointment: duration of less than 12 months; no family entitlements, such as dependents' travel, are connected with this appointment, and therefore the net salary is paid at the single rate.

(ii) Intermediate-term appointment: duration of one year or longer but less than five years; the expert is eligible for payment of salary at the dependency rate, if applicable. Intermediate-term experts with family are entitled to several allowances and grants which are specified in their letter of appointment and in the 200 series of the Staff Rules.

(iii) Long-term appointment: applicable to experts who have completed five years' continuous service; the conditions of service remain those applicable to intermediate-term appointments except that the assignment allowance is discontinued after seven years at the same duty station.

(b) Special Service Agreement (expert on mission)

An expert may be appointed under a special service agreement (normally offered for a period not exceeding six months), when either the nature of the duties does not permit appointment on a continuous full-time basis (Example: assignment calling for preparation of papers), or where there are other reasons, such as the level of remuneration, which preclude UNIDO from employing him or her under staff-member conditions with salary. Remuneration is a freely-negotiated sum normally paid on a monthly or weekly basis or as a lump sum.

(c) Reimbursable loan

If a firm or organization is not willing to make available one of its staff members to UNIDO for a field assignment as an expert with a regular appointment or special service agreement (or if the individual declines to accept a break in service with his or her employer) UNIDO can engage the person by reimbursing the full costs of his/her services to the lending employer. This type of appointment is negotiated through an exchange of letters. It is normally meant for short assignments not exceeding three months. UNIDO provides standard travel and pays a daily subsistence allowance at UN rates directly to the person in question unless all-inclusive lump sum arrangements have been negotiated with the employer.

(d) Non-reimbursable loan

A government or organization may provide the services of an expert to UNIDO without cost. In this event, UNIDO pays the travel expenses and daily subsistence allowance and sometimes an honorarium. UNIDO also requests a statement in writing from the government or organization providing the expert to the effect that the person is being lent to UNIDO without a charge for his or her services.

8. Experts: Recruitment and Administration

The entitlements of UNIDO international professional project personnel who are not hired under special service agreements are set out in the UNIDO Staff Rules (200 series). Before taking up their appointment, all such personnel receive a copy of the Staff Rules and a set of circulars containing detailed information on their entitlements.

Services for field staff on all personnel and financial matters are handled by the Project Personnel Recruitment and Administration Service (PRAS), located in the Department of Industrial Operations.

All entitlements under the Staff Rules require the approval and authorization of PRAS. The Service approves annual and sick leave, and special leave with full, half or no pay. It verifies entitlements to dependency allowance, education grant, rental subsidy, assignment allowance and installation grant, daily subsistence allowance and repatriation grant. PRAS authorizes the official travel and shipment of personal effects of project personnel on appointment and repatriation. It authorizes travel for home leave, family visit and education grant travel, and for medical and security evacuations and repatriation. It processes claims for travel and medical expenses, education grant claims, settlements of honoraria under special service agreements and reimbursable loans; and deals with salary advances for rent or purchase of car and advances against final pay. On all entitlements, as well as on administrative and financial matters, PRAS corresponds with project personnel, the United Nations Joint Staff Pension Fund, the Van Breda Insurance Company, etc.

All project personnel are briefed and debriefed on administrative and personnel matters by PRAS. In connection with official stop-overs in Vienna, the Service provides upon request personnel services such as making hotel reservations, obtaining commissary cards, arranging medical appointments, etc. Upon separation, the Service deals with all residual problems which can arise after completion of service, especially with regard to matters such as certification of service, certification of taxable incomes, compensation claims and outstanding accounts.

PRAS also arranges for the dispatch of payslips (around the 20th of each month), payment advices and vouchers, circulars and information material to the field staff.

Annual Leave

Annual leave taken within the country of the duty station requires the prior approval of the UNDP Resident Representative. Any leave taken outside the country of the duty station, as well as leave exceeding five days, requires the approval of UNIDO. Requests should be addressed to PRAS. All project personnel are also required to complete a monthly leave report and forward it to PRAS. Project personnel should normally make use of their annual leave entitlement during the period covered by their letters of appointment. If exigencies of service do not permit utilization of the whole leave entitlement, compensation for any unused annual leave upon separation is paid in accordance with the conditions set out in the Staff Rules. No appointment may be extended for the purpose of allowing project staff to take annual leave.

Social Security

All project personnel appointed for one month or longer may choose whether or not to participate in the Group Life Insurance (Aetna) and the Van Breda Medical, Hospital and Dental Insurance. Although the Van Breda coverage is worldwide, there are certain restrictions in respect of treatment in the USA and a second medical opinion is required for certain types of operation. Medical claims for reimbursement of expenses under Van Breda must be supported by the appropriate receipts and certified either by the Resident Representative or PRAS officer. The claim may be submitted direct to Van Breda, or sent to PRAS for certification and onward transmission to Van Breda. Continued after-service coverage is possible under certain conditions.

Compensation Claims

Claims made under the provisions of Appendix D to the Staff Rules (covering compensation for death, injury or illness attributable to the performance of official duties) should be addressed to the Secretary of the Advisory Board on Compensation Claims through PRAS.

Claims for compensation for loss or damage to personal effects (if such loss or damage was attributable to the performance of official duties) should be addressed to the Secretary of the UNIDO Compensation Claims Board through PRAS.

Medical or security evacuation

If field staff or dependants require medical treatment which is not available at the duty station, the Resident Representative, in consultation with the designated United Nations examining physician at the duty station, may recommend medical evacuation. However, such evacuation must be authorized by UNIDO and only in cases of emergency will post facto approval be granted, if the Resident Representative certifies (supported by medical evidence) that no other solution was possible at the time. Normally, an evacuation is authorized to the nearest available medical centre. Even if medical evacuation travel is authorized by the Organization, the staff member would need to comply with the relevant conditions of the Van Breda Medical, Hospital and Dental Insurance to qualify for reimbursement of the treatment in question.

A security plan for each country, covering field staff of all United Nations organizations, is monitored according to circumstances by a designated United Nations official or the Resident Representative. If a security evacuation is authorized to a safe haven or the home country, general instructions are issued by United Nations Headquarters direct to the designated official at the duty station, which are copied to all United Nations organizations. UNIDO then sends detailed instructions to each of its staff members involved.

Repatriation travel and separation from service

Except for project personnel under short-term appointments, who hold round-trip tickets, an authorization for repatriation travel and shipment is issued by PRAS in good time before the appointment expires. At that time intermediate-term personnel (i.e. staff holding an appointment of one year or more) are informed about their entitlements on separation with regard to authorized route, travel and debriefing time, weight and volume of shipment of personal effects and leave balance on separation. Both short and intermediate-term appointments include time for report writing, official travel and stopovers for briefing and debriefing. Project personnel should therefore arrange their repatriation schedule in such a way that they complete the whole mission by the expiration date shown on the letter of appointment.

The last day for pay purposes is established, after separation, on the basis of a final clearance certificate sent by the local UNDP office. The final pay, consisting of outstanding days of salary and any unused annual leave, and repatriation grant, is processed together with the separation document for Pension Fund participants. Payment of repatriation grant is subject to the submission of documentary evidence of relocation - i.e. that residence has been established in a country other than that of the last duty station. A declaration by the immigration police, tax or other authorities of the country, by the senior United Nations official in the country or by a new employer, would meet this requirement. It should be sent to PRAS.

Consultants employed under special service agreements

Holders of special service agreements are administered in conformity with the conditions contained in their individual contracts. They are not subject to the UNIDO Staff Rules. Their payments are authorized by PRAS on the date specified in the agreement and in accordance with their banking instructions. The final payment is normally subject to the submission of a final report and its approval by UNIDO.

C. Training of Nationals of Developing Countries

1. General

UNIDO's Training Programme, carried out by the Industrial Training Branch, Department of Industrial Operations, has as its goal to improve the professional skills and broaden the industrial experience of high-level technological, managerial and administrative staff in the developing countries.

In general terms, the skills required by industry cover: (a) capability in business organization and management; (b) qualifications and experience in the principal branches of engineering - civil, mechanical, electrical and chemical; and (c) skills that are specific to the equipment and processes used in a given industrial plant.

2. Types of Training

UNIDO's Training Programme comprises four forms of direct training, which are normally components of technical co-operation projects; and certain other activities of a developmental or infrastructural character. The four forms of direct training are:

- (a) In-plant training programmes) Known also as
- (b) Seminars - Workshops) Group Training
- (c) Fellowships
- (d) Study Tours

The nature of these forms of training is as follows:

(a) In-plant training programmes

These programmes are carried out by industrial firms or institutes that have the specialized know-how and experience, the proper equipment and the necessary training facilities. The objective is to provide the participants with concentrated practical experience in their fields of work and an

opportunity of upgrading their theoretical knowledge in a short time (two to five months). The programmes, which are monitored by experts, usually have four main parts: theoretical introduction; in-plant training, which may include laboratory or similar work; study visits; and a final evaluation session, during which the participants assess the value of what they have learned and how they can apply it in their home countries.

(b) Seminars - Workshops

These are of shorter duration (two to six weeks). The aim is to give the participants an opportunity to upgrade or update their professional capability in a specialized field. Activities may include lectures, discussions, working groups, simulations, management games, case-studies and visits to plants, institutions, trade fairs or exhibitions.

Many of the programmes of types (a) and (b) are repeated annually; others are specially organized. All of them depend on the availability of funds and suitable host facilities. The requirements for admission are a university degree (or its equivalent) in the particular field of training; and several years of professional experience within that field.

(c) Fellowships

A "Fellowship" is the official name of the grant provided by UNIDO, comprising financial, substantive and administrative support, to a qualified individual nominated by the recipient government to undertake training abroad which will further the achievement of project objectives, as well as his or her assigned duties.

The main advantage of fellowships is the possibility of designing and implementing a training programme corresponding to the individual needs and wishes of the candidates and their employers. In spite of the difficulties sometimes encountered in finding suitable facilities for fellows in industrialized countries, UNIDO, working in close co-operation with the national supervising agencies, has been successful in placing nearly all its fellowship candidates.

For both financial and logistical reasons, UNIDO arranges, where possible, small, special teams of fellowship candidates who request training in the same field, who are at a comparable professional level and who have a language in common. These fellowship programmes are carefully designed on the basis of the information supplied in the candidates' nomination forms. The programmes are carried out and supervised in co-operation with selected enterprises and institutions, and have been known to yield better results than traditional individual training. It is, moreover, the policy of UNIDO to place more fellows, either individually or in groups, in suitable industrial training facilities in developing countries, in order to promote technical and economic co-operation among them. UNIDO fellowships are relatively short. The average duration is around four months. In planning fellowships, it should be kept in mind that the number of host countries to be included in a programme for training abroad should be realistically limited.

(d) Study tours

At the request of Governments, UNIDO organizes study tours for both individuals and groups. Participants may be high-ranking Government officials responsible for industrial development; top managerial staff from industrial firms or institutions; national directors of UNIDO-executed projects; or teams of counterpart experts.

The aim of the study tours is to enable decision-makers from developing countries to exchange views with their partners in other countries; specialists to obtain information on technological developments (e.g. at institutions, firms or trade fairs); technologists and managers to study solutions to problems in factories; scientists to compare the results of their research; and experts to attend conferences to broaden their professional knowledge. The duration of UNIDO study tours is short; the average tour lasts about two weeks and does not usually exceed one month. Not more than five countries should be visited.

3. Fields Covered

UNIDO offers training opportunities in the following industrial branches and functions:

(a) Industrial branches

Building materials industries
Chemical industries
Electrical and electronic industries
Food processing industries
Glass and optical industries
Leather and leather products industries
Mechanical and metalworking industries
Metallurgical industries
Packaging industries
Pulp and paper industries
Textile industries
Wood processing and wood products industries

(b) Industrial functions

Automation and data processing
Energy
Environment
Industrial design
Industrial information and documentation
Industrial planning and programming
Investment promotion and industrial financing
Maintenance and repair
Management and industrial administration
Marketing and export promotion
Quality control and standardization
Small-scale industries entrepreneurship

4 Related Activities

Prominent among these is the annual publication of the Guide to Training Opportunities for Industrial Development, essential parts of which are trilingual (English/French/Spanish). The 1988 Guide, for example, (the 16th edition), contains some 620 entries covering more than 3,200 training courses. Although these are just a fraction of the facilities existing globally for industrial training, they represent offers that Governments and organizations believe are of particular interest to UNIDO. Moreover, reflecting the increasing importance of technical co-operation among developing countries, a number of entries in the Guide cover training opportunities in those countries.

Another useful annual issuance is the UNIDO Industrial Training Offer Programme. Like the Guide, it receives wide distribution. The Training Offer document outlines UNIDO's training operations and lists over 40 group-training programmes planned to be held in the coming year. The concept of 'group training' covers both the in-plant training programme (see para.2(a) and the seminars and workshops (para.2(b)).

It may be noted here that UNIDO does not deal with vocational training or with formal education to obtain a degree, which are fields that lie within the competence of, respectively, the International Labour Organization (ILO) and the United Nations Educational, Scientific and Cultural Organization (UNESCO).

UNIDO's Industrial Training Branch is also involved in improving training plans and activities within the developing countries. Examples are the preparation of training materials and the development of training systems, including computer-aided programmes.

5. Some practical Aspects

(a) Group-training programmes

Once an agreement regarding the organization of a group-training programme with the host or donor country has been concluded, funds have been secured and the venue, dates and curriculum of the programme have been fixed, formal invitations to nominate candidates are sent by aide-mémoire from UNIDO to the appropriate governmental authorities of selected developing countries

through the UNDP Resident Representatives. The selection of the participants from the candidates nominated is carried out jointly by UNIDO, the host or donor country and representatives of the institution handling the programme.

Official application for participation in UNIDO group-training programmes can be made only by Governments and liberation movements eligible for assistance after they have received formal invitations from UNIDO through the Resident Representatives. Candidates are invited, however, to notify UNIDO as early as possible of their interest in specific programmes. More detailed information, in particular on specific admission requirements and curricula, can be obtained from the Industrial Training Branch.

(b) Fellowships

The nomination of candidates for UNIDO fellowships can be made only by Governments and liberation movements eligible for assistance. The nominations should be submitted through the Resident Representative on UNIDO fellowship nomination forms (Form/FEL.1/Rev.3(3.79), accompanied by a complete and duly signed medical report form and a recognized language certificate, if the language of training is not the candidate's mother tongue, language of study or working language. Cabled nominations for fellowships are not acceptable. UNIDO nomination forms can be obtained from the offices of the Resident Representatives. UNIDO cannot start any fellowship action before the full documentation has been received.

Annex I to this section lists the language requirements in host countries; Annex II shows the UNIDO language certificate for fellowship candidates. Placing fellowship candidates properly is often time-consuming. For example, the average handling time of individual fellowships, from the receipt of a nomination form at UNIDO headquarters to the beginning of the training programme abroad, is four months. Experience shows that this time is needed to arrange a suitable training programme for a fellowship candidate without jeopardizing the good working relations with the national supervising agencies of the host countries, on whose co-operation UNIDO relies. After submission of nomination forms to UNIDO, no direct intervention in the process of fellowship placement should be made by staff in the field as this would be counter-productive.

A letter (letter of award and departure) is sent to the fellows and their Governments indicating that a fellowship has been awarded and a training programme arranged. An identity card and the travel and payment instructions (TPI) are attached to the letter. The TPI sets out:

- The exact dates of the fellowship programme
- The host country or countries
- The office or person to whom fellows must report (reporting office) on arrival in the host country or countries
- The amount of the stipend, other allowances, fees and transportation
- Details concerning the fellows' travel to the country or countries of training

When time allows, the Fellowship Unit of the Industrial Training Branch sends the fellow before departure a short paper entitled 'Policies and Procedures governing the Administration of UNIDO Fellowships'. This covers such matters as preparation for the fellowship programme; travel during the fellowship period; supervision of the training programme; stipend, allowances and payments; and the final report.

(c) Study Tours

The organization of a successful study tour is often rather complicated; it needs continuous, close co-ordination on the part of numerous authorities, institutions and firms in several countries. For this reason, the study tour nomination form (IO.64) should reach UNIDO at least three months before the date on which the tour is due to start. The form should include details of the candidate's field(s) of interest and of the firms or institutions he or she wishes to visit. Cabled nominations can be accepted only in exceptional cases and only in advance of the study tour nomination forms. The above stipulations apply also to study tours where part or all of the arrangements have been prepared by direct contacts between the home country authorities, or the management of a field project, and the firms or institutions to be visited.

In such cases, UNIDO will issue financial authorization only upon receipt of a confirmation by the Resident Representative in the candidate's home country of the agreement of the host country (countries) to each proposed visit. In many host countries, clearance by the Government of an intended study tour is necessary, regardless of whether direct arrangements with host institutions or firms have been made. Governments or liberation movements eligible for assistance can submit nominations through the Resident Representatives, from whose offices the forms can be obtained.

* * * *

Further information concerning any of the subjects dealt with in this Chapter may be obtained from:

Industrial Training Branch
Department of Industrial Operations
UNIDO
Vienna International Centre
P.O. Box 300
A-1400 Vienna
AUSTRIA

Annex I

LANGUAGE REQUIREMENTS IN HOST COUNTRIES

A good speaking and understanding knowledge of the languages indicated against each country of study is an essential prerequisite for the placement of fellowship-holders. When this language is not the mother-tongue, or the academic language, of the fellow or study-tour traveller, or is not widely used in his home country, a language certificate will be required. ^{a/} Generally speaking, placement can only be requested if the certificate shows at least the established minimum ratings in sections (1) "ability to understand" and (2) "ability to speak". For countries not listed, the official national language(s) or applicable UN language(s) apply.

<u>COUNTRY OF STUDY</u>	<u>OFFICIAL LANGUAGE(S)</u>	<u>ADDITIONAL POTENTIAL TRAINING LANGUAGE(S)</u>
Australia	English	
Austria	German	English
Belgium	Dutch/French	English, German
Bulgaria	Bulgarian	Russian, English, French
Czechoslovakia	Czech, Slovak	Russian, English, Serbo-Croat German, French
Denmark	Danish	English, German
Finland	Finnish/Swedish	German, English
France	French	English, occasionally German
German Democratic Republic	German	English, Russian
Germany, Fed.Rep.of	German	English
Greece	Greek	English
Hungary	Hungarian	Russian, German, English
Ireland	Irish/English	
Israel	Hebrew	English, German, French Spanish
Italy	Italian	French, English, Spanish occasionally German
Japan	Japanese	English
Netherlands	Dutch	English, German exceptionally French, Spanish

New Zealand	English	
Norway	Norwegian	English, occasionally German
Poland	Polish	Russian, Serbo-Croat German, English, occasionally French
Portugal	Portugese	Spanish
Romania	Romanian	French, German, English Russian
Spain	Spanish	English
Sweden	Swedish	English, occasionally German
Switzerland	German/French Italien	English
Turkey	Turkish	English, occasionally French, exceptionally Arabic
United Kingdom ^{b/}	English	
USA ^{c/}	English	
USSR	Russian	English, Serbo-Croat occasionally French German
Yugoslavia	Serbo-Croat	English, German, Russian

^{a/} If no special test is required by the country of study (such as ALIGU or ELTS), the UNIDO language certificate for fellowship candidates should be issued by a recognized language institute in the home country or, at least, by a person with pertinent experience whose mother-tongue is the required language.

^{b/} ELTS strictly required for the U.K.

^{c/} For certain university-based programmes in the USA ALIGU or TOEFL results are required.

NOTE: ALIGU American Language Institute, Georgetown University
ELTS English Language Testing Service (British Council)
TOEFL Teaching of English as a Foreign Language (USA)



UNIDO

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

LANGUAGE CERTIFICATE FOR FELLOWSHIP CANDIDATES

CERTIFICATE OF KNOWLEDGE OF _____
(language)

NAME OF CANDIDATE _____

ADDRESS OF CANDIDATE _____

Please mark appropriate line in Sections (1), (2), (3), (4).

(1) ABILITY TO UNDERSTAND

- (a) Understands without difficulty when addressed at normal rate _____
- (b) Understands almost everything, if addressed slowly and carefully _____
- (c) Requires frequent repetition and/or translation of words and phrases _____

(2) ABILITY TO SPEAK

- (a) Speaks fluently and accurately and is easily intelligible _____
- (b) Speaks intelligibly, but is not fluent or altogether accurate _____
- (c) Speaks haltingly, and is often at a loss for words and phrases _____

(3) ABILITY TO WRITE

- (a) Writes with ease and accuracy _____
- (b) Writes slowly and/or with only a moderate degree of accuracy _____
- (c) Writes with difficulty and makes frequent mistakes _____

(4) READING ABILITY AND COMPREHENSION

- (a) Reads fluently, with full comprehension _____
- (b) Reads slowly, but understands almost everything he reads _____
- (c) Reads with difficulty, and only with frequent recourse to the dictionary _____
- (d) Cannot read _____

(5) TECHNICAL LANGUAGE

Certain fellowships require a particular knowledge of specialized or technical language. In such cases, please evaluate candidate's ability with reference to paragraphs 1, 2 and 4 above.

- (6) Please indicate any further facts about candidate's language knowledge which may be of value in the development of his programme.

Language test has been made by: _____

Title: _____

Address: _____

Date: _____

Remarks: _____

Chapter VII. EQUIPMENT, SUPPLIES, CONTRACTS

A. Purchase of Equipment and Supplies

The following sections summarize the policies and procedures governing the acquisition, use and disposal of equipment and supplies provided for UNIDO technical co-operation projects. Any expert in the field who has questions of detail should address them to UNIDO's backstopping (substantive) officer for the project, marked for the attention of the Chief, Purchase Section, General Services Division. It is important to remember that under UNIDO's Financial Regulations and Rules contracts or financial commitments may be made only by authorized officers. The procurement and management of project equipment are the subject of Financial Rules 109.16-35.

1. Requisitioning

(a) General

The starting point of every procurement action is a properly completed, cleared, approved and certified requisition (form IO.12; see annex I). The completion of the requisition is normally the responsibility of the Chief Technical Adviser of a project. In certain cases, for example in his or her absence, the requisitions may be prepared by UNIDO's substantive Section. All requisitions (original and five copies) should be forwarded through the substantive section to the Chief, Purchase Section, General Services Division. The substantive Section is responsible within UNIDO, and vis-a-vis the project, for clearing all requisitions, and related equipment matters and correspondence before submission to the Purchase Section for action.

All correspondence with the project concerning equipment is normally conducted by the backstopping officer. However, shipping details or information concerning the progress of procurement, as well as copies of requisitions and purchase orders, are sent directly to the project by the Purchase Section with information copies to the substantive Section.

Requisitions for supplies and equipment should be submitted to UNIDO as early as possible, and normally at least six months in advance of the target delivery date to the project site. For major items of equipment, a longer period of time should be allowed.

(b) Procedures for requisitioning equipment and supplies

Requisition form 10/12 must be completed and submitted in an original and five (5) copies to UNIDO's substantive section for the project. Copy no.6 should be retained by the originator. Only those items which are specified in the project document (and any official revisions) may be requisitioned. Reference to the appropriate chapter, paragraph, annex or table of the project document should be made under "description". Procurement is normally effected by the Purchase Section, in which case the box "headquarters purchase" should be marked accordingly.

Under certain conditions, field staff may be authorized to effect procurement locally. When authority for local procurement is requested, the appropriate box should be checked and proforma invoices or other evidence of local prices should be attached to indicate local duty-free prices and delivery times (see section 2.(b)). In urgent cases the same information may be transmitted to the substantive Section by cable. Requisitions are not required by UNIDO for the local purchase of publications, spare parts and minor equipment up to a value of \$500 per item or series of related items that are covered by valid "Letters of Authorization" issued by UNIDO's Financial Services Division.(see Chapter VIII for a sample "Letter of Authorization" and also Part 2 of this section). Requisitions must be numbered consecutively, starting with the year, e.g. 90/1 etc. Indicate the page number and total number of pages included in the requisition. Show full project title and correct project number in the spaces provided.

The requisition must be legibly signed by the Chief Technical Adviser or other requesting officer such as a senior expert, Senior Industrial Development Field Adviser or Junior Professional Officer.

Non-expendable items^{1/} (budget line 42-01), expendable items^{1/} (budget line 41-01), as well as publications (budget line 41-01) must be covered by separate requisitions. Check whether expendable or non-expendable in the appropriate box. However, whenever expendable items (spare parts/short-life supplies) are requisitioned together with the main non-expendable equipment, 42-01 must be checked for the entire requisition.

A single requisition should normally not cover more than 25 items and should contain items of one kind; i.e. vehicles, office equipment and laboratory instruments should not be on the same requisition. Each item must be consecutively numbered in each requisition. Should a requisition be needed for more than 25 items in a specific category (e.g. chemicals for a laboratory), it should be referred to in the requisition as "various chemicals - see list attached", and a complete list of the items (numbered) should be appended to the requisition. The requisition must be legibly signed by the requesting officer.

Please note that quantities must always be given and units clearly specified (e.g. each, meter, set, dozen, liter etc).

To identify the items on subsequent documents, a brief description of not more than 40 letters and spaces should appear first, in capital letters, followed by any details required to ensure proper procurement. A detailed description, neutral specifications, and the purpose or intended use of the item should be included as a guide to determine the suitability of the equipment, such as:

(i) Range, accuracy, tolerance of instruments, colour, finish, style, metric or other scale, portable or fixed installation, voltage and cycle requirements;

(ii) Makes of vehicles conforming to UNDP/IAPSU standardization policy. Vehicle specifications should state whether left- or right-hand drive, kilometer or mile speedometer, two- or four-wheel drive, and give full justification for any modifications or optional equipment being requested.

^{1/} For the definition of 'non-expendable' and 'expendable' items please see first paragraph of Section C. Property Control.

Requisitioning officers are urged to recommend suppliers, and to give alternative sources, in view of the necessity for purchasing on the basis of competitive bidding. After-sales service (representation of the vendor in the area), repairs and availability of spare parts should be a prime factor when recommending a particular make or a brand name. Advertising will normally take place for items or related items covered by a single requisition or series of requisitions costing \$15,000 or more unless detailed justification is given for a waiver of competitive bidding, which is approved only in very exceptional cases.

Estimated costs must be shown in the appropriate column in US dollars at the current UN official rate of exchange. Surface transportation will normally be used for shipments. As a rule, equipment and supplies should be ordered far enough in advance to avoid air transport. Air shipment will only be made in exceptional cases and will require detailed justification. Computers and other fragile or sensitive equipment may be airfreighted in order to minimize the risk of damage. However, if onward surface transportation to the project-site is required over rough terrain, it should be noted that packaging for air freight is generally somewhat less secure than for surface transportation and the packaged equipment must therefore be handled with every care and caution.

When completing the box "Shipping instructions" it should be noted that:

(i) The desired means of shipping should be specified (by surface or air);

(ii) The shipping address must contain the title of the project (not the name of the Chief Technical Adviser or other member of the international or national staff), and the address in full. The equipment is usually shipped to the UNDP Resident Representative (who arranges customs clearance) unless special reasons to the contrary exist;

(iii) When shipment is to be made through an intermediate country, or when onward shipment to the project site from the Resident Representative's office is required, detailed instructions for on-forwarding should be given.

Target delivery dates should be realistic. A definite date should be indicated (not "as soon as possible" or "urgent") allowing sufficient time - normally at least six months - for the processing of the requisition, the advertising and evaluation of offers or bids, placing and filling the order and shipment.

The box marked "special instructions" is to be used when multiple copies of invoices, bills of lading and shipping documents are required. When special packing is necessary because of expected rough handling or shipping, the requisitioning officer should include this information, as well as any other specific request or instruction.

(c) Requisitioning of publications and documents

United Nations publications and documents may be requested by letter to UNIDO. Document symbols and sales numbers, where applicable, should be indicated. Specialized agency publications should be ordered directly from the agency concerned.

(d) Shipment of technical supplies and equipment

A complete set of documents (i.e. shipping documents, commercial invoice and packing list) is sent directly to the UNDP Resident Representative by the vendor on instructions from the Purchase Section. It is the responsibility of the UNDP office, in all but a few countries, to secure customs clearance and to ensure, in co-operation with the project co-ordinator, that goods are routed directly to the office or project site from the port of entry.

In addition, the Purchase Section sends two copies of the Purchase Order (form 10.52 - see sample in annex II) to the Chief Technical Adviser or senior expert in order to give him advance information that the equipment has been ordered. Copy no.9 serves as an acknowledgement of receipt of the consignment and should be signed and returned to the Purchase Section as soon as possible.

As a rule, the Purchase Section requests vendors/manufacturers to advise shipping/dispatch details by cable/telex directly to the consignee. Shipment from the vendor to the Resident Representative takes, on an average, about two months by sea or two weeks by air. On receipt of the negotiable bill of lading and other documents sent by the vendors to the Resident Representative, the Chief Technical Adviser or other project co-ordinator, in co-operation with the UNDP office, should immediately contact a local forwarder and make timely arrangements for collecting and reforwarding the goods to the final point of destination.

2. Local purchase and field purchase of equipment,
supplies and publications

(a) Unspecified local purchases

Each September, project managers are requested by the Chief, Financial Management of Technical Co-operation Unit (FMTC), UNIDO, to submit estimates of probable disbursements in local currency for the forthcoming calendar year.

These estimates are reviewed by the relevant Substantive Section in UNIDO, and authorization is given by way of a "Letter of Authorization" certified by the Chief, FMTC, and covering, where appropriate, other budget lines in addition to equipment and supplies.

The procurement of equipment and supplies thus authorized is limited to an amount not exceeding the equivalent of \$500 per item or series of related items. It is not necessary to submit requisitions to headquarters for purchases thus authorized.

The accounting for unspecified local purchases is set out in Section 3 of this chapter.

The acquisition by local purchase of non-expendable equipment must be reported to the Inventory Control and Property Management Unit on the monthly report form TCD/2. For local purchases exceeding the equivalent of \$500, the procedures for requisitioning equipment and supplies apply as described under 1 (b).

