

Country-level capacity: is the UN system equipped to respond to the needs and priorities of the programme countries?

**Excellencies,
Distinguished Panelist and Participants,
Ladies and Gentlemen.**

Let me begin by apologizing for the absence of the UNIDO Director-General, Mr. Kandeh Yumkella, who was unavoidably detained today and therefore could not be here.

I would like to address the issue of country-level capacity from the perspective of a relatively small, specialized agency. And I would answer the “before versus today” question by saying that I think UNIDO, and the UN system as a whole, is in a much better position to address country-level needs and priorities than we were, say, 5 years ago.

There are two major sources of improvements that have been made: one, is as a result of the joint efforts taken by the UN system in improving systemwide coherence, and the other is improvements in the management of the agencies themselves, by improving both the efficiency and effectiveness with which we undertake technical cooperation activities at the country level.

Improved UN systemwide coherence and cooperation is a major reason that country-level capacity has increased significantly. Others are going to speak to this issue today, so I won't say much about that except to point out that UNIDO believes this is extremely important and has participated fully in the various reform efforts that have taken place and are taking place, including participation in the HLCM's Harmonization of Business Practices initiative, and of course the work of UNDG and the UNCTs in supporting greater coherence, including Delivering as One initiative, in which we have participated in all 8 pilot countries as well as in a number of “self-starters”.

From the viewpoint of UNIDO and perhaps other specialized agencies, especially the smaller ones, this has meant a major commitment of resources. Reform is a labor-intensive process and we have had to fund our participation from regular funding sources.

UNIDO's internal management practices and processes

It has been clear for some time that we needed to do more with less. So, we have changed the way we do business, re-organizing staff, moving staff from one area to higher priority areas, and using more efficient equipment and business practices.

Today, we not only provide more services with a smaller staff, but our management changes have made our services more effective at the country level. We have accomplished this in a variety of ways:

- We have updated our policies and strategies for human resources and workforce planning. Our recruitment, for instance, is now more systematic

and rigorous, and all hires of professional staff in the secretariat go through a competitive process that requires personal interviews, including an oral presentation on substantive issues to a selection panel. And our succession planning and staff career development planning has been revised as part of our new Human Resource Management Framework.

- We have strengthened the capacity of our field staff, in particular. We have a new Field Mobility Policy designed to encourage rotation of some technical headquarters staff to the field, and providing them incentives to do so. As a result, we have managed to decentralize a significant amount of our work to the country and regional level, which makes our services more effective by virtue of their being performed closer to those receiving the services.
- Accompanying that, we have increased our delegation of authority along with responsibility so that field staff are now able to make more of the decisions at the country level, thus speeding up the process of providing our services.
- A major increase in our field capacity has occurred as a result of a special programme of cooperation with UNDP that we initiated about 5 years ago. We established a UNIDO presence in X countries that we had previously been non-resident in, by hiring national experts to work for UNIDO under the day-to-day supervision of the UNDP ResRep. We also have established This has proven to be a very cost-effective way of increasing our capacity, of getting better knowledge of country needs and priorities, and coordinating our technical cooperation activities in country, both with national counterparts and with other UN agencies.
- We have strengthened the expertise of that field staff by adding regular training sessions and skills seminars on both technical and managerial subjects to insure that field staff have the same opportunity to continually upgrade skills and stay abreast of new developments as headquarters staff.
- And, of course, we have invested in ICT in order to leverage the work of our specialized staff.

In short, as a result, we are now doing more with less. UNIDO's level of support services has increased to \$139 million in 2009, a 40% increase in 5 years, and our portfolio of projects has also increased dramatically, to \$355 million at the end of 2009. Both of these are records, despite the lack of growth in our regular budget for many years.