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Preparations for the General Conference

UNIDO Contributions to United Nations system-wide coherence: An update

I. Introduction

1. UNIDO has been a strong advocate and supporter of United Nations reform and system-wide coherence. At the UNIDO-hosted consultations on the Resident Coordinator System convened by the Secretary-General's High-level Panel on System-wide Coherence in May 2006, the Director-General presented a "position-paper" entitled, "United Nations System Integration with Specialization", outlining the elements of a model for a more coherent and effective United Nations system country presence. Participants welcomed the model and many of its elements were later incorporated in the recommendations of the Panel on country-level coherence, specifically those relating to the definition of the four "Ones" (One Programme, One Budgetary Framework, One Leader and One United Nations Office) in the eight pilot countries.

2. The Director-General welcomed the main recommendations of the Coherence Panel Report (issued in November 2006) in his address to the thirty-second session of the Industrial Development Board and noted that UNIDO's approach to reform was broadly in line with the Panel's recommendations. That approach included the following elements:

(a) Sharpening and aligning the focus of UNIDO's work to the internationally agreed development goals. UNIDO's programmes and activities have been streamlined to concentrate on three thematic priorities, namely, poverty reduction through productive activities, trade capacity-building and environment and energy, and its support services more clearly defined in each of these priorities;

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(b) Building and strengthening UNIDO's partnerships with United Nations and other organizations that have complementary mandates to achieve synergies and increase UNIDO's development impact. Examples include partnerships with WTO and ITC on trade capacity-building; with ILO, UNDP and others on youth employment; with UNEP on cleaner production; with FAO and IFAD on agro-processing and rural development; with UNDP on private sector development and with the United Nations and others on the Global Compact;

(c) Continuously increasing the volume and improving the quality and efficiency of UNIDO's programme delivery;¹

(d) Strengthening and integrating the activities of UNIDO at country level in line with its new field mobility policy and through innovative modalities such as the UNIDO Desks established in partnership with UNDP;

(e) Actively contributing to system-wide coherence through concerted and coordinated approaches at the global, regional and country levels.

3. In March 2007, UNIDO held an information session on United Nations reform and system-wide coherence to keep Member States abreast of the follow-up processes related to the report of the High-level Panel. It also provided an opportunity for Member States to exchange views on United Nations reform and system-wide coherence. The Director-General informed Member States that UNIDO was closely following developments on the subject and was actively contributing to improved inter-agency coordination and to helping shape a system-wide approach to country level coherence. He also outlined the practical steps and initiatives UNIDO was taking to promote greater coherence in its own areas of work.

4. At the thirty-third session of the Industrial Development Board in June 2007, the Secretariat presented a conference room paper (IDB.33/CRP.6) highlighting a number of developments relating to intergovernmental and inter-agency consideration of the report of the High-level Panel (A/61/583). The paper also brought out the key issues that were emerging in the implementation of the "Delivering as One" initiative and the challenges UNIDO was facing in supporting the initiative.

5. The present conference room paper provides an update on the contributions that UNIDO is making to advance the aims of United Nations reform and system-wide coherence at the global, regional and country levels. It also discusses the outstanding issues that continue to impinge on the implementation of the "Delivering as One" initiative, particularly as they relate to UNIDO.

II. UNIDO contributions to system-wide coherence at the global, regional and country levels

6. At the global level, UNIDO continued to give close attention to intergovernmental deliberations on the report and recommendations of the High-

¹ Technical cooperation delivery for 2006-2007 is expected to grow by 8 percent compared to the previous biennium. With some US\$ 235 million in project approvals expected, UNIDO is about to reach the highest level of technical cooperation funds available for future implementation in its history.

level Panel. Following the General Assembly debate on the report of the High-level Panel from 16 to 17 April 2007, the Assembly President established an intergovernmental process to consider the recommendations of the High-level Panel and requested the Permanent Representatives of Barbados and Luxembourg to guide the process on her behalf.

7. Over a period of three months, the Co-Chairs organized a series of informal debates and briefings covering the following themes: delivering as one at the country level (21 June and August 2007); humanitarian issues and recovery (20 June 2007), environment (14 August 2007), gender (21 June 2007), human rights (24 July 2007), governance and institutional reform (22 June 2007), funding (3 August 2007), and business practices (28 June 2007).

8. Following these consultations, the Co-Chairs presented their report on 17 September 2007 with the following major recommendations:

(a) The United Nations General Assembly should consider holding at intervals, a thematic debate in the plenary, to assess progress as a whole and give the political direction and impetus required. The first debate was scheduled for the sixty-second session of the General Assembly.

(b) ECOSOC should place the development-related aspects of system-wide coherence on its agenda and work on those, similar to the way in which it already addresses matters related to the Triennial Comprehensive Policy Review of Operational Activities.

(c) Informal consultations should continue, as required, in specific areas where the need for a further increase in information and/or a deepening of the analysis is established and as new developments arise, for example, on delivering as one and funding, business practices, and further feedback from the pilots.

9. The Co-Chairs also recommended that the issue of system-wide coherence and its implementation be placed on the agenda of the governing bodies of the organizations of the United Nations system involved in the process.

10. Convinced that coherence can only be achieved if it was pursued in a mutually reinforcing manner at both Headquarters and field levels, UNIDO has continued to take a proactive approach to system-wide coherence in the context of the United Nations System Chief Executives Board for Coordination (CEB) and the United Nations Development Group (UNDG). At the October 2007 session of CEB, the Director-General joined with other executive heads in supporting the initiative of the Deputy Secretary-General to obtain a quick indication of how the “Delivering as One” pilots were functioning while endorsing the three-stage process for the evaluation of the pilots proposed by the United Nations Evaluation Group (UNEG). That evaluation process envisaged as a first major output, an assessment of the evaluability of the “Delivering as One” initiative by March 2008, a process evaluation of the pilot experience by September 2009 as the second output, and an evaluation of the results and impacts of the pilots in 2011 as the final output.