(b) Specified local purchases

This form of local purchase refers to procurement of expendable or non-expendable equipment exceeding a value of \$500 per item or series of related items. Approval to effect such purchases is to be obtained through the substantive Section. A requisition form IO.12 must be raised and marked "local purchase". A complete description of the equipment and the exact local price must be given. Whenever possible, a proforma invoice should be obtained from the local supplier and attached to the requisition which is to be sent to the UNIDO backstopping section for clearance; they will pass it to the Purchase Section for approval. Financial authorization to the field to make a specified local purchase will be given by UNIDO Financial Services Division, in the form of a cable which quotes the Miscellaneous Obligation Document (MOD) number which must be quoted on the interoffice voucher (IOV) when charging UNIDO for the item(s) so purchased.

(c) Field purchases

Field purchase means that the purchase order is placed by the field with a firm outside the country of assignment. The Chief Technical Adviser or senior expert may effect purchases up to \$5,000 per purchase, based on a Miscellaneous Obligation Document (MOD). A special series of pre-numbered order forms for field purchases is supplied by UNIDO headquarters. Bonded warehouses or firms selling goods duty-free are considered extr territorial even if located within the country of assignment.

Equipment and Supplies

Orders are to be placed on the Field Purchase Order form (form 10.53 - see sample in annex III) which may be obtained from the Purchase Section. The form comprises six parts which are self-explanatory. The supplier is required to return the second white (confirmation) copy to the originators of the order, thus confirming his acceptance of the order. The supplier is also required to forward to UNIDO headquarters the duplicate (yellow) copy and the triplicate (blue) copy together with his invoice and supporting documents. The payment of the invoice is made by UNIDO headquarters.

As regards the provision of documentation, the officer placing the order must ensure that the requirements of the country in which he is serving are fully satisfied by the terms set out on the back of the Field Purchase Order under "Terms of payment and required documents". If they are not, he must inform the supplier accordingly.

The officer signing the order is responsible for ensuring that the cost, including freight, does not exceed the limit of \$5,000 or its equivalent. The Field Purchase Order Form must be completed carefully and in detail. The vendor must be given precise instructions as to shipping and the address to which the goods and the documents are to be sent; it is usually the UNDP office which arranges for customs clearance. (see sample letter in annex IV.).

All purchase order forms are pre-numbered. In the space marked "project code" indicate:

- (i) Project code number (e.g. DP/MEX/90/008);
- (ii) MOD number as quoted in the cable of financial authorization to effect the purchase issued by the Chief, FMTC, under the signature of the Director, Financial Services Division, UNIDO.

The letter transmitting the Field Purchase Order to the vendor must make it clear that:

- (i) There can only be one delivery and one invoice;
- (ii) Any goods not supplied on the first delivery are considered cancelled; and
- (iii) All correspondence on the subject of Field Purchase Orders must be addressed to the originator, i.e. the Chief Technical Adviser or senior expert.

As pointed out in the sample letter to suppliers (annex IV), payment for goods supplied against filled purchase orders will be effected by UNIDO headquarters. The responsible project officer should however keep detailed

accounts of all Field Purchase Orders issued against a specific MOD, as the amount made available must not in any circumstances be exceeded. Before requesting approval for typewriters, personal computers or other office equipment, experts must first ascertain whether such items are admissible for purchase from project funds.

3. Accounting procedures for field purchases

Initially, Chief Technical Advisers or senior experts should review their financial requirements for purchase of equipment, and for books or periodicals, and apply to the substantive Section concerned. When the substantive Section has agreed, the project budget will be charged with the amount authorized, by way of an MOD raised by the Financial Management of Technical Co-operation Unit, and financial authorization to effect the purchase will be cabled by the Financial Services Division to the field office.

Under no circumstances may field purchase orders be placed without prior financial authorization by way of a cable from Financial Services Division. When funds authorized have been largely utilized, further authorization may be applied for.

The senior expert in charge of a project is responsible for recording all Field Purchase Orders against the amount authorized by the Director, Financial Services Division, UNIDO, to ensure that total commitments in Field Purchase Orders do not exceed the authorized amount.

4. Purchase of books

Field Purchase Orders used for ordering books directly related to project activities must be completed with the same meticulous care as those for equipment. If the correct title of the book, the publisher or author are not available, either contact the backstopping officer before placing the order or request Purchase Section to purchase the books. As in the case of equipment and supplies, the individual Field Purchase Order for books must not exceed \$5,000 in value, including freight.

Subscriptions to journals and requests for renewals should be placed through UNIDO headquarters. The authorized officer ordering books is expected to handle all correspondence with suppliers or publishers himself without involving UNIDO headquarters.

Orders for scientific articles, standards or research reports should be requested through UNIDO headquarters.

Information on UNIDO documents may be obtained from the Industrial and Technological Information Section, UNIDO.

UNIDO
 UNITED NATIONS
 INDUSTRIAL DEVELOPMENT
 ORGANIZATION

**REQUISITION FOR
 EQUIPMENT/SUPPLIES/PUBLICATIONS
 OR CONTRACTUAL SERVICE
 (DA/PAC)**

PAGE ____ OF ____

REQUISITION NUMBER _____

PPCSA

--	--	--	--

MISPI No.

--	--	--	--

Date _____

LOCAL PURCHASE REQUESTED

HEADQUARTERS PURCHASE

_____ Title of Project _____ _____ Chief Technical Adviser/Requesting Officer

Project Number _____		
Sub-Contracts <input type="checkbox"/> 21- <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td> </td><td> </td></tr></table>		
Expendable Equipment <input type="checkbox"/> 41- 1 _____		
Non-Expendable Equipment <input type="checkbox"/> 42- 0 1 _____		
Premises <input type="checkbox"/> 43- 0 1 _____		
<i>Check appropriate box</i>		

CLEARED (SUBST. OFFICE): _____
 Name Section Date

FUNDS AVAILABLE (DA/PAC): _____
 Name Section Date

DA/PAC: _____
 Received Returned

Item	Quantity	Unit	Description, Specifications, Catalogue Number, Reference to Project Document Component	Est. cost in US dollars
TOTAL				

SPECIAL INSTRUCTIONS:

Original: DA/PAC
 Copy 1: CHIEF TECHNICAL ADVISER
 Copy 2: DA/PAC CONTROL UNIT
 Copy 3: SUBSTANTIVE BRANCH/SECTION
 Copy 4: DRAFTER

Ship Via Surface To: Resident Representative of United Nations Development Programmes.
 Air

For: _____

Target Date: _____

To be sent to Substantive Branch, IO, UNIDO - P.O. Box 300, A-1400 Vienna, Austria

PURCHASE ORDER

ANNEX II

UNIDO

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

VIENNA INTERNATIONAL CENTRE

P.O. BOX 300, A-1400 VIENNA, AUSTRIA

TELEPHONE: 26 310 TELEGRAPHIC ADDRESS: UNIDO VIENNA TELEX: 131218

No. _____

↑ **IMPORTANT** ↑
 ALL SHIPMENTS
 ALL INVOICES
 ALL CORRESPONDENCE
MUST SHOW THIS NUMBER

Date _____

To: (Vendor)

Ship to: (Consignee)

PLEASE SUPPLY THE FOLLOWING GOODS AND/OR SERVICES IN ACCORDANCE WITH REFERENCES OPPOSITE. SUBJECT TO THE UNIDO GENERAL CONDITIONS SHOWN OVERLEAF AND ANY SPECIAL CONDITIONS STATED.

UNIDO's reference:
 Dated:

Vendor's reference:
 Dated:

Delivery terms:

Shipping terms:

Payment terms:

Item No.	Goods and/or services	Quantity	Unit	Unit price	Amount
					Grand total

GENERAL INSTRUCTIONS

1. Please retain this Original and return the attached copy duly signed, acknowledging your acceptance of this order.
2. See Annex "A" for Forwarding and Invoicing Instructions.

1 ORIGINAL - to be retained by VENDOR

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

Signature: _____

Name: _____

For: Head, Purchase & Contract Service (PAC)

TERMS OF PAYMENT AND REQUIRED DOCUMENTS

It is imperative that the following procedure be adhered to so as to ensure that this Order is settled without inconvenience and/or delays being occasioned either to the Supplier or UNIDO.

- A. Within 15 days of receipt of order, the Confirmation Copy must be returned to the Originator.
- B. Upon despatch of the goods the following documents must be sent directly to the consignee by express registered airmail.
- (i) One negotiable Bill of Lading or copy of Airwaybill
 - (ii) Two copies of the Commercial Invoice
 - (iii) One copy of Consular or Legalized Invoice, where applicable
 - (iv) One copy of Certificate of Origin, where applicable
 - (v) One copy of Packing List
- C. Upon despatch of goods send the following listed documents directly to Head, PAC/DIO UNIDO, Vienna.
- (i) The remaining negotiable and non-negotiable copies of Bills of Lading or copy of Airwaybill or Postal Receipt
 - (ii) Original Commercial Invoices with 3 copies
 - (iii) Remaining Consular Invoices

- (iv) Remaining Packing Lists
- (v) Duplicate and triplicate of the Field Purchase Order

D. Pre Payment of Freight.

- (i) Freight must be pre-paid by the Supplier
- (ii) Freight charges must be shown separately on the invoice
- (iii) Supporting documents, i.e. original freight invoices, covering freight charges must be supplied with the invoice

The FIELD PURCHASE ORDER REFERENCE must be quoted on all correspondence concerned with this matter and on all documents and invoices.

Payment will be made either by cheque or through banking channels to the Supplier upon receipt of documents as listed in paragraphs B and C.

This Organization does not issue Letters of Credit.

All correspondence must be in one of the official languages of this Organization: English, French, Spanish, but preferably in the working language, which is English.

The Supplier's meticulous compliance with the above-mentioned points will be of great advantage to the parties concerned.

GENERAL CONDITIONS

I. CONCLUSION OF CONTRACT

The Contract shall be concluded at the time and date the acknowledgement of purchase order is signed and sent by registered mail by the Vendor to the United Nations Industrial Development Organization (hereinafter referred to as the UNIDO), attention PAC.

II. TAX EXEMPTION

The Vendor's price shall reflect any tax exemption to which the United Nations and/or the UNIDO are entitled by reason of the immunities which they enjoy. If it is subsequently determined that any taxes which have been included in the price are not required to be paid, or if having been paid any such taxes are subject to refunding, the UNIDO shall deduct the amount from the contract price.

III. DISCOUNT

Time in connection with any cash discounts offered will be computed from the date of receipt by the UNIDO, PAC, Vienna of full documentation as specified by the purchase order and/or annex thereto.

IV. WARRANTY

The Vendor warrants the goods furnished under this Contract to be new and unused and to be free from defects in workmanship or materials. This Warranty is without prejudice to any further guarantees that the Vendor provides to Purchasers; such guarantees shall apply to the goods subject of this Purchase Order.

V. INSPECTION

The duly accredited representatives of the UNIDO shall have the right to inspect the goods called for under this Purchase Order at Vendor's stores, during manufacture, in the ports or places of shipment and the Vendor shall provide all facilities for such inspection. UNIDO may issue a written waiver of inspection at its discretion. Any inspection carried out by representatives of the UNIDO or any waiver thereof shall not prejudice the implementation of other relevant provisions of this Contract concerning obligations subscribed by the Vendor, such as warranty or specifications.

VI. PACKING

The Vendor shall pack the goods with new sound materials and with every care, in accordance with the normal commercial standards of export packing for this type of goods specified herein. Such packing materials used must be adequate to safeguard the goods while in transit. The Vendor shall be responsible for any damage or loss which can be shown to have resulted from faulty or inadequate packing.

VII. EXPORT LICENCE

The Contract is subject to the obtaining of any export licence or other governmental authorization which may be required. It shall be the responsibility of the Vendor to obtain such licence or authorization, but the UNIDO will use its best endeavours to assist. In the event of refusal thereof, the Contract will be annulled and all claims between the parties automatically waived.

VIII. FORCE MAJEURE

Force Majeure as used herein shall mean acts of God, laws or regulations, industrial disturbances, acts of the public enemy, civil disturbances, explosions and any other similar cause of equivalent force not caused by nor within the control of either party and which neither party is able to overcome. As soon as possible after the occurrence of the force majeure, and within not more than fifteen days, the Vendor shall give notice and full particulars in writing to the UNIDO of such force majeure, if the Vendor is thereby rendered unable, wholly or in part, to perform his obligations and meet his responsibilities under this Contract. The UNIDO shall then have the right to terminate the Contract by giving in writing seven days notice of termination to the Vendor.

IX. DEFAULT

In case of default by the Vendor, including but not limited to failure or refusal to make deliveries within the limit specified, the UNIDO may procure the goods or services from other sources and hold the Vendor responsible for any excess cost occasioned thereby. Furthermore, the UNIDO may by written notice terminate the right of the Vendor to proceed with deliveries or such part or parts thereof as to which there has been default.

X. REJECTION

In the case of goods purchased on the basis of specifications, the UNIDO shall have the right to reject the goods or any part thereof if they do not conform to specifications.

XI. DISPUTES—ARBITRATION

Any dispute arising out of the interpretation of application of the terms of this Contract shall, unless it is settled by direct negotiations, be referred to arbitration in accordance with the rules then obtaining of the International Chamber of Commerce. The UNIDO and the Vendor agree to be bound by any arbitration award rendered in accordance with this section as the final adjudication of any such dispute.

XII. PRIVILEGES AND IMMUNITIES

Nothing contained in this Contract shall be deemed a waiver, express or implied, of any privilege or immunity which the United Nations Industrial Development Organization may enjoy, whether pursuant to the Convention on Privileges and Immunities of the United Nations or any other convention or agreement.

XIII. ASSIGNMENT

The Vendor shall not assign, transfer, pledge or make other disposition of this Contract or any part thereof or of any of the Vendor's rights, claims or obligations under this Contract except with the prior written consent of the UNIDO.

XIV. BANKRUPTCY

Should the Vendor be adjudged bankrupt, or should the Vendor make a general assignment for the benefit of its creditors, or should a receiver be appointed on account of the Vendor's insolvency, the UNIDO may, without prejudice to any other right or remedy it may have under the terms of this Contract, terminate this Contract forthwith by giving the Vendor written notice of such termination.

XV. ADVERTISING

Unless authorized in writing by the UNIDO, the Vendor shall not advertise or otherwise make public the fact that he is a supplier to the UNIDO and/or the United Nations, or use the name, emblem or official seal of the UNIDO and/or the United Nations or any abbreviation of the name of the UNIDO and/or the United Nations for advertising purposes or for any other purposes.

XVI. AMENDMENTS

No changes in or modifications to this Contract shall be valid unless mutually agreed between both parties and confirmed by an official amendment.

XVII. NOTICE

Service of any notice shall be deemed to be good if sent by registered mail or by cable to the addresses of both parties, set out in the heading of this Purchase Order.

SAMPLE LETTER TO SUPPLIER

Mailing address of project

Dear Sirs,

Attached is a UNIDO Field Purchase Order No..... requesting the supply of the listed goods to this project. These goods are purchased on behalf of the United Nations Industrial Development Organization with Headquarters in Vienna, Austria. This Organization enjoys diplomatic privileges, e.g. exemption from customs duties, taxes and import restrictions.

The goods requested should be despatched by.....(state mode of despatch) as indicated on the Field Purchase Order. Particular care should be taken to ensure that the goods are consigned and marked as specified on the Field Purchase Order. It is essential that all correspondence, invoices or documentation relating to this order bear the full reference number (Project Code and Purchase Order Number) of the form and that the total cost including freight to port of entry should not exceed US\$5000.- or equivalent.

If you cannot completely fulfill the order at this juncture, please supply those items which are available and consider the balance of the order to be cancelled, i.e. there should only be one consignment against this order. It is absolutely essential that this point be strictly observed and that UNIDO Headquarters in Vienna receive only one invoice for this order.

Four copies of the Field Purchase Order forms are enclosed. The white original is to be retained by you; the first which copy (confirmation copy) is to be returned by you to the undersigned within 15 days of receipt as confirmation of your acceptance of the order.

Both, the yellow and the blue copies (duplicate and triplicate) must be forwarded together with the documents specified on the back of the order form to:

R.M. Logan, Chief
Purchase Section
UNIDO
P.O.Box 300
A-1400 Vienna, Austria

This Organization does not issue Letters of credit or make advance payments. Payments will be made by our Headquarters in Vienna in the currency of your country.

/...

Please ensure that (freight or postage is prepaid by you and invoiced at actual cost (freight bill from forwarders or postal receipt to be attached); your invoice will be settled by UNIDO Headquarters, Vienna upon receipt.

Please do not insure the consignment as this is arranged by UNIDO Headquarters.

It is essential that a copy of the invoice with original shipping documents be sent to the undersigned by registered mail so that they are available for clearing purposes upon arrival of the consignment.

Any correspondence with regard to this Field Purchase Order, should be addressed to the undersigned and not to UNIDO Headquarters.

Yours sincerely.

B. Transit Insurance Coverage and Claim Procedure

1. General

All shipments of technical assistance equipment covered by a purchase order and exceeding US\$250 in value, excluding CIF, are insured with the Henrijean et Cie., Brussels, Belgium, Policy number 200286 through the insurance brokerage firm of Marsh and McLellan, New York, USA, against all risks of physical loss or damage from any external cause. The insurance is in force from the moment of dispatch from the supplier until delivery to the consignee or his agent.

2. Insurance Coverage in Storage

If the consignment has to be stored prior to shipment, or at an intermediate or final destination, extension of insurance must be requested through UNIDO, Vienna, by cable to the Travel, Transportation, Shipment and Insurance Unit, giving dates in and out of storage and name and location of warehouse.

3. Procedure for Claims

Make arrangements to expedite clearance and delivery, and inspect the shipment immediately upon receipt for possible loss or damage.

If you suspect or discover loss or damage:

(a) Note the loss or damage on the delivery receipt before signing it, and file written claims against all carriers immediately. On an air shipment the claim against the airline should be filed within seven days from the date of release of the shipment by the airline. Failure to file claims against all carriers immediately upon receipt may render a claim unacceptable.

(b) If it appears that the carrier has lost part of the shipment as described on the shipping document, request in writing a "short-landing" certificate when you file your claim against the carrier. If the complete shipment is lost request a "non-delivery" certificate.

(c) If the claim exceeds US\$500 a survey has to be carried out by a representative of the American Institute of Marine Underwriters or Lloyds of London, or a government agency that provides the service of surveying loss or damage to the shipment.

(d) If the claim does not exceed US\$500 a survey report is not necessary, but you should obtain repair/replacement estimates on the letterhead of a recognized firm.

(e) Pay for the survey, the charges for it are reimbursable by the insurance company as part of the claim.

(f) By Air or Surface Parcel Post

(i) For damage or loss, the claim should be filed with the receiving post office.

(ii) For non-delivery, request UNIDO, Vienna (the Unit mentioned above, in para.2) to file a tracer with the dispatching post office.

(g) Send copies of these claim documents i.e. claim letters against all carriers and carriers' replies, delivery receipt noting any loss or damage, "short-landing" certificate or "non-delivery" certificate, survey report, repair/replacement estimates to UNIDO, Vienna (the Unit mentioned above). We will file the claim with the insurance company and will advise you of settlement.

C. Property control

1. General

'Property' in this context comprises all tangible and moveable installations, equipment, supplies, materials, tools, spare parts etc. acquired for a project. 'Non-expendable property' has a normal life in use of at least five years and a value of \$400 or more. It may include special items under \$400 that are particularly "attractive", e.g. cameras, recording equipment, technical instruments etc. The condition that the item should be moveable does not exclude items which are bolted down, but does exclude items built into the premises which could not be moved if the premises were vacated. All property not pertaining to the above definition is considered to be 'expendable property'.

2. Property value

The property value is the actual cost of the property, and should be stated in United States dollars. Normally the price given in the vendor's invoice (exclusive of freight and insurance) should be indicated as the property value. For items acquired locally, the Chief Technical Adviser (CTA) or accountable officer should indicate the actual cost price (equivalent in US dollars) as the property value. For items provided by the Government in kind, an estimated value based on the local purchase price and the US dollar equivalent should be indicated as the property value.

3. Inventories

Physical inventory means a listing of items taken at a specified date for the purpose of verifying the existence and location of all property including stocks-in-hand. Stocks-in-hand are property received by the CTA or accountable officer which has not yet put into use. 'Taken on charge' means property received for the project and recorded.

The CTA or accountable officer should acknowledge receipt of equipment and supplies by returning the signed copy no.9 of the Purchase Order (form 10.52) to UNIDO Headquarters, Vienna, attention Purchase Section. The CTA or accountable officer is directly responsible for the custody and care of all property at the project site for which he has acknowledged receipt. Besides Headquarters inventories, separate inventories must be kept at the project for expendable and non-expendable items. The record should indicate the source of acquisition, whether received from Headquarters, in kind from the Government, through local purchase or Field Purchase Order.

In December of each year, the Inventory Control and Property Management Unit (ICPMU) will provide the CTA or accountable officer with copies of the Non-expendable Property Control Record form showing all property purchased by Headquarters as well as property purchased locally, or by Field Purchase Order, from UNIDO funds which has been reported to ICPMU. As of 31 December, or the closest practicable working day, a physical inventory should be taken of all project property in accordance with detailed instructions accompanying the Property Control Records. The completed forms should be returned to ICPMU not later than 31 January.

Non-expendable property may only be disposed of after receipt of specific authorization from ICPMU. In the event that non-expendable property is lost, damaged, or worn out to the extent that it would require repairs costing more than would be economical, the CTA or accountable officer should report to ICPMU. The report should include the purchase order and item number, description, value, pertinent serial or model numbers, and also a statement of the circumstances surrounding the lost or damaged property and an estimate of the repair costs. It should indicate who is responsible and recommend any action to be taken. ICPMU will immediately inform the UNIDO Property Survey Board and will assist in carrying out the decision of the Board.

Where a CTA or accountable officer leaves a project before its completion, or before the equipment charged to the project is transferred or otherwise disposed of, he should first take a complete physical inventory, and then transfer accountability to the new officer-in-charge or, in the absence of such an officer, to the Resident Representative, retaining in his possession a receipt for the transfer.

Since in most cases project equipment will be turned over to the Government ^{2/} for continued use on the project after UNDP assistance ceases, the Government must receive at the time of transfer complete inventory records relating to the transferred balances, including an adequate supply of spare parts.

D. Disposal of property

1. General

Property which becomes surplus during the operational life of the project or unserviceable through obsolescence or normal wear and tear, shall be reported by the CTA or senior expert by completing UNIDO Property Survey Board form AD.91, Case Report and Recommendation (annex V), and submitting it through the Resident Representative to ICPMU, UNIDO.

The CTA or senior expert should consult with the Resident Representative before recommending disposal. Material should be carefully inspected by the CTA in person before being reported surplus or unserviceable. Surplus items may be transferred to other projects or, if there are none, sold; but under no circumstances should transfer be effected without the approval of UNIDO's Property Survey Board.

2. Description of surplus item

When completing the Case Report and Recommendation the following should be included (see guidelines on reverse of form):

(a) A complete description of the property including serial number where applicable, inventory value and quantity;

^{2/} Not applicable to vehicles provided solely for the transportation of field staff. These are transferred to another project financed from the same source of funds or to the temporary custody of the Resident Representative pending final disposal in the form of transfer or sale, which also require prior approval of the UNIDO Property Survey Board.

(b) Circumstances under which the property became surplus to operating requirements, obsolete or worn; and

(c) Recommendation as to method of disposal.

3. Sale of surplus property

Following an approved recommendation of the UNIDO Property Survey Board, sales of surplus property shall normally be made after competitive bidding (see below). The Board may, however, under certain circumstances, make an exception to competitive bidding.

Sales of UNIDO property shall be made on a cash basis payable on or before delivery. The UNIDO Property Survey Board may make exceptions to this rule when it considers it to be in the interest of the Organization to do so.

4. Methods of sale or disposal

Competitive bidding

If UNIDO's Property Survey Board concurs in the local sale of such property and equipment, the procedure is as follows:

Advertisements will be placed in at least two local newspapers offering the items for sale and requesting sealed bids to be submitted by a prescribed date. The advertisement should carry a description of the items and should further state that the equipment is to be bid and sold on an "as is - where is" basis; UNIDO reserves the right to reject any and all bids. The advertisements should contain a reminder that the successful bidder must satisfy the Government as to any import or sales taxes due against the item and that payment for the item must be made in cash before delivery. The date and time of receipt of the sealed bids should be carefully recorded. No bids should be accepted after the closing time specified in the advertisement, and bids received later should be returned, unopened, to the sender. The bids should be opened in the presence of at least two responsible staff members, including one international.

Names of bidders and amounts of bids should be listed, with the award made to the highest bidder. This list and the name of the successful bidder should be included in the report to Headquarters, not forgetting reference to the case number.

Negotiation or "spot sales"

This method applies when the estimated value of the property is less than \$1,000 and bidding would not provide the most practical results. Prospective buyers are usually approached by telephone, letter, or in person; and after inspecting the property they will submit informal bids to the CTA either by phone, in writing or in person. A date and time limit should be set on such bids as in formal bidding. Sales have to be covered by Notice of Sale (form AD.71).

Sale by fixed price

Sale by fixed price must be recommended by the Property Survey Board. This method ensures a minimum and fair return to UNIDO on property for sale, as the price will have been set after careful consideration of the value of the property in question. The value can be stated in advertising to prospective commercial buyers; however, it may be advantageous to indicate that it is a minimum price and that the highest offer will be accepted. All such sales must be covered by Notice of Sale (form AD.71). Project personnel may themselves reply to all offers of sales.

Trade-in

When this is an advantage over disposing by separate sale, disposal will be covered by Notice of Sale (form AD.71).

Destruction

When destruction of surplus or unserviceable property proves more economical or practical because of useless condition, requirement by law or because of confidential nature, disposal will be covered by Notice of Sale (form AD.71).

Gift or nominal price

When recommended by the Property Survey Board, such disposal will be covered by Notice of Sale (form AD.71).

5. Notice of award and billing

It is the responsibility of the CTA, or Resident Representative acting on his behalf, to send a notice of award to the successful bidders to bill them for sales.

6. Terms of conditions of bids

To prevent possible misunderstanding or legal difficulties, it should always be clearly indicated whether the property is damaged, used, serviceable, or in need of repair, when it is advertised. Equally important is the inclusion, if possible, of such a statement as "while no warranty is given or implied, the equipment is believed to be in useable condition".

It is important that the exact location of surplus property be described in surplus lists and the condition under which property is being sold: "as is, and where is, and without recourse" should be included. Buyers should be urged to inspect the property before submitting bids. A limited time should be allowed following the sale for the removal of property, usually five days.

7. Notice of Sale - Bill of Sale (form AD.71, annex VI)

This form serves as the one action document for carrying out approved recommendations of the Property Survey Board concerning the disposal of surplus UNIDO property. Each set of forms, based on the approved minutes of the Board, is issued by ICPMU upon request of the CTA whenever a sale or other method of disposal has been approved by the Board.

8. Proceeds of sales

Proceeds of sales in local currency obtained by the CTA through competitive bidding will be deposited with the Resident Representative and will be credited to UNIDO Headquarters by IOV. When UNIDO receives the IOV the project account is credited.



CASE REPORT AND RECOMMENDATION

(Please read instructions on reverse side)

FIRST PART TO BE COMPLETED BY ORIGINATING OFFICE

1. Originating Office _____

2. Field Projects: No. _____ Ongoing To be completed _____ Completed

3. Quantity	4. Description	5. Identification	6. Year of purchase	7. Unit value (date)	8. Total value

9. Nature of survey case
- Wear
 - Scheduled replacement
 - Surplus
 - Loss
 - Damage
 - Theft
 - Vehicle accident
 - Inventory discrepancy
 - Other (specify)
10. Recommended disposition
- (a) Repair: Estimated cost \$ _____
or
- (b) Disposal by:
- Transfer
 - Destruction
 - Re-use of parts
 - Discard
 - Sale (estimated value) \$ _____
 - Trade-in (est. value) \$ _____
 - Other (specify)
11. Recommended financial responsibility
- UNIDO
 - United Nations
 - Staff member
 - Other (specify)

12. Summary

Requesting Officer _____ Title _____ Date _____

SECOND PART TO BE COMPLETED BY PSB

RECOMMENDATION

Secretary, Property Survey Board

APPROVED BY

Deputy Director-General Administration

Date _____

PSB approval notified to _____ for transmittal to Originating Office _____ Date _____

GUIDELINES FOR COMPLETING CASE REPORT

ORIGINATING OFFICE:

Please note:

- (a) More than one item of property may be listed on the same form only when the nature of the survey case, the recommended disposition and the recommended financial responsibility are the same for all items.
- (b) If space is insufficient in any section of the form, submit the required information as an annex attached to each copy of the form.
- (c) Any other attachments, such as police reports and statements of witnesses, may be submitted in original only, provided they are in English or French. Documents in other languages must be accompanied by a translation.
- (d) Where information requested is not applicable, insert N/A.

