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REVIEW OF THE WORK OF THE ESCAP REGIONAL INSTITUTIONS**

(Item 5 (c) of the provisional agenda)

**ASIAN AND PACIFIC CENTRE FOR AGRICULTURAL
ENGINEERING AND MACHINERY**

SUMMARY

This annual report reviews the major activities and implementation of the work programme of APCAEM in 2004. The contribution of US\$ 2 million for institutional support as well as the provision of office space by the Government of China and the contribution of US\$ 250,000 by the Government of Finland have enabled APCAEM to recruit a Deputy Director and three local General Service staff since APCAEM became operational in November 2003. Several project profiles prepared by APCAEM will be discussed at a consultation meeting scheduled for 11 May 2005 in Bangkok, back to back with the sixty-first session of the Commission. The third sessions of the APCAEM Governing Board and Technical Advisory Committee were successfully concluded in Hanoi in December 2004. The Board reviewed a revised Statute for APCAEM and made recommendations and suggestions on the implementation of the programme of work for 2004, the plan of activities for 2005 and the programme of work for the next biennium, 2006-2007, based on the outcomes of the Technical Advisory Committee session. The present report includes the recommendations of the Governing Board at its third session, as well as a description of major APCAEM activities in 2004, aimed at developing a programme for research and analysis on agricultural engineering and machinery for increased food security and poverty reduction in the region.

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INTRODUCTION

1. The Asian and Pacific Centre for Agricultural Engineering and Machinery (APCAEM) is a subsidiary body of ESCAP and was inaugurated on 26 November 2002. It is located in Beijing pursuant to the headquarters agreement between the Government of China and the United Nations. Its Statute was adopted in Commission resolution 58/5 of 22 May 2002. In accordance with article 20 of the Statute, this annual report is presented to the Commission on the implementation of the work programme of APCAEM, including the administrative and financial status of the Centre in 2004. Its programme of work is oriented towards research and analysis on various issues relating to agricultural engineering and machinery for increased food security and poverty reduction in the region.

2. With the successful conclusion of the headquarters agreement, APCAEM became operational in November 2003. As a result, the Government of China made a first-year contribution of US\$ 2 million towards institutional cost support for APCAEM and in kind support, including rental of roughly 1,000 square metres of office space in December 2003. The Government of Finland also contributed US\$ 250,000 in 2004 towards the post of Director. The Director of APCAEM recruited three General Service staff, including an administrative assistant, a team assistant and a driver/messenger in March 2004, and a Deputy Director in May 2004, respectively, with active backstopping support from the ESCAP secretariat.

3. The first Director of APCAEM undertook missions to various APCAEM member countries, including India, the Islamic Republic of Iran and Pakistan from 21 to 28 February 2004 and held a series of discussions on needs and future work plans with focal points and with the ministries of agriculture of those three member countries. He also visited the local agro-tech contact points and farms in those countries.

4. In collaboration with ESCAP and the Chinese Academy of Engineering (CAE), APCAEM held an International Seminar and Exhibition on Animal Feed Biotechnology in Beijing on 24 and 25 March 2004 and an International Seminar and Exhibition on Information and Communication Technology Applications for Agriculture/Rural Industry and Agro-based Enterprise Development in Beijing from 5 to 7 April 2004.

5. In collaboration with the ESCAP secretariat, the Yantai organizer in Shandong Province of China and the Chinese Academy of Agricultural Mechanization Sciences, APCAEM presented a display on its activities and work plans in the areas of fruit and vegetable processing technologies, agricultural mechanization and the agro-based enterprise cluster development concept, as one of the side events at the sixtieth session of the Commission, held in Shanghai, China, from 22 to 28 April 2004. APCAEM's other project activities and work plans were also showcased during the side event planned for the regional institutions of ESCAP.

6. The first Director of APCAEM separated from service in June 2004, upon which the ESCAP secretariat immediately launched the recruitment process for a new Director, who joined the Centre on 22 February 2005.

