I. INTRODUCTION: THE CONTEXT

1. This document is issued in accordance with resolution GC.10/Res.2 on the medium-term programme framework (MTPF) for 2004-2007. This resolution took note with appreciation of the information provided in document GC.10/14 concerning the medium-term programme framework, 2004-2007. It also took into account the broader development objectives established by the international community, in particular through the Millennium Development Goals derived from the Millennium Declaration adopted by the United Nations Millennium Summit in September 2000, but also through other initiatives, and gave due consideration to the provisions of the multilateral environmental agreements which impinge on the industrial sector. Noting the implications of global economic, industrial and technological trends for the support services delivered by UNIDO, and the importance of linking UNIDO’s programme activities to national poverty reduction strategies wherever possible, the resolution recognized the extensive experience and expertise of UNIDO in promoting industrial development and especially the successes achieved in the past six years.

2. In this context, the resolution confirmed that the Business Plan on the Future Role and Functions of UNIDO continued to provide the basis for the programmatic activities of UNIDO and took note with interest of the corporate strategy introduced by the Director-General to the Industrial Development Board at its twenty-seventh session. It expressed its support for UNIDO’s efforts to achieve a greater synergy between its global forum and technical cooperation activities, and approved UNIDO’s proposal to focus its services on a selected number of priority areas as outlined in document GC.10/14, thus enhancing the impact of UNIDO’s services in the field. It also requested the Director-General to take into account when implementing the technical assistance and research programme during 2004-2007 the Strategic Guidelines “Towards improved UNIDO programme delivery” and documents GC.10/14 and GC.10/CRP.4. In addition, the resolution invited the Director-General to develop a strategic long-term vision statement, possibly in time for the next General Conference, and encouraged him to carry forward the process of decentralization to the field and further strengthen and rationalize the field operations of the Organization.
3. Finally, the resolution requested the Director-General to report regularly to the Industrial Development Board and to the General Conference at its eleventh session on its implementation. This document represents a response to that request.

II. IMPLEMENTATION MEASURES TAKEN TO DATE

4. A number of important preparatory measures have been taken in the short period of time that has elapsed since the beginning of the current biennium to ensure that the medium-term programme framework for 2004-2007 will be implemented effectively and in accordance with documents GC.10/14 and GC.10/CRP.4, as required in resolution GC.10/Res.2. These measures, which will be discussed in greater detail below or in separate documents presented to the twenty-eighth session of the Board, cover all of the principal issues raised in GC.10/Res.2, including the operationalization of the corporate strategy, the formulation of an appropriate research agenda, the focusing of UNIDO’s services, the full consideration of the Strategic Guidelines in the implementation of these services, the further decentralization of the Organization and the preparation of the strategic vision statement.

5. In the meantime, it may also be borne in mind that, given the rolling nature of the medium-term programme framework, there is a degree of continuity between the medium-term programme framework for 2002-2005 and the newly formulated medium-term programme framework for 2004-2007. The latter represents a refinement rather than a replacement of the former, and is intended to ensure that UNIDO’s services remain relevant to the evolving international development agenda and the changing needs of its member states. It is also intended to enable the Organization to provide more focused interventions within the framework of the Strategic Guidelines and new corporate strategy. The revisions to the service modules initiated in the course of formulating the medium-term programme framework for 2004-2007, and the associated efforts to identify areas of emphasis and priority services, may be seen in this context.

Technical cooperation services

6. In accordance with the references to the need to operationalize the corporate strategy and focus UNIDO’s services on a selected number of priority areas as outlined in document GC.10/14 and the related conference room paper GC.10/CRP.4, the Director-General has issued a document for internal distribution throughout UNIDO entitled Operationalizing UNIDO’s Corporate Strategy—Services and Priorities for the Medium Term 2004-2007. This document brings together the UNIDO corporate strategy and the refined service modules, areas of emphasis, priority services and research programme contained in documents GC.10/14 and GC.10/CRP.4 submitted to the General Conference, together with a foreword by the Director-General. In this foreword the Director-General stresses that the substance of UNIDO’s activities during 2004-2007 will be determined by the detailed presentation of the services, research programme and priorities contained in the document. Related measures are also being put in place to ensure that UNIDO’s procedures for funds mobilization and programme/project formulation, approval, review and evaluation are adjusted accordingly.

7. It may also be noted in this context that special care was taken to incorporate the guidance given by the Member States in the Strategic Guidelines “Towards improved UNIDO programme delivery” in formulating the refined service modules, areas of emphasis, priority services and research programme that constitute the MTPF for 2004-2007. Specifically, the MTPF for 2004-2007 explicitly seeks to focus and further improve UNIDO’s technical cooperation activities in line with available resources as required by the Strategic Guidelines. In addition, the formulation of the MTPF for 2004-2007 was clearly guided by the interests and concerns of developing countries, and the services offered are designed specifically to link with and complement other international development initiatives in such a way that they contribute effectively to the achievement of the Millennium Development Goals. The individual services, and the proposed methods of delivering them, correspond closely to those recommended by the Strategic Guidelines.

Formulation of an appropriate research agenda

8. The responsibility for managing the implementation of the research programme has been assigned to the Strategic Research and Economics Branch, which has begun to formulate a research agenda based on the principles outlined in documents GC.10/14 and GC.10/CRP.4. The Branch is currently preparing a proposal for submission to the Executive Board on the organization of the research programme and on the procedures to be adopted for the approval of individual research projects by the Executive Board. A coordinator has been selected for each research line of the programme, whose responsibilities will be to identify research topics in the respective research lines, to coordinate the research teams, and to support the process of formulation and implementation of the research projects.
9. Preliminary consideration has begun to be given to the formulation of this statement to ensure its completion in time for the eleventh session of the General Conference as called for in GC.10/Res.2.

10. The Board may wish to take note of the information in the present document.