1. **ORIGINATING OFFICE:** Specify organization, unit and location.
2. **FIELD PROJECTS:** Fill in requested information. If recommendation concerns project vehicles please note that vehicles purchased for the local transportation requirements of project staff (expert component) should normally, when no longer required by the project, be transferred to another project in the area, or sold, and the proceeds credited to the project. When it is recommended that local transport vehicles be handed over to the Government, confirmation must be provided in the justification, (1) that the vehicle is essential to government continuation of the project; and (2) that no project in the area has need for this vehicle.
3. **QUANTITY:** Indicate the number of items for disposition in each descriptive category.
4. **DESCRIPTION:** Give short description of the property (e.g. "typewriter, Remington Model 543A"; "desk, executive, wood"; "automobile, Renault 16TL").
5. **IDENTIFICATION:** List manufacturer's serial number (for vehicles, the chassis number). If none, list identification number used in United Nations records, if such exists.
6. **YEAR OF PURCHASE:** Indicate year property was purchased (i.e. received from vendor).
7. **UNIT VALUE:** If quantity is more than one, indicate unit cost at time of purchase, as shown in inventory records.
8. **TOTAL VALUE:** Indicate total cost at time of purchase of the full quantity listed under Item 3, as shown in inventory records.
9. **NATURE OF SURVEY CASE:** Check appropriate box and elaborate as necessary under Section 12.
10. **RECOMMENDED DISPOSITION:**
 - (a) **REPAIR:** Give estimated cost of repair.
 - (b) **DISPOSAL:** Check appropriate box and include information as required. **DESTRUCTION** is limited to materials or property of a special nature such as postage stamps, flags, ammunitions, coding machines etc., the disposal of which necessitates their physical destruction. **DISCARD** is used for materials which can be thrown away. **NOTE:** For Destruction, Discard or Transfer, full justification must be given in Section 12.
11. **RECOMMENDED FINANCIAL RESPONSIBILITY:**
Check appropriate box to indicate who should bear the

financial responsibility (except in cases of wear, scheduled replacement or surplus). Additionally, in Section 12, explain reason for recommendation.

12. **SUMMARY OF CASES:** Describe circumstances and, if applicable, give a summary of investigation as detailed below. Elaborate the recommendation to the extent necessary for complete clarity.

For VEHICLE ACCIDENT CASES: Specify the purpose of the journey, indicating clearly whether or not it was for official business. Provide full details of the circumstances surrounding the accident (e.g. weather and road conditions, driver's physical condition, condition of equipment etc.) and summarize the salient points made by persons, witnesses and investigators involved. Also attach signed statements of persons involved, signed statements of witnesses and police report, when available. Make recommendation as to fault and as to any financial assessment which should be made against a staff member or other party. In addition, the rationale underlying this recommendation should be presented.

For LOSS, THEFT or DAMAGE CASES: Provide full details in the case, summarizing the salient points made by persons, witnesses and investigators involved and indicating who was responsible, whether there was negligence and what effort was made to recover the lost or stolen property. Where applicable and available attach police report, signed statements of persons and any witnesses involved, United Nations Security Report etc. Make recommendation as to fault and as to any financial assessment which should be made against a staff member or other party. In addition, the rationale underlying this recommendation should be presented.

For WEAR, SURPLUS, REPLACEMENT, INVENTORY DISCREPANCY or OTHER CASES: Give a brief explanation to substantiate the recommendation for disposal. Where item is for SALE, state who will pay customs duties, if any.

ORIGINATING OFFICES: Requesting Official should date, sign and forward completed form and attachments, in original and one copy to the UNIDO Property Survey Board through the Chief of UNIDO Inventory Control Unit in respect of Vienna headquarters and through the Head of UNIDO Purchase and Contract Service in respect of all field projects executed by UNIDO. In the case of field projects executed by United Nations Organizations and Units, the forms may be sent directly to the Secretary of the UNIDO Property Survey Board.

UNITED NATIONS  NATIONS UNIES
 UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

Nº UNIDO

VIENNA

NOTICE OF SALE
BILL OF SALE

Sale Number: _____

Date: _____

To:

Your bid to purchase UNIDO property, as specified on the sale number stated above and detailed below, has been accepted. Payment of the balance due (if any) indicated below must be effected and the property removed within the..... day period specified in your bid. Terms and conditions of sale are as noted on the sale number above.

ITEM NUMBER	DESCRIPTION	AMOUNT OF BID	DEPOSIT	BALANCE DUE
TOTALS				

Received payment in full:

Signature: _____

Title: _____

Date: _____

Number of Receipt Voucher: _____

UNIDO

By: _____

Name: _____

Title: _____

This notice of sale, signed above as being paid in full, is your authority to remove the material purchased and constitutes a Bill of Sale.

ORIGINAL: PURCHASER.

E. Project Vehicles

1. Use of Vehicles

The UNDP Programme and Projects Manual, Chapter 30402 dated February 1988, contains in Sections 3.0 and 3.1, pages 15 through 19, a set of guidelines for the use of project vehicles. These were agreed to by the international organizations of the UN system participating in the work of the Consultative Committee on Administrative Questions (CCAQ). The Guidelines are detailed and lengthy. However, the UNDP text commences with the following statement:

"WHO and UNESCO, while agreeing that organizations requiring such detailed guidelines should be free to adopt them, stated their preference for the simpler statement previously submitted by WHO, as follows:

"Official vehicles provided by the organization are to be used solely for purposes connected with the work of the project. If, in exceptional circumstances, a staff member finds it necessary to use an official vehicle for purposes other than the official work of the project, and provided that appropriate approval for this usage exists, he or she is responsible for ensuring in advance that adequate arrangements have been made either by the Government concerned or by the organization for insurance coverage against all costs, damage, liabilities and claims which might be incurred as a result of his or her use of the vehicle in these circumstances."

A Chief Technical Adviser (CTA) or other expert who will be in charge of project vehicles - whether they are provided for the operational requirements of the project or the local transport of project personnel - should obtain these detailed guidelines, either in Vienna, from the Inventory Control and Property Management Unit (ICPMU), General Services Division; or in the field, from the Office of the UNDP Resident Representative.

A log-book should be maintained for each vehicle. Entries should be made for fuel purchased, mileage driven and periodic averages of fuel consumed. Normal maintenance should be recorded, as well as any breakdowns, accidents, repairs, etc.

2. Vehicle Insurance

In accordance with the project document (and the basic agreement between UNDP and the recipient Government) it is the responsibility of the Government to keep all United Nations property, including vehicles, insured against damage and loss. The CTA must check that the Government fulfils this obligation and, if necessary, request through the Resident Representative that this be done.

All project vehicles whether owned by, or loaned to, UNDP or UNIDO are covered against third-party liability under a Global Policy no. ILCAP254F633988 with the Travellers Indemnity Company. The insurance becomes effective immediately upon arrival of each vehicle in the country in which the project is being executed. In the case of vehicles not shipped into the country but procured locally, the insurance becomes effective when title is passed to UNDP or UNIDO.

It is essential that the CTA or other expert in charge submits the following information to ICPMU, UNIDO, Vienna as soon as possible after receipt of a vehicle so that the data may be passed on to the insurance company:

- (a) Date of receipt;
- (b) Make and type;
- (c) Engine number;
- (d) Chassis number;
- (e) Local registration number.

The insurance remains in effect as long as the title remains vested in UNDP or UNIDO, or as long as the vehicle remains loaned to either Organization. It will automatically be terminated by UNIDO headquarters if and when the vehicle is sold, transferred to the Government or removed from the country. The CTA should therefore immediately report to UNIDO when the loan of a vehicle is terminated, or when it is stolen or damaged beyond repair, so that the insurance coverage may be terminated.

Payment of the insurance premium under the global third-party liability insurance is made from the UNDP contribution. Payment of local insurance policies, if any, are to be made from the government counterpart contribution in kind or cash. The UNDP contribution may be used for this purpose only after prior authorization from the Resident Representative. Under the global third-party liability insurance the vehicle is covered up to \$1,000,000 combined single limit. The global third-party liability insurance also covers employees of the United Nations and UNDP against third-party claims arising as a result of their driving an automobile owned by, or loaned to, UNDP or UNIDO.

3. Vehicle accidents

If a vehicle is stolen or damaged in a way which does not include any possibility of third-party liability, the CTA must report the theft or damage to the local police, and act in accordance with the instructions given by the insurance company through which the Government has covered the vehicle. When an accident occurs which involves an insured vehicle, the CTA also has to submit a report to the local representative of the Travellers Indemnity Company. A list of the names and addresses of claim agents is available in the Resident Representative's office. The report, together with a completed Property Survey Board Case Report and Recommendation form should be forwarded by the CTA, in accordance with the guidelines on the reverse of the form, to ICPMU for transmission to the Secretary of the UNIDO Property Survey Board.

A completed 'Automobile Accident Loss Report', on the form issued by the American International Underwriters, should be attached to the accident report. Copies of this form may be requested from the company's local agent. Even if additional data or documentation are required to complete the account of the accident, this should not delay the prompt submission of the report.

On receipt of the report from the CTA, the insurance company will take action on the disposition of claims arising from the accident.

It is essential that the Case Report and Recommendation form be completed in full, following the guidelines on the reverse of the form, in order to avoid lengthy delays in submitting the case to the Property Survey Board, or that the Board requires additional information before being able to take a decision.

The procedure described applies only when the insurance company has a representative in the country. Where there is no such representative, and in addition, UNIDO is clearly at fault for the accident, the CTA is authorized to settle third-party claims up to a sum not exceeding the equivalent of US \$500 without prior approval by UNIDO headquarters. The settlement may be paid by the CTA only on signature of a statement of release obtained from the third-party, which absolves UNIDO from any further costs in relation to the vehicle accident.

4. Transfer of Vehicles

The transfer of project vehicles, whether operational or used for local transportation purposes, always requires the prior approval of the UNIDO Property Survey Board. A Case Report and Recommendation form should be completed in accordance with the instructions on the reverse of the form and submitted to UNIDO headquarters in order that the case may be considered by the Board. It is essential that detailed justification be provided in support of recommended transfer action, e.g. by confirming that the vehicle is required for the continuation of project activities. The Board's decision will be forwarded to the Resident Representative as soon as it is received by ICPMU. If the transfer is approved, Headquarters will send the official transfer of title documents for signature.

5. Sale of Vehicles

Similarly, sale of project vehicles also requires the prior approval of the UNIDO Property Survey Board. A duly completed Case Report and Recommendation form must be submitted to UNIDO Headquarters indicating the estimated sale value. If the Board approves the sale, its decision will be forwarded to the Resident Representative, together with the Notice of Sale form.

F. Contractual Arrangements

Within UNIDO, the Contracts Section, General Services Division, Department of Administration, is responsible for the execution of projects, or project components, through contracting agreements.

As a matter of UNIDO and UNDP policy, contracting is employed to speed up project implementation and increase the capacity of delivery by tapping all available sources of expertise. Many projects, and particularly those requiring teams of specialists or substantial home office support, can be more suitably and speedily implemented through subcontracting. Current policy is, therefore, to decide in the initial stage of project planning whether execution can more advantageously be carried out by recruiting individual experts or by subcontracting. Consulting services are available in the developed and developing countries, and in both the centrally-planned and the market economies. More than 3,000 organizations are listed in the Contracts Section's records.

Contracts placed by the Contracts Section of UNIDO may cover the provision of any type of industrial advisory services and, from time to time, the construction of pilot experimental plants on a turn-key basis. The consulting companies may be private firms, institutions, state enterprises or other corporate bodies.

Contracts may be awarded for the execution of laboratory tests, the provision of one or more specialists, a pre-investment or feasibility study, assistance in organization and management or the design and erection of plants. In the latter cases the contractor provides expertise and equipment under inclusive arrangements.

When subcontracting is employed, UNIDO's substantive sections prepare terms of reference in collaboration with the Chief Technical Adviser (CTA) or expert and the recipient Government. The terms of reference specify the services to be performed and the schedule for their performance. On that basis the Contracts Section invites cost proposals from a short list of consulting organizations selected primarily for their qualifications and experience for

the particular assignment. The policy of the Contracts Section is to prepare a list of invitees limited to ten companies, including one or two firms from the so-called 'under-utilized major donor countries' (Canada, Denmark, Finland, Netherlands, Norway and Sweden), as well as at least one company from a developing country in order to promote technical co-operation among the developing countries (known as TCDC).

The Contracts Section and the relevant substantive section agree upon the list of those to be invited to submit proposals before it is sent by the substantive section to the UNDP Resident Representative for clearance with the recipient Government. The Government may delete specific names, suggest alternative or additional names; it does not, however, select or indicate priorities

The Contracts Section invites organizations on the approved list to submit cost proposals, giving them a time limit of four to six weeks. On receipt by the Contracts Section, the proposals are evaluated by the UNIDO substantive section for technical acceptability and by the Contracts Section for administrative and commercial soundness. In accordance with UNIDO financial regulations and rules, and with the approval of the UNIDO Committee on Contracts, the award is made on the basis of the lowest technically acceptable proposal, and the contractor and the recipient Government are informed accordingly.

The time required for awarding a contract depends, in part, on the speed with which the recipient Government clears the list. Under favourable conditions, the Contractor's staff can begin work in 8 - 10 weeks from the date the Contracts Section requested proposals.

The contractor is accountable to UNIDO for the execution of the contract and maintains close liaison with the CTA or the expert concerned and the UNDP Resident Representative. The Contracts Section has the task of administering the contract in collaboration with the substantive section responsible for the technical aspects. Periodic reports may be required from the contractor to assess progress and performance. The draft of the contractor's final report is reviewed in detail by UNIDO: comments are supplied for the contractor's guidance in preparing his final report before it is submitted to the recipient Government. On conclusion of each contract, the substantive section and the Contracts Section prepare a report evaluating the contractor's performance.

The Chief Technical Advisor or expert in charge of a project has a particular responsibility with regard to UNIDO contracts. He is kept currently informed by the substantive section backstopping the project as regards contract specifications, contractors' proposals and contract terms; and is notified as soon as a contract has been awarded. This latter information is provided by the Contracts Section to the technical officers. A copy of the agreed contract is sent to the CTA or expert for information.

Work done under contract is supervised by the contractor's team leader who works in close co-operation with the CTA or expert. The CTA is responsible for ensuring that the contractor's work in the project area is performed in accordance with the terms of the contract. As the representative of UNIDO in the project area, he will also:

- (a) Act as liaison officer between the contractor's staff and the Government;
- (b) Cable the Chief, Contracts Section, UNIDO, confirming the arrival of the contractor's personnel in the project area; and, subsequently, their departure;
- (c) Refer to the Chief, Contracts Section, such administrative matters relating to the execution of the contract as may be brought to his attention and which he considers cannot be resolved in the project area.

The CTA or expert should bring promptly to the attention of UNIDO any irregularity in contract performance. Whenever it seems advisable, a daily or weekly log should be maintained of the output of work delivered by contractors. This information should be attached to reports to UNIDO with the CTA's comments.

CHAPTER VIII. FINANCIAL ADMINISTRATION OF PROJECTS

A. General

All matters concerning the financial administration of UNIDO field personnel are subject to the '200 series' of the UNIDO Staff Rules. In addition, the UNDP Programme and Projects Manual (PPM) applies in respect of UNDP-financed projects. Moreover, UNIDO has issued separate instructions on specific aspects of financial project administration. All of the foregoing are summarized in this section. It has to be emphasized, however, that the UNIDO Staff Rules, the UNDP PPM and specific instructions of UNIDO take precedence over this summarized version.

Annexes I to VI to this section contain information on the following subjects:

- Annex I: Sample project budget - non-UNDP
- Annex II: Sample project revision - UNDP
- Annex III: UNIDO codes for technical co-operation sources of funds
- Annex IV: Project indicators
- Annex V: Local disbursements

B. Project budgets and costing

The following guidelines to the budgets of UNIDO projects are based on section 30305 of the UNDP PPM and apply to all sources of funds except where otherwise specified.

As there is no central unit responsible for reviewing approved project budgets, it is of the utmost importance that the Chief Technical Adviser or senior expert monitors carefully the preparation of the initial project budget and of all subsequent revisions of it.

Authority

The resident representative is the ultimate signing authority for UNDP country project documents. He will also issue the project budgets, irrespective of whether the projects are approved under his present authority or through UNDP headquarters. However, UNDP has delegated to UNIDO the authority to approve SIS projects.

Projects financed from the Industrial Development Fund (IDF) and from the regular programme of technical co-operation are approved by the Project Review Committee (PRC).

Trust fund projects are approved on the basis of agreements entered into between UNIDO and donor Governments or organizations.

The basis of approval of other projects depends on the source of financing, e.g. Population Fund projects implemented by UNIDO are approved by UNFPA^{1/} and Environment Fund projects by UNEP.^{2/}

Flexibility

Because rigid adherence to agreed project budgets would cause delays in implementation, executing agencies have a certain degree of flexibility in implementation. Financial flexibility, which varies according to the source of financing, may not be used to create additional inputs not foreseen in the original project document or budget.

Flexibility exists within the following limits:

^{1/} UNFPA: United Nations Fund for Population Activities

^{2/} UNEP: United Nations Environment Programme

(1) UNDP

In accordance with the UNDP PPM section 31002, "Executing agencies are authorized, without requiring a revised project budget, to incur project expenditure in any given year in excess of the approved budget for that year, but not exceeding \$20,000 or four per cent of the project budget for that year, whichever is higher, provided the total amount of excess expenditures of the agency for that year does not exceed two per cent of the total of UNDP funds approved for expenditure by that agency for that year".

If the proposed expenditure will exceed the current year's phasing by more than the above-mentioned limits, it is necessary to obtain the approval of the resident representative for a budget revision. Cabled authorizations may be accepted only if they meet UNDP's requirements (see PPM, section 30108, pages 1-6) and have a validity of 60 days only.

(2) Regular programme, SIS and IDF

Projects financed from these fund sources are permitted flexibility as set out below, with the exception of projects financed by special purpose donors (prefixed with codes US and UT) for which no automatic flexibility is applicable:

(a) The physical inputs as approved for the components of personnel (budget lines 11-01 to 19-99) and training (budget lines 31-00 to 39-99) may be implemented, despite divergence from the approved costs (NOTE: No change in physical inputs, in terms of work-months of personnel or training, is permitted;

(b) Expenditures may be incurred of up to five per cent in excess of the latest approved total budget (budget line 99), or of US\$2,500, whichever is higher, for the components indicated below:

Budget line 21-00: sub-contracts;

Budget lines 41-00 to 49-99: equipment;

Budget lines 51-00 to 59-99: miscellaneous (excluding budget line 55-00: hospitality.)

(c) Allotments may be shifted between existing budget lines with no change in the latest approved total budget, provided that the amount shifted does not exceed five per cent of the total.

NOTE: These provisions do not apply to budget line 16 (staff mission costs) or budget line 55 (hospitality).

(3) Trust funds

For trust fund projects there is no flexibility. All variations from the budget require the written agreement of the donors.

Revision or rephasing

Normally all project budgets are revised or rephased, as soon as possible after closure of the accounts for each year, to bring them into line with expected implementation for the forthcoming and subsequent years.

In the event that significant changes in inputs are planned or that additional funds, beyond those available under the above-mentioned flexibility rules, are required, ad hoc revisions are prepared and submitted for approval to resident representatives, donor organizations, or the Project Review Committee, as appropriate. (Refer also to chapter V.H in which details of revision procedures are given.).

C. Project components

Personnel

(1) Experts and consultants (budget line 11)

Each expert post, identified by a post number and a functional title, should be recorded on a separate budget line. The number of man-months expected to be delivered under each expert post should be shown within each annual segment of the budget with appropriate proforma cost. Expert man-months and costs expected to be delivered should be totalled by year and recorded on line 11-99.

The minimum unit for the budgeting of expert services is the half-month. However, charges for man-months are made to project accounts in tenths of a month, or the closest possible unit, if different from one tenth of a month.

Services of short-term experts should not be budgeted by individual post, but by the aggregate number of man-months expected to be delivered each year and costed at the proforma rate in effect at the time of budgeting. The total (man-months and dollars) should be budgeted on line 11-50 of the project. Individual consultants are recorded on line 11-51 onwards.

It is not possible to provide in this Handbook detailed instructions for costing experts' and consultants' services, as cost figures become out-of-date more rapidly than the Handbook can be amended. However, the following paragraphs explain the background to the method of budgeting for, and recording the cost of, such services.

(a) UNDP-financed projects

In the case of UNDP-financed projects, including those financed from the SIS programme, the costs of experts' services (but not consultants' services) are made up of two categories of costs. Category I costs (defined below) are charged to projects at the actual cost to UNIDO for the expert in question. Category II costs (also defined below) are charged to projects at the average cost per man-month to UNIDO for all experts on UNDP-financed projects.

Each year UNIDO reviews the two categories of cost elements and notifies UNDP of its estimated (proforma) costs for the ensuing and future years. At the same time, for the purpose of preparing mandatory and other revisions, backstopping officers are informed of the rates which should be used.

The cost category elements for experts are:

Category I (charged at actual)

Base salary;
Post adjustment or, in the case
of short-term experts, DSA:
UNIDO share of pension-fund
contributions;
Medical insurance subsidies;
Rental supplements;
Rest and recuperation leave.

Category II (charged at average)

All other common staff costs.
(Note that this includes travel
on appointment and
repatriation, but excludes
project-related duty travel which
is charged at actual cost to
budget line 15).

In the case of consultants on UNDP-financed projects (including SIS projects) all costs are charged at actual to the project. As for experts, UNIDO reviews each year and adjusts the estimated (proforma) costs for the ensuing and future years.

(b) Non-UNDP financed projects

The cost of experts' and consultants' services for all projects not financed by UNDP (i.e. regular programme, IDF and trust fund projects) should be budgeted at estimated actual cost.

(2) OPAS experts (budget line 12)

OPAS experts are individuals who are engaged for service with a Government under the standard agreement between the Government and UNDP.

They serve under a contract which provides that UNIDO will pay the difference between that which would normally be payable by UNIDO and that paid by the employing Government. OPAS officers are not United Nations staff members. Through the resident representative the Project Personnel Recruitment Branch of UNIDO ascertains the remuneration paid by the Government so as to determine the stipend which will be borne by UNIDO.

Budgeting for OPAS experts should be estimated at actual cost to UNIDO, showing for each post a post number and functional title.

(3) Administrative support personnel (budget line 13-01)

Provision should be made at the estimated level of actual costs, budgeted by year. Administrative support personnel include administrative assistants (as distinct from professional administrative officers), secretaries, translators, clerks and drivers. Such staff are normally recruited on a semi-local or local basis.

If such staff are recruited locally they are paid according to UNDP local general service salary scales which vary from country to country and are available from UNIDO's Personnel Services Division.

In the case of non-UNDP projects where the services of freelance interpreters are required for meetings etc., provision should be made on budget line 13-50.

(4) United Nations Volunteers (budget line 14)

The recruitment of United Nations Volunteers is handled through the United Nations Office at Geneva; locally incurred costs of Volunteers are usually paid through the appropriate local UNDP offices.

UNIDO is normally informed of the estimated annual costs for each Volunteer by the co-ordinator of the programme at Geneva; UNIDO, in turn, authorizes UNDP resident representatives to effect the necessary payments in local currency.

Each post should be identified by a post number and functional title.

(5) Project travel of international experts
and consultants (budget line 15)

The cost of experts' project travel is to be budgeted at estimated actual cost. Project travel excludes common staff cost travel (on appointment, briefing, debriefing, home leave, repatriation), the cost of which is included in the proforma experts costs.

This budget line also covers the travel of experts and consultants who have no contract and receive no fee. (The travel costs of participants to meetings, seminars, workshops and training programmes, which are financed from non-UNDP projects, are charged to budget line 34 or 35, as appropriate).

(6) Mission costs (budget line 16)

In the course of planning a project, or during its execution, visits to the field by UNIDO staff, consultants, or - in the case of UNDP projects - UNDP personnel, may be necessary. These visits are defined as mission costs, and are budgeted at estimated actual costs. There are three categories of missions:

Expenditure by UNIDO

(Budget line 16-12)

This involves travel and related expenses of UNIDO headquarters' staff when participating in the investigation and appraisal of requests, visiting projects for substantive or technical work during the course of their implementation (exclusive of normal supervisory and monitoring functions which are to be met from overheads), participating in project reviews, and participating in evaluation missions.

Expenditure by an associated agency (applies only to UNDP Projects)

(Budget line 16-21)

This may be salaries, travel and related expenses incurred in engaging consultants specially for missions in connection with the investigation and appraisal of requests; visiting projects for substantive or technical work during the course of their implementation; participation in project reviews; and participation in evaluation missions.

(Budget line 16-22)

Salary, travel and related expenses of agency headquarters or field staff (including project staff) may also be listed under this heading when individuals concerned participate in the investigation and appraisal of requests, visit projects for substantive or technical work during the course of their implementation (exclusive of normal supervisory and monitoring functions which are to be met from overheads), participate in project reviews, or participate in evaluation missions.

Expenditure incurred by UNDP (applies only to UNDP projects)

(Budget line 16-31)

This may be salaries, travel and related expenses incurred in engaging consultants for missions in connection with the investigation and appraisal of requests; visits to projects for substantive or technical work during the course of their implementation; participation in project reviews; and participation in evaluation missions.

(Budget line 16-32)

Travel and related expenses of UNDP headquarters or field staff (including project staff) when participating in the investigation and appraisal of requests, visiting projects during the course of their implementation, participating in project reviews, and participating in evaluation missions.

(7) National experts (budget line 17)

This budget line covers the employment of national (as opposed to international) experts. The number of workmonths required for national experts and provision for their remuneration (at rates and on conditions of service that are compatible with local rates and usage) should be made on budget line 17 (separate sub-line for each expert). Functional titles must also be shown for each expert. For further details the PPM, section 30400 should be consulted.

Charges for national experts cannot be accepted unless funds have been reserved by means of an obligation established by UNIDO and a copy of the relevant agreement or contract is provided to UNIDO.

Subcontracts (budget line 21)

The total of all subcontracts should be budgeted under this component at the estimated level of actual costs.

Chief Technical Advisers or senior experts should contact the Contracts Section of UNIDO to ensure that the services required are actually available, particularly in respect of services required from countries where currencies are non-convertible.

Budget line 21 is also to be used where responsibility for implementation of a programme or part thereof is delegated to a non-United Nations or national agency. This covers, for instance, training programmes or studies carried out on a fee basis or where lump sum payments are made at stated intervals or on completion of certain stages of the work. All payments made in connection with such subcontracts (including "advances") must be in accordance with agreements established between UNIDO and the agency concerned. Such agreements are subject to approval by the UNIDO Committee on Contracts in accordance with the UNIDO financial regulations and rules.

Training

The budget lines to be used are as follows:

	<u>UNDP</u>	<u>Non-UNDP</u>
Fellowships	31	31
Group training	32	34
Study tours	32	32
Meetings, workshops, symposia	32	35
In-service training	33	33

Budgetary provisions should be made for all training which is expected to be undertaken during each year of project operations. Training includes fellowships, group training and in-service training.

(a) Individual fellowships ^{1/} (budget line 31)

In arriving at the budgetary provisions for individual fellowships, man-months of fellowship service should be costed at estimated actual costs.

The field of study of the fellow and the duration should be reflected in the work plan of the project document. The minimum unit for the budgeting of fellowships is the half month. Charges are made to project accounts on the basis of actual cost incurred.

(b) Study tours ^{1/} (UNDP: budget line 32, non-UNDP: budget line 32) and group training (UNDP: budget line 32, non-UNDP: budget line 34)

Covers actual cost of the participants in organized programmes (mainly study tours in the case of UNDP) which are normally conducted outside the country of residence and prepared exclusively to meet the needs of a particular person or group. Such programmes are normally of short duration, not exceeding four calendar months.

(c) Meetings, workshops, symposia ^{1/} (UNDP: budget line 32; non-UNDP: budget line 35)

This covers the cost of travel and subsistence for participants at meetings, workshops and symposia.

(d) In-service training (budget line 33)

Budget line 33 covers costs for structured individual or group training of nationals within the country in connection with the activities of a project.

^{1/} It should be noted that no obligations or expenditure will be accepted against lines 31 or 32 of a UNDP project in respect of the travel of individuals unless first cleared by UNIDO's Industrial Training Branch in accordance with current rules applicable to fellowships and study tours.

Budgeting for group training, study tours, meetings and in-service training should be done at an estimated level of actual costs and the latest United Nations issuances for subsistence rates should be referred to. UNIDO's Accounts and Payments Section will provide information on up-to-date exchange rates. For travel costs, the latest issuance on travel rates issued by UNIDO's Travel, Transportation, Shipment and Insurance Unit should be consulted. Also, UNIDO's Industrial Training Branch will provide general assistance.

Equipment

This component, which should be budgeted at estimated actual cost, covers the budget lines quoted below:

- (a) Expendable equipment ^{2/} (budget line 41)
- (b) Non-expendable equipment ^{2/} (budget line 42)

If non-convertible currencies are to be used to buy equipment, the following is to be ascertained:

- Is the equipment really available in the country concerned ?
- Will it be available when needed ?
- Are spare parts and servicing available?
- Is it acceptable to the recipient Government?

- (c) Premises, other than housing for experts (budget line 43)

^{2/} For a definition of these terms see chapter XIII. A - Glossary.

This includes the construction cost of any premises to be provided for in the project, as well as such imported items of construction materials or heavy equipment built into the premises which would thereby lose their identity for inventory purposes.

In budgeting for the equipment component, provisions for the funds should be made in the year in which the purchase order is to be issued, rather than in the year in which physical delivery will take place.

Miscellaneous (budget line 51)

The following types of costs should be budgeted under the miscellaneous component:

(a) Operation and maintenance of equipment

The costs for the operation and maintenance of project equipment and premises are normally borne by Government as a counterpart contribution. In those cases where Government cannot meet this obligation, the costs may be financed from the project and appropriate provision made against this budget line at an estimate of actual costs. Costs for the operation, maintenance, repair and insurance of local transport vehicles should be budgeted against that line at the estimated level of actual costs. The resident representative and counterpart authorities should be consulted regarding the costing of these items, since they have the necessary knowledge of local conditions.

(b) Reporting costs

Reporting costs occur when it has been agreed that a report is to be produced by UNIDO. The costs for reports which are drafted by project personnel directly recruited by UNIDO should be budgeted at rates which are periodically advised to backstopping officers.

The costs for the foregoing type of report, if prepared by a subcontractor, should be budgeted under the subcontract component. Preparation and reproduction of an extensive number of maps may be required for a project for reasons other than for reporting (e.g. soils and geological survey maps).