11. The stocktaking exercise to be led by the Deputy Secretary-General would request the eight pilot governments to share information on the anticipated benefits and impact on national ownership of the “Delivering as One” initiative to be complemented by internal assessments by United Nations country teams of their experiences with the pilots and inter-agency analysis of those experiences. The

Director-General has offered to host a high-level consultation in Vienna in 2008 to review the outcome of this initial stocktaking exercise.

12. Following up on the CEB decision, UNDG initiated inter-agency consultations on the year-end stocktaking exercise for the eight “Delivering as One” pilot countries. The objective was to review the initial results and lessons learned by the pilots as well as to discuss pending policy/management issues and strategies for the future with relevant headquarters and regional units of United Nations organizations. UNIDO took an active part in the consultations that took place in Geneva and New York to gain a better understanding of how the “Delivering as One” initiative was progressing and to engage in a dialogue with selected Resident Coordinators on the contributions of UNIDO to the pilot initiative.

13. The October 2007 session of the CEB also confirmed the designation of the Director-General as the next Chairman of UN-Energy² for the 2008-2009 biennium. As Chairman of UN-Energy, the Director-General will be in a unique position to help guide the work of the UN system and improve inter-agency coordination and coherence in the field of energy. The Director-General’s Chairmanship of UN-Energy comes at a time when energy-related issues are taking centre stage in the climate change agenda and the recent upsurge in fossil fuel costs has made improved energy efficiency and the search for new and renewable sources of energy urgent imperatives.

14. The Director-General and senior UNIDO staff took an active part in the series of consultations among the heads of five specialized agencies (FAO, ILO, UNESCO, UNIDO and WHO) and UNDP that led to the CEB decision to integrate UNDG into the CEB framework as the third pillar focusing on United Nations system country operations.³ As part of this decision, the UNDP Administrator will remain Chair of UNDG and will report to CEB on the management of the Resident Coordinator system. UNDG will also recommend policies on country-level coherence for the approval of CEB at a segment on development operations to be inscribed on a regular basis in the agenda of CEB. The terms of reference of the three high-level bodies (HLCP, HLCEM and UNDG) will be reviewed with a view to ensuring a clear division of labour, elimination of duplication and improved synergies among them.

15. Together with UNCTAD, WTO, ITC, FAO, UNDP and the Regional Commissions, UNIDO has been advocating the creation of a cluster on trade and productive capacity in CEB to highlight the importance of these issues in the work of the United Nations system and to promote greater coherence among the United Nations agencies working in these fields. On the recommendation of HLCP, CEB

² UN-Energy brings together senior officials and experts on energy from various organizations in the United Nations family: IAEA, FAO, UNIDO, UNESCO, WHO, WMO, World Bank, UNEP, UNDP, UNCTAD, UN-DESA, UN-Habitat, UNFCCC Secretariat, United Nations Regional Commissions (ECA, ECE, ECLAC, ESCAP, ESCWA) and the United Nations International Research and Training Institute for the Advancement of Women. Its chief purpose is to help ensure a coordinated and coherent response by the United Nations system to the energy-related aspects of the Johannesburg Plan of Implementation (JPOI) adopted at the 2003 World Summit on Sustainable Development (WSSD). It is also mandated to promote the effective engagement of non-United Nations stakeholders in advancing the energy-related decisions at the WSSD.

³ The high-level committees on programmes (HLCP) and on management (HLCEM) are the two existing pillars of CEB.

recognized the establishment of this cluster. The United Nations organizations concerned have been meeting informally since July 2007 and have agreed to promote joint programming in a number of pilot countries, including Cape Verde, Mozambique, Uruguay and Viet Nam. They have also agreed to provide information materials and joint training to raise the awareness of Resident Coordinators on trade and productive capacity issues and the contributions that United Nations agencies are making in these fields.

16. Related to the work of the CEB cluster on trade and productive capacity is the UNIDO-led inter-agency working group under the auspices of CEB's High-level Committee on Programmes (HLCP). The working group was tasked to develop a comprehensive guide to "who does what, for whom and how" in the United Nations system in trade capacity-building. The guide will map out the specific services offered by UNIDO, WTO, World Bank, UNCTAD, ITC, UNDP, Regional Commissions, FAO, UN-DESA and others, identify areas of complementarity and develop joint programmes to promote greater coherence in the work of these agencies in trade capacity-building. Based on inputs from these organizations, UNIDO completed work on an initial draft of the Trade Capacity Building Resource Guide and expects to finalize and publish the guide shortly.

17. At the regional level, UNIDO continued to pursue practical steps and joint initiatives to promote increased coherence in its areas of work. Among these are the following:

- On youth employment, UNIDO organized a high-level consultative meeting in Ghana in February 2007 to better coordinate the efforts of various stakeholders in addressing the challenges of youth unemployment in the Mano River Union (MRU) countries (Sierra Leone, Guinea, Liberia and Côte d'Ivoire). UNIDO, along with ILO, UNDP, UN Office for West Africa and the Youth Employment Network fielded a joint mission to the MRU region in May-June 2007, which resulted in the formulation of a draft Multi-stakeholder Sub-Regional Programme on Productive and Decent Work for Youth in the Mano River Union countries and Côte d'Ivoire.
- In March 2007, UNIDO was requested by UN-ECA and the African Union/NEPAD to assume leadership of the Industry, Trade and Market Access Cluster of the Regional Consultation Meetings. UNIDO organized the inaugural meeting of the Cluster from 3 to 4 May 2007 in Vienna to define the contributions of various African regional organizations and UN system agencies towards coordinated support for NEPAD and Africa's development in the field of industry, trade and market access. The inaugural meeting was notable in that the Director-General, the Under Secretary-General and Executive Secretary of UN-ECA and the Chief Executive Officer of NEPAD jointly presided over the meeting. The commitment to coherence in United Nations system support for the African Union and its NEPAD programme at the highest level of UNIDO was positively received by NEPAD and the African Regional Economic Communities. UNIDO presented its first report to the 8th Regional Consultation Meeting in Addis Ababa from 5 to 6 November 2007.

