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STRATEGIC LONG-TERM VISION STATEMENT

Report by the Director-General following consultations with Member States

1. In resolution GC.10/Res.2, the Conference invited the Director-General to develop a strategic long-term vision statement (10-15 years) possibly in time for its adoption by the eleventh session of the General Conference, including UNIDO's strategic contribution to the Millennium Development Goals. In accordance with decision IDB.30/Dec.9, the Secretariat continued consultations with Member States with a view to finalizing the strategic long-term vision statement. The informal consultations to this effect were held on 29-30 September, and 7, 12 and 13 October 2005 under the chairmanship of Mr. Thomas Stelzer (Austria), President of the Industrial Development Board. These

consultations recommended the strategic long-term vision statement to the General Conference for its adoption.

ACTION REQUIRED OF THE CONFERENCE

2. The Conference may wish to consider for the purpose of adoption the strategic long-term vision statement, as finalized in accordance with the mandates of the Conference and the Board, and contained in the annex to the present document.

For reasons of economy, this document has been printed in a limited number. Delegates are kindly requested to bring their copies of documents to meetings.



Annex

Strategic long-term vision statement, 2005-2015

Introduction

1. In the context of the changing global economic environment and emerging needs of developing countries and countries with economies in transition, the United Nations Industrial Development Organization (UNIDO) must profile itself as a competent, effective, efficient and professional organization, contributing to relevant international development objectives and to sustainable industrial development in these countries.

2. The international development objectives, in particular the Millennium Development Goals (MDGs), and the developments in the world economy, especially the complex process of economic globalization and marginalization of poor countries, will together be the major driving forces determining the future scenarios. Added to these are issues related to appropriate technology transfer, foreign direct investment and sustainable use of the environment and natural resources as well as energy, which impact on industrial development.

3. The challenges and opportunities to be addressed by UNIDO in the coming decade through the promotion of sustainable industrial development include the following:

- Poverty alleviation in the context of MDGs as the most important development goal in the next 10 years;
- Economic globalization, which has potential benefits as well as downside risks, including marginalization;