7. The APCAEM office coordinated with related departments and municipal governments of China in collaboration with the ESCAP secretariat on the occasion of an official visit of the Executive Secretary to China from 18 to 24 September 2004, during which he attended the opening session of the World Industrial and Commercial Organizations Summit in Beijing and delivered a message on behalf of the Secretary-General of the United Nations. The Executive Secretary met with Mr. Huang Ju, Vice Premier of China, and other high-ranking officials at the Summit. He also attended the opening sessions of major exhibitions organized by the government of Shandong Province. During his visit to Beijing, the Executive Secretary visited the APCAEM office and held a briefing session with the Officer-in-Charge and the other staff. The Executive Secretary and APCAEM staff also discussed future work plans and activities, including recruitment of the new Director. The Executive Secretary attended the sixth International Fruit/Vegetable Exposition in Yantai on 23 and 24 September 2004, an annual flagship event organized by the municipal government of Yantai and the provincial government of Shandong Province, in which over 40 countries from the ESCAP region and beyond participated.

8. In close collaboration with CAE and China Agricultural University, APCAEM sponsored the International Forum on an Agricultural Equipment and Machinery Development Strategy in Less Developed Regions, which was held in Beijing on 15 October 2004. Prominent experts from the world agricultural machinery community were invited to brainstorm on development trends and trade opportunities. APCAEM also took part in and showcased its activities at the China Yangling Agricultural Hi-Tech Fair held in the State Agricultural Hi-Tech Development Area in Shaanxi Province of China from 5 to 9 November 2004.

9. The first edition of an APCAEM brochure was produced and distributed at various international, regional and national events co-organized by APCAEM. The preparation of a second edition of the brochure is in progress.

10. With technical backstopping from the Trade and Investment Division of ESCAP, APCAEM has prepared four project profiles on information networking, a training programme on applied technology in rice production mechanization, adoption and application of biogas energy technology and potato processing. These project profiles will be discussed at a consultation meeting scheduled for 11 May 2005 in Bangkok, back to back with the sixty-first session of the Commission.

11. The third sessions of the Governing Board and Technical Advisory Committee of APCAEM were held back to back in Hanoi from 13 to 16 December 2004. These annual sessions were concluded successfully, with one outcome being review and endorsement of a revised draft Statute of

APCAEM. The Executive Secretary attended the third session of the Governing Board and termed it a “landmark” session.

I. THIRD SESSIONS OF THE GOVERNING BOARD AND TECHNICAL ADVISORY COMMITTEE

12. The third session of the Governing Board of APCAEM was held on 15 and 16 December 2004 and the third session of the Technical Advisory Committee was held on 13 and 14 December 2004.

13. The Governing Board session was attended by members from China, Fiji, India, Indonesia, Mongolia, Nepal, the Philippines, the Republic of Korea and Viet Nam. The Technical Advisory Committee session was attended by experts and representatives from Bangladesh, China, India, Indonesia, the Islamic Republic of Iran, Nepal, Pakistan, the Philippines, the Republic of Korea, Sri Lanka and Viet Nam.

14. The Board elected the following officers: S.K. Tandon (India) Chairperson, Phan Thanh Tinh (Viet Nam) Vice-Chairperson and Satya Swami (Fiji) Rapporteur. The Technical Advisory Committee elected Nadeem Amjah (Pakistan) Chairperson.

15. The Governing Board adopted the following agenda:

1. Opening of the session.
2. Election of officers.
3. Adoption of the agenda.
4. Consideration of issues:
 - (a) Revised Statute of APCAEM;
 - (b) Report of the Technical Advisory Committee on its third session;
 - (c) Programme planning;
 - (d) Resource mobilization for technical cooperation projects.
5. Date and venue of the fourth session of the Governing Board of APCAEM.
6. Other matters.
7. Adoption of the report.