In such cases, the costs are charged to the "equipment" component of the project budget. When a terminal report is prepared in the field and submitted to the Government, no reporting costs should be budgeted.

(c) Sundry

Sundry expenses include the cost of all items of a miscellaneous nature which are not covered under other components. Cables, telephone and postage charges should be included as sundry expense items. Hospitality expenses, normally established with the concurrence of UNDP and communicated to Chief Technical Advisers by the executing agency should also be budgeted under this item.

The external travel of government officials and counterpart staff is chargeable under the sundries budget line unless this travel is undertaken pursuant to a properly constituted study tour, under budget line 32, for which the proper arrangements have been made through UNIDO's Industrial Training Branch.

(d) Hospitality (for non-UNDP projects, budget line 55 should be used)

Hospitality is reimbursed at current approved rates subject to the following limitations:

Expenditure on hospitality may not be incurred unless:

- (i) Sufficient funds are available on the miscellaneous component ^{3/} of the project budget; and
- (ii) Prior authorization (evidenced by the establishment of an obligation) has been obtained from UNIDO.

Hospitality must relate to a clearly identified function usually marking a stage in the progress of a project or activity. Expenditure for refreshments served to visitors or for coffee and tea will not be reimbursed.

^{3/} In the case of non-UNDP projects, specific provision must be made on budget line 55.

Hospitality must involve guests who have a direct relationship to the project. The number of UN personnel invited must be limited; reimbursement for group hospitality cannot be made where members of the staff (UNIDO project staff and UNDP office staff) are a majority of those entertained.

Accounts and claims for hospitality should be supported by the following documentation:

(i) Date, occasion and nature of hospitality;

(ii) Itemized bills;

(iii) A list of the guests with their names, titles and the organizations they represent. UN personnel should be listed separately and clearly identified as such.

Support costs (budget line 56)

Support costs at a rate of 3.5% of estimated expenditure must be included in respect of all projects financed from government cash counterpart contributors (see Section D below).

D. Budgeting of government cash counterpart contribution (GCCC)

Government cash counterpart contributions are made by recipient governments in local currency for particular items of local expenditure such as local personnel, sub-contracts and/or equipment needed for the execution of a specific project. Such contributions are not to be used to cover any costs to be incurred outside the country.

Such contributions are deposited in the Resident Representative's local currency account. GCCC projects are implemented by UNIDO under source of funds code DC.

The preparation and presentation of the budgets covering a Government's counterpart contribution in cash should follow the general guidelines established for the UNDP budget, but must include provision for support costs at a rate of 3.5% of estimated expenditure (on budget line 56).

The schedule of government payments to UNDP to cover the Government's cash counterpart contribution is to be included in the work plan of the project. The amount of the initial instalment to be paid on signature of the project document should be sufficient to cover expenditure for at least three months beyond the date on which the next payment falls due. Subsequent instalments must be made in advance of the succeeding year's activities.

The Government's cash counterpart budget represents an absolute ceiling on expenditure; any increase or transfer between components of the budget require prior and specific approval by the Government.

If it is expected that the agreed amount of the Government's cash counterpart contribution will be insufficient for the purposes described in the work plan and summarized in the project budget, the agency should take immediate steps to negotiate an increase in the amount with the Government. The adequacy of the Government's cash counterpart budget should also be reviewed whenever the work plan or project budget for the IPF portion is rephased or revised.

The Government's cash counterpart budgets and payment schedules are established in local currency, and no US dollar equivalent figures will appear in the project budget.

As a consequence, changes in an exchange rate will not directly affect the Government's cash counterpart project budget nor will they affect the authority of the agency to incur commitments and expenditures in local currency. That authority will continue to be governed by the local currency amounts in the project budget.

E. Budgeting of government cost-sharing arrangements for UNDP projects

Cost-sharing is an arrangement by which project costs and related support costs are covered in full or in part by a contribution from the recipient government or a third-party donor*, on the understanding that:

- (1) Each contribution is to be identified with the project for which such a contribution has been made;
- (2) Each contribution will be considered as a payment towards the total cost of the project without accountability to the Government for specific items of expenditure. The cancellation of a project or a curtailment of operations may, however, result in an appropriate refund to the Government;
- (3) Payments are to be spread over the life of the project, payable in advance of the commencement of operations for any given year. Since such payments are normally intended to cover foreign currency costs, payments are therefore to be made in convertible currency (normally US dollars);
- (4) Overhead is to be calculated at the standard UNDP rate on the total government contribution.

It should be noted that since January 1977 UNDP negotiates and administers all cost-sharing contributions and apportions expenditures annually between UNDP and the government cost-sharing contribution to the project.

* For a detailed description of this arrangement see UNDP PPM Section 10203.

3. COUNTRY PHILIPPINES	4. PROJECT NUMBER AND AMENDMENT US/PHI/85/109/C	5. SPECIFIC ACTIVITY J13104
10. PROJECT TITLE Upgrading of the Footwear and Leathergoods Industry Centre to an Internationally Acceptable Level		

15. INTERNATIONAL EXPERTS (functional titles required except for line 11-50)	16. TOTAL		17. 1986		18. 1987		19. 1988		20. 1989	
	M/M	\$	M/M	\$	M/M	\$	M/M	\$	M/M	\$
11-01 Chief Technical Adviser	30.0	216,000	12.0	78,701	12.0	80,000	6.0	57,299		
02 Footwear Technologist	29.7	216,000	4.7	36,596	12.0	80,000	12.0	88,000	1.0	11,404
03 Testing/Quality Control Techn.	17.4	127,523	5.4	47,523	12.0	80,000				
04										
05										
06										
07										
08										
09										
10										
11										
12										
13										
14										
15										
16										
11-50 Short term consultants	11.5	115,270	0.5	6,270	4.0	32,000	5.0	53,000	2.0	24,000
11-99 Sub-total-International experts **	87.6	674,793	22.6	169,090	40.0	272,000	23.0	198,299	3.0	35,404

21 REMARKS excluding 13 % support costs of \$ 137,065

** If more than 10 experts required check here and attach continuation sheet 1A. This sub-total must include all experts.

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4. PROJECT NUMBER US/PHI/85/109/C	16. TOTAL		17. 1986		18. 1987		19. 1988		20. 1989	
	M/M	\$	M/M	\$	M/M	\$	M/M	\$	M/M	\$
OPAS EXPERTS (functional titles required)										
12-01										
12-02										
12-03										
12-99 Sub-total-OPAS experts **										
ADMINISTRATIVE SUPPORT PERSONNEL										
13-00 Clerks, secretaries, drivers		23,880		6,353		11,500		6,027		
13-50 Freelance interpreters (non-UNDP projects)										
13-99 Sub-total-administrative support personnel		23,880		6,353		11,500		6,027		
UN VOLUNTEERS (functional titles required)										
14-01										
14-02										
14-03										
14-04										
14-99 Sub-total-UN VOLUNTEERS **										
15-00 Project travel		6,407				4,407		2,000		
16-00 Other personnel costs (including UNIDO staff mission costs)		4,000				4,000				
NATIONAL EXPERTS (functional titles required)										
17-01 Mechanical Engineer	6.0	3,000			6.0	3,000				
17-02										
17-03										
17-04										
17-05										
17-99 Sub-total-National experts **	6.0	3,000			6.0	3,000				
18-00 Surrender prior years' obligations										
19-99 TOTAL-PERSONNEL COMPONENT	93.6	712,080	22.6	175,443	46.0	294,907	23.0	206,326	3.0	35,404

** If additional individual budget lines are required, check here and attach continuation sheet 1A. These sub-totals must include budget lines listed on page 1A.

4 PROJECT NUMBER US/PHI/85/109/C	16 TOTAL		17 1986		18 1987		19 1988		20 1989	
	M/M	\$	M/M	\$	M/M	\$	M/M	\$	M/M	\$
SUBCONTRACTS										
21-00 Subcontracts		60,000		15,000		15,000		15,000		15,000
28-00 Surrender prior years' obligations										
29-00 TOTAL-SUBCONTRACTS		60,000		15,000		15,000		15,000		15,000
TRAINING										
31-00 Individual fellowships		34,069						15,000		19,069
32-00 Study tours; UNDP group training		65,201		5,201		30,000		30,000		
33-00 In-service training		19,000		500		10,500		8,000		
34-00 Non-UNDP group training		6,000				3,000		3,000		
35-00 Non-UNDP meetings										
38-00 Surrender prior years' obligations										
39-99 TOTAL-TRAINING COMPONENT		124,270		5,701		43,500		56,000		19,069
EQUIPMENT										
41-00 Expendable equipment		4,099		749		3,350				
42-00 Non-expendable equipment		128,901		94,610		34,291				
43-00 Premises										
48-00 Surrender prior years' obligations										
49-99 TOTAL-EQUIPMENT COMPONENT		133,000		95,359		37,641				
MISCELLANEOUS										
51-00 Sundries		25,000		2,515		12,485		5,000		5,000
55-00 Hospitality (non-UNDP projects)										
56-00 Support costs (ICC and DC projects only)										
58-00 Surrender prior years' obligations										
59-99 TOTAL-MISCELLANEOUS COMPONENT		25,000		2,515		12,485		5,000		5,000
99-99 PROJECT TOTAL	93.6	1,054,350	22.6	294,018	46.0	403,533	23.0	282,326	3.0	74,473

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SECOND MANDATORY PROJECT REVISION 1988

COUNTRY: PHILIPPINES
 =====

TITLE: ESTABLISHMENT OF PREVENTIVE MAINTENANCE SYSTEMS TO
 ===== INCREASE PRODUCTIVITY OF PHILIPPINE INDUSTRIES

PROJECT NO: DP/PHI/87/008/C/01/37
 =====

The attached budget of the above project is hereby rephased to reflect estimates of expenditure for 1986 and the consequential effect on future years budgets.

The increase in the project budget is due to the application of expert proforma cost.

The change to the project budget - UNDP input is as follows:

Previous UNDP input - Project budget code "B"	<u>\$1,074,450.</u>
	(line 99 total)
Revised UNDP input - Project budget code "C"	<u>\$1,089,300.</u>
	(line 99 total)
UNDP input - Increase	<u>\$14,850.</u>

General Letter of Agreement from
 Hon. Solita C. Monsod, Secretary of Socio Economic
 Planning and Director-General, NEDA

13 June 1986

Agreed on behalf of the Government

13. OCT. 1988

A.A. Vassiliev, Deputy Director-General
 Agreed on behalf of the Executing Agency

Date

Turhan K. Mangun, Resident Representative

04 NOV. 1988

Approved on behalf of the UNDP

Date

COUNTRY	PROJECT NUMBER AND AMEND	PGM.-ELEMENT	DATE PRINTED
PHILIPPINES	DP/PHI/87/008/C/01/37	J12206	88/10/12
PROJECT TITLE			
ESTABLISHMENT OF PREVENTIVE MAINTENANCE SYSTEMS TO INCREASE PRODUCTIVITY OF PHILIPPINE INDUSTRIES			

PROJECT PERSONNEL EXPERTS POST/TITLE	TOTAL		1988		1989		1990		1991	
	M/M	\$	M/M	\$	M/M	\$	M/M	\$	M/M	\$
11-01 CHIEF TECHNICAL ADVISE	21.0	159,350	4.0	28,600	10.0	75,000	5.0	39,250	2.0	16,500
11-02 CORROSION ENGINEER	3.0	21,800	2.0	14,300	1.0	7,500				
11-03 COMP. MAINT MANAGEMENT	2.0	14,300	2.0	14,300						
11-04 CONDITION MONITORING	3.0	22,500			3.0	22,500				
11-05 LUBRICATION	2.0	14,300	2.0	14,300						
11-06 INSUTRUMENT. CONTROL.	3.0	22,500			3.0	22,500				
11-07 RECONDITIONING SALVAGI	3.0	22,500			3.0	22,500				
11-08 SPARE PARTS	3.0	22,500			3.0	22,500				
11-XX	40.0	299,750	10.0	71,500	23.0	172,500	5.0	39,250	2.0	16,500
15-00 PROJECT TRAVEL		6,000		1,500		3,500		1,000		
16-00 OTHER PERSONNEL COSTS		25,000				5,000		20,000		
17-50 NATIONAL CONSULTANTS	18.0	27,000			10.0	15,000	5.0	7,500	3.0	4,500
1X-XX	58.0	357,750	10.0	73,000	33.0	196,000	10.0	67,750	5.0	21,000
31-00 INDIVIDUAL FELLOWSHIPS		144,000		10,000		100,000		34,000		
32-00 STUDY-TRS/UNDP GROUP T		50,000		15,000		35,000				
33-00 IN-SERVICE TRAINING		50,000		10,000		15,000		15,000		10,000
3X-XX		244,000		35,000		150,000		49,000		10,000
42-00 NON-EXPENDABLE EQUIPM.		453,550		100,000		353,550				
51-00 SUNDRIES		34,000		2,500		13,000		13,000		5,500
TOTAL	58.0	1,089,300	10.0	210,500	33.0	712,550	10.0	129,750	5.0	36,500

REMARKS

UNIDO

PROJECT ALLOTMENT DOCUMENT

BACKSTOPPING OFFICER : MR. ASSABINE			AUTHORITY 1988 2ND MAND. REV. 'C' SIGNED ON 4/11/88			P.C.A. NAME MS. WEGRAYN		
COUNTRY PHILIPPINES	PROJECT NUMBER AND AMEND DP/PHI/87/008/C	P.P.C.S.A J12206						
PROJECT TITLE ESTABLISHMENT OF PREVENTIVE MAINTENANCE SYSTEMS TO INCREASE PRODUCTIVITY OF PHILIPPINE INDUSTRIES			ST N	RB N	UNIDF N	TYPE IND.	DATE PRINTED 88/12/22	C.O.B. DATE 100-CODE
TRANSFERRED TO "LIVE" FILE	APPROVED BY: <i>Alipal</i>	DATE: 22/12/88	DONOR : AMOUNT EQ:US\$:	CURRENCY	CURRENCY	CURRENCY	DONOR-SURPLUS	

PROJECT PERSONNEL EXPERTS POST/TITLE	TOTAL		1988		1989		1990		1991	
	M/M	\$	M/M	\$	M/M	\$	M/M	\$	M/M	\$
11-01 CHIEF TECHNICAL ADVISE	21.0	159,350	4.0	28,600	10.0	75,000	5.0	39,250	2.0	16,500
11-02 CORROSION ENGINEER	3.0	21,800	2.0	14,300	1.0	7,500				
11-03 COMP. MAINT MANAGEMENT	2.0	14,300	2.0	14,300						
11-04 CONDITION MONITORING	3.0	22,500			3.0	22,500				
11-05 LUBRICATION	2.0	14,300	2.0	14,300						
11-06 INSUTRUMENT, CONTROL	3.0	22,500			3.0	22,500				
11-07 RECONDITIONING SALVAGI	3.0	22,500			3.0	22,500				
11-08 SPARE PARTS	3.0	22,500			3.0	22,500				
11-XX	40.0	299,750	10.0	71,500	23.0	172,500	5.0	39,250	2.0	16,500
15-00 PROJECT TRAVEL		6,000		1,500		3,500		1,000		
16-00 OTHER PERSONNEL COSTS		25,000				5,000		20,000		
17-50 NATIONAL CONSULTANTS	18.0	27,000			10.0	15,000	5.0	7,500	3.0	4,500
1X-XX	58.0	357,750	10.0	73,000	33.0	196,000	10.0	67,750	5.0	21,000
31-00 INDIVIDUAL FELLOWSHIPS		144,000		10,000		100,000		34,000		
32-00 STUDY-TRS/UNDP GROUP T		50,000		15,000		35,000				
33-00 IN-SERVICE TRAINING		50,000		10,000		15,000		15,000		10,000
3X-XX		244,000		35,000		150,000		49,000		10,000
42-00 NON-EXPENDABLE EQUIPM.		453,550		100,000		353,550				
51-00 SUNDRIES		34,000		2,500		13,000		13,000		5,500
TOTAL	58.0	1,089,300	10.0	210,500	33.0	712,550	10.0	129,750	5.0	36,500

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REMARKS

Annex III

UNIDO codes for technical co-operation sources of funds

	<u>UNIDO source-</u> <u>of-fund code</u>	<u>UNDP source-</u> <u>of-fund code</u>
Regular budget		
Regular programme	XP	
Industrial Development Decade for Africa	XA	
United Nations Development Programme(UNDP)		
main programme:		
Special programme resources	(DA)	15
Government counterpart contribution		
in cash paid to UNDP	(DC)	
Indicative planning figure	(DP)	01
Special programme resources/technical		
co-operation among developing countries		
(TGDC)	(DR)	14
Special Industrial Services (SIS)	(SI)	51
Special measures for least		
developed countries	(SM)	45
Industrial Development Fund		
General fund (convertible currency)	(UC)	
General fund (non-convertible currency)	(UD)	
Special-purpose (convertible currency)	(US)	
Special-purpose (non-convertible		
Currency	(UT)	
UNDP-administered Trust Funds		
Australian Development Assistance Bureau	(AU)	90
United Nations Capital Development Fund	(CD)	94
Voluntary Trust Fund for the United		
Nations Decade for Women	(IW)	72
Trust Fund for Specialist)Convertible	(RC))	74
Training in the USSR)Non-convertible	(RN))	74
Trust Fund for Sudano-Sahelian Activities	(SA)	64

Annex III (cont'd)

UNDP-administered trust funds (cont'd)

United Nations Interim Fund for Science and Technology for Development	(ST)	71
United Nations Relief Operations for Bangladesh	(BF)	
UNDP Energy Account	(EA)	
Norwegian Trust Fund	(TD)	
United Nations Fund for Drug Abuse Control (UNFDAC)	(FD)	
Fund for Drug Abuse Control	(BD)	
Other Trust Funds		
Trust funds financed by the World Bank (International Development Association)	(BR)	
Government cash counterpart contribution payable directly to UNIDO	(CC)	
Trust Fund for the Bio-Genetic Engineering Centre	(GE)	
United Nations Fund for Population Activities	(PF)	33
Trust Funds (financed by recipient)	(SF)	
Trust Funds (financed by third party)	(TF)	
SIS Trust Funds	(TS)	
Work performed for other agencies		
Government-executed projects - UNDP	(DG)	
Government-executed projects - UNFDAC	(GD)	
UNIDO as participating agency	(DU)	
United Nations Environment Programme	(EP)	

PROJECT INDICATORS

Each project is identified by a project status indicator in the computer data base. These indicators permit UNIDO to monitor the progress of a project through its various stages from commencement of operations to completion and permit the retrieval of selective information. The following project indicators are in use:

<u>Status</u>	<u>Indicator</u>
Projects approved in the current year- - - - - (project approved in 1989 would be coded 'N' in 1989 and on 1 January 1990 its status converted to '0')	N
On-going (operational) projects- - - - -	O
Operationally completed projects - - - - - (operational projects for which planned implementation has been completed)	C
Financially completed projects	
(a) Pending acceptance of final revision - - - - -	F
(b) Final revision approved- - - - -	G
Cancelled projects- - - - - (projects which have not been and will not be implemented)	B

To meet the requirements of the Industrial Development Board, every Regular Programme project must carry a field of activity indicator (RB indicator).

<u>Field of activity</u>	<u>Indicator</u>
Individual Fellowships- - - - -	Y
Special needs of LDCs- - - - -	X
Co-operation among developing countries - - - - -	T
Consultations with Governments - - - - -	R
Establishment and strengthening of training facilities in developing countries- - - - -	P
Group Training- - - - -	D
Pilot and demonstration plants - - - - -	W
Human resources and technological capabilities - - - - -	Z
Industrial Institutional Infrastructure - - - - -	I

Every project should carry a priority indicator.

<u>Priority area</u>	<u>Abbreviation</u>	<u>Indicator</u>
Special measures for the least developed, land-locked and island developing countries	LDC	L
Development and transfer of industrial technology and industrial information	TEC	I
Economic co-operation among developing countries	ECDC	E
Training programmes and strengthening industrial training institutions in developing countries	TRG	H
Industrial institutional infrastructure	INFR	J
Industries processing local natural resources, including export-oriented industries	NR	K
Industries satisfying basic needs and support to rural industries	BNRI	Q
Promotional activities	PROM	U
Other activities	OTH	A

Annex V

LOCAL DISBURSEMENTS

Each September, Financial Services Division of UNIDO asks Chief Technical Advisers (CTAs) to provide estimates of probable disbursements in local currency for the forthcoming calendar year.

Following a review of these estimates by the relevant backstopping section and the Financial Management of Technical Co-operation Unit of UNIDO, the final amount approved is made known to the CTA in December. Disbursements can then either be effected by the resident representative on behalf of the CTA, or by the CTA himself out of a petty cash account set up for him by the resident representative.

Expenditures which should not be included in the estimates of local-currency disbursements are listed on the back of the "Letter of Authorization".

Charges incurred in the field against a "Letter of Authorization" are transferred to UNIDO by means of the IOV system. UNIDO frequently receives queries about the lack of agreement between records of expenditure maintained in the field and the expenditure recorded in UNIDO's financial records. It should be borne in mind that, although every effort is made to ensure that proposed expenditures are covered by obligations, delays inherent in the IOV system result in actual field expenditures not being recorded in UNIDO's accounts until at least one month has elapsed.

The following pages contain samples of documentation relating to estimates of local disbursements.

UNIDO  **ONUDI**

**UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION
ORGANISATION DES NATIONS UNIES POUR LE DEVELOPPEMENT INDUSTRIEL**

VIENNA INTERNATIONAL CENTRE	CENTRE INTERNATIONAL DE VIENNE
P.O. BOX 300, A-1400 VIENNA, AUSTRIA	B.P. 300, A-1400 VIENNE (AUTRICHE)
TELEPHONE: 26 310	TELEPHONE: 26 310
TELEGRAPH: UNIDO VIENNA, TELEX: 135612	TELEGRAPH: UNIDO VIENNE, TELEX: 135612

REFERENCE: UNIDO/FMTC

09 September 1988

Dear Mr.

Letter of Authorization for local Expenditure - 1989

For Project: _____

I should be grateful if you would request the Chief Technical Adviser for this project to enter on the attached Letter of Authorization form the estimates of anticipated local disbursements for the project in 1989 in accordance with the notes on the reverse of the Letter of Authorization and bearing in mind the following points:

(a) please refer to the latest project budget/revision for the project. Furthermore, it should be noted that over-estimation of expenditure in local currency will result in funds being blocked which might well be required for non-local expenditure.

(b) please return the attached form to reach me not later than 31 October 1988.

(c) the estimates will be reviewed in Vienna by the Substantive Officer responsible for monitoring the project. The attached forms will then be finalized and signed by me and despatched to reach your office around the middle of December, 1988. Until signed forms have reached your office there is no authorization to incur local expenditure on the project in 1989.

Yours sincerely,

A.R. Ingram

Acting Chief
Financial Management
of Technical Cooperation

U. N. I. D. O.

To: Chief Technical Adviser for Project

Title:

From: Chief, Financial Management of Technical Cooperation

Subject: Letter of Authorization - Allotments for Local Expenditures 1989

You are hereby authorized, as certifying officer, to expend during the year 1989 the following amounts in connection with the above mentioned project:

Budget line	Purpose of expenditure	US Dollars
		\$
13-01-9	Secretarial assistance (incl. driver and other locally recruited support personnel)	
15-01-9	Local travel of international experts	
33-01-9	In-service training (all costs except language training)	
41-10-9	Consumable equipment and supplies, spare parts, periodicals, books; minor equipment (not exceeding a unit value of \$400)	
51-10-9	Operation and maintenance of transportation equipment (project vehicle)	
51-40-9	Sundry (excluding hospitality)	
	TOTAL	_____

Note

(a) The Resident Representative is authorized, if in his/her opinion it is necessary, to provide the Chief Technical Adviser/Project Co-ordinator with petty cash advance up to 2.5 months estimated average expenditure to be incurred by him/her.

(b) Items of equipment to be imported under Field Purchase Orders are not covered by this Letter. Please refer to Chapter XIX, Section C, of the Chief Technical Adviser's Manual, which also sets out the rules governing local purchase of equipment.

(c) The amounts you are authorized to spend on this authorization will be disbursed only in your local currency.

Date: _____

Certified: _____

Acting Chief/Financial Management of Technical Cooperation

LOCAL DISBURSEMENTS (COVERED BY L. OF A.)

NOTES FOR CHIEF TECHNICAL ADVISERS

Estimates of disbursements in local currency should not include expenditure on the following which are subject to specific authorization by UNIDO:

- (1) International experts' services (budget line 11) - dealt with by UNIDO/IO/PPR;
- (2) International travel of project staff (budget line 15) - specific to prior approval by Substantive Officers and specific financial authorization by UNIDO/DA/FS;
- (3) National experts' services (budget line 17) - subject to prior approval by Substantive Officers and specific financial authorization by UNIDO/DA/PS;
- (4) Sub-contracts (budget line 21) - dealt with by UNIDO/IO/PAC;
- (5) Fellowships (budget line 31) and study tours (budget line 32) - dealt with by UNIDO/IO/TRG;
- (6) Equipment (budget line 41) costing more than \$400 per item¹ - subject to prior approval by UNIDO/DA/PAC;
- (7) Equipment (budget line 42) to be imported under Field Purchase Order - required prior approval by UNIDO Substantive Officer and authorization by UNIDO/DA/FS (see the Chief Technical Adviser's Manual (UNIDO/IO.222/Rev.4 dated 13 February, 1984, Chapter XIX, Section C);
- (8) Hospitality (budget line 51) - subject to approval by UNIDO Substantive Officers and specific financial authorization by UNIDO/DA/FS (see the Chief Technical Adviser's Manual, Chapter XVIII, Section C).

¹: Unit value has been adjusted to bring it into line with the current CCAO definition of expendable and non expendable property

CHAPTER IX. EXECUTION OF PROJECTS BY GOVERNMENTS ^{1/}

A. General

The concept of government execution is based on the premise that a project is a government undertaking; and that the support and participation of the United Nations system in its implementation does not alter the Government's fundamental responsibility for its satisfactory conclusion. In other words, Government execution is an arrangement whereby UNDP entrusts to a Government the responsibility for marshalling UNDP-financed inputs and applying them effectively towards the attainment of the project's objectives.

The Government is responsible to the Administrator of UNDP for the custody and proper use of funds advanced to it by UNDP; and provides the Administrator with statements detailing the use of the funds.

B. Policy Considerations

The prerequisite for government execution is the technical and administrative capability within the Government to assume responsibility for the effective application of UNDP-financed inputs. If the extent of the Government's own capabilities does not allow it to discharge independently all the functions arising from its execution responsibility, arrangements may be adopted whereby:

- (a) The Government executes a UNDP-supported project with the participation of one or more agencies, such as UNIDO, (known as co-operating agencies);
- (b) Alternatively, and where appropriate, activities are organized into two or more self-contained but mutually reinforcing projects, with the Government assuming execution responsibility for one or several and the appropriate agency, such as UNIDO, for the other(s).

^{1/} This chapter is extracted - with considerable editing - from section 30503 (57 pages) of the UNDP Programme and Projects Manual.

C. Procedures

When considering the possible execution of a project by the Government, the Resident Representative will review with the Government and consult the competent agency on such aspects as:

- (1) The available technical experience and know-how within the Government, or accessible to it, and available to the project;
- (2) The administrative services of the Government which would be involved in project implementation, including procurement and financial management. In particular, the Resident Representative should review and reach agreement with the appropriate government officials on formal auditing arrangements;
- (3) The provisions which may have to be made for UNDP-financed administrative support to enhance the Government's execution capability; and
- (4) The manner in which the Government envisages managerial and administrative supervision and control over the project, and the resources (financial, physical and human) that can be devoted to it.

D. Project formulation, appraisal and approval

The policies and procedures governing project design and formulation, preparatory assistance, the preparation and circulation of the draft project document, and the appraisal and approval of UNDP assistance, all apply equally to government-executed projects.

Project formulation

The Resident Representative will ensure that the competent agency - UNIDO - is advised of the project identification and formulation activities contemplated by the Government. If UNIDO participates in project identification and/or formulation, it may be designated executing agency for UNDP-financed support of those activities without prejudice to government

execution of the full project. To facilitate proper financial administration at UNDP headquarters, the assistance thus provided should be designed as a self-contained (direct support) project. The project document should follow the standard format; when signed on behalf of the Government and UNDP it serves as the instrument of agreement for the execution arrangements.

Project Appraisal and Approval

Once a proposed project for Government execution is approved by UNDP headquarters, further appraisal and approval of the project will be carried out by the Resident Representative, provided the approval falls within his or her authority. In that event, the Resident Representative should send a copy of the draft project document to UNIDO for comments, indicating the time available for review. If appraisal and approval are to be undertaken at UNDP headquarters, UNIDO comments should be sent to the relevant regional bureau with a copy to the Resident Representative.

E. Implementation

The Resident Representative will routinely send UNIDO, as co-operating agency, for its information and possible comments, the project progress reports, review reports and other relevant documentation on government-executed projects.

(1) Project personnel

UNDP-financed project personnel should be engaged by the Government in accordance with its own procedures and conditions of service. The remuneration and other entitlements of UNDP-financed field staff should not exceed those applicable within the United Nations system for comparable functions in the country. The Government should inform the Resident Representative of all recruitment actions and the proposed compensation for UNDP-financed project personnel. UNDP policies regarding the compensation of nationally-recruited project personnel should apply.

(2) Training

The Government should inform the Resident Representative of actions for the selection of candidates for UNDP-financed training, the proposed award of fellowships and the selection of training facilities. Stipends and other allowances financed by UNDP should not exceed the maximum monthly fellowship stipend rates applicable within the United Nations system. The Government should ensure the continued payment of the salaries of fellows in order to provide for the continued support of their dependants.

(3) Provision of services through subcontracts

The Government may decide to sub-contract the implementation of a part or all of the project to a public or private institution, or a firm within or outside the country.