18. At the country level, UNIDO continued to support United Nations country coordination processes through its participation in the work of United Nations

Country Teams, theme groups and clusters, and in joint programmes and activities. UNIDO has been particularly active in promoting partnerships with United Nations agencies that have complementary mandates. It has also been increasingly integrating its activities at the country level in line with its new field mobility policy, including through such modalities as the UNIDO Desks in partnership with UNDP. Furthermore, UNIDO has been continuously strengthening its capacity to respond to the requirements of its Member States in a timely and effective manner, inter alia, by providing comprehensive induction courses to staff selected for field assignments and office-related training to support staff in the field. Work is also underway on a results-oriented performance monitoring system for field staff. Information exchange, communication and coordination between headquarters and the field and between field representatives have increased both in frequency and intensity, particularly in the context of UNIDO's active engagement in the processes of the eight One United Nations pilot countries.

III. UNIDO contributions to the “Delivering as One” Pilots

19. Since the launching of the “Delivering as One” pilot initiative in late December 2006 and early January 2007, UNIDO has been proactively engaged along with other United Nations organizations in helping shape a coherent United Nations system approach to the four Ones – One Programme, One Leader, One Budgetary Framework and One Office. These four Ones constitute the cornerstone of the United Nations collective approach to a more coherent, effective and efficient response to country-level requirements. The Director-General and UNIDO staff have carried out a series of fact-finding and assessment missions to the eight pilot countries to gain a better understanding of how UNIDO could best support the United Nations coherence initiative. Follow-up missions have subsequently been carried out as part of UNIDO's efforts to join the One Programme and One Budgetary Framework. At the same time, UNIDO representatives and heads of offices in Pakistan, Rwanda, the United Republic of Tanzania, Uruguay and Viet Nam continued to actively participate in United Nations country team retreats, thematic groups and clusters as well as joint programme consultations and to work with the Resident Coordinators and United Nations agency representatives to arrive at a common approach to the four Ones in line with Government priorities. In countries where UNIDO has no field representative – Albania, Cape Verde and Mozambique – staff from Headquarters or from neighbouring countries have been contributing to similar processes.

20. Almost a year into the implementation of the “Delivering as One” initiative, the process has moved rapidly but at a different pace in each of the pilot countries. In general, progress is evident in the following areas:

- There is stronger Government ownership and leadership of the development process and in driving the “Delivering as One” initiative forward.
- Donor countries are increasingly joining together to work with their national counterparts and with United Nations country teams in the pilot countries towards a more strategically focused and programmatically coherent response by the United Nations system to the development priorities of the pilot countries.

- The increased frequency and intensity of interactions among United Nations organizations in the pilot countries are helping bring about a better understanding and awareness of their diverse mandates, capacities and business practices. This in turn is encouraging them to seek new ways to work together and to find common ground in moving towards a common approach to the four Ones.

21. Key developments and UNIDO contributions in the eight “Delivering as One” pilot countries are summarized in the Annex, and an update of the situation and UNIDO’s activities in those countries is presented below:

Albania

The “One UN” Pilot Initiative in Albania was officially launched on 14 May 2007. Following extensive consultations under the leadership of the Government of Albania, the United Nations country team decided to construct the “One United Nations Programme” around the existing UNDAF (2006-2010), which was launched in January 2006. The “One Programme” was approved in early July 2007 and signed by the Prime Minister and the United Nations Resident Coordinator on 24 October 2007. Although UNIDO has no representative in Albania, it is actively participating in the pilot phase through field visits by headquarters staff and through an international consultant. Working with the Government to strategically focus its contribution, UNIDO has developed a programme encompassing renewable sources of energy with emphasis on biofuels; cleaner production and energy efficiency; leather and tanning sector; and trade capacity-building with special emphasis on improving the export competitiveness of the leather and agro-food sectors. The formal inclusion of UNIDO’s programme in the One United Nations Programme is foreseen in mid-2008.

Cape Verde

Initial consultations on the “One Programme” based on the UNDAF (2007-2010) have led to a preliminary agreement that it will include an existing common country programme of the Executive Committee (ExCom) Agencies (UNDP, UNICEF, UNFPA and WFP) and a set of additional focused strategic results/actions within the government’s priorities, which would be supported by other agencies/organizations. The Joint Programmes (JPs) will constitute the United Nations strategic response to the key priorities of the Government, addressing various vulnerabilities emanating from Cape Verde’s graduation from LDC status. UNIDO continues to participate in the “Delivering as One” process through staff missions from its regional office in Dakar and from Headquarters. Its contribution to the “One Programme” responds to the high priority attached by the Government to economic growth, competitiveness, and quality infrastructure and entrepreneurship, which are missing in the current UNDAF. UNIDO is contributing to the formulation of a joint programme on environment and is leading the development of a joint programme under the poverty reduction chapter of the UNDAF on private sector development in cooperation with UNDP, ILO, FAO, ITU, UNFPA, UNIFEM, UNESCO, UN-Habitat, UNODC and the World Bank. It is also working jointly with the Cape Verde Chamber of Commerce and Industry as well as with educational authorities to elaborate a project on entrepreneurship development to introduce entrepreneurship curricula in schools and vocational training centres. A forthcoming regional programme for quality in

the ECOWAS region, which includes Cape Verde, will place UNIDO in a good position as a partner for improving the country's industrial competitiveness.