16. The Technical Advisory Committee adopted the following agenda:

1. Opening of the session.
2. Election of officers.
3. Adoption of the agenda.

4. Consideration of issues:
 - (a) Report on APCAEM at the sixtieth session of the Commission;
 - (b) Implementation of the programme of work for 2004-2005;
 - (c) Priority needs of APCAEM members in the areas of agricultural machinery and engineering and emerging agro-technologies: country presentations.
5. Project profiles for 2005.
6. Date and venue of the fourth session of the Technical Advisory Committee.
7. Other matters.
8. Adoption of the report.

II. ADMINISTRATION AND PROGRAMME OF WORK

17. The Governing Board received a report on the activities of the Centre in 2004, as contained in annex I to this report.
18. The Governing Board endorsed the Centre's programme of work for 2006-2007, as contained in annex II.
19. The Governing Board approved the programme of activities for 2005, as contained in annex III, to contribute to the achievement of the expected accomplishments of the subprogramme on trade and investment.
20. ESCAP requested the establishment of a new P-5 regular budget post in the proposed programme budget for 2006-2007 for work related to trade and investment in the area of agricultural engineering and machinery in Asia and the Pacific in response to the request of the Commission at its sixtieth session to realign this area of work with the thematic priorities of ESCAP.

III. DECISIONS AND RECOMMENDATIONS

21. The Governing Board reviewed the financial status of APCAEM and the implementation of its programme of work.
22. The Governing Board reviewed the relevant part of ESCAP's draft programme budget for 2006-2007 and recommended that APCAEM field projects should focus on collecting and disseminating knowledge on the supply, manufacture, distribution and use of agricultural machinery and other applied agro-based technologies and that individual APCAEM activities might address issues such as post-harvest and processing technologies, as well as assistive devices for disabled farmers.
23. The Governing Board noted that other fields within the broader mandate of APCAEM, such as genetic engineering and agro-biotechnology, could be included in the programme of work on a gradual basis, taking into account APCAEM's priorities and the resources available to it.

24. The Governing Board recommended that APCAEM's programme of work include facilitation of visits between entrepreneurs in different countries working in the field of agricultural machinery and post-harvest technology.
25. The Governing Board recommended that APCAEM develop a theme or policy paper on the role of mechanization in the development of the agricultural sector for poverty reduction.
26. The Governing Board recommended that APCAEM create a website embedded within the ESCAP website and linked to the websites of the focal institutions of its members.
27. The Governing Board recommended that members identify needs for agricultural mechanization giving due consideration to social issues and compile a catalogue of commercially successful machinery in their countries. Based on information provided by members, APCAEM should produce a consolidated catalogue and disseminate the information to Governments of member countries through an information network included in the APCAEM website.
28. The Governing Board recommended that ESCAP write to Governments inviting them to provide pledged contributions to APCAEM and, for members that had not yet made pledges to APCAEM, suggesting an appropriate cash contribution to the Centre.

IV. PLEDGES AND CONTRIBUTIONS FOR 2004-2005

29. The Governing Board expressed thanks to States and organizations that had supported the programme of work of the Centre in 2004 (see annex IV).

V. REVISED DRAFT STATUTE OF APCAEM

30. The Governing Board adopted a revised draft Statute for the Centre, as contained in annex V to this report, for consideration and adoption by the Commission at its sixty-first session.

Annex I

IMPLEMENTATION OF THE PROGRAMME OF WORK FOR 2004

Expected accomplishment:

More effective policies and programmes by Governments and the private sector for increasing (a) trade and investment and (b) enterprise development, including its gender dimensions.

Overall summary of results:

In capacity-building at the APCAEM office itself, three General Service staff, including an administrative assistant, a team assistant and a driver/messenger, were recruited in March 2004 and the Deputy Director was recruited in May 2004. In general, the APCAEM office has been carrying out normal operations.

The activities of APCAEM in 2004 aimed at the development of a programme of research and analysis on agricultural engineering and machinery to contribute to increased food security and poverty reduction in the region. In collaboration with ESCAP and focal points in member countries, the following seminars were held: Regional Seminar on Post-harvest Technology for Major Crops, Kunming City, Yunnan Province, 3-5 November 2003, with around 40 participants from 10 countries; International Seminar and Exhibition on Animal Feed Biotechnology, Beijing, 24-25 March 2004, with 90 participants from six countries; and International Seminar and Exhibition on Information and Communication Technology Applications for Agriculture/Rural Industry and Agro-based Enterprise Development, Beijing, 5-7 April 2004, with 98 participants from seven countries.