(4) Equipment

UNDP-financed project equipment becomes the property of the Government upon delivery, except in those cases where the title of ownership has been reserved by UNDP. The project document should specify such items. The Government must ensure that equipment and supplies procured with UNDP funds are used exclusively for the purposes of the project, as agreed with UNDP; and that proper maintenance procedures are enforced. The Government should provide the Resident Representative, at his or her request, with information regarding use, storage, maintenance, etc., of such equipment and supplies. Title of ownership may be retained by UNDP for highly specialized equipment; or for equipment used in a project which does not attain its objectives; or for a project to be followed by a subsequent phase requiring the same equipment.

(5) Purchase or rental of equipment and supplies; and procurement of services through sub-contracts

Governments should employ international competitive bidding for the purchase or rental of supplies and equipment; and for the procurement of services to be rendered under sub-contract wherever, as a normal rule, such bidding would have been employed by UNDP for purchase, rental and procurement actions on its own account. Governments should normally apply their own procedures and practices in international competitive bidding. Alternatively, they may apply those of UNDP.

Local procurement of services, supplies and equipment based upon competitive bidding by national suppliers, as an alternative to international competitive bidding, may be authorized by UNDP headquarters provided such procurement is compatible with UNDP Financial Regulations and Rules. However, UNDP headquarters may waive altogether the requirement for competitive bidding if the procedure would not be the most economic or efficient method for obtaining the required services, equipment or supplies.

The Government should inform the Resident Representative of any arrangements to be made for the procurement of services, equipment and supplies through sub-contract. Requests for national procurement or for the waiver of the requirement of competitive bidding should be addressed to the Resident Representative.

F. Project monitoring and evaluation

UNDP's policies as regards project monitoring and evaluation apply also to the Government execution of UNIDO-supported projects.

UNIDO, as an agency with a technical interest in a project, will be given the opportunity to participate in its review and evaluation as mutually agreed to by the Government, the Resident Representative and UNIDO.

If there is joint financing of project activities, arrangements for reporting on progress and for periodic reviews should be agreed to by the Government, UNDP and, as appropriate, other sources of assistance. The competent agency should normally be associated with the project reviews. The project document should reflect the agreed procedures for the reviews and for the preparation and distribution of the reports.

G. Terminal report

The project management is responsible for preparing the terminal report when it is due and in the prescribed format. The Government may seek advice or assistance from UNIDO, which would be normal practice when UNIDO participates in project execution. The Resident Representative should ensure that UNIDO receives a copy of the terminal report.

When there is joint financing of project activities, the preparation of a terminal report may be omitted, by mutual agreement of the participants, if the report would be inopportune or if UNDP participation is not co-terminous with the project. A decision to omit the terminal report should be reflected in the project document.

H. Participation of the co-operating agency in project execution

Co-operating agency

The participation of UNIDO, as co-operating agency, in project execution should be agreed upon by the Government, UNIDO and UNDP before the project document is concluded. Within this context UNIDO is responsible for providing specified UNDP-financed inputs and assisting the Government in their effective utilization. UNIDO's inclusion in project reviews and evaluation exercises should be ensured.

Detailed arrangements to be agreed upon between the Government and UNIDO, as co-operating agency, regarding the latter's participation in project execution should be the subject of a separate letter of agreement. The schedule of services and facilities to be provided by UNIDO, and their cost, should conform with the project budget approved by UNDP.

Ad hoc services

The Government may request UNIDO to provide ad hoc services - i.e. services other than those rendered as co-operating agency under the letter of agreement. Such ad hoc services may involve the provision of technical advice as the need arises, finding suitable expertise to be engaged by the Government (experts, consultants, sub-contractors), selecting suitable training facilities abroad for government staff engaged in the project, making the necessary arrangements for the admittance of a trainee to a selected institution, the preparation of specifications for specialized equipment, etc.

Any operational costs involved - e.g. for visits to projects in the course of their implementation for substantive or technical work; or for participation in project reviews and evaluation missions - are chargeable to the project budget after clearance with the Government and the Resident Representative.

The provision of ad hoc services by UNIDO which do not involve additional expenditure are compensated by the payment of support costs by UNDP.

Assistance to UNDP

Expenditure incurred by UNIDO for making available technical backstopping services to UNDP (Regional Bureau at UNDP Headquarters or Resident Representative in the country concerned) are chargeable against the support cost resources of UNDP.

I. Establishment of an add-on fund

Governments are expected to rely on their own administrative and technical services for the execution of UNDP-supported projects; they are therefore not compensated for support costs from UNDP resources. Such resources which remain unutilized as a result of government execution are available to the Government concerned as an add-on to the funds at their disposal for programming.

At the end of each calendar year, the amount of the add-on to be made available to a Government is calculated on the basis of 13 per cent of the UNDP resources spent during that year on all government-executed projects in the country. From that amount are to be deducted:

- (1) The support costs paid to co-operating agencies, such as UNIDO, for their participation in the government-executed projects;
- (2) Charges made to UNDP programme support costs for services rendered by an agency to the Government or to UNDP.

Add-on resources are administered as a separate fund available for programming and are not subject to upward or downward adjustments caused by fluctuations.

The add-on fund may also be used to finance certain other requirements such as:

- (1) Strengthening the Government's administrative and technical services so that it can meet the additional needs arising from its execution function;
- (2) Strengthening the UNDP field office to enable it to meet additional administrative demands arising from government-executed projects.

J. Accounting, financial reporting and auditing procedures

The Resident Representative is the focal point within UNDP for financial monitoring of government-executed projects and should ensure that the Government, UNDP and the co-operating agency - UNIDO- meet their financial reporting obligations. The Resident Representative should maintain project financial control records; verify all financial statements received from the Government; and report the findings to the UNDP Division of Finance. The latter will establish a project operating fund account for each government-executed project.

The co-operating agency has to report expenditure for government-executed projects to the Government concerned through the Resident Representative. The co-operating agency's expenditures are included in the Government's project delivery report. At the end of the year, the co-operating agency should send a copy of the cumulative expenditure statement for the whole year to UNDP Headquarters, so that the agency's operating fund may be credited and its entitlement to support costs established.

The Government's annual financial statement should be audited and attested to by the Government's own legally recognized auditors or by external auditors designated in agreement with UNDP.

All Government accounts of expenditure of UNDP funds may be audited by the UNDP internal auditors and/or the United Nations Board of Auditors.

CHAPTER X. INDUSTRIAL AND TECHNOLOGICAL INFORMATION SERVICES

The Industrial and Technological Information Section offers UNIDO field staff a variety of practical information which it would be more difficult, or impossible, to obtain at the project-site. Conversely, the Section relies upon field staff to supply information on the industrial development situation in their country of assignment. This can help UNIDO Headquarters to improve its operations and its action-oriented studies.

A. Library of the Vienna International Centre

The International Atomic Energy Agency operates a Library for all organizations located in the VIC. During their briefing in Vienna, experts are invited to use the Library. They can also register for two services offered to field staff.

(1) Library Acquisitions: a list of the latest publications received in the Library. There is no loan service to the field but the publications can be ordered through established channels.

(2) Current Awareness Bulletins give the tables of contents of recent issues of selected journals available in the Library. Photocopies of articles mentioned in the Bulletins are provided by the Library on request.

B. UNIDO Newsletter

The mailing list of the monthly UNIDO Newsletter is computerized to facilitate retrieval of short lists of readers with particular areas of interest. Newly appointed experts receive a questionnaire to be filled out in order to be included in this mailing list. The questionnaire also enables the expert to refer to specific sectors of interest, in case it proves possible to provide him with UNIDO publications of a specialized nature.

Printouts from the UNIDO computerized mailing list can be sent on request. They may serve as an opening for direct contacts with institutions and individuals in the country of assignment.

Indications of names to be deleted or added will be particularly welcomed by UNIDO's officer in charge of the publication of the Newsletter, who will gladly make available questionnaires to be completed by potential Newsletter readers. All experts and consultants are reminded that they should advise the Newsletter office of their new address when their assignment is completed.

C. Industrial Development Abstracts

The Industrial Development Abstracts (IDA) constitute a specialized guide to UNIDO documentation on industrialization in developing countries, much of which is unpublished. There are more than 17,000 abstracts of major studies and reports, publications in series, and selected articles; reports and proceedings of expert working groups, workshops and seminars; internal studies; and reports related to technical assistance. IDA is available to project personnel in a variety of forms:

1. Printed presentation

The printed publication Industrial Development Abstracts consists of four parts: a subject index, an author index, a document number index and bibliographic abstracts. The keywords used to index the documents are taken from the UNIDO Thesaurus of Industrial Development Terms. UNIDO experts in the field may request printouts on particular topics if the need arises.

2. Computerized presentation

The printed forms of IDA are produced direct from a large mainframe data base. Selections from it, for example by industrial sector, are also available to field staff on diskette for local searching on a microcomputer. In the near future, the complete data base will be available on CD ROM for use with a microcomputer.

The availability of the documents and publications abstracted is also advertized in the UNIDO Newsletter and they can be sent on request. Experts are also welcome to offer unrestricted items to institutions and enterprises in their countries of assignment.

Field staff should note that documents older than one year are not available in hard copy. Most material since 1977 can be provided in microfiche form.

3. Other facilities/data bases available to project personnel

(a) Technology supply data base

INTIB (see under heading D) maintains a Technology Supply Data base on the microcomputer, which contain offers of technology, joint venture opportunities and requests for technology profiles, including licensor's name and address; title of technology, description of technology; main uses of technology; main advantages of technology; status of technology development.

(b) Energy Information System

This system covers UNIDO's technical assistance activities since 1980 with regard to energy. It includes details of the substantive aspect of projects, as well as standard information on project number, funds and their allocation, supporting Section of UNIDO, title, country, counterpart organization and co-operating agency. Project results and UNIDO energy-related publications/papers are to be found in the Industrial Development Abstracts.

(c) Industrial Energy Conservation Abstracts (INECA)

An information network, covering all aspects of energy conservation in the iron and steel, food processing, building materials, chemical and aluminium industries. Cross-sectoral coverage includes energy auditing, energy conservation policy and waste-heat-recovery. Other industrial sectors will be added in the future, together with the expansion of the network to other geographical regions - at the moment the network is situated in the European IPP region.

D. The Industrial Inquiry Service and the Industrial and Technological Information Bank (INTIB)

The Service and the Bank of the title work together. The Inquiry Service, known as "mail order technical assistance", provides answers to questions from developing countries in every sector of industry and at every level of concern. The replies are derived from various sources such as UNIDO documents, the contents of subject files developed within UNIDO, the VIC Library, the expertise of UNIDO substantive staff and certain world-wide information networks. This service provides local industrial planners, managers and engineers with useful new knowledge.

INTIB is designed to help officials in developing countries who have to give advice or take decisions on the selection of particular technologies at the pre-investment stage. INTIB provides them with information, covering 20 industrial sectors, that is comprehensive, reliable and independent. Questions about the choice of technology are answered by the Industrial Inquiry Service, but the answers are based on a more profound analysis and a broader range of information. INTIB also supplies information on alternative technologies through the preparation of industrial profiles. UNIDO tries to link INTIB with its users through industrial information centres, development banks, technological institutes, research and development centres etc. INTIB also forges links between these institutions at the national, regional and international levels. Pamphlets on INTIB, including the Industrial Inquiry Service, are available in English, French and Spanish.

Industrial and technological inquiries should be addressed to INTIB, Industrial and Technological Information Section, UNIDO, P.O. Box 300, A-1400, Vienna. Telephone 21131, Telex 135612, Fax 232156.

INTIB services can be improved by suggestions from its users. The comments of Chief Technical Advisers, senior experts and other project co-ordinators concerning the usefulness of the information provided are very helpful.

E. Guides to Information Sources

UNIDO has compiled a series of these Guides pertaining to some 40 sectors of industry as an instrument for the development of international professional contacts. Chief Technical Advisers and senior experts can be provided on request with copies of the Guides that are relevant to their work; they are, moreover, welcome to ask for additional Guides of interest to professional contacts they have developed in their countries of assignment.

F. Directory of Industrial Information Services and Systems in Developing Countries

The assistance of field staff in supplying additional information for this Directory will be welcome, as will their efforts to promote association between such services in their area and INTIB.

G. Directories of Industrial and Technological Research Institutes

The Directories mentioned below are part of UNIDO's effort to stimulate, promote and co-ordinate research activities in developing countries.

1. Directory of Industrial and Technological Research Institutes in Africa

This directory provides basic information on the areas of industrial technology which are being investigated in the various countries and institutions in Africa.

2. Directory of Industrial and Technological Research Institutes: Metallurgy Sector

This was compiled to comply with the recommendation of the Third General Conference of UNIDO that the Organization should promote a regular exchange of information between the research and development institutes and laboratories of industrialized and developing countries.

3. Directory of Industrial and Technological Research Institutes:
Industrial Conversion of Biomass

This directory is envisaged as a starting point for promoting international co-operation in this field. The data will be used to promote closer contacts and co-operation among institutions engaged in similar research.

4. Directory of Solar Equipment Manufacturers, Volume I.

5. Directory of Solar Research Institutes^{1/} in Developing Countries

6. Directory of Research and Development Institutions^{1/}; Non-Ferrous Metals

This directory was prepared for the First Consultation on the Non-Ferrous Metals Industry

7. Directory of Research and Development Institutions: Sugar and Sugar By-products

This was compiled in connection with the First Consultation on Sugar and Sugar By-products. It is available both in printed and electronic (data base) forms.

8. Directory of Research and Development Institutions:
Fruit and Vegetables

This directory was assembled in connection with the First Consultation on Fruit and Vegetables. It is also available both in printed and electronic (data base) forms.

H. Acronyms and Addresses of Organizations

The institutions listed in this document have been in contact with the UNIDO Technology Programme or are working in fields of interest to the Industrial and Technological Information Bank (INTIB).

^{1/} Institute: A single building, or group of buildings, devoted to the promotion of a cause (a research institute, an institute for the blind). Institutes tend to have a governing body. Institution: An established organization or corporation (as a college or university) especially of a public character, often supported by voluntary contributions. They usually have governing bodies too.

CHAPTER XI. INDUSTRIAL PROMOTION

A. System of Consultations

1. The Nature of the System

The UNIDO System of Consultations is an action-oriented forum designed to accelerate the industrialization of developing countries by encouraging the involvement of Governments and industry. It seeks measures to deal with industrialization problems in a given sector from the policy, economic, financial, social and technical standpoints. Major sectors covered by the Consultations have been agricultural machinery, building materials, capital goods, fertilizers, food-processing, iron and steel, leather and leather products, petrochemicals, pharmaceuticals, and wood and wood products. Also dealt with are the related topics of the training of industrial manpower and industrial financing.

The objectives of the System are:

- To assess world-wide changes in industrial sectors;
- To identify industrial sectors and projects in which investment can be promoted;
- To consider alternative technologies;
- To recommend desirable policy changes at national and enterprise levels;
- To promote direct negotiations among interested parties during, after and between Consultations;
- To foster a better understanding of present and future industrial trends in terms of production, raw materials, finance, training and energy requirements;
- To create a context in which UNIDO's technical assistance can subsequently be provided.

In practical terms, Consultations are five-day meetings normally attended by 120-200 participants from 50-70 countries and organizations. Thirty developing countries, on an average, take part. They discuss specific sectoral problems identified through a preparatory process which is described under heading 3 of this section. The participants in Consultations come from both the developing countries and the industrialized countries; from each group there are representatives of Governments, industrialists from both the private and public sectors, technical experts, investors, members of trade and labour unions, representatives of consumer groups and, additionally, a variety of organizations: international, regional, governmental and non-governmental.

2. Creation and Development of the System

It was the Second General Conference of UNIDO (Lima, Peru, March 1975) which, in the Lima Declaration and Plan of Action, requested UNIDO to set up a System of continuing Consultations at global, regional and sectoral levels. Late in 1975, the General Assembly confirmed the Lima proposal and recommended that UNIDO "serve as a forum for negotiation of agreements in the field of industry".

The System was established in 1976 and has been monitored every year by the Industrial Development Board (IDB) (UNIDO's principal policy-making organ). The first Consultation was held in Vienna, early in 1977, on the iron and steel industry. The experimental phase of the System's operation was used by the Board to define its nature and scope through successive decisions, so that by 1980 the Board decided to establish the System of Consultations on a permanent basis.

The next step was to prepare the rules of procedure under which the System would operate. These rules were adopted by the IDB in May 1982. The grey booklet (PI/84) containing the rules is actually in two parts: Part I: Principles, Objectives and Characteristics; and Part II: Rules of Procedure. The booklet is entitled, simply, The System of Consultations.

An important principle incorporated in these texts is the central role of the IDB. It was stated that: "The topics and sectors in respect of which Consultations are to be held....shall be determined by the Board. The Board shall decide every two years on the programme of Consultations, including preparatory meetings, taking into account, inter alia, the financial implications, for the following biennium corresponding to a financial period." Also: "The report of the Consultation Meeting, and the conclusions and recommendations contained therein, shall be submitted to the Board for decision and guidance on appropriate follow-up action".

3. Preparation of Consultations

The preparatory activities undertaken by UNIDO started from recognition of the fact that there is an imbalance in the amounts of information and experience available to, respectively, the industrialized and the developing countries. In other words, the System of Consultations has served as a means of reducing inequalities by filling an information gap. This has enabled parties from all countries to discuss the future of a particular industrial sector on much the same footing and, in this way, to build a framework for increased industrial co-operation.

Part I of the Rules governing the System lays down that each consultation should be prepared, and the issues to be considered should be identified, on the basis of:

- (a) Studies by the secretariat of UNIDO, possibly in association with other bodies;
- (b) Discussion of these studies among experts;
- (c) Informal contacts with bodies and institutions which could effectively contribute to the preparation of the Consultation.

In principle, the process of preparation comprises the following stages:

-A Global Study of the industrial sector, covering: world demand and supply; potential for increasing developing countries' share of world output by the year 2000; main factors of production and their costs; economic and technological developments; potential problems; possibilities for international co-operation, including joint ventures in both public and private sectors;

-A Global Preparatory Meeting in which representatives of industry, Government, labour and others review the sector to provide a comprehensive overview of its dynamics and its main protagonists;

-Expert Group Meetings in which experts recommend the precise problems to be considered by the Consultation so that its outcome is action-oriented rather than generalized;

-An Advisory Panel to advise on the best way to implement recommendations and prepare the Consultation.

Two current examples are given below:

14-17 Nov.1988	Expert Group Meeting on small- and medium-scale enterprises including co-operatives	<u>Manila</u> Philippines
14-16 March 1989	Global Preparatory Meeting on small- and medium-scale enterprises including co-operatives	<u>Tallinn</u> USSR
9-13 Oct.1989	<u>Consultation on small- and medium-scale enterprises including co-operatives</u>	<u>Bari</u> Italy

Another example:

28 Nov - 2 Dec.1988	Global Preparatory Meeting for the first Consultation on the Electronics Industry	<u>Grenoble</u> France
23-27 Oct.1989	<u>Consultation on the Electronics Industry</u>	<u>Valetta</u> Malta

4. The Holding of Consultations

In the first eleven years of operation (1977-1988) 35 Consultations have been held. At the present time the IDB is authorizing six Consultations per biennium (i.e. corresponding to UNIDO's two-year budget cycle).

The provisional agenda and the documents for each Consultation are distributed to member States, respectively three months and two months before the opening date.

Initial plenary sessions of Consultations are followed by meetings in working groups to discuss specific sectoral problems. Participants often meet before and after working group sessions in formal as well as informal gatherings.

A Consultation is expected to produce 'assessed information' - i.e. information that has been debated, evaluated and agreed to by experts of different persuasions and representing varying interests. Such information acquires a special value, beyond what could be provided by a written study. It is of particular value to the developing countries.

Despite the diversity of views which often prevails during the Consultation meetings, each Consultation has - surprisingly - resulted in the adoption of agreed conclusions and recommendations. This outcome stems from a combination of factors: the admission of the existence of real problems; the recognition that they are harmful to all interests; and the readiness to find mutually advantageous solutions.

Each Consultation Meeting has to produce a report, which includes conclusions and recommendations agreed upon by consensus, and also other significant views expressed during the discussions. The Meeting is subsequently the subject of internal evaluation by UNIDO, and of review and comment by the Industrial Development Board.

5. Follow-up to Consultations

The conclusions and recommendations of Consultations should mainly result in practical action. For example:

"As part of the follow-up to the Second (1987) Consultation on the Training of Industrial Manpower a number of technical co-operation projects identified at the Consultation were developed through a UNIDO in-house co-ordinating committee. Co-operation continued with the International Labour Organization on the preparation of manuals on maintenance. A questionnaire was circulated to assess the impact of the Consultation. Case-studies were completed on in-service training in four African countries, which had been undertaken jointly with the Development Centre of the Organization for Economic Co-operation and Development (OECD)."^{1/}

Another example:

"As part of the follow-up to the Third (1987) Consultation on the Pharmaceutical Industry, inputs were provided to the Latin American regional meeting on the pharmaceutical industry organized by the Latin American Economic System (SELA) and the Latin American Association of Pharmaceutical Industries. Work continued on the preparations for two workshops: one on improving local production of pharmaceutical ancillary industries in the Arab region and the other on African-Asian co-operation in the pharmaceutical industry. A survey was initiated of research institutes specializing in the genetic improvement and the propagation of medicinal plants. A workshop on the industrial utilization of medicinal plants and on the development of a design for a multi-purpose pilot plant was planned."^{1/}

^{1/} Extracts from the Annual Report of UNIDO 1988 (IDB.5/10), Chapter III.

B. Development and Transfer of Technology

1. General Considerations

Nowhere are the disparities between the industrialized and the developing countries more marked than in the area of technological competence. The lack of indigenous competence leads to imports of technology, loss of control, and an enclave economy, which in turn leads to further imports, thereby perpetuating technology-dependence.

Indigenous science and technological competence on the one hand, and industrialization on the other, have a cause-and-effect relationship. Without an indigenous technology base, industrialization could take the wrong path; without industrialization, the demand for technology would be less. Experience shows that technology policy must be linked with industrial policy, which in turn has to be integrated with general national policies and goals.

2. The Programme Approach

To build up their industrial and technological capabilities, developing countries need to be strong in the basic components of the technology system - those elements of infrastructure that will permit the development, or allow the adaptation and effective use, of a given technology for a product or process, namely:

- Standardization, quality control and metrology
- Research and development (R and D) and its scale-up and industrial use
- Entrepreneurship and general industrial management
- Industrial and technological information

These components are doubly important because they are not only basic to the technological system, they are also the interface between industrial and technological development. They are crucial for managing technological change and are particularly relevant in promoting the growth of the small- and medium-scale industries which developing countries need as the nucleus of their industrialization process.

Beside this basic technological capacity, developing countries take a special interest in three substantive areas:

- Controlling and maximizing the benefit from the technology being transferred (technology acquisition and enterprise-to-enterprise co-operation);
- Understanding the impact and taking advantage of the opportunities offered by advanced technologies;
- Recognizing new directions or criteria in selecting conventional technology.

These elements, supported by an extensive industrial and technological information service, are the components of the UNIDO programme approach to the development and transfer of technology.

3. Strengthening Technological Capabilities

To help build up developing countries' capacity to understand and exploit industrial technology - and to prevent technology exploiting or distorting their development - UNIDO's programme on strengthening technological capabilities has three modules: development of basic technological infrastructure, promotion of policy formulation and technology monitoring.

(a) Basic technological infrastructure

Standardization, quality control and metrology are fundamental to most manufacturing processes, as well as to the development of all sectors in a controlled and logical way. They are critical inputs to raising the productivity of enterprises, improving the quality and marketability of goods, products and services, boosting exports and fulfilling customer requirements. Development of this type of infrastructure therefore leads to greater co-operation between manufacturers and paves the way for sub-regional and regional co-operation.

Research and development capacity already exists in most developing countries, both as government-funded R and D laboratories and in the science and technology departments of universities. To mobilize these facilities truly in the service of industry, UNIDO advises governments and other organizations to review how such institutions and departments work, focusing particularly on their relations with industrial enterprises.

While not undertaking R and D itself, UNIDO does stimulate international co-operation on R and D in areas of high potential and common interest for developing countries. Two examples, the International Centre for Genetic Engineering and Biotechnology and the Consultative Group on Solar Energy Research and Applications, are described later.

Engineering and management consultancy services are an effective means for developing countries to mobilize their indigenous labour, skills and experience for the benefit of work on industrial projects - leading eventually to the replacement of expatriates by national experts. UNIDO can assist by building up such consultancies progressively. Typically, a consultancy would start with preliminary studies and feasibility studies, move on to engineering design, tender issuing and appraisal, contract supervision and administration, finally taking care of project management in general.

Information and documentation services on technology (products, processes and equipment, and related suppliers) are the life-blood of a healthy industry. Centres are required at national and sectoral levels in order to provide industry with the flow of information it needs. UNIDO maintains in Vienna an Industrial and Technological Information Bank (INTIB) which helps to establish or strengthen such centres with equipment, the training of information specialists and assistance in promoting the use of industrial information.

In each of the four infrastructure areas UNIDO organizes training seminars, workshops, expert meetings and conferences.

(b) Promoting the formulation of technology policy

Most countries - certainly most developing countries - need policy measures to maximize the benefits of modern technologies, and reduce their adverse consequences. Here, since policies must reflect the level of development, UNIDO takes a dual approach. Countries already having a basic capacity to carry out policy formulation require mainly specific help in certain sectors. Others need at least a basic plan of action.

To help build such plans of action, UNIDO works with governments to review the status of their countries' technology activities and to formulate technology policies and programmes. These policies encourage orderly responses

and provide strategies to manage technological change. Workshops are organized to promote policy formulation and create awareness in both industry and government of the need for technology policies.

With more advanced countries, UNIDO assists in sectoral policy formulation, sensitizing governments, industry and R and D institutions to the need for policy formulation, particularly in microelectronics and biotechnology.

(c) Technology monitoring

Technology monitoring is an essential element of technology management. Whether it is carried out by governments and their agencies or by users such as enterprises, monitoring is a means to keep under review the impact of technology on society as a whole and industry in particular.

The role of UNIDO is to alert industry and governments to the need for technology monitoring and its requirements; to assist in establishing or strengthening monitoring mechanisms; and to support these mechanisms with a flow of information selected for policy makers and decision makers.

Technology monitoring can be general, it can focus on particular social or economic criteria - such as the impact on employment or export performance - and/or it can be directed to a particular sector or technology.

Some kind of two-tier monitoring mechanism is often appropriate. A government- or ministry-appointed group of high level advisers commissions and assesses impact reports and presents policy recommendations, together with the policy options, to the government. An executive group of institutions, universities, consultants and individuals does the actual monitoring and reporting.

Developing countries can request UNIDO co-operation for both tiers. The possibilities are as follows:

- Workshops, advisory services and surveys as a preliminary to setting up national or regional monitoring mechanisms as an aid to policy formulation;

- Surveys to identify organizations and individual experts to undertake monitoring functions in various sectors;
- Expertise, hardware and software in connection with information collection and dissemination;
- Assistance to ministries and the high-level group in distributing assignments, assessing monitoring reports and preparing policy recommendations.

In the course of its regular work, UNIDO provides substantive support for data gatherers in the form of three quarterly current awareness bulletins (Microelectronics Monitor, Genetic Engineering and Biotechnology Monitor and Advances in Materials Technology Monitor). It also prepares an Annual Global Technology Survey and issues sectoral technology briefs and special reports.

4. Transfer of Technology

Most developing countries rely heavily on imported technology. Unlike commodity transfers, where market prices are broadly known, technology transfer prices and other conditions must be negotiated. Especially with respect to large international companies - the major sources of technology - developing country enterprises are often in a weak negotiating position.

The programme on transfer of technology therefore has two modules: acquisition of technology centres on strengthening developing countries' capabilities to acquire technology on fair terms; and technological co-operation at enterprise level emphasizes co-operation, particularly between small- and medium-sized enterprises.

(a) Acquisition of technology

UNIDO work on acquisition of technology has two principal aims: to set up or strengthen mechanisms that will facilitate technology flows from developed to developing countries and between developing countries themselves; and to strengthen the capabilities of developing countries to acquire technology and negotiate equitable terms and conditions appropriate to the local environment.

UNIDO helps developing countries to acquire technology through:

- Assistance in setting up a legal and institutional infrastructure to promote, evaluate and negotiate the transfer of technology;
- Strengthening the national transfer of technology offices (registries) especially by means of the TIES system; ^{1/}
- Training activities and training materials to improve the negotiating skills of government officials and public and private entrepreneurs;
- Technological Advisory Services (TAS) to help government institutions and companies in developing countries in their negotiations with foreign companies and partners;
- Participation in the UNIDO Investors' Forums and Investment Promotion meetings.

UNIDO disseminates studies and reports which assess the latest trends in the transfer of technology, identify technology sources, review technology flows and examine specific sectors in technology acquisition and negotiation.

Other studies more oriented to the business community include: legislation on transfer of technology and foreign investment, studies on the jurisprudence and practices of developing countries in evaluating transfer of technology agreements, and guidelines on specific topics such as joint ventures, sector surveys and emerging licensing practices in new fields such as biotechnology and software.

^{1/} The UNIDO Technological Information Exchange System (TIES) is a network of developing countries' national institutions (registries) responsible for the transfer of technology. This enables them to co-operate with one another to make their work more effective. Representatives of TIES registries are brought together annually by UNIDO. Between such meetings they maintain working-level and personal contact. TIES also helps developing member countries to strengthen their capabilities to negotiate with foreign suppliers of technology and to use imported technology.

(b) Technological co-operation at the enterprise level

Technology transfer at the plant level is promoted particularly between small- and medium-scale enterprises. The partners can be from developed and developing countries or both from developing countries. Either way, when the scale of the partners matches, the technology is more likely to work for the benefit of the recipient country. Promotion is required because small and medium-sized firms often do not consider developing countries as a market for any technology they have, and are themselves not experienced internationally.