Mozambique

With the support of the Government, a pillar on economic development was added to the 2007-2009 UNDAF III to better reflect the contributions of the specialized agencies to the development of the country. Based on the revised UNDAF III, the One Programme has been finalized and will be implemented through 11 joint programmes (JPs) focused especially on selected outputs of the four UNDAF pillars (Governance, Economic Development, Human Capital and HIV/AIDS). UNIDO is involved in five of the 11 JPs – in the Governance, Economic Development and the HIV/AIDS pillars. Four contributions among the five JPs were submitted to the Spanish Millennium Development Goals (MDG) Fund, of which two have been approved. Under the first two pillars, the role of UNIDO will be to support private sector development through improving access to a variety of private sector business and environmental services. Under the pillar on HIV/AIDS, UNIDO will contribute to overall efforts at mitigation through pilot propagation and processing methods for nutritional supplements of local produce, thus improving health and generating income for vulnerable families and communities. In addition, UNIDO took an active part in the development of the One Budgetary Framework and the establishment of the One Fund. The relevant documents have been finalized and are in the process of being reviewed by participating UN organizations, including UNIDO.

Pakistan

The United Nations country team in Pakistan is at an advanced stage of revising the current UNDAF, reformulating all core activities into joint programmes to be coordinated by the existing inter-agency Thematic Working Groups (TWGs) (agriculture, rural development and poverty reduction; health and population; environment; education; and disaster management) and co-chaired by United Nations agencies on a rotational basis. It is foreseen that around 80 per cent of the United Nations system resources by 2010 would be deployed through these joint programmes and stand-alone activities that would together constitute the "One Programme" in Pakistan. The UNDAF review is expected to be completed by the fourth quarter of 2007 and joint programmes formulated by the end of 2007. UNIDO is actively participating in all aspects of "Delivering as One" in Pakistan and will have the co-chairmanship of the TWGs on Agriculture, Rural Development and Poverty Reduction, and Environment in the next turn. In addition to its ongoing projects in trade capacity-building, small and medium enterprise development, and environment and cleaner production, UNIDO is working with other United Nations agencies to develop joint programmes particularly in the thematic areas of poverty reduction through manufacturing and trade capacity-building as well as in the area of the environment. UNIDO is also involved in the development of the One Budgetary Framework and the One Fund through its field office and missions from headquarters.

Rwanda

The Government of Rwanda and the United Nations country team officially launched the "One United Nations" on 5 April 2007 with the endorsement of a

concept note on the fundamental principles of the “One United Nations” in Rwanda. UNIDO was one of the United Nations agencies that endorsed the concept note. The UNDAF 2008-2012 has been finalized and fully aligned with the Government Economic Development and Poverty Strategy (EDPRS). UNIDO contributed to efforts to include the economic and productive sectors in the revised UNDAF. The five UNDAF pillars now include: Sustainable Growth and Social Protection, Governance, Health/Nutrition, Education and Environment. The One Programme, referred to as the Common Operational Document (COD), covers the entire UNDAF. Together with the One Budgetary Framework and documents related to the One Fund, the Common Operational Document was approved and signed on 20 November 2007 by the Government, the United Nations Resident Coordinator and all United Nations participating agencies, including UNIDO. The contribution of UNIDO focuses on nine out of eighty-seven outputs relating mainly to the UNDAF results on Sustainable Growth and Social Protection involving capacity-building for policy formulation, entrepreneurship curriculum development, agro-industrial value chains, market access, waste management and income generation, rural development and establishment of a cleaner production centre.

United Republic of Tanzania

Fully aligned to national priorities, the 2007-2010 UNDAF II forms the basis of the One Programme, which takes as its building blocks the country programme action plans (CPAPs) of the ExCom agencies, country programmes or equivalent programming instruments of the non-ExCom agencies and Joint Programmes (JPs) developed along specific themes. The One Pilot Programme, approved and signed on October 2007 by the Government and the United Nations Resident Coordinator on behalf of the United Nations, includes several results for the 2007-2008 period achievable as far as possible through the implementation of six JPs: (1) Wealth creation, employment and economic development; (2) Reduction of maternal and newborn mortality; (3) Support to the reduction and prevention of HIV/AIDS (mainland and Zanzibar); (4) Capacity strengthening for development management; (5) Capacity-building for Zanzibar and (6) Human security, humanitarian transition and disaster preparedness. As a member of the United Nations Country Management Team (UNCT), the Development Partners Group (DPG) and the drafting committee for the “One Programme”, UNIDO has been actively contributing to a common United Nations approach to “Delivering as One” in the United Republic of Tanzania. In addition to its ongoing support programmes in trade capacity-building, private sector development, renewable energy, food processing, industrial policies, and several regional programmes, UNIDO is also involved in three JPs (1, 6 & 5) with participation foreseen in two other JPs (4 & 3). Furthermore, UNIDO is reviewing its Tanzania Integrated Programme Phase 2 to better harmonize it with the pilot exercise. The United Nations country team has also developed the One Budgetary Framework and established the One Fund with all participating United Nations agencies, including UNIDO, signing the related document.