The sixth International Fruit/Vegetable Exposition, held in Yantai City, Shandong Province, China, from 23 to 26 September 2004, co-sponsored by ESCAP, APCAEM, the Asian and Pacific Centre for Transfer of Technology, CAE, the Ministry of Commerce of China, the Ministry of Science and Technology of China, the Ministry of Agriculture of China and other ministries and departments, and the Shandong provincial government, provided opportunities for trade and market access for subsistence and commercial farmers and small and medium-sized enterprises, and attracted participants from 40 countries/areas of the world.

An International Forum on an Agricultural Equipment and Machinery Development Strategy in Less Developed Regions was held in Beijing on 15 October 2004. Jointly sponsored by CAE and APCAEM and organized by China Agricultural University, the Forum invited around 50 prominent world experts in the field of agricultural machinery to brainstorm on development trends and trade opportunities. On this basis, CAE plans to launch a two-year (2005-2006) project with financial support of 9 million yuan renminbi (more than US\$ 1 million) from the Chinese Government.

The above activities and outcomes were funded by three sources: the Chinese Government contribution, the Finnish Government contribution and joint contributions by member States. The expenditures of APCAEM in 2004 totalled US\$ 346,265.43; Chinese Government – US\$ 179,371.91; Finnish Government – US\$ 130,310.47; and Joint Contribution Account (pooled annual contributions by member States) – US\$ 36,583.05.

Annex II

PROGRAMME OF WORK FOR 2006-2007

Expected accomplishment:	Increased national capacities to develop and implement trade and investment policies and programmes designed to enhance supply-side capacities and international competitiveness of exports.
Intermediate result:	Government officials and other stakeholders have increased knowledge of good policies for rural poverty alleviation through development of the agricultural sector, including agri-business, technology and machinery.
Output:	<p>Servicing of intergovernmental and expert meetings (regular budget/extrabudgetary):</p> <ol style="list-style-type: none"> 1. Reports on the Asian and Pacific Centre for Agricultural Engineering and Machinery (2) (2006-2007). 2. APCAEM Governing Council (2) (2006-2007).
Output:	<p>Other substantive activities (extrabudgetary):</p> <ol style="list-style-type: none"> 1. Establishment of Internet linkages with member countries and ESCAP (1) (2006-2007). 2. Internet database on agricultural technology and machinery for poverty alleviation (in support of Millennium Development Goal 1) and information updating through an e-newsletter (www.apcaem.org) (1) (2006-2007).
Output:	<p>Technical cooperation (extrabudgetary):</p> <ol style="list-style-type: none"> 1. Field projects: Capacity-building in agro-based technologies for rural income generation in support of Millennium Development Goal 1: a series of projects focusing on collecting and disseminating knowledge on the use of agricultural machinery and other applied agro-based technologies for rural income generation (1) (2006-2007).

Annex III

PROGRAMME OF ACTIVITIES FOR 2005

Expected accomplishment of the related ESCAP subprogramme

More effective policies and programmes by Governments and the private sector for increasing (a) trade and investment and (b) enterprise development, including its gender dimensions

Output A: APCAEM office is well administered

Estimated cost: US\$ 894,000

Anticipated source of funds:

- Chinese Government contribution
- Finnish Government contribution

Output B: Governing Council and Technical Committee and group training and workshops

Estimated cost: US\$ 154,000

Anticipated source of funds: APCAEM Joint Contribution Account

**Output C: Internet database on agricultural technology and machinery for poverty alleviation
(in support of Millennium Development Goal 1)**

Estimated cost: US\$ 847,000

Anticipated source of funds: Bilateral donors

Output D: Field projects on capacity-building in agro-based technologies for rural income generation in support of Millennium Development Goal 1: a series of projects focusing on collecting and disseminating knowledge on the use of agricultural machinery and other applied agro-based technologies for rural income generation