UNIDO assists by selecting sectors for possible co-operation, identifying technology requirements and potential partners and promoting co-operative arrangements. It helps in concluding agreements, and in providing support services and delivery systems.

5. Advanced Technologies

Advanced technologies, a major driving force of global change, have a two-fold impact on the industrial development of developing countries. Their direct effect is on industry itself, changing the way goods are manufactured. Their indirect effect is on world markets and the ability of developing countries to compete in them. UNIDO promotes transfer of advanced technologies to developing countries because they offer unique opportunities to solve some of their special problems - for example, by applying high science to upgrade local resources. For some countries they are a chance to leap-frog their development, closing gaps between them and the industrialized countries.

UNIDO keeps all advanced technologies under review, but directs special attention to five of them. Three - (a) genetic engineering and biotechnology; (b) microelectronics and information technology; and (c) new materials - can be considered advanced tools for other technologies and industrial sectors. Two are technologies applied in particular sectors - marine industrial technology and manufacturing technology.

UNIDO's primary aims are to draw developing countries' attention to what is happening in advanced technologies and to promote responses by governments and industry.

The Organization mobilizes the co-operation of individuals and institutions at the cutting edge of a particular technology. It promotes national action by developing countries in terms of policies and programmes. Technical assistance is provided when requested.

It brings an awareness to policy makers, scientists and technologists and stimulates them to formulate policies and programmes through seminars and advisory missions. UNIDO also promotes co-operation in research and development between institutions in developed and developing countries.

(a) Genetic engineering and biotechnology provide a tool with immediate developing country applications - ranging from health care (new biological and drug reagents, diagnostic, prophylactic and therapeutic materials), through agriculture (disease- and climate-resisting and high-yield plants, pest control), mining (microbial leaching) and chemical processing (fermentation). UNIDO was instrumental in promoting the International Centre for Genetic Engineering and Biotechnology, which has two components - in Trieste, Italy, and in New Delhi, India. More than 40 countries are members of the Centre. The focus of the New Delhi component is on agriculture and human and animal health; the Trieste component emphasizes industrial microbiology, biomass conversion energy and pilot plant activities.

(b) Microelectronics and information technology pervade many sectors and are revolutionizing an increasing number of services. Apart from normal applications, their use in developing countries' rural areas offers particular opportunities for development. They are also important to maintain competitiveness in export markets with lower production costs and higher quality.

The UNIDO programme on microelectronics centres on the utilization of both hardware and software, provides guidelines for their purchase, strengthens developing countries' capabilities through microprocessor application centres or core groups, and helps to set up software houses and activities for the design of integrated circuits. Three studies on software bring out its relevance to developing countries, the approach to software development, and guidelines for software production.

(c) New materials have a double impact: they open up opportunities for new designs and new manufactured products, while being a potential threat to developing countries in making traditional materials and products obsolete. However, the science of materials can change the balance if high science is applied to upgrade or develop new uses for developing countries' abundant, low-cost agricultural raw materials such as coconut fibre, and minerals such as mica. The real new materials are things like high-temperature ceramics, fibre optics and plastic composites.

UNIDO is promoting an international centre for materials assessment and applications, which could analyse and promote the rational use of materials. It is also developing a specialized data base for particular new materials and technologies that are not easily accessed elsewhere, and building up a network of R and D institutions to co-operate in the exchange of research, training and information.

(d) Marine industrial technology involves elements of all the advanced technologies described above. Together with large investments in capital goods and equipment, it is the key to exploring, exploiting and processing the marine resources in the oceans that cover 70 per cent of the earth's surface. It is a new dynamic area for most developing countries, and their interest has been awakened by provisions for them in the Convention on the Law of the Sea.

Studies in this field include developments in marine industrial technology and their potential for developing countries for investigating and exploiting sea-bed resources, and ways to "unpackage" ocean mining technology for the benefit of the developing countries.

(e) Manufacturing technology

UNIDO's work in this sector responds to the need for developing countries to incorporate advances in other technologies in their manufacturing processes if they are to remain competitive internationally. Developments such as flexible manufacturing systems, industrial automation and robotics not only undermine developing countries' comparative advantage of low labour costs, they also raise quality standards. Developing country manufacturers must be equipped to stay abreast of developments and the implications of these new systems.

The initial aim is to help developing countries to monitor developments and to select which of the many new and evolving subsystems are suited to their needs. Techniques and systems, in addition to those mentioned above, such as computer-aided drafting and design, advanced materials-handling systems, automated warehousing and testing systems, order processing, materials and capacity planning, etc. etc., can then be optimally combined to create custom-designed total systems for individual countries;

6. Conventional Technologies

Established technologies are also changing -- influenced by the newer technologies on the one hand and by the trends in their own evolution on the other. UNIDO's programme on conventional technologies relates to technologies for the rural poor and for small-scale industries, energy, appropriate technologies (including those generated by UNIDO) and the selection and management of hazardous technologies.

(a) Modern technology for the problems of the rural poor responds to the needs of rural poor communities outside developing countries' modern sectors. Such communities typically benefit little from industrialization efforts. Within limited resources, UNIDO concentrates mainly on food and fuel problems, for example, improving the industrial manufacture and commercialization of wood-burning stoves, cultivating and processing marine algae on an industrial scale, and processing protein-enriching foodstuffs such as gari and fermented cassava, West Africa's staple foods.

(b) Energy Technologies focus on energy sources that are abundant in developing countries - mini-hydropower, solar and biomass energy, and wind energy - but which until now have been, at best, only partly exploited. The aim is to assist developing countries to develop and utilize such indigenous energy resources, thereby reducing their dependence on high-cost imported fuels. UNIDO disseminates information on energy technologies, especially those relevant for decentralized, small- and medium-scale industry. It promotes the local manufacture of equipment for them and develops information on energy conservation techniques that reduce industrial energy costs. UNIDO also promotes regional and interregional co-operation in the field of energy technologies.

In solar energy, UNIDO maintains directories of solar research institutes in developing countries and of equipment manufacturers. It is forming a Consultative Group on Solar Energy Research and Application (COSERA) to serve as a high-level forum for donor and recipient organizations. Through COSERA, priority needs in research and applications will be identified, along with the sources of funds for specific activities.

In biomass energy, efforts are concentrated on gasification of agricultural waste and the production of alcohol from agricultural raw materials.

(c) Technologies for small-scale industries

UNIDO promotes new industries and modernizes existing ones through the development and transfer of technologies that are both suitable in scale and call on only a limited range of resources. Most small-scale entrepreneurs do not know that relevant, viable technologies are available. In addition, they are hampered in upgrading themselves by being too small to undertake R and D. UNIDO helps by developing technology and information profiles, on the one hand, and working directly with technical assistance delivery agents, such as extension services, on the other.

Initial work is confined to food processing and storage, fisheries and agricultural machinery.

(d) The appropriate technologies programme takes a practical approach by working up selected technologies as feasibility studies and investment promotion proposals. In addition, UNIDO systematically promotes appropriate technologies that have been developed in its own technical co-operation projects - for example, a system for designing wooden bridges for rural roads using short lengths of timber, and for fabricating them in small wood yards. Such technologies are demonstrated in one or more developing countries, supported by study tours and exchange of experience, and promoted commercially - where necessary with patents and licences.

(e) The selection and management of hazardous technologies

UNIDO's joint work with the United Nations Environment Programme (UNEP), the World Health Organization (WHO) and the Economic Commission for Europe (ECE) is directed towards alerting governments and industry to the need for managing hazardous materials and waste, the requirements of industrial safety and emergency planning, the development of methodologies and controls, the available treatment technologies, and the legal and regulatory aspects. UNIDO suggests ways of minimizing environmental damage and risks, and of developing and transferring technologies that ensure environment-conscious industrial development and the safe release of genetically altered organisms. When requested, UNIDO directly assists in negotiations and in framing contractual provisions for the transfer of hazardous technologies. UNIDO also promotes the development and transfer of low-waste and recycling technologies.

7. Industrial and Technological Information

The UNIDO industrial and technological information bank (INTIB) is a window on technology for developing countries. Set up in 1977 after the UNIDO General Conference in Lima, and later endorsed in a General Assembly resolution, INTIB generates a flow of specific information needed by developing countries to select the right technology for their industrial development.

INTIB has grown into a comprehensive service offering a combination of on- and off-line information, technical assistance, access to data bases and several series of related publications. Its overall task is to compile and disseminate information requested by developing countries and to help strengthen their own industrial and technological information systems. INTIB will search in any field of industry technology but concentrates on technologies and equipment for 20 selected industrial sectors. INTIB also co-operates with other United Nations organizations to develop specialized information systems and data bases.

The INTIB Industrial Enquiry Service (IIS), known as UNIDO mail-order technical assistance, links a developing country's industry with both the wealth of information maintained by UNIDO as a whole and the large number of data banks and information sources around the world to which UNIDO has access. The objective of INTIB is to ensure a fast, easily accessible flow of information to people who require it when selecting technology. In contrast to most other, bibliography-dominated information services, IIS provides concrete, practical information to industrial enterprises in response to specific queries and needs.

For additional and general information on the work of UNIDO's Industrial and Technological Information Section, please refer to Chapter X.

C. Feasibility Studies

1. The Investment Project Development Cycle

The project development cycle comprises the pre-investment, the investment and the operational phases. Each of these major phases is divisible into stages, some of which constitute important industrial activities.

The pre-investment phase comprises several stages: identification of investment opportunities (opportunity studies); preliminary selection and definition (pre-feasibility studies); project formulation (feasibility studies); and the final evaluation and investment decision. Support or functional studies are a part of the project formulation stage. These are usually done separately, because the agency carrying out the feasibility study may not have the qualified manpower or expertise to conduct studies in the areas concerned. These stages assist a potential investor in the decision-making process and provide the base for project decision and implementation.

Assuming that a projected industrial activity involves the construction of a factory - large or small - and the installation of machinery and equipment, the project investment phase could be divided into the following broad stages: (a) project and engineering designs; (b) negotiations and contracting; (c) construction; (d) training; and (e) plant commissioning.

The preparation of project and engineering designs includes time-scheduling, site prospecting and probing, preparation of blueprints and plant designs, detailed plant engineering and a final selection of technology and equipment.

Negotiations and contracting define the legal obligations in respect to project financing, acquisition of technology, construction of buildings and services, and supply of machinery and equipment for the operational phase. It covers the signing of contracts between the investor, on the one hand, and the financial institutions, consultants, architects and contractors, equipment suppliers, patent holders and licensors, and collaborators and suppliers of input materials and utilities on the other.

The construction stage involves site preparation, construction of buildings and other civil works together with the erection and installation of equipment in accordance with proper programming and scheduling.

The training stage, which should proceed simultaneously with the construction stage, may prove very relevant to the rapid growth of productivity and efficiency in plant operations.

The plant commissioning or start-up (delivery stage) is normally a brief but technically critical span in project development. It links the preceding phase and the following operational phase. The success achieved at this point demonstrates the effectiveness of the planning and execution of the project and is a portent of the future performance of the programme.

The problems of the operational phase need to be considered from both a short- and a long-term view point. The short-term view relates to the initial period after commencement of production when a number of problems may arise concerning such matters as the application of production techniques, operation of equipment or inadequate labour productivity as well as the lack of qualified staff and labour.

The long-term view relates to production costs, on the one hand, and income from sales, on the other, and these have a direct relationship with the projections made at the pre-investment phase. If such projections prove faulty, the techno-economic feasibility of an industrial activity will inevitably be jeopardized, and if such shortcomings are identified only at the operational phase, remedial measures will not only be difficult but may prove highly expensive.

The wide range of issues that needs to be covered during the investment and operational stages of an industrial project highlights the complexities of the pre-investment phase which constitutes the base for the subsequent phases. The adequacy of pre-investment study and analysis largely determines the ultimate success or failure of an industrial activity provided there are no serious deficiencies at the implementation and the operational phases.

2. Feasibility Studies: the Tools

(a) The table of contents

The standard table of contents for an industrial feasibility study, which reveals the structure and sequence of the study, is as follows:

- (i) Executive summary
- (ii) Project background and history
- (iii) Market and plant capacity
 - Demand and market study
 - Sales and marketing
 - Production programme
 - Plant capacity
- (iv) Material inputs
 - Materials and inputs
 - Supply programme
- (v) Location and site
 - Location
 - Plant site and local conditions
 - Environmental impact
- (vi) Project engineering
 - Layout and physical coverage of project
 - Technology and equipment
 - Civil engineering
- (vii) Plant organization and overhead costs
 - Plant organization
 - Overhead costs
- (viii) Manpower
 - Labour
 - Staff
- (ix) Implementation scheduling
- (x) Financial and economic evaluation
 - Total investment outlay
 - Project financing
 - Production cost
 - Commercial profitability
 - Socio-economic evaluation

(b) The manual

The standardized UNIDO methodology for the preparation, evaluation and financing of investment projects is presented in the Manual for the Preparation of Industrial Feasibility Studies (sales no.ID/206). This manual has world-wide application and quickly became a best seller. Even by the end of 1987, 120,000 copies had been printed in 16 languages. Co-operative activities involving the UNIDO methodology have been carried out with government ministries, development agencies, industrial banks and private and public enterprises; a number of developing countries and both national and regional development banks have introduced the UNIDO methodology into their industrial project preparation process.

A second, revised edition of the Manual is under preparation; work is also proceeding on a similar manual, financed by a special contribution from the Government of Austria, for small industrial investment projects.

(c) COMFAR

This acronym stands for the Computer Model for Feasibility Analysis and Reporting. It is a software package designed to support financial and economic analysis, including graphics, which can be used on the personal computers of project analysts and investment decision-makers. Depending on the data fed in, COMFAR can show:

- initial and current investment costs
- sales and production programmes
- production costs
- cash-flow tables for financial planning
- net income statements
- projected balance sheets
- schedules for economic analysis
- graphic charts

In this way, COMFAR can prepare all statements needed for national cost-benefit analysis; expedite optimum investment solutions; and, equally, facilitate contract negotiations or joint venture negotiations. It can help to control the costs of investment and minimize those of construction.

The costs to UNIDO of designing, programming, maintaining and updating COMFAR have been minimal, as they have been largely covered by licence fees. By the end of 1988, the number of COMFAR licensees had reached 300, and the system was operational in over 100 countries. As further evidence of its success, COMFAR was chosen by the USSR to be the basic software programme used in its joint venture negotiations. The programme has also generated a number of large-scale institution-building projects in Ghana, Indonesia, Seychelles, Togo and Zambia.

The COMFAR user's guide, distributed with the software, is already in a second edition, available in English, French, Spanish and - very soon - Arabic. Up-to-date versions of the COMFAR software are available in Arabic, Chinese and Russian (in addition to English, French and Spanish).

3. Feasibility Studies: Technical Co-operation

(a) Implementation

To give some idea of the scale of activity, 80 opportunity, pre-feasibility and feasibility studies were implemented in 1988, leading to new investment projects and the rehabilitation or expansion of existing enterprises. Altogether, at the end of the year, 106 projects were implemented or under implementation. Technical co-operation expenditures amounted to \$4.9 million, 68 per cent of which was financed from UNDP resources.

Ten opportunity studies, funded by an Italian contribution to the UNIDO Project Preparation Facility, were prepared for a UNIDO Investors' Forum for the Philippines held in Manila. Five feasibility studies on the construction of boat-yards financed by the Government of the Netherlands, were completed for Indonesian private investors. To promote power generation from locally available renewable resources, two pre-feasibility studies were carried out for the establishment of mini-hydro power plants in Guinea and Guinea-Bissau. A feasibility study for a plastic appliances extrusion demonstrator plant was successfully completed for Burma, and financing of the total investment costs of \$3.7 million was secured from Japanese sources.

(b) Industrial rehabilitation

A certain number of industrial enterprises in developing countries operate well below installed capacity. The Feasibility Studies Branch of UNIDO accordingly developed a multi-disciplinary approach for preliminary assessment that covers elements such as financial analysis, marketing, product design, management and labour skills, engineering and technology, equipment, maintenance and quality control, and the socio-economic and environmental impact of the enterprises under review. This preliminary assessment provides a basis for more thorough-going assistance.

An example of this phased approach is given by the case of a brewery at Cotonou, Benin, where, after a boiler explosion disrupted production, the Government called on UNIDO to prepare a study for reconstruction of the damaged plant. The results of the first study made it possible to restart production on a reduced scale. The Government thereupon requested UNIDO to continue the study with a view not only to reach the pre-explosion production level, but to expand the production capacity. The work done by UNIDO included the preparation of the bidding documents for the machinery to be replaced and for the civil engineering construction.

(c) Training activities

The training in question relates to the UNIDO methodology for the preparation, evaluation and financing of investment projects, as well as the application of the Computer Model for Feasibility Analysis and Reporting (COMFAR). The actual training activities can best be described through examples.

In 1987 seminars were held at the Advanced Institute of Planning and Management, Algiers, as well as in Madagascar, Nepal, Rwanda and the Sudan (the latter for the Arab region). In Poland the Sixth Annual Training Course was held in co-operation with the Central School of Planning and Statistics. Training workshops on financial analysis and the use of COMFAR were held in Bangladesh, Benin, Iraq (for the Arab region), Mongolia, Pakistan, and in Saint Lucia (for the Caribbean region). A seminar was also held in the Federal Republic of Germany for participants from member countries of the Development Bank for Central African States.

In 1988, 30 national, regional and international seminars were held, at which more than 800 professionals from development banks, consulting firms and government ministries were trained. Sixteen seminars with 380 participants were carried out as individual projects in 15 countries, and 14 seminars with 430 participants - financed within the framework of UNIDO-executed field projects - were carried out in six countries.

(d) Other activities

With the aim of strengthening national capacities and activities required for pre-investment work, UNIDO gives support to institution-building projects. Technical co-operation, through the services of experts and consulting firms, and through the organization of fellowships and study tours, is provided to 25 institutions in 19 countries, mainly in Africa and Asia.

UNIDO also runs a programme of inter-university co-operation on project preparation and evaluation, which currently includes nine universities and specialized institutes at Algiers, Belgrade, Bradford, Delft, Eindhoven, Hamburg, Helsinki, Warsaw and Zagreb. Further arrangements are under negotiation with universities in France, the USA and the USSR.

D. Industrial Investment Programme

1. Functions and Objectives

The function of the Programme is to help developing countries - within the framework of their own policies and priorities - to expand their industrial production, in both the public and private sectors, by all forms of commercially oriented joint ventures between project sponsors in those countries and suitable foreign partners. The aim is to mobilize financial, technical, managerial and other resources required for the implementation of industrial investment projects.

UNIDO's principal objective, therefore, is to bring about international business-like co-operation in order to establish new production facilities or rehabilitate, or expand, existing ones. The essential elements of the programme are the identification, formulation and promotion of investment projects for which local sponsors are seeking inputs from a foreign partner.

2. Mechanisms

(a) Industrial plant profiles

As an aid to project identification and formulation in developing countries, the Industrial Investment Division has developed a series of plant profiles entitled "How to start manufacturing industries", each of which lists the prerequisites for a particular process, i.e. raw materials, machinery and equipment, labour, initial investment and some elements of production cost. The profiles are intended for the use of development finance institutions, importers who wish to exploit opportunities for import substitution by manufacturing the goods in which they trade, and any other individuals who perceive a manufacturing opportunity and wish to learn more about the technology and processes involved.

By the end of 1988, four volumes had been published, containing profiles of 457 industrial processes.

(b) PROPSPIN

To assist it in project formulation and screening, UNIDO uses a special application software package for internal testing purposes entitled PROPSPIN (Project Pre-appraisal and Screening Information System). The analyst enters basic data on initial investment cost, financial structure, sales and expenses, upon which the system will produce profit and loss statements, cash flow tables and balance sheets for the life of the project, together with a preliminary evaluation of its viability.

3. Promotion of Investment Projects

(a) UNIDO Investment Promotion Services (IPS)

There are nine such services,^{1/} whose principal function is to identify foreign partners for sponsors of investment projects in developing countries. The staff of the IPS Offices are in close touch with business communities and development agencies in their host countries, and have established data banks with details of companies interested in industrial partnerships in developing countries and on the type of opportunities they are seeking. Such companies receive information on investment projects in the countries and subsectors they have specified, and also general information on business conditions there, e.g. the procedures for registering an investment project and details of tax and other incentives.

(b) The Delegates Programme implemented by the IPS enables officials from investment promotion agencies, ministries of industry and other institutions in developing countries to participate in the day-to-day work of the IPS Offices and to develop direct contacts with host country industrialists and with development and financing institutions. The delegates are a valuable source of current information on investment conditions in their home countries

^{1/} The IPS are funded by special contributions of the host country Governments. Such Services operate in Cologne, Milan, Paris, Seoul, Tokyo, Vienna, Warsaw, Washington, D.C. and Zurich.

and on the incentives offered to foreign investors, a feature of the Programme that is appreciated by prospective foreign partners. During the period of their secondment, which may last from a few months to three years, many delegates receive from their home countries details of priority investment projects and may use the resources of the IPS to seek a suitable foreign partner.

(c) INPRIS

Another acronym: the Investment Promotion Resources Information System, a data base maintained at UNIDO Headquarters. In addition to details of active investment projects, the INPRIS system contains information on firms in countries which do not have an IPS that have registered their interest in investment projects in developing countries. These firms receive details of all new projects identified in the subsectors and regions that interest them and are kept informed of UNIDO's project identification and promotion programmes in countries which do have IPS Offices, including forthcoming investors' forums and other promotional measures.

INPRIS consists altogether of five computerized data files: the project-file holds summarized information on some 2,700 industrial investment project proposals in developing countries; the investor file is a directory of about 3,200 public and private enterprises. The bank file contains information on about 600 development finance institutions. The institution file has sources that include ministries of industry, investment promotion agencies, etc. The sponsor file is a data bank of firms in developing countries that could be interested in the redeployment possibilities. Sets of country data (country investment profiles) are also stored electronically.

4. Arranging Direct Contacts

(a) Investment project promotion forums (also known as investors' forums) are organized in the developing countries to enable local project sponsors and potential foreign partners to discuss specific investment projects that have been identified and promoted by UNIDO through the IPS network and INPRIS. The

foreign entrepreneurs who attend the forums have usually studied the project profiles prepared by the Industrial Investment Division, and have expressed their interest in implementing them in partnership with the local sponsor.

New project ideas are sometimes generated by these events. For example, 20 new project ideas emerged from the Investors' Forum for Indonesia, held in November 1987.

(b) Country presentation tours are arranged by the IPS in their host countries for delegations from developing countries, comprising senior government officials, executives of chambers of commerce and businessmen. The delegations call on potential partners to provide them with information on investment conditions and opportunities in their home countries; and discuss specific investment projects previously promoted through the IPS network. Between 1985 and the end of 1987 a total of 102 country presentation tours were organized by the UNIDO IPS Offices. In 1988 another 50 tours were arranged.

5. Trends and Results

(a) Trends

(i) The business partnership approach has several merits; but viewed from the standpoint of the developing countries, that approach has a serious limitation: a commercially viable venture is not necessarily economically viable, i.e. it may not result in a net inflow of foreign currency and yield an amount of local value added commensurate with the resources invested. UNIDO has accordingly developed a methodology for the economic evaluation of industrial investment projects that assists in assessing the economic as well as the financial profitability of a proposed business venture.

(ii) In recent years there has been an increase in the number of investment projects in developing countries that involve better use of existing production facilities, instead of creating new ones. In some cases the facilities may have ceased operation; in others they may be operating below capacity owing to a lack of spare parts or a shortage of working capital. There has also been a trend towards privatization of State-owned enterprises. In such instances, local private- and public-sector industrialists wishing to acquire and rehabilitate such firms often seek a foreign partner to assist them.

(iii) UNIDO has established co-operation arrangements with development and financing institutions who may ask the Organization for assistance in promoting investment projects, e.g. the Centre for the Development of Industry in Brussels, the Food and Agriculture Organization of the United Nations, the International Trade Centre UNCTAD/GATT in Geneva, the Latin American Association of Development Financing Institutions (ALIDE), the Andean Development Corporation, the Commonwealth Development Corporation and the Centre for Industrial Development (CID) of the European Economic Community (EEC). UNIDO recently concluded a co-operation agreement with CID(EEC), the implementation of which commenced with an industrial investment programme in the building materials sector in eight African countries.

(iv) The experience of the past few years has led UNIDO to tailor its investment project identification and promotion programmes more specifically to the needs of individual priority industrial subsectors in developing countries. Such programmes aim to mobilize the strengths of enterprises in an industrialised partner-country in which this subsector is highly developed.

(v) Since UNIDO became a specialized agency the building of institutional capabilities for investment project identification and promotion has been encouraged in developing countries, with a view to making those countries more self-reliant and enabling them to continue such activities with their own resources after the direct involvement of UNIDO has ended. Programmes of this new type are currently under implementation in Argentina, Bolivia and Ecuador with funding from UNDP of \$251,000, \$355,000 and \$680,000 respectively.

(b) Results

To start with definitions: an investment project is considered to be under promotion when a UNIDO Investment Promotion Service (IPS) has publicized the project through any of the means available such as direct approach to companies, information published in professional journals, etc. and when these practical steps have resulted in the expression of interest from potential partners. A project is considered concluded when both partners have exchanged letters of intent to investigate the practicalities of their co-operation, which would lead to the creation or extension of an industrial production unit. A project is operating when the industrial unit has actually started production.

From 1985 to the end of 1987, the promotion of some 200 investment projects in developing countries was successfully concluded, with a total investment value estimated at approximately \$1 billion.

In 1988 a total of 476 new investment projects were identified and formulated, while 121 industrial investment projects were successfully concluded, representing a total investment of \$413.8 million.

Other results of the work of the Industrial Investment Division are less easily quantifiable, such as the Delegates Programme - the on-the-job orientation programme for delegates from developing countries in the Investment Promotion Service Offices.

On returning home, many delegates take up responsible posts in the public service, in development institutions or in investment promotion agencies and are thus often able to exercise a beneficial influence on the foreign investment environment of their country. Success has been seen with delegates from countries such as Angola, Kenya, Morocco and Sri Lanka.

Another example is the assistance given to Governments of developing countries in reviewing investment legislation and incentives packages, and in preparing investment-related country information for the benefit of foreign investors. Such assistance has been given to Kenya, Madagascar and Mozambique. The Division also organizes workshops and seminars to discuss and analyse particular aspects of international business-oriented co-operation.

CHAPTER XII. SOME GENERAL UNIDO THEMES

A. Industrial Development Decade for Africa

1. Evolution of the Decade

Confronted with the manifold problems of the continent, and determined to undertake measures to bring about a fundamental restructuring of the region's economic base, the Assembly of Heads of State and Government of the Organization of African Unity (OAU), meeting in Monrovia, Liberia, in July 1979, adopted the "Monrovia Declaration of Commitment". This called for a comprehensive regional approach predicated on collective self-reliance. The aim was to provide the political will-power necessary for self-sustaining development and economic growth. The Monrovia Declaration came to be officially known as the Monrovia Strategy for the Development of Africa.

The Third General Conference of UNIDO (New Delhi, India, January-February 1980) adopted a resolution recommending to the General Assembly that it proclaim the 1980s as the Industrial Development Decade for Africa. At the national, regional and international levels, the Decade was to focus attention, mobilize political commitment and marshal financial and technical support for the industrialization of Africa. The Executive Director of UNIDO and the Executive Secretary of the United Nations Economic Commission for Africa (ECA) were requested to co-operate with the Secretary-General of the OAU to prepare a programme of action for the Decade.

The preoccupation with the conversion of the Monrovia Declaration into practical terms was reinforced by the "Lagos plan of action for the economic development of Africa: 1980-2000", adopted by the OAU at Lagos, Nigeria, in April 1980.

In recognition of the pivotal role which industrialization should play in the economic development of African countries, the OAU Heads of State and Government ranked industrialization second among their priorities; first priority was given to self-sufficiency in food production.

Determined to translate the development targets set in the Lagos Plan of Action into practical deeds, the Heads of State and Government proclaimed the 1980s as the Industrial Development Decade for Africa. This was endorsed by the Industrial Development Board of UNIDO and the Decade was then formally proclaimed by the United Nations General Assembly (resolution 35/668, December 1980).

2. Programme for the Decade

The General Assembly resolution called upon UNIDO, ECA and OAU to formulate proposals to implement the Programme for the Decade and to monitor its progress. A committee was set up by the three secretariats to perform this task. Their proposals were adopted by the African Ministers of Industry, and were approved successively by the Conference of ECA Ministers, the Industrial Development Board and the United Nations General Assembly. The Programme was printed and widely circulated by UNIDO as publication ID/287. It is divided, for planning purposes, into two phases: a preparatory phase (1982-1984) and an implementation phase (1985-1990).

3. Activities during the preparatory stage

Many countries established National Co-ordinating Committees and Operational Focus Points, while others incorporated the principles and ideas contained in the Programme into their national industrial development plans. In carrying out activities during the preparatory phase, countries encountered certain problems and constraints, in particular the inadequacy of financial resources and the critical shortage of skilled manpower.

Steps were taken to strengthen industrial co-operation at the subregional level. Following four subregional meetings organized by UNIDO in late 1983 and early 1984 in co-operation with ECA and the OAU, an "initial integrated industrial promotion programme" was drawn up. The initial integrated programme for the Eastern and Southern African subregion contained 18 core and 9 support projects; that for the West African subregion 35 core and 17 support projects; that for Central Africa 24 core and 13 support projects; and that for North Africa 19 core and 8 support projects. The subregional programmes were endorsed by the Conference of African Ministers of Industry and subsequently welcomed by the Fourth General Conference of UNIDO.