Uruguay

As a middle income country and the only pilot country in Latin America, Uruguay is expected to yield valuable lessons for United Nations reform. The document for the “One United Nations Common Programme” in Uruguay entitled “Building capacities for development (2007-2010)” was finalized and signed in October 2007

by the Government and the United Nations Resident Coordinator. The One Programme is based on the UNDAF 2007-2010 and the strategic and priority areas defined by the Government. Working with different Implementing Partners, the United Nations system in Uruguay will develop a series of projects and activities that will be fully articulated with those which the United Nations agencies are already carrying out within the UNDAF. UNIDO ongoing activities are included in full in the UN Common Programme under the UNDAF outcome on sustainable growth. UNIDO is also currently working with other UN agencies to develop joint programmes and activities, particularly in the areas of economic development, private sector development, environment, renewable energy and climate change. UNIDO participated actively in elaborating concept notes for accessing MDG-Spanish Fund thematic windows on “Environment and climate change” and “Culture and development”. A project proposal with FAO, IFAD, UNFPA, UNESCO, UNIFEM and UNDP within the framework of the joint programme has also been submitted to the MDG-Spanish Fund for the window on “Youth, Migration and Employment”. This project involves the promotion of productive initiatives in the north-east of the country. UNIDO is also participating in the elaboration of “One Budgetary Framework”, “One Fund”, and “One Common Operational Practice” as well as in defining the authority, responsibility and accountability of the “One Leader”.

Viet Nam

Viet Nam has been at the forefront of United Nations reform and was among the first countries to become a “One United Nations” pilot. Work on the “Five Ones” in Viet Nam – One Plan (OP), One Budgetary framework (OB), One Fund (OF), One Leader (OL), One Set of Management Practices (One Plan Management Plan, and Harmonized Programme and Project Management Guidelines, so far, involving only the three ExCom Agencies: UNDP, UNICEF and UNFPA, as well as UNDP-affiliated UNV, UNIFEM and UNAIDS), and One United Nations House has advanced rapidly since the beginning of 2007. Viet Nam has adopted a two-track approach with the first track consisting of the funds and programmes that have initially agreed to become part of the “One United Nations” and a second track involving the specialized agencies, including UNIDO that have subsequently signified their intention to join the “Delivering as One” initiative. The “One Plan” builds on the existing UNDAF (2006-2010) with the first track, One Plan (OP1) approved by the Government in July 2007. Work on the second track, One Plan (OP2), started in August 2007 and is expected to be finalized by end December 2007 for Government approval in the first quarter 2008. OP2 will include the key results frameworks of the specialized agencies. Through its field office and numerous missions from headquarters, the UNIDO Integrated Programme Phase 2 and follow-up proposals were submitted for consolidation into the OP2. UNIDO is also working with other agencies to develop joint programmes on women empowerment and gender equality and on trade development in collaboration with FAO, ITC and UNCTAD. In addition, UNIDO is contributing in various working groups to the elaboration of other aspects of the second track of “Delivering as One”: One Budget 2, One Fund 2, One Plan Management Plan, Memorandum of Understanding for One Leader, United Nations Country Team Code of Conduct, One Plan 2 Monitoring and Evaluation Framework, Process Indicators, Terms of Reference for Stakeholder Survey, Terms of Reference for Evaluation of former

Joint Programmes, and Terms of Reference for One Plan Support Facility for change management. UNIDO also hosted a mission of representatives of Viet Nam's Government Aid Coordination Agencies (GACA) on 23 November 2007.

22. From the perspective of UNIDO, the "Delivering as One" initiative is proceeding in a generally positive way. With Government leadership and United Nations country team support, progress is being made on various aspects of the initiative. There is increased awareness of the need to work better together if the United Nations system is to remain relevant at the country level. United Nations organizations have managed to come together and collectively craft a One Programme that, by and large, draws on their capacities and competencies. Wherever called for by Government priorities, UNIDO has offered its contributions to the "One Programme" or "One Plan" in each of the eight pilot countries, either in the first or subsequent rounds of the process. With respect to the other aspects of the "Delivering as One" initiative – One Leader, One Budgetary Framework and One Office – inter-agency and United Nations country team consultations appear to be heading towards convergence. Along with other agencies, UNIDO supports the concept of an independent and impartial One Leader. It also sees the intrinsic value of a single budgetary framework to fund a coherent United Nations system programme at the country level where the core "One Fund" finances part of the agreed overall activities, with individual United Nations agencies mobilizing the balance of the required funds. With regard to the One Office, UNIDO is already operating within the premises of UNDP and sharing its common services in most countries where the Organization has a field presence.

23. Momentum is building towards the United Nations system delivering increasingly as one at the country level. But a number of issues and challenges need to be addressed if the positive trend is to continue in the period ahead.

IV. Challenges Ahead

24. At the intergovernmental level, the main challenge lies in reaching consensus on the way forward with regard to the main recommendations of the High-level Panel on System-wide Coherence. As the Co-Chairs of the UNGA consultations on system-wide coherence reported in September 2007 to the President of the General Assembly, "substantial differences remain on procedural and substantive grounds over the further consideration of the High-level Panel report".⁴ The report also stated that "added complexities arise from the fact that different decision-making bodies and consultative processes are already seized with a large number of recommendations and components. These decision-making bodies and consultative processes are structuring their work within different timelines which might overlap but do not necessarily coincide". The Co-Chairs underscored the importance of providing the General Assembly with an "overall view of the ongoing multiple and diverse activities in the different policy areas covered by the High-level Panel report on United Nations system-wide coherence and the subsequent report by the Secretary-General on its recommendations".

⁴ Report of the Co-Chairs to the President of the General Assembly on the consultations regarding "System-wide Coherence (SWC)", United Nations, New York, September 2007 (available electronically at: www.un.org/ga/president/61/follow-up/system-wide-coherence.shtml).