Activity 1: Training of rural women in applied technology for the mechanization of rice production

- **Estimated cost:** US\$ 596,000
- **Anticipated source of funds:** Bilateral donors

Activity 2: Development and expansion of potato-processing technology and high-quality seed cultivation in less developed regions

- **Estimated cost:** US\$ 801,000
- **Anticipated source of funds:** Bilateral donors

Activity 3: Promoting the extensive use of biogas: clean energy for subsistence farmers

- **Estimated cost:** US\$ 842,000
- **Anticipated source of funds:** Bilateral donors

Annex IV

CONTRIBUTIONS 2004

Regular annual contributions

Country/Organization	Contributions in 2004 (US\$)
Philippines	7,755.29
Republic of Korea	10,000.00
Viet Nam	2,994.00

Extrabudgetary contributions

Country/Organization	Project/Activity	Contribution (US\$)
Finland	Strengthening of the Asia-Pacific Centre for Agricultural Engineering and Machinery (APCAEM)	249,970.00

Annex V

**REVISED DRAFT STATUTE OF THE
UNITED NATIONS ASIAN AND PACIFIC CENTRE FOR AGRICULTURAL
ENGINEERING AND MACHINERY
(as endorsed by the Governing Board)**

Establishment

1. The Asian and Pacific Centre for Agricultural Engineering and Machinery, established on 22 May 2002 pursuant to Economic and Social Commission for Asia and the Pacific resolution 58/5, shall continue in existence under the title “United Nations Asian and Pacific Centre for Agricultural Engineering and Machinery” (hereinafter referred to as “UNAPCAEM”) and under the terms of the present Statute.
2. The membership of UNAPCAEM shall be identical to the membership of the Economic and Social Commission for Asia and the Pacific (hereinafter “ESCAP” or “the Commission”).
3. UNAPCAEM shall have the status of a subsidiary body of ESCAP.

Objectives

4. The objectives of UNAPCAEM are to enhance the technical cooperation among the members and associate members of ESCAP as well as other interested States Members of the United Nations, through extensive exchange of information and sharing of commercially successful machinery and technology, and to promote research and development and extension of agricultural engineering, including machinery and rural industry for poverty reduction in the region.
5. The Centre will achieve the above objectives through undertaking, inter alia, the following functions:
 - Assistance in the improvement of agricultural engineering, mechanization, automation, biotechnology and genetic engineering;
 - Enhancement of farm mechanization technologies in addressing issues related to subsistence farming for increased food security and poverty reduction and promoting agro-based small and medium-sized enterprise development and commercial farming to seize opportunities for increased market access and agro-food trade;
 - A focus on an agro-based enterprise cluster concept and enterprise development activities to enhance the capabilities of members in identifying potential agricultural commodities in their respective countries on a clustering basis;
 - Regional cooperation in technology transfer through networking of focal point national institutes in UNAPCAEM member countries and other relevant institutions;

- Promotion of the technology transfer process from research and development institutes to the agricultural and farm machinery extension systems in member countries for poverty reduction;
- Dissemination and exchange of commercially successful machinery and drawings of appropriate tools, machines and equipment;
- Training workshops and advisory services on food safety standards and sanitary and phytosanitary issues under the World Trade Organization agricultural trade mandate.

Status and organization

6. UNAPCAEM shall have a Governing Council, a Director, a Deputy Director subject to the availability of funds, other staff and a Technical Committee.
7. UNAPCAEM shall be located in Beijing.
8. The activities of UNAPCAEM shall be in line with relevant policy decisions adopted by the General Assembly, the Economic and Social Council and the Commission. UNAPCAEM shall be subject to the financial and staff regulations and rules of the United Nations and the applicable administrative instructions.