At the international level, assistance was provided, largely by UNIDO, to African countries and intergovernmental organizations in the formulation and implementation of their programmes for the Decade. The assistance consisted mainly of technical advisory services; the adjustment of industrial strategies and policies; the development of pilot and demonstration plants; the strengthening of industrial manpower and technological capabilities; the establishment of industrial institutions; and the preparation of studies for the eventual production of an industrial atlas of Africa. Special efforts were made to popularize the Decade both inside Africa and outside, internationally. Investment promotion activities, including investment forums and solidarity meetings, were organized as a means of assisting African countries to mobilize financial resources. Joint activities to support the efforts of African countries were also initiated with organizations of the United Nations system, multilateral and bilateral agencies, and certain donor governments.

4. Activities in the implementation phase

Some examples of the aims are given below:

Industrialization strategies, policies and planning

Faced with alternative and sometimes contradictory strategies and policy measures proposed by external mentors, each African country was called upon to define clearly its industrial development perspective before preparing an indigenous strategy, policy and plan. Most countries require assistance to define their needs and be better placed to absorb foreign investment.

Development of core industries

- The following industries were specified in the Programme for the Decade;
- (a) Metallurgical industries to provide the wide range of materials required in the engineering industry;
 - (b) Engineering industries (including foundries/forges) to enable the region to manufacture the equipment, machinery and spare parts needed for

- (c) Chemical industries to provide fertilizers, pesticides, process chemicals and packaging materials relevant to agricultural and food production;
- (d) Building materials industries to provide the inputs needed for housing and for building the continent's infrastructure;
- (e) Capital goods industries to produce equipment for transportation, energy generation and communications; industry and agriculture;
- (f) Pharmaceutical industries to provide the entire region with medical supplies and vaccines;
- (g) Industries processing local raw materials and energy resources to earn foreign exchange through import substitution and exports, and to meet local energy needs.

Small- and medium-scale industries

In addition to small-scale industries that produce consumer goods (e.g. textiles and garments, shoes and leather goods, furniture, processed fruits and vegetables, etc.), special efforts have to be made to promote industries that feed and support medium- and large-scale industries (e.g. foundries, the manufacture of nuts and bolts, springs, special electrical motors, specialized chemical compounds, etc.).

Industrial manpower and technological capabilities

Given the extent of the industrial skills required in Africa, a comprehensive programme is needed for the accelerated training of industrial manpower, and the development of technological and entrepreneurial capabilities.

And so the list continues: industrial institutional machinery; food production, processing, conservation and distribution; combating the effects of drought; health-care industries; repair and maintenance of equipment; rehabilitation of factories and industries.

The mobilization of financial resources deserves special attention:

In the Programme for the Decade, it is estimated that a total of approximately \$140 billion will be required for new industrial investments. It is expected that forty per cent will be generated from local resources. African Governments therefore need to intensify their efforts aimed at mobilizing and more effectively utilizing both local and external financial resources for the implementation of their industrialization programmes. Those resources include the World Bank Special Fund, the International Finance Corporation's Special Facility for Africa, the African Development Bank's Lending Programme, the Arab Bank for Economic Development in Africa, and the African Fund for Famine and Drought.

The international community as a whole, and the international organizations in particular, are stepping up their co-operation with the African countries and organizations in the implementation of the Programme for the Decade. At the request of the African Ministers of Industry, UNIDO prepared and presented to its Fourth General Conference (Vienna, August 1984) a technical co-operation programme for the implementation phase of the IDDA, along with a compendium of project proposals and an initial industrial promotion programme at the subregional level.

Projects from among those proposals are already being implemented with the financial support of the United Nations General Assembly and other donors to UNIDO. A number have been incorporated in UNDP country programmes.

UNIDO has also been requested to accentuate its other activities in Africa such as: the organization of Solidarity Meetings within the framework of industrial co-operation among developing countries; activation of the experience available in non-governmental organizations; the conduct of industrial studies at the regional and country levels; investment promotion, including the organization of investment forums and promotional meetings; the System of Consultations; technological advisory services; and information exchange systems.

However, the scope and magnitude of the assistance that UNIDO can provide to the African countries depend, in the last resort, upon the funds available to the Organization; UNIDO has appealed to the international community, especially to donor countries, to increase its resources and thereby its possibilities for working effectively towards the goals set by the Programme for the Decade.

B. Assistance to the Least Developed Countries (LDCs)

1. Characteristics of LDCs

The least developed countries - altogether 41 with a total population of nearly 400 million people - are the most disadvantaged. While LDCs, among themselves, are faced with widely differing circumstances, in terms of size, economic and social structure, literacy etc., they have for a long time been generally lagging behind other developing countries in their growth and development. Most of them face a vicious circle of constraints, poverty and population increase, resulting in economic stagnation or even regression.

Most LDCs suffer from one or more geographical or climatological handicaps, such as being land-locked (15 countries), remote insularity (8 countries), drought and desertification (22 countries) and a high level of exposure to disasters such as cyclones, floods and earthquakes.

Countries are identified as least developed by the United Nations General Assembly on the basis of criteria established by the Committee for Development Planning, a subsidiary organ of the Economic and Social Council (ECOSOC).

Structural handicaps make LDCs particularly vulnerable to the external economic environment. Of particular concern are: (a) the low level of commodity prices that has increased their debt-servicing problems; (b) the mounting debt-to-GDP^{1/} ratio; and (c) the insufficiency of flows of external finance to those countries.

The average GDP per capita in LDCs in 1985 was slightly more than \$200, which was less than one quarter of that of the developing countries as a whole, and only about two per cent of that of the industrialized countries. The share of the LDCs in the world economy and trade has been declining. Also, the trends for the coming years, according to present forecasts, are not too optimistic. Manufacturing value added per capita averaged \$20 in 1980 prices, which is somewhat less than it was in the early 1970s.

^{1/} gross domestic product

The agricultural sector accounts for two-fifths of GDP in LDCs. During 1980-1985, despite an annual average growth rate of 2.4 per cent in this sector, per capita production declined on account of an increase in the population of an average of 2.6 per cent per annum. The continued deterioration of agriculture results from such deep-seated problems as inadequate transport facilities, poor pricing policies, the shortage of fertilizers and improved seeds, and ecological extremes such as floods or shortage of water.

The share of the manufacturing sector in GDP in LDCs has continued to remain well below 10 per cent (the cut-off point that was adopted by the United Nations Committee for Development Planning as one of the criteria for defining an LDC). During the period 1970-1980, for example, the average share of manufacturing value added (MVA) in GDP in LDCs was only 8.6 per cent, which was less than half of that (18.6 per cent) of other developing countries.

2. History of Special Measures for the LDCs

UNIDO was ahead of the General Assembly in this matter

The Special International Conference of UNIDO (held in Vienna, June 1971) "indicated that special consideration of the industrial needs of the least developed countries should be among the means to achieve the most purposeful use of UNIDO resources."

Following this recommendation, but still in 1971, UNIDO convened an expert group meeting on industrial action in countries at early stages of development. The expert group recommended that the efforts of UNIDO to assist and promote industrialization in the LDCs should involve the development and improvement of opportunities for industries related to agriculture, forestry, mining and other natural resources; and the improvement of existing artisan and craft activities.

Industrialization should be planned in close co-ordination with planning for agriculture and service activities. As development proceeded, the establishment of modern small and medium industries should be accorded increasingly higher priority in order to achieve a breakthrough in the economy.

The expert group recognized that the capacity of the LDCs to absorb technical help (as currently provided to most developing countries) was severely limited by the lack of institutional infrastructure, the extreme shortage of trained personnel and the shortage of financial resources.

In May 1973, resolution 37(VII) of the Industrial Development Board related to a programme of action for the least developed of the developing countries. Finally, in the late autumn of 1973, the General Assembly adopted resolution 3174(XXVIII) on 'Special measures in favour of the least developed countries'. At the same session, the Assembly established a United Nations Capital Development Fund which was to be used "to serve first and foremost the least developed among the developing countries".

The same theme was emphasized at the Second General Conference of UNIDO (Lima, Peru, March 1975). The Lima Declaration included a separate paragraph (para.35) on the LDCs, while the Lima Plan of Action devoted a major section - Section IV - to "The least developed, land-locked and island developing countries".

3. The Paris Conference

The Paris Conference, which took place 1-14 September 1981, was notable for its thorough preparation; for its involvement of 142 Member States, 12 specialized agencies of the United Nations, 22 other United Nations offices and bodies, 17 intergovernmental and 72 non-governmental organizations; and for the senior level of many of the representatives. It adopted a Substantial New Programme of Action for the 1980s for the least developed countries, which had been outlined in a resolution of the United Nations Conference on Trade and Development (UNCTAD).

The Substantial New Programme of Action - known as the SNPA - opened with an impressive, tersely-worded statement that is worth quoting.

"The totally inadequate levels of living that now exist in the least developed countries are a cause for grave concern to the international community. The means for overcoming acute hunger and malnutrition, disease, illiteracy and all other manifestations of poverty should be made available to these countries. The least developed countries have primary responsibility for their over-all development, and the domestic policies they pursue will be of critical importance for the success of their development efforts. However, the international community, in particular the developed countries and relevant international organizations, as well as the developing countries in a position to do so and non-governmental organizations, will have to provide substantial assistance to these countries to overcome their poverty. Concerted international action in support of national efforts is required to bring about structural transformation of the economies of the least developed countries, to reverse current trends towards a decline in per capita food production, to accelerate agricultural and industrial growth, to promote the development and improved utilization of human resources, to achieve sustained and self-reliant development, and to provide for increased and direct expenditures on the improvement of socio-economic conditions during the 1980s."

The SNPA went on to analyze the structural characteristics of the LDCs "which are the sources of their extreme economic and social difficulties". Then, in view of the previous written contributions and top-level representation of the specialized agencies of the UN system, the SNPA contained a series of major sections concerning: Food and agriculture (food strategies, food security, food production, forestry, fisheries and livestock, rural development); Human resources and social development (human resources, education and culture, training and administration, health and nutrition, population policies, human settlement); Natural resources and energy ("many of the LDCs have mineral deposits and energy resources which thus far have remained unexploited"); Manufacturing industry - UNIDO's sector; the text of this section of the SNPA states that:

"As part of the objective of greater economic diversification and rapid economic growth, least developed countries will undertake more ambitious programmes of industrial development, and in particular will:

- develop agro-based and agro-support industries and on-the-spot processing, as appropriate;
- build up medium and light industries to meet the growing needs of their populations for essential consumer goods;
- encourage and improve productivity in small-scale and cottage industries, utilizing where appropriate non-governmental organizations, through the introduction of appropriate technology and through the supply of credit and materials and marketing arrangements;
- encourage the establishment of basic industries with indigenous resources, where feasible."

The SNPA next deals with Physical and institutional infrastructure

(development of transport, communications, electric power, ports and airports, water, irrigation, storage and distribution facilities, hospital and school buildings, housing, etc.); Environment ("Health, nutrition and general well-being depend upon the integrity and productivity of the environment and resources."); Transformational investments ("The present low level of exploitation of basic resources, including land, offers investment opportunities in some of the LDCs for very large projects which can by themselves transform the economies from a low level of operation to a substantially higher level."--- "There is, for example, scope for such projects in comprehensive agricultural development, in irrigation and feasible river basin developments, in development of transport and communications, and in the exploitation and development of the mineral and energy resource potentials of the LDCs."

Land-locked and island LDCs (Land-locked countries, in co-operation with their transit neighbours, should make "intensive efforts to simplify transit procedures and to improve transit-transport, storage and port facilities for their international trade." The island LDCs should "initiate programmes with the support of the international community for the development of their feeder

transport services in order to improve their access to world markets." Foreign Trade ("The objectives ---- include increased export earnings through increased production in both the traditional and the modern sectors of the economy, through diversification of the commodity structure and direction of trade, securing remunerative prices of export commodities as well as expansion of trade among developing countries.") Disaster assistance for LDCs ("The fullest use should be made of all existing arrangements for the provision of emergency assistance, and action should be taken --- for their improvement or for new arrangements in order to mitigate the effects of natural disasters, --- and thus to minimize their adverse effects on the development process ---.")

To sum up, the Paris conference of 1981 was a 'milestone event' which placed the anguishing problems of the LDCs squarely before the international community, and presented inescapable arguments that they should collectively, urgently, embark on the Substantial New Programme of Action.

The second conference on the LDCs is already under preparation; it is due to be held, again in Paris, in September 1990.

4. The Contribution of UNIDO

The least developed countries themselves carry primary responsibility for their overall development and the acceleration of their industrialization. Within that context, UNIDO directs its technical assistance to the development of human resources; the promotion of small- and medium-scale industries using indigenous raw materials; industrial planning and programming; and the preparation of pre-feasibility and feasibility studies for investment projects. These activities serve to enhance the adjustment programmes that many LDCs are carrying out in their manufacturing sector.

Group training schemes have been conducted - and repeated - in more advanced developing countries on such subjects as small-scale foundries, consultancy services to small-scale industries and small-scale power plants. To assist LDCs in the identification and formulation of industrial projects, UNIDO fields missions to them; the missions are, moreover, complemented by the efforts of field staff, particularly senior industrial development field advisers, towards the development of new projects.

There are other activities - e.g. a meeting for the promotion of joint ventures between Islamic countries for the benefit of Islamic LDCs; a workshop on industrial co-operation between developing countries in the matter of agricultural machinery and agro-industries; the participation of many representatives from LDCs in UNIDO-organized Consultations in various advanced countries on - e.g. training of industrial manpower, non-ferrous metals industry, fisheries industry, pharmaceutical industry, food-processing industry. By taking part in such meetings, the representatives of the LDCs can update their knowledge in a particular sector and establish business contacts with potential partners.

Then there are investment promotion activities: forums held in a least developed country or region at which the profiles of some 130 - 180 industrial investment projects are distributed and discussed with participants from industrialized countries, financial institutions and private investors. An investment project identification programme for the countries of the Southern African Development Co-ordination Conference resulted in 70 projects under promotion in four LDCs with a total investment value of \$300 million.

UNIDO is progressively issuing a series of industrial development reviews for individual LDCs. These reviews give information on technical assistance to the country, and trade with it, for the benefit of policy makers in the LDCs; as well as UNIDO staff members who are preparing programming missions or developing technical assistance projects.

UNIDO's operational activities for the LDCs are financed from various sources: the UNDP indicative planning figure (IPF), the Industrial Development Fund (IDF), the Special Industrial Services programme (SIS) and UNIDO's regular programme of technical co-operation.^{1/} Last not least, consultations by UNIDO with LDC Governments and the World Bank led on at least two occasions to the implementation of major projects financed by the Bank. Efforts are underway to secure financing from the United Nations Capital Development Fund (UNCDF) and special-purpose donor countries.

Sources: -Annual Report on the Activities of the Organization, including: Progress on Industrialization of the Least Developed Countries (IDB.4/31 dated 2 September 1988)

-Annual Report of the Executive Director for 1973 (the very first one)

-The Lima Declaration and Plan of Action (adopted at the Second General Conference of UNIDO - Lima, Peru, 12-26 March 1975)

-Report of the United Nations Conference on the Least Developed Countries, Paris, 1-14 September 1981 (United Nations publication, sales no.E.82.I.8).

-A Review of the Manufacturing Sector in the Least Developed Countries - The Implementation of SNPA in the Eighties and Proposals for Further Action (UNIDO document dated 16 January 1989).

^{1/} For an account of UNIDO's sources of funds, please see Chapter IV. Sources of funds for technical co-operation.

C. Industrial Co-operation among Developing Countries

1. The Framework

At its seventh session, in May 1973, The Industrial Development Board adopted resolution 36/VII, in which the Executive Director was invited to establish "a programme of operational activities for the purpose of encouraging technical co-operation among developing countries."

The Lima Declaration, adopted at the Second General Conference of UNIDO (Lima, Peru, March 1977), affirmed (para.49) "That developing countries should place a premium on self-reliance in their development effort for the realization of their full potential in terms of both human and natural resources and, to that end, adopt meaningful and concerted policies and pursue action directed towards greater technical and economic co-operation among themselves."

Economic and technical co-operation among developing countries became known as ECDC/TCDC and, more colloquially, as "South-South" co-operation.

A separate section for ECDC was established within UNIDO in June 1977. Its mandate is to co-ordinate UNIDO activities in this area and shape them into a coherent programme.

The conversion of UNIDO into a specialized agency of the United Nations system in 1985 served to reinforce the importance attached by member states to this theme.

The second session of the General Conference of UNIDO (Bangkok, Thailand, November 1987) adopted, as its first resolution (GC.2/Res.1), one entitled "Strengthening of Economic and Technical Co-operation among Developing Countries", which it described as "an instrument for promoting the rational and efficient use of human, national, financial and technological resources available in the developing countries for their individual and collective welfare, with a view to strengthening their self-reliance."

2. Promotional Activities

(a) Solidarity Ministerial Meetings aim at identifying the means whereby the more advanced developing countries can assist in implementing specific industrial projects in the least developed countries. The mechanisms of co-operation can take the form of a loan or grant for the purchase of machinery or equipment, joint ventures, transfer of technology and know-how, training, industrial research or provision of expert services.

The meetings are usually attended by decision-makers and experts with authorization from their respective Governments to take decisions then and there. The participants discuss concrete project proposals which have been circulated by UNIDO to the participating countries beforehand. UNIDG also prepares a report on the proceedings and the results obtained.

Significant results have been achieved. A complete sugar plant was established in Bangladesh with assistance and financing from Pakistan. China assisted and financed the establishment of a unit for the manufacturing of industrial gloves and aprons in Nepal. Yugoslavia assisted Tanzania in the construction of a foundry and mechanical workshop. Turkey provided training for Sudanese engineers in the cement and sugar industries. In Lesotho, rural tanning units were provided and installed with the assistance of Algeria.

The programme of Solidarity Meetings started in 1979. In the first ten years UNIDO has organized 12 such meetings.

At a recent meeting, for co-operation in the industrial development of the Republic of Cape Verde, 19 participating countries and the host country identified over 40 projects in areas such as food processing, industrial training, feasibility studies, small-scale production enterprises, leather processing, aquaculture and quality control. The Government of Turkey, for example, agreed to contribute \$300,000 for the implementation of four small-scale projects; China offered the equivalent of \$80,000 for the development of the ceramic industry; Yugoslavia offered equipment for setting up an industrial unit; Brazil, Cuba, India, Nigeria, Romania and others offered training facilities.

(b) Round-table Ministerial and High-level Meetings for co-operation in the promotion of industrial development focus on specific industrial sectors. Financing, however, has to be secured by the co-operating partners themselves.

A recent feature of this activity, introduced at a round-table meeting dealing with agricultural machinery industries (Argentina, 1986), was that most of the participants from the host country were entrepreneurs, so that business-oriented discussions were held on specific projects.

In the framework of the Industrial Development Decade for Africa (IDDA) and ECDC/TCDC, meetings have been arranged between countries and organizations from Africa and those from other developing regions. Following the First International Latin American-African Symposium (Brazil, 1983), an Afro-Asian Industrial Co-operation Meeting took place in India in November 1986. The aim of that meeting was to formulate programmes and projects for industrial co-operation between African and Asian countries and organizations, and to identify ways of implementing them at bilateral and multilateral levels. It was also marked by a strong participation of entrepreneurs and industrialists. The success of the enterprise-to-enterprise approach was amply demonstrated by the identification of 296 projects of co-operation at bilateral level and 19 projects at inter-regional level. The projects covered agro-based industries, engineering, chemicals, building materials and training.

(c) Expert Group Meetings

There are plenty of examples. Only a few of the more recent are given here.

An Expert Group Meeting for the Exchange of Information among Developing Countries on Available Technologies in the Field of Small- and Medium-scale Industries was organized at Ljubljana, Yugoslavia, in April 1988. It was attended by experts from eight developing countries as well as those from the host country. Practical measures were agreed upon to ensure a permanent flow of information between the institutions concerned.

A Working Group Meeting on Co-operative Arrangements among Selected Developing Countries on the Production and Application of Machine Tools (Buenos Aires, Argentina, May/June 1988) was attended by 49 participants from 17 countries. Some 30 concrete co-operation opportunities were identified in training, technical co-operation and joint ventures. The Meeting took place in conjunction with the International Machine Tool Exhibition 1988 and enabled the participants from Asia, Africa and Latin America to study the latest technological advances.

An Expert Group Meeting on the Processing of Raw Materials was organized by UNIDO in August 1988 in Vienna in response to a request of the Government of Nigeria. The meeting recommended measures to strengthen the capabilities of developing countries in the processing, marketing and distribution of raw materials such as food, non-metallic minerals and textile fibres.

3. Technical Co-operation Activities in Support of ECDC/TCDC

A sizeable portion of UNIDO's technical co-operation programme has a pronounced ECDC/TCDC element. The number of implemented projects is running at about 30 per year with a value of roughly \$4 million. At least half of the projects are in the area of group training, including study tours. UNIDO provides the resources to cover the convertible currency component.

Within the technical co-operation programme, institutes, centres and pilot plants are established for developing and adapting technologies in line with available raw materials, market size and requirements. Those centres and pilot plants, after completing their experimental period, can transfer their newly acquired knowledge, experience and technologies to other developing countries. By offering training opportunities, they contribute to the implementation of well-designed projects.

UNIDO pursues its efforts to make use of experts, services and equipment from developing countries. Consultancy contracts awarded to developing country contractors currently amount to 40 per cent of all contracts and 20 per cent of total contract values. Equipment purchases from developing countries represent in value some 12 per cent of all equipment purchased. One third of the experts appointed by UNIDO are nationals of developing countries.

Although these activities cannot be considered as TCDC in a strict sense, they do serve to stimulate and increase co-operation among the developing countries.

4. Other UNIDO Activities in support of ECDC/TCDC

These other activities cover principally the System of Consultations,^{1/} the establishment of inventories of industrial capabilities, industrial investment promotion^{2/} and the development and transfer of technology.^{3/}

(a) System of Consultations

The UNIDO System of Consultations offers opportunities for the establishment and strengthening of co-operation among developing countries in particular sectors of industry. Based on recommendations emanating from Consultation Meetings, a variety of ECDC/TCDC projects were initiated, e.g. in the construction and operation of fertilizer plants, petrochemical industries, agricultural machinery and food processing equipment, and the establishment and operation of mini-iron and steel plants.

(b) Establishment of Inventories

The idea is to identify and catalogue the industrial capabilities of enterprises in a given country that could match the needs and requirements of those in other developing countries. This interesting programme was only recently introduced; the first two inventories cover, respectively, Brazilian capabilities in small- and medium-scale industries; and Romania's in the field of chemical and petrochemical industries. Both inventories include proposals for co-operation with partners in less developed countries. The inventories are indeed intended to motivate potential partners to seek co-operative arrangements and agree upon mutually advantageous projects.

^{1/} See Chapter XI. A.

^{2/} See Chapter XI. D.

^{3/} See Chapter XI. B.

(c) Industrial Investment Promotion

There is an increasing level of response by enterprises in the relatively advanced developing countries to the investment project identification and promotion programmes organized by UNIDO. This has already resulted in the successful conclusion of a number of investment projects based on co-operation between enterprises of different developing countries.

Investments from one developing country to another - when compared with those from industrialized countries - tend to exhibit some particular developmental feature, such as the transfer of more appropriate technologies (smaller scale of production, higher labour intensity), higher local content ratios and receptivity to joint ventures.

In 1987 the UNIDO Investment Promotion Service in Seoul, Republic of Korea, became operational. This relatively new office is expected to make a substantial contribution to ECDC/TCDC by mobilizing the technological resources of the Republic of Korea for the implementation of investment projects in other developing countries.

(d) Development and Transfer of Technology

A programme for enhancing the negotiating capability of developing countries in the acquisition of technology also involves access to the UNIDO-sponsored Technological Information Exchange System (TIES).

A growing number of countries are being assisted in establishing national centres or focal points designed to collaborate with the International Centres for Genetic Engineering and Biotechnology.

There is a marked trend towards regional co-operation. A Regional Network for Microelectronics in Latin America and the Caribbean was recently established. The Network for Low-Cost Building Materials Technologies and Construction Systems and the Regional Network on Pesticides, both for Asia and the Pacific Region, have been operational for five years and are good examples of the usefulness of regional team work.

In the field of energy technologies, UNIDO focused on co-operation among developing countries in the introduction and improvement of small hydropower plants. This included the establishment of the Asian and Pacific Regional Network for Small Hydropower which promotes regional and international co-operation in R and D, training, information and consultancy services. Similar promotional activities are being undertaken in Latin America and Africa.

To make the best use of available resources, UNIDO also pays attention to the legal, financial and administrative measures required to establish or strengthen the necessary national and regional mechanisms.

5. Conclusions

UNIDO's experience in promoting and implementing ECDC/TCDC suggest three general conclusions:

- (a) Co-operation should focus not only on the inter-governmental level, but also be increasingly oriented towards enterprise-to-enterprise co-operation, as well as towards co-operation among consulting organizations and other institutions involved in industrial and economic development;
- (b) Co-operation should be considered not only as a one-way undertaking for providing assistance in the spirit of solidarity, but should also be guided by the principle of mutual benefits for the co-operating partners;
- (c) The role of UNIDO in assisting developing countries in ECDC/TCDC efforts will remain largely promotional, i.e. through activities aimed at achieving the maximum practical results with limited financial resources.

D. Integration of Women in Industrial Development

1. The Employment of Women in Industry

In almost all developing countries women play a major role in industry, both as workers and entrepreneurs. Considerable progress has been made in recent years with respect to the entry of some women into high and middle level employment and to new areas of economic activity, though the majority remain as general or unskilled labourers. Women in all developing countries have found employment in factories, chiefly in the textile and garment industries. Other sectors employing women include leather, ceramics, plastics, pharmaceuticals, food and beverages, electronics and construction related industries. Their participation in many branches of manufacturing is still, however, a new trend.

Rural industries, the "poor relatives" of modern industry, are the traditional realm of women. In Nigeria, Community Development Associations have been instrumental in promoting this sector. In Zimbabwe, co-operatives have helped women to increase their productivity and income. Within Asia, rural development strategies have focused on agriculture.

A distinction is made between the formal sector of the participation of women in industry and the informal sector. The formal sector consists of modern industrial work in factories, performed for the most part by young unmarried women. The informal sector refers to the traditional role of women in developing countries in crafts and rural processing. The majority of women involved in the informal sector are married with children. Such women are strongly represented in a variety of manufacturing activities, among which food processing and textile making stand out. Although much of the output of traditional processing and crafts tends to be for domestic use, the manufacturing skills of women also provide essential parts of the family money income. On average, 30 per cent of households are headed by women who are the sole providers for their family. In some regions of Southern Africa and the Caribbean, this percentage increases to almost 50 per cent due to the migration of male labour.

2. An Evolving Situation

Women face many problems with regard to employment in industry. Policy makers and employers who consider women as supplementary earners in families have been a major constraining influence. In general, the economic role and contribution of women tends to be undervalued. Educational and training systems have assisted women very little to develop their potential and advance their prospects in industry. Gender role stereotypes channel women into economic activities perceived to be consonant with their traditional "service" role in the home. The under-utilization of available facilities for the upgrading of technical skills confines women to a narrow range of skills which do not meet the demands of technology and industry.

Again, though self-employment has frequently been viewed as a panacea for unemployment, women entrepreneurs or self-employed women have found access to credit difficult, as institutions often have a male bias and do not take into account the special problems of women.

There are, however, some hopeful trends. Three initial country case studies carried out on - and in - Nepal, Sri Lanka and Zimbabwe revealed some interesting facts. In Zimbabwe, for example, which disposes of a more diversified manufacturing sector than the other two countries, women are beginning to be employed in significant numbers in the chemicals, paper, printing and publishing and metal products industries.

In all three countries, female entrepreneurship is much more common in the informal than in the formal sector; in fact, women were found to manage their own businesses in the majority of cases investigated. The evidence moreover suggests that female participation in informal processing/manufacturing activities is not much smaller than male participation; much of it however is not recorded in statistics because the activities are either non-remunerated or regarded as a sideline. In other words, there is a much larger actual contribution of women to manufacturing than is usually assumed.

Under the scheme of Export Production Villages operating in Sri Lanka, activities such as the processing of agricultural produce or also, in some cases, non-traditional manufacturing (umbrella-making; assembly of electronic components) are organized at the village level on a co-operative basis. Through large local firms with access to overseas markets these largely female rural producers are linked with export markets.

All three countries have given special attention to strengthening the role of women in the manufacturing industry. Sri Lanka has progressed farthest in laying the foundation for an overall strengthening of the role of women in society, with equal participation of men and women in general education. Recent plans and policies in these countries show awareness of the fact that women's participation in technical training has to be expanded in order to make better use of this human resource in industry. In co-operation with multi- and bilateral agencies, many training-cum-production projects have been implemented. Women's organizations have supplemented and stimulated these efforts. Governments have also shown awareness of the dual (domestic/economic) role of women workers by providing special legislation and insisting on special facilities for women.

As indicated earlier, credit is essential if women are to engage in economically viable activities, especially at higher levels. Some innovative credit mechanisms have been developed, such as Women's World Banking (WWB), a credit and technical assistance bank which operates on six continents. WWB's objective is the economic self-sufficiency of women through the provision of credit, technical training programmes, and a networking system with similar organizations. Modalities differ from country to country but the basic WWB idea includes a local affiliate, a "Loan Guarantee Scheme" or a revolving fund linked with a bank, training programmes for women in technical and entrepreneurial skills, and monitoring of loans. As yet WWB has assisted women chiefly in small-scale and agro-based industries, but it has also been instrumental in supporting entrepreneurship.

3. UNIDO's Mandate

In 1975, at the beginning of the United Nations Decade for Women, the Second General Conference of UNIDO (Lima, Peru, March 1975) called upon the developing countries to create conditions which would bring about "the full integration of women in social and economic activities and, in particular, in the industrialization process, on the basis of equal rights."

Subsequent General Conferences of UNIDO (UNIDO III - New Delhi 1980, UNIDO IV - Vienna 1984) adopted resolutions underlining that theme. After the conversion of UNIDO into a specialized agency in 1985, the first session of its General Conference adopted a decision, part of which stressed the essential role that UNIDO should play in the implementation of the 'Nairobi Forward-looking Strategies for the Advancement of Women' (subsequently adopted by the United Nations General Assembly) as they relate to industrialization in both urban and rural areas.