25. While consultations are ongoing at the intergovernmental level, the “Delivering as One” process continues to unfold at the country level bringing with it a different set of challenges. Those challenges are summarized below:

(a) *Ensuring a comprehensive United Nations system response to national priorities*

A key challenge ahead is how to ensure that the UNDAFs and “One Programmes” are responsive to government priorities, as defined in national development plans, and that the mandates and expertise of the specialized agencies, including UNIDO, remain part of the United Nations system’s response to those priorities. The problem arises when the One Programme is built on a few priorities that do not fully reflect the national development priorities and the capacities that United Nations specialized agencies can bring to bear on those priorities. Despite the fact that economic development lies at the heart of sustainable development, and is a primary component of virtually all developing countries’ national development strategies, the UNDAFs and One Programmes have historically given less importance to the governments’ economic priorities, with a clear bias towards socially oriented interventions that reflect the mandates and priorities of the funds and programmes of the undg Executive Committee (ExCom). UNIDO finds that its contributions are less likely to be included in the UNDAFs and One Programmes in countries where it has no field representation. One step now underway to increase the involvement of non-resident agencies (NRAs) in UNDAFs and One Programmes in the pilot countries is to appoint experts in each Resident Coordinator’s office to look after the needs of NRAs, but implementation of this plan is still incomplete. Access to country-level donor funding for these issues also becomes more problematic if these are not part of the UNDAF/One Programme.

(b) *Funding of the pilots*

Local coherence funds (“One Fund”) are envisaged in the eight pilot countries to be managed by the United Nations Resident Coordinators in consultation with the country team as a funding mechanism for the unfunded results in the One Programme. In most cases, the overall One Programme focuses mainly on locally available funds that may be channelled through the One Fund. This leaves out considerable resources that could be available through other channels for activities that fit perfectly with national priorities, and may offer synergy with projects that are included. Related issues include how to prioritize and allocate the unearmarked funds, and what the respective roles of the Resident Coordinator and the country teams are in the resource allocation process.

(c) *Minimizing transaction costs in joint programmes/projects*

In a number of pilot countries, in an attempt to achieve increased coordination of programme activities and integration through the One Programme and the One Fund, there is an insistence that the components of the One Programme be joint programmes themselves, each of which would involve several or many agencies working closely together covering a wide range of activities. In principle, this programme-level integration is expected to bring about increased synergies but in practice, it is likely to lead to greater complexity in programme delivery and to higher coordination and transaction costs. In addition, such joint programmes, unless they are entirely funded through the local One Fund, may have more difficulty in attracting special purpose funding, since their broad coverage and the

different mandates of the organizations involved may make funding of individual components less attractive.

(d) *Enhancing regional and country-level coherence*

The High-level Panel on System-wide Coherence recommended that all United Nations development activities be consolidated at the country level. However, the coordination in the eight pilot countries generally does not include regional or regionally funded activities. This is unfortunate since regional projects usually have considerable in-country activities and potential links to other country-level projects, and since regional projects are growing in importance for UNIDO as well as for other United Nations agencies. For instance, UNIDO's regional trade capacity-building programmes for the African regional economic communities should be linked with complementary country level activities. Similarly, UNIDO's inter-country projects funded by the Global Environment Fund should be part of the One Programme in the pilot countries. The question is how to integrate these into the One Programme and achieve the intended improved coordination.

(e) *Harmonizing business practices*

A related challenge is to ensure that the business practices of the funds and programmes are harmonized with those of the specialized agencies, including UNIDO. Quite often, the funds and programmes have business practices that are suited to their specific circumstances and operating modalities that they expect the specialized agencies to adopt automatically. These business practices cover a wide range of management-related issues, including programming cycles (although this is an issue not relevant to the Specialized Agencies), programme and project management guidelines, procurement, support cost recovery, monitoring and evaluation frameworks, auditing arrangements and others.

In some pilot countries there is also an unwarranted link between the capacity to deliver and the number of in-country staff. "In-country capacity assessments" are being carried out on the assumption that programme implementation and funding from the One Fund should depend on the numbers of locally available staff. This, however, would seem to ignore the different ways in which the funds and programmes on the one hand, and the specialized agencies on the other hand, operate. In many countries, UNDP and UNICEF have large numbers of programme staff in their offices (paid for by programme resources). This may be appropriate for temporary activities such as electoral support or crisis situations where national capacities do not exist. However in most cases, specialized agencies work differently. UNIDO, for instance, has the core of its technical capabilities at its headquarters, and sometimes regional offices, and only rarely uses long-term international or national staff funded from specific projects. Most national staff working in UNIDO-implemented or executed projects/programmes are on national counterpart agency payrolls. This is in line with the view of the High-level Panel that national counterparts should increasingly take ownership of their development activities.

(f) *Ensuring an independent and impartial Resident Coordinator*

The High-level Panel on System-wide Coherence recommended that UNDP should establish an institutional firewall between the management of its programmatic role and management of the Resident Coordinator system in order to ensure that there is

no potential for, or perception of, a conflict of interest. Although UNDP has indicated its intention to eliminate such conflicts of interest, actual change is occurring rather slowly. In most cases, the United Nations Resident Coordinator continues to act as the UNDP Resident Representative and despite efforts by UNDP to separate its coordinating role from its programme implementation function, there is little evidence that UNDP is withdrawing from areas where specialized agencies have the mandate and the substantive capacity to provide support to countries. Concern remains high that UNDP would continue to implement programmes or projects in the sectoral areas covered by the specialized agencies. For UNIDO, this concern is most evident in the areas of industrial energy efficiency, cleaner production, private sector development, trade capacity building, and support for the implementation of international environmental agreements, e.g. Montreal Protocol and Stockholm Convention. UNIDO will continue to work closely with UNDP as well as with other organizations of the system to address these issues in the context of efforts to enhance system-wide coherence and deliver as one.

26. UNIDO remains firmly committed to system-wide coherence and the “Delivering as One” initiative. It will remain proactively engaged in these reform processes and will continue to make constructive contributions towards a more coherent, responsive and effective United Nations system at the global, regional and country levels. In so doing, UNIDO would remain relevant in a world of change and to better serve the needs of its Member States.