Governing Council

9. The Centre shall have a Governing Council (hereinafter referred to as “the Council”) consisting of a representative designated by the Government of China and eight representatives nominated by other members and associate members of ESCAP elected by the Commission. The members and associate members elected by the Commission shall be elected for a period of three years but shall be eligible for re-election. The Executive Secretary or his/her representative shall attend meetings of the Council.
10. The Director of the Centre shall serve as Secretary of the Council.
11. Representatives of (a) States that are not members of the Council, (b) United Nations bodies and specialized and related agencies and (c) such other organizations as the Council may deem appropriate as well as experts in fields of interest to the Council may be invited by the Executive Secretary to attend meetings of the Council.
12. The Council shall meet at least once a year and may adopt its own rules of procedure. Sessions of the Council shall be convened by the Executive Secretary of ESCAP, who may propose special sessions of the Council at his/her own initiative and shall convene such special sessions at the request of a majority of Council members.
13. A quorum for meetings of the Council shall be a majority of its members.

14. Each member of the Council shall have one vote. Decisions and recommendations of the Council shall be made by consensus or, where that is not possible, by a majority of the members present and voting.

15. The Council shall, at each regular session, elect a Chairman and Vice-Chairman. They shall hold office until the next regular session of the Council. The Chairman or, in his/her absence, the Vice-Chairman shall preside at meetings of the Council. If the Chairman is unable to serve for the full term for which he/she has been elected, the Vice-Chairman shall act as Chairman for the remainder of that term.

16. The Council shall review the administration and financial status of UNAPCAEM and the implementation of its programme of work. The Executive Secretary shall submit an annual report, as adopted by the Council, to the Commission at its annual sessions.

Director and staff

17. UNAPCAEM shall have a Director, a Deputy Director subject to the availability of funds, and staff, who shall be ESCAP staff members appointed under the appropriate United Nations regulations, rules and administrative instructions. The Director shall be appointed in a manner consistent with United Nations regulations and rules. The Council will be invited to nominate candidates for the position of Director, once the vacancy is announced, and provide advice, as appropriate. Other members and associate members of the Commission may also submit nominations for the post.

18. The Director shall be responsible to the Executive Secretary of ESCAP for the administration of UNAPCAEM and the implementation of its programme of work.

Technical Committee

19. UNAPCAEM shall have a Technical Committee consisting of experts from members and associate members of ESCAP as well as intergovernmental and non-governmental organizations. Members and associate members of ESCAP will be invited to propose candidates for the Technical Committee. Members of the Technical Committee shall be appointed by the Director in consultation with the Executive Secretary. The Director may also invite governmental, intergovernmental and non-governmental institutions to propose experts who would best contribute to Technical Committee discussions on a specific topic.

20. The Technical Committee shall be responsible for advising the Director on the formulation of the programme of work and on other technical matters concerning the operations of UNAPCAEM.

21. Reports of meetings of the Technical Committee, with the Director's observations with respect thereto, shall be submitted to the Council at its next session.

22. The Chairman of the Technical Committee shall be elected by the Committee itself at each meeting.

Resources of the Centre

23. All members and associate members of ESCAP should be urged to make a regular annual contribution to the operations of the Centre. The United Nations shall administer a joint contribution trust fund in which those contributions shall be deposited.

24. UNAPCAEM will endeavour to mobilize sufficient resources to support its activities.

25. The United Nations shall maintain separate trust funds for voluntary contributions for technical cooperation projects or other extraordinary voluntary contributions for activities of UNAPCAEM.

26. The financial resources of UNAPCAEM shall be administered in accordance with the financial regulations and rules of the United Nations.

Amendments

27. Amendments to the present Statute shall be adopted by the Commission.

Matters not covered by the present Statute

28. In the event of any procedural matter arising that is not covered by the present Statute or rules of procedure adopted by the Governing Council under paragraph 12 of the present Statute, the pertinent part of the rules of procedure of ESCAP shall apply.

Entry into force

29. The present Statute shall enter into force on the date of its adoption by the Commission. Members and associate members elected to the Governing Board of UNAPCAEM at the fifty-ninth session of the Commission in April 2003 will serve as members of the UNAPCAEM Governing Council until the sixty-second session of the Commission in 2006.

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