In 1986 a Unit for the Integration of Women in Industrial Development was established in UNIDO, in the Department for Programme and Project Development. The Unit is headed by a Co-ordinator and is responsible for the development, promotion, co-ordination and monitoring of all UNIDO activities relating to the Unit's stated aim.

4. UNIDO's Contribution

The activities of UNIDO for the integration of women in industrial development fall into three groups:

(a) Technical Co-operation

Since 1980, UNIDO has been formulating and implementing technical co-operation projects specifically designed to upgrade women's capabilities, and improve technologies traditionally used by women. More recently, efforts have been made to promote the involvement of women at all levels of UNIDO's technical co-operation activities. For this purpose, Guidelines on the

Integration of Women in UNIDO Technical Co-operation Projects and in Industrial Studies Programmes and Research have been issued.^{1/} They are applied in the design and implementation of technical co-operation and study activities, particularly those concerned with small-scale industry, rural industrial development and agro-industries, and in the development of human resources.

In addition to this, Women-in-Development (WID) experts are being attached to project identification and formulation missions in order to propose effective measures for ensuring the consideration of women from the project design stage onwards. WID-advisers (often associate experts) are also being attached to general UNIDO projects dealing with industrial planning, small-scale and agro-industries, with the aim of promoting an effective integration of women in the national industrial development efforts.

(b) Training

Governments are urged to nominate women to all UNIDO training programmes. Apart from this, UNIDO has prepared a modular approach to the training of women for entrepreneurial and managerial responsibilities. The training modules are adapted to the specific needs of a country in terms of the curricula and training material to be introduced.

(c) Research and data

In 1985 UNIDO embarked upon a sector-by-sector analysis of women's participation in industrial development. The first sector dealt with was agro-industries. The resulting analysis was reviewed by an Expert Group Meeting held in Vienna in October 1985. The Meeting recommended follow-up at the regional level.

Two in-depth subsector studies have since been completed - a Study on the Integration of Women in the Fisheries Industrial System and a Study on the Impact on Women of the Introduction of New Technologies in the Textile and Garment Industry. These studies were complemented by country case studies.

^{1/} UNIDO/PC.31/Rev.1/Add.1, 12 February 1986.

Country studies have been conducted on the current and prospective contribution of women to the general theme of mobilizing human resources for industrial development. They examine women's contribution in informal-micro- and small-scale production and in medium- and large-scale industry.

To remedy the dearth of statistical data and information on women in industry, the establishment of a data base is underway. It comprises country data, sectoral data, and reports and publications.

E. Co-operation with Industrial Enterprises
and Non-Governmental Organizations

1. General

The Constitution of UNIDO as a specialized agency, adopted 8 April 1979, gave its Secretariat a clear mandate (among many others) to build up co-operation between the entrepreneurial sectors of developing countries and those of industrialized countries. This activity produces results for the benefit of developing countries in areas such as the introduction and transfer of technology, marketing, financing and management. Government officials and industrialists from developing countries are given access, through UNIDO, to the technological, financial and managerial resources of industrial enterprises in advanced countries. These resources would otherwise not be available to them, or only at much higher costs.

2. Trust Fund Arrangements

Third-party trust fund arrangements, as they are called, are based on contributions to UNIDO from donor companies or their federations, or from a non-governmental organization, for the purpose of implementing a project - e.g. to organize joint studies, missions or promotional workshops for participants from developing countries. Trust funds offer a legal framework for the parties to agree on a mutually beneficial project for joint implementation. In such a project, the expertise of the trust-fund donor and the logistical support of UNIDO complement each other. The agreement is incorporated in a project document signed by the chief representative of the donor and the Director-General of UNIDO.

Developing countries profit from this scheme because additional projects can be financed besides those financed by traditional sources of funds. Companies from industrialized countries, on the other hand, through their direct co-operation with UNIDO, gain a unique opportunity to establish viable contacts with industrialists and government officials from developing countries.

3. Promotional Workshops

Held at the site of the host company or organization, these workshops provide a forum for enterprises from industrialized and developing countries to meet potential partners for industrial co-operation. The costs are borne by the host enterprise, or else are shared with UNIDO.

The workshops enable participants from developing countries to become acquainted with modern technologies, to discuss direct co-operation with their host country counterparts, and to profit from special arrangements such as training or the services of an expert under favourable conditions, sometimes with technical assistance from UNIDO.

Technical co-operation activities in a developing country which stem from contacts made at a workshop (or from trust-fund arrangements) require the Government's prior "blessing", or at least a statement of "no objection". The request is channeled by UNIDO through the UNDP Resident Representative in the country concerned.

4. Non-Governmental Organizations (NGOs)

National and international NGOs, such as federations of manufacturers, chambers of commerce and industry, professional associations, trade unions, etc., and the numerous NGOs concerned with the many facets of development aid play an important role in UNIDO activities. The consultative status with UNIDO of (at present) 77 international NGOs facilitates a continuous useful exchange of experience and opportunities for co-operation. The NGOs can give helpful advice on substantive matters, training opportunities and the identification of experts. National NGOs, on the other hand, have helped UNIDO in matters of technology and low-cost expertise. UNIDO officials participate in selected NGO meetings - large and small - which are of serious interest to the work of the Organization.

5. Other Activities

(a) Project identification missions are undertaken, aimed at enterprise-to-enterprise co-operation between industrialized and developing countries;

(b) UNIDO's Section for Co-operation with Non-Governmental Organizations and Industrial Enterprises receives representatives of enterprises and industrial organizations in order to familiarize them with UNIDO programmes and activities, and to review possible joint projects;

(c) Presentations by companies and industrial associations or federations are organized, from time to time, for UNIDO substantive staff to look into opportunities for co-operation;

(d) The UNIDO Section organizes individual and group visits for entrepreneurs from industrialized countries to developing countries;

(e) In order to make the best use of offers by companies to provide UNIDO with expertise, training or the financing of joint activities, a computerized roster produces immediate information on available resources for specific technical co-operation or promotional projects, as well as for research studies and fact-finding missions.

CHAPTER XIII. GLOSSARY AND ABBREVIATIONS

A. Glossary of Principal Terms

Many terms have taken on a special meaning in the course of their usage within the United Nations system. This glossary is designed to assist in understanding terms as they are applied by UNIDO and UNDP.

Add-on fund: The UNDP support costs resources which remain unutilized in the case of government execution of UNDP-funded projects are made available to the governments concerned as an "add-on" to the resources at their disposal for programming and are administered as a separate fund.

Administrator: The chief executive officer of UNDP. His high rank corresponds roughly to that of the Director-General of a major, long-established specialized agency such as the ILO, WHO or FAO.

Advance Authorization: A mechanism applied by UNDP to authorize the Executing Agency to incur expenditure for a project not yet formally approved.

Agency: An organization involved in partnership with UNDP in development assistance; generally an organization of the United Nations system. In the majority of cases, the organization is also designated as executing agency.

Agency support costs (overhead costs): The percentage of total project costs authorized by the UNDP Governing Council for payment to the executing agencies to reimburse them for the expenses incurred in the administration of programme activities financed from UNDP funds.

Appraisal:^{1/} Critical analysis of the relevance, feasibility and potential effectiveness of a UNIDO project before a decision is made to undertake it. The aim of the exercise is to determine whether the project is worth doing - i.e. whether it is technically sound, cost-effective and well designed. Appraisal in this sense is a UNIDO concept. (see also under Project Appraisal, which is a UNDP exercise).

Associated agency: An agency which participates in association with an executing agency in the implementation of a UNDP-supported project.

Authorized budget level (ABL): The maximum level to which commitments against IPF-financed budget approvals may be made in a given year.

Backstopping: One of the principal functions of UNIDO substantive officers (as distinct from administrative officers), is to provide technical advice and support at all stages of a technical co-operation project. This comprises technical help in preparing the project document, preparation of job descriptions for project personnel, terms of reference for contractual arrangements, specifications for equipment to be purchased, correspondence with experts on technical problems, and comments on experts' reports, including their final report.

Budget line: The financial identification of a specific item in a project component. For detailed codes, please refer to Chapter VIII.C. Financial administration of projects.

Chief technical adviser: Also referred to as project co-ordinator or team-leader, the chief technical adviser is appointed by UNIDO to oversee a large-scale project. The CTA supervises and co-ordinates UNIDO experts and national government counterparts; controls equipment and supplies, and project vehicles; and administers all funds allotted to the project.

Commitment: A financial term, particularly as used in the phrase 'outstanding commitments'. A 'commitment' is a liability against the resources of a future financial period or periods.

^{1/} In English dictionaries, the words 'appraisal' and 'evaluation' are synonymous. The Organizations of the UN system however, for reasons of organizational terminology, have given them divergent meanings.

Committee on Contracts: The UNIDO Committee on Contracts advises the Director-General and, by delegation of authority, the Deputy Director-General, Department of Administration, on all contracts for the purchase or rental of services, supplies, equipment or other requirements which fall within specific guidelines - i.e. involving a single requisition or series of related requisitions totalling \$40,000 or more; all contracts or series of related contracts involving income to the organization of \$10,000 or more, as well as proposals for modification or renewal of contracts previously reviewed by the Committee. The Committee consists of the Director, Financial Services Division (Chairman), Chief, Legal Service, a representative of the Department of Industrial Operations, a representative of the Department for Programme and Project Development, and a representative of the Director-General.

Consultant: A person engaged, normally on a short-term basis and usually under a 'special service agreement', to carry out specific tasks for which funds are earmarked in a project budget. The consultant receives a gross fee which has previously been agreed upon and which covers the whole assignment. The qualifications required of experts are also applicable to consultants.

Competitive bidding: A procedure to select from a range of offers the lowest technically acceptable one when buying, and the highest when selling. In UNIDO, it is organized for all purchases and contracts of \$15,000 or more.

Cost sharing: Analogous to joint financing, this is a co-financing arrangement applicable to UNDP-financed projects by which project costs and related agency support costs are covered in full or in part by a contribution from the recipient Government(s) or a third party donor. Inputs financed from cost-sharing funds are not separately identified or accounted for in the project budget.

Country programme: A multi-year framework of country-focused technical co-operation efforts that reflects the views of the Government on how best to utilize UNDP and/or other assistance for the achievement of selected national development objectives over a specified period.

Country programme management plan (CPMP): A schedule of planned management actions, grouped according to projects and agencies, which serves the field office as a programme implementation work plan.

Disbursement: A financial term which means a cash payment made.

Evaluation: UNIDO's project evaluation system is intended to provide UNIDO management with the means to focus on the quality, relevance, effectiveness and impact of its technical co-operation activities. UNDP-assisted projects are normally subject to annual tripartite review.

Executing agency: An organization of the UN system involved in partnership with UNDP in development assistance. An executing agency is entrusted by UNDP with the implementation of approved projects within its purview. (see also Associate Agency).

Expendable equipment: Items of equipment or supplies, valued at less than \$400 per unit or with a useful life of less than five years, for which formal inventory records are not maintained at UNIDO headquarters. Stock records are maintained by the project.

Expert: A professionally well-qualified individual appointed by UNIDO (or another specialized agency) at the request of the Government of a developing country to serve in a technical co-operation project.

Fellowship: The official name of the support provided by UNIDO (financial, administrative and substantive) to a qualified individual designated by the recipient Government to undertake training abroad which will further the achievement of project objectives, as well as his or her assigned duties. Please refer to Chapter VI.C. Training of nationals of developing countries.

General Conference: The highest policy-making organ of UNIDO. It consists of all Member States of UNIDO and meets every two years.

Governing Council: The Governing Council of UNDP is composed of 48 States, and is responsible for the immediate intergovernmental control of the policies and operations of UNDP. The Administrator is required to inform the Governing Council of the actions taken to approve assistance to projects under authority delegated by the Council.

Government counterpart contribution in cash (GCCC): A cash contribution made by a recipient Government to finance such locally available project inputs as were agreed to in the project document.

Government counterpart contribution in kind: The provision by a recipient Government of goods, services and facilities, including capital assets (e.g. land, buildings and non-expendable equipment).

Government execution: The implementation of a project by the Government of a developing country. The prerequisite for government execution is the technical and administrative capability within the Government to assume responsibility for the effective application of UNDP-financed inputs.

Imprest Account: A bank account in the name of an institution receiving assistance under a UNIDO project, funded by transfer of money from UNIDO headquarters. Imprest accounts are usually established in an amount sufficient to cover one and a half to two months average expenditure. Accounts of expenditure have to be kept and submitted each month to headquarters for review and replenishment.

Indicative planning figure (IPF): An estimate of the financial resources, expressed in US \$, expected to be available from UNDP for each developing country and region, as well as at the interregional and global levels, during a five-year period - e.g. 1987-1991. Established for purposes of forward planning and determined according to established criteria, the IPF does not imply a legal commitment to allocate funds up to the limit of the figure.

Industrial Development Board: The Board is one of the three principal organs of UNIDO (the other two are the General Conference and the Secretariat). The Board consists of 53 Members of the Organization elected by the Conference.

Nomination forms: For all training programmes of UNIDO, i.e. fellowships, study tours and group training programmes, candidates have to be nominated by the Government of the country where the technical co-operation project is located, of which training forms an integral component. Nomination is effected by the completion, by the candidate and the Government, of a nomination form, which is forwarded to UNIDO. Please refer to Chapter VI.C. Training of nationals of developing countries.

Non-expendable equipment: Items of equipment valued at \$400 or more per unit and with a useful life of five years or more, for which formal inventory records are maintained both at UNIDO headquarters and by the project staff. It may include special items under \$400 that are particularly 'attractive', e.g. cameras, recording equipment, technical instruments, etc.

Obligation: A financial term, meaning an amount charged to a project as expenditure on a certain item in the current year, but which has not yet been paid as a cash disbursement (see Disbursement). Frequently used in the expressions 'unliquidated' or 'outstanding' obligations.

Overhead Costs: (see Agency support costs)

Petty Cash: Cash kept on hand for payment of minor items. Should be kept under lock and key in a cash-box. Accounts of expenditure have to be kept and submitted to Headquarters for review and replenishment.

Pipeline project: A project under development that is not yet approved.

Preparatory assistance (PA): The provision of UNDP assistance to a Government, prior to the approval of full assistance for the implementation of a project, for the purpose of project formulation and/or for undertaking preliminary work in connection with implementation. Approval of PA for project formulation does not constitute a commitment to approve UNDP assistance to the project.

Programme: A UNDP term used principally in the expressions 'country programme document' which describes the development objectives identified for external technical assistance; and 'integrated programme approach', meaning the consideration of all the efforts necessary to achieve a development objective.

Project: A set of planned, inter-related activities in a developing country aimed at achieving defined objectives by producing specified results, with specified resources, within a specified period of time. A project is the basic unit of UNIDO (and UNDP) technical co-operation programmes.

Project appraisal: A UNDP exercise to determine whether a project is suitable for UNDP funding and, if it is, whether the proposed project, as formulated, will make the most effective contribution to the achievement of a related development objective in the country programme. (See also under Appraisal which is a UNIDO exercise).

Project approval: The agreement of a funding entity (e.g. UNDP, Government, UNIDO) to provide financial resources for a particular project. It is normally formalized by the joint signature of a document (project document, agreement, etc.).

Project budget: A financial plan which specifies the funds required for carrying out project activities within a specific period. It includes all financial aspects of the project document and is divided into the calendar years involved. UNDP requires separate budget sheets for UNDP inputs, cost-sharing, Government counterpart contributions in cash, and Government counterpart contributions in kind.

Project budget revision: Whenever a project revision is made, the project budget must be revised accordingly. UNDP requires mandatory revisions or rephasings to be made every year, reflecting the actual expenditure of previous year(s) and an exact phasing of the project budget for the current and future year(s).

Project component: The components of all project budgets are coded. There are five main project components: 1. Project personnel; 2. Sub-contracts; 3. Training; 4. Equipment; and 5. Miscellaneous.

Project co-ordinator: An individual designated by the Government or by UNIDO to be responsible for the day-to-day management of project operations.

Project cycle: The life cycle of a project; the project cycle consists of the various stages through which a project moves. UNDP distinguishes the following stages:

- (a) Project identification and formulation;
- (b) Project appraisal and approval;
- (c) Project implementation;
- (d) Project revision (an amendment to an approved project, usually undertaken in the course of implementation);
- (e) Project evaluation (usually undertaken in the course of implementation);
- (f) Project completion (which also might be premature termination or cancellation).

Project development facility (PDF): The PDF is a UNDP financing mechanism designed to meet the costs of technical field missions of specialized consultants and/or UNDP technical staff for project identification, formulation and appraisal prior to the approval of projects.

Project design: The delineation of the logic of a project - with what components and through which activities the project is expected to produce the results needed to achieve its immediate objective; and how those results are expected to contribute to the fulfilment of the broader development objective to which the project is related.

Project document: This sets out in detail the form and content of the project as agreed upon by the Government concerned, UNDP and the executing agency, such as UNIDO. It is the formal control document for implementation of the project. For the sake of simplicity, UNIDO applies the UNDP format also to large-scale projects (i.e. \$150,000 and above) financed through its own resources.

Project formulation: After identification, project formulation is the next step by which the design of a project is developed and translated into an operationally oriented project document.

Project formulation framework (PFF): A tool to help project formulators to analyze systematically the key issues and agree on the basic content and structure of a project before attempting to write the project document.

Project Review Committee (PRC): A body within UNIDO which reviews all projects costed above \$50,000 that are proposed for financing through UNIDO's own funds.

Project revision: The introduction of changes in an approved project document, intended either to modify the design of the project, or to correct the budget, or to do both.

Property Survey Board: This Board consists of the Director, Financial Services Division (Chairman), a representative of the Legal Service and a representative of the General Services Division. It investigates and reports on the cause of any shortages and surpluses of, and damages to, supplies, equipment or other UNIDO property and the action to be taken thereon. The Board also disposes of the supplies or equipment or other UNIDO property which has become surplus to the operating requirements of UNIDO or unserviceable through obsolescence or normal wear and tear; and assesses in the case of loss of, or damage to, UNIDO property (including loss of, or damage to, UNIDO vehicles), the degree of responsibility of UNIDO staff members involved.

Purchase order: A legally-binding purchase contract between UNIDO and a vendor, who thereby undertakes to deliver stipulated goods or services at a specific price and under agreed terms.

Resident co-ordinator: The UNDP resident representative is normally designated the resident co-ordinator of the operational activities for development of the United Nations system in his or her country of assignment. The designation is made by the United Nations Secretary-General through the Director-General for Development and International Economic Co-operation.

Resident Representative: Normally refers to the UNDP Resident Representative who represents the Administrator of UNDP in a developing country. The RR is also Head of the UNDP Field Office which is located in the capital.

Resolution: A decision of the United Nations General Assembly or one of its constituent Councils - e.g. the Security Council - or, in the case of UNIDO, the Economic and Social Council. Resolution is abbreviated to res. and is followed by two sets of numerals - e.g. the General Assembly Resolution which created UNIDO was GA res.2152 (XXI) - i.e. the 2,152nd resolution of the Assembly since it started taking them. This one was adopted at its 21st session, held in autumn 1966.

Special Programme Resources: A part of UNDP resources set aside by the Governing Council to finance certain types of programme activities during the planning period for purposes established by the Council. Such resources may be applied in the case of natural disasters, for purposes of programme development, Technical co-operation among developing countries (TCDC) or for contingencies identified by the Administrator.

Tripartite review: A meeting of the parties directly involved in the implementation of a UNDP-assisted project (i.e. the Government, executing agency - UNIDO - and UNDP) for the purpose of reviewing the status and progress of the project and for taking joint decisions about its design and implementation.

Trust Funds: Voluntary contributions from governmental and non-governmental sources accepted by UNIDO normally to finance specific projects in the developing countries. Trust fund projects may be 'self-financed' (i.e. financed by the recipient Government or enterprise) or 'third-party' financed (i.e. financed by a Government or other donor not directly connected with the provision or receipt of the technical co-operation).

Unliquidated obligation: A financial obligation which is not yet disbursed. (see under Obligation).

B. General Abbreviations and Acronyms

ABL	Authorized budget level (UNDP term, referring to the funds available in a given year for technical co-operation projects in a developing country).
a.i.	<u>ad interim</u> (used in typed signature block to mean ('temporarily acting as')).
ARL	Advances recoverable locally (financial term)
AS	Austrian Schillings
ASAP	As soon as possible (used in cables)
CAD/CAM	Computer-aided design/computer-aided manufacturing
C.I.F.	Cost, insurance, freight (purchase of equipment)
CMA	Comma (used in cables)
COB	Close of business (end of working day)
COL	Cost of living (e.g. 'COL survey')
COMFAR	UNIDO Computer Model for Feasibility Analysis and Reporting
CTA	Chief Technical Adviser (leader of a UNIDO project)
CV	curriculum vitae (personal history form or résumé)
DDG	Deputy Director-General (each of the five Departments of UNIDO is headed by a DDG)
DEC. (followed by a number)	Decision (of UNIDO's Industrial Development Board or Governing Council)
DG	Director-General (of UNIDO or other specialized agencies and the IAEA)
DNA	Does not apply (used in filling up forms)
DOB	Date of birth
DRR	Deputy Resident Representative of UNDP
DSA	Daily subsistence allowance

ECDC	Economic co-operation among developing countries
EEC	European Economic Community
EOD	Entry on duty (date of)
ETA	Expected time of arrival
F.10	UNIDO form for claiming travel expenses
FICSA	Federation of International Civil Servants' Associations
F.O.B.	Free on board (purchase of equipment)
FSO	Field Service Officer
f.y.i.	For your information
GC	Governing Council of UNIDO
GCCC	Government counterpart contribution in cash
HQ	Headquarters
IAPSU	Inter-Agency Procurement Services Unit (located in Geneva)
IDA	Industrial Development Abstracts
IDB	Industrial Development Board (UNIDO)
IDDA	Industrial Development Decade for Africa
IDF	Industrial Development Fund
INPRIS	Investment Promotion Resources Information System
INTIB	Industrial and Technological Information Bank
IOV	Inter-office voucher (also used as a verb 'to IOV...')
IFF	Indicative planning figure (fixed for each developing country by the Governing Council of UNDP according to set criteria)
IPS	Investment Promotion Service (UNIDO)
JD	Job description
JPO	Junior professional officer
LDCs	Least developed countries

MOD	Miscellaneous obligating document (UNIDO financial term)
NGO	Non-governmental organization (international or national)
NPPP	Nationally recruited professional project personnel (better known as 'national experts')
NSAs	National supervising agencies (of the host countries receiving UNIDO fellowship-holders for training programmes)
OECD	Organisation for Economic Co-operation and Development
o.i.c.	Officer-in-charge
P.5	Form for effecting a change of a staff member's contract or family status, etc. The form is known colloquially as 'a personnel action'. (UNIDO)
P.11	Personal history statement (yellow form) completed by candidates seeking employment in the secretariat (UNIDO)
P.13	Personal history statement (white forms) completed by candidates seeking employment as project personnel (UNIDO)
P.35	Final clearance certificate.
PAD	Project allotment document (UNIDO) (a financial instrument)
PER	Project self-evaluation report (UNIDO)
PPER	Project performance evaluation report (UNDP)
PPM	Programme and Projects Manual (UNDP)
PRAS	Project Personnel Recruitment and Administration Service (UNIDO)
PRC	Project Review Committee (UNIDO and UNDP)
PROPSPIN	Investment Project Pre-appraisal and Screening Information System
PT.8	Travel authorization form
res.(followed by numbers)	Resolution (of the United Nations General Assembly or one of its Councils)
Res.Rep or RR	Resident representative of UNDP in a developing country
Rev	Revision of a text (e.g. Rev.1, Rev.2, etc)
RP	Regular programme of technical assistance (UNIDO)

SIDFA	Senior Industrial Development Field Adviser (see also <u>UCD</u>)
SIS	Special Industrial Services
SSA	Special Service Agreement
TAS	Technological Advisory Services
TCDC	Technical co-operation among developing countries
TIES	Technological Information Exchange System
TPIs	Travel and Payment Instructions (sent with the Letter of Award to a successful candidate for a UNIDO Fellowship)
UCD	UNIDO Country Director (new name for SIDFAs)
UNDP	United Nations Development Programme
UNOG	United Nations Office at Geneva
UNOV	United Nations Office at Vienna
UNV	United Nations Volunteers
VIC	Vienna International Centre
VIS	Vienna International School
WID	Women-in-development (experts or advisers)
wpm	Words per minute (in shorthand and typing tests)

C. UNIDO Organizational Abbreviations

NOTE: This list contains abbreviations that may be useful to UNIDO field staff - e.g. for interpreting them in correspondence. It is not the complete list given at the beginning of the telephone directory; it excludes those abbreviations that would scarcely be of interest to experts, whether serving in projects or visiting UNIDO in Vienna. The net of relevance has, however, been widely cast.

DA	Department of Administration
DA/FS	Financial Services Division
DA/FS/APS	Accounts and Payments Section
DA/FS/FMTC	Financial Management of Technical Co-operation Unit
DA/FS/TRS	Treasury Unit
DA/GS	General Services Division
DA/GS/CONTR	Contracts Section
DA/GS/INV	Inventory Control and Property Management Unit
GA/GS/PUR	Purchase Section
DA/GS/TRAV	Travel, Transportation, Shipment and Insurance Unit
DA/PS	Personnel Services Division
DA/PS/SS	Social Security Unit
DA/PS/TCP	Technical Co-operation Personnel Administration Unit (until 31 Aug. 1989)
EPL	Department of External Relations, Public Information, Language and Documentation Services
EPL/INF	Public Relations and Information Section
EPL/LD	Languages and Documentation Division

EPL/LD/DOCS	Documents Control Unit
EPL/LD/ECP	Editorial Control and Publications Section
EPL/LD/D	Documents Unit
EPL/LD/T/RT	Reference and Terminology Unit
EPL/REL/GOV	Section for Relations with Governments, Intergovernmental Organizations and United Nations Agencies
EPL/REL/GVA	Geneva Liaison Office
EPL/REL/NYL	New York Liaison Office
IO	Department of Industrial Operations
IO/ADV	Interregional Advisers
IO/IIS	Industrial Institutions and Services Division
IO/IIS/IMR	Industrial Management and Rehabilitation Branch
IO/IIS/INFR	Institutional Infrastructure Branch
IO/IIS/PLAN	Industrial Planning Branch
IO/SD	Industrial Operations Support Division
IO/SD/FEAS	Feasibility Studies Branch
IO/SD/PRAS	Project Personnel Recruitment and Administration Service
IO/SD/TRNG	Industrial Training Branch
IO/T	Industrial Operations Technology Division
IO/T/AGRO	Agro-based Industries Branch
IO/T/CHEM	Chemical Industries Branch
IO/T/ENG	Engineering Industries Branch
IO/T/MET	Metallurgical Industries Branch
IPCT	Department for Industrial Promotion, Consultations and Technology
IPCT/CONSULT	System of Consultations Division

IPCT/CONSULT/CT	Unit for Common Topics
IPCT/CONSULT/HI	Unit for Heavy Industries Sector
IPCT/CONSULT/LI	Unit for Light Industries Sector
IPCT/CONSULT/PI	Unit for Process Industries Sector
IPCT/II	Industrial Investment Division
IPCT/II/PIF	Investment Project Identification and Formulation Branch
IPCT/II/PROM	Investment Promotion Section
IPCT/TP	Industrial Technology Promotion Division
IPCT/TP/BT	Basic Technologies Unit
IPCT/TP/INF	Industrial and Technological Information Section
IPCT/TP/PAN	Technology Policy, Acquisition and Negotiation Unit
IPCT/TP/STP	Special Technologies Promotion Unit
IPCT/TD	Industrial Technology Development Division
IPCT/TD/BGE	Biotechnology and Genetic Engineering Unit
IPCT/TD/INTIC	Informatics Unit
IPCT/TD/NT	New Technologies Unit
IPCT/TD/TM	Industrial Technology Monitors Unit
ODG(UNIDO)	Office of the Director-General
ODG/EVAL	Evaluation Staff
ODG/IDDA	Co-ordination Unit for the Industrial Development Decade for Africa
ODG/LEG	Legal Service
ODG/SPP	Strategy, Policy and Planning Office
PPD	Department for Programme and Project Development
PPD/AREA	Area Programmes Division
PPD/AREA/AFR	Africa Programme

PPD/AREA/AP	Asia and Pacific Programme
PPD/AREA/ARAB	Arab Countries Programme
PPD/AREA/EUR	Europe and Mediterranean Programme
PPD/AREA/GIPP	Global and Interregional Programmes and Projects Unit
PPD/AREA/LAC	Latin America and Caribbean Programme
PPD/AREA/LDC	Least Developed Countries Branch
PPD/IPP	Industrial Policy and Perspectives Division
PPD/IPP/GLO	Global Issues and Policy Analysis Branch
PPD/IPP/REG	Regional and Country Studies Branch
PPD/IPP/STAT	Industrial Statistics and Sectoral Studies Branch
PPD/PRA	Project Review and Appraisal Division
PPD/PRA/APP	Project Appraisal Section
PPD/PRA/PRC	Project Review Committee Secretariat and Funds Administration Section
PPD/SIDFA	Senior Industrial Development Field Adviser and Junior Professional Officer Support Services Section
PPD/SPA	Special Programmes and Activities Division
PPD/SPA/COOP	Industrial Co-operation Branch
PPD/SPA/COOP/NGO	Section for Co-operation with Non-Governmental Organizations and Industrial Enterprises
PPD/SPA/COOP/STF	Special Trust Fund Projects Section
PPD/SPA/ECDC	Section for Economic Co-operation among Developing Countries
PPD/SPA/WOMEN	Unit for the Integration of Women into Industrial Development

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