Annex

Overview of UNIDO Contributions in the eight “Delivering as One” Pilot Countries

The matrix below provides an update on major developments in the “Delivering as One” initiative since the issuance of IDB.33/CRP.6 during the thirty-third session of the Industrial Development Board from 25 to 27 June 2007.

Country	Key developments	UNIDO contributions
<p>A L B A N I A</p> <p><i>(Eligible for MDG-Spanish Fund)</i></p>	<ul style="list-style-type: none"> • One Programme 2007-2010 approved by Government and signed in October 2007 • Development of the One Budgetary Framework (OB) and One Fund (OF). OB: USD\$75 million; OF (funding gap to be mobilized): USD\$39 million • Memorandum of Understanding (inter-agency MoU) finalized • Resident Coordinator (RC) note completed • Rent free residential building of six floors and basement (3,061 sqm.) offered to UN by the Government 	<ul style="list-style-type: none"> • UNIDO Country Programme (CP) developed as working document. Full-fledged programme document to be elaborated • International consultant mission fielded to ensure synchronization with One Programme and reaffirm UNIDO’s intention to participate in the One Programme • CP inclusion in the One Programme foreseen for mid-2008
<p>C A P E V E R D E</p> <p><i>(Eligible for MDG-Spanish Fund)</i></p>	<ul style="list-style-type: none"> • UNCT Retreats in July and October 2007 held • Reached an agreement on structure and content of the One Programme 	<ul style="list-style-type: none"> • UNIDO participated at both retreats (Missions from the Regional Office in Dakar and from HQs) • UNIDO is lead agency for Joint Programme (JP) on MSME/Private sector development including TCB related activities; and is participating agency in a JP on environment • UNIDO preparing launching of the Regional EU/ECOWAS/UNIDO programme on Quality • UNIDO participated in preparing joint proposal for Spanish MDG Fund under “Youth, Employment and Migration”

Country	Key developments	UNIDO contributions
M O Z A M B I Q U E <i>(Eligible for MDG-Spanish Fund)</i>	<ul style="list-style-type: none"> • One Programme made up of 11 Joint Programmes (JPs) (10% UNDAF) • One Programme, 2007-2009, approved by the UN Country Team • One Budgetary Framework being developed (\$USD 113,457,200) • Establishment of One Fund – development of ToR One Fund and related MoU and LoA • Reached an agreement on criteria for the allocation of the One UN Fund • Elaboration of five concept notes for the Spanish MDG Fund, of which two concept notes (environment and climate change, and cultural diversity) have been approved 	<ul style="list-style-type: none"> • Several support missions from UNIDO HQs to follow on participation in the One UN • UNIDO involvement in One Budgetary Framework: USD\$ 8,591,400 • UNIDO included in four of the 11 JPs in areas such as environment and climate change (renewable energy), women empowerment (agro-industries), youth employment/ (new enterprise creation and entrepreneurship curriculum programme), and trade and capacity building (building capacities for effective trade policy formulation and management) • Standing request from UNIDO to change the convening role from UNDP to UNIDO for the JP on trade facilitation • Four UNIDO contributions to concept notes submitted for Spanish MDG Fund including: Environment and climate change, Gender equality and women empowerment, Economic Governance (ICT business centres in rural areas) and Youth Employment and migration, of which one concept note has been approved and full JP is developed and submitted for final approval, two concept notes have not been approved and await approval for the Youth employment concept note • Inter-agency Memorandum of Understanding (MOU) for Multi-Donor Trust Fund (MDTF) signed and awaiting review and final clearance of Letter of Agreement (LOA) and MOU of the one UN Fund by HQs

Country	Key developments	UNIDO contributions
<p>P A K I S T A N</p> <p><i>(Eligible for MDG-Spanish Fund)</i></p>	<ul style="list-style-type: none"> • UNDAF 2004-2008 under review (advanced) following five thematic working groups (TWGs): (i) Agriculture, rural development and poverty reduction (TWG-1), (ii) Health and population (TWG-2), (iii) Environment (TWG-3), (iv) Education (TWG-4) and (5) Disaster management (TWG-5) • TWGs co-chaired by UN organizations on a rotational basis • Development of joint programmes in progress based on five UNDAF TWGs • One Programme will comprise JPs formulated within TWGs and Stand-alone activities of UN organizations • JPs to represent at least 80% of UN resources to Pakistan by 2010. No more than 20% of the resources for stand-alone projects • Elaboration of joint proposals for the Spanish MDG Fund • Concepts and modalities One Budgetary Framework/One Fund approved by UNCT 	<ul style="list-style-type: none"> • UNIDO to chair TWG-1 and TWG-3 in the next round • Ongoing UNIDO stand-alone projects in trade-capacity building, small and medium enterprises development, environment and cleaner production • Initiated first Joint Programming exercise on gender. Leading pillar of this JP: Economic empowerment of women • Other JPs will be formulated in the thematic areas of poverty reduction through manufacturing, trade capacity building and environment • Participation in the Inter-agency joint mission on One Budgetary Framework/One Fund
<p>R W A N D A</p> <p><i>(Eligible for MDG-Spanish Fund)</i></p>	<ul style="list-style-type: none"> • MTRF (EDPRS) approved • UNDAF 2008-2012 and One Programme (Common Operational Document) finalized and aligned with MTRF. COD operationalizes the whole UNDAF (100% UNDAF) • Development of One Budgetary Framework (OB) and One Fund (OF) finalized. COD, ToR One Fund, MoU and LoA approved by UNCT and adopted by Steering Committee 	<ul style="list-style-type: none"> • UNIDO entry points into the COD: nine out of 87 outputs covering the contributions of 22 UN agencies (Funds, Programmes, SAs) • UNIDO activities captured in the UNIDO Country Programme Document (IP-2) and are related to capacity building for policy formulation, entrepreneurship curriculum development, waste management for income generation, rural energy development and establishment of cleaner production

Country	Key developments	UNIDO contributions
	<ul style="list-style-type: none"> • OB: USD\$487,600,000; OF (to be mobilized locally): USD\$155,460,000 • Signing ceremony of all documents planned on 20th November • Development Partners Meetings (DPM) 26th-27th November and launching of the One Programme • Reached an agreement on criteria for the allocation of the One UN Fund • Code of Conduct of UNCT signed in September 2007 	<ul style="list-style-type: none"> • UNIDO contribution in OB: USD\$14,830,000 and OF (funds to be mobilized locally): USD\$13,450,000 • MoU and LoA reviewed by UNIDO headquarters
T A N Z A N I A	<ul style="list-style-type: none"> • Development of One pilot Programme 2007-2008 (37% UNDAF II 2007-2010; 20% UN total delivery) through six Joint Programmes (JPs) • One pilot Programme approved in October 2007 • Development of One Budgetary framework and establishment of One Fund. OB: USD\$74,000,000 and OF: USD\$46,000,000. Donors' pledges stand at USD\$ 43,000,000 (Canada, Norway, DFID, Ireland, Spain and Finland) • MoU and LoA finalized. MoU signed by all UN agencies, including UNIDO • Elaboration of criteria for resource allocation in progress • Documents on role of the RC, Code of Conduct, etc. are being finalized 	<ul style="list-style-type: none"> • UNIDO active in three JPs (Wealth creation, employment and economic development (JP1); Capacity building for Zanzibar (JP5); and Human security, humanitarian transition and disaster preparedness (JP6)) • Participation foreseen to Capacity strengthening for development management; and Support to the reduction and prevention of HIV/AIDS (mainland and Zanzibar) • Integrated Programme Phase II under review and reformulation to elaborate activities for the period 2008-2010: Trade capacity building, Industry policy support including analytical reviews of the industrial/productive sector, Private sector support including SME and Investment Promotion, Improved Agro productive capacity, Energy and Environment management • MoUs for JP1, JP5 & JP6 expected to be submitted for clearance shortly

Country	Key developments	UNIDO contributions
<p style="text-align: center;">U R U G U A Y</p> <p><i>(Eligible for MDG-Spanish Fund)</i></p>	<ul style="list-style-type: none"> • One Programme 2007-2010 entitled “Building capacities for development” based on UNDAF 2007-2010 • One Programme (OP) finalized and signed by the Government, the UNRC and representatives of participating agencies, including UNIDO, on 24 October 2007 • Development of One Budgetary Framework. OF being elaborated. OB: USD\$95,000,000; OF: USD\$15,000,000 • RC meeting with community of donors (Representative of EU and Representatives of 16 European countries). Meeting with UNCT is foreseen after the signature of Joint Programmes • Elaboration of joint proposals for the Spanish MDG Fund under “Gender Equality and women empowerment”, “Environment and climate change”, “Culture and development” and “Youth, Employment and Migration”. JP on Culture and development approved 	<ul style="list-style-type: none"> • UNIDO ongoing activities included in OP under UNDAF outcome focused on sustainable growth • Participation in the elaboration of three JPs for Spanish MDG Fund: “Environment and climate change”, “Culture and development” and “Youth, Employment and Migration” • Participation in the elaboration of a joint programme with FAO, IFAD, UNFPA, UNESCO and UNDP on “Promotion of productive initiatives in the Northeastern region” • UNIDO to propose introduction of three statements related to possible conflict of interest in the role RC and UNDP RR, in the Boston Consulting Group survey on “Change Management” • Participation in elaboration of One Budgetary Framework and One Fund
<p style="text-align: center;">V I E T N A M</p> <p><i>(Eligible for MDG-Spanish Fund)</i></p>	<ul style="list-style-type: none"> • First track One Plan (OP1) consisting of six Agencies (UNDP, UNICEF, UNFPA, UNAIDS, UNV and UNIFEM) approved by the Government in July 2007 • Development of first track One Budgetary Framework (OB1), One Fund (OF1). OB1: USD\$ 218,000,000 and OF1: USD\$ 92,000,000 • Donor pledges for OF1 (2007-2008) stand at an estimated USD\$ 33 million • Elaboration of MoU on One Leader (RC Note) in progress 	<ul style="list-style-type: none"> • UNIDO participation through representation in the country and numerous support missions from HQs • UNIDO Integrated Programme Phase II (IP II) and follow up proposals to existing IP II projects submitted for consolidation into the One Plan 2. UNIDO submissions OB2: USD\$35.9 million; OF2: USD\$ 18.1 million • Elaboration of a Joint Programme for Trade development in collaboration with FAO, ITC and UNCTAD-as part of OP2 and OB2 • Participation in the elaboration of joint proposals for Spanish Fund-Gender JP approved by MDG-F

Country	Key developments	UNIDO contributions
	<ul style="list-style-type: none"> • Work on second track of One Plan (OP2) started in August 2007, to be finalized by December 2007 for approval by the Government in Q1 2008 • Elaboration of OP Management Plan (OPMP) relating to six funds/programmes and specialized agencies • Elaboration of joint proposal for Spanish MDG Fund • Mission of representatives of Government Aid Coordination Agencies (GACA) to Specialized Agencies (SAs), including UNIDO from 19-30 November 	<ul style="list-style-type: none"> • Participation in the elaboration of OP2, OB2, OF2, OPMP, MoU One Leader, UNCT Code of Conduct, OP2 MEF, Process Indicators, TOR for Stakeholder Survey, TOR for Evaluation of former Joint Programmes, TOR for One Plan Support Facility-for change management • Participation in various working groups (Youth and Gender Theme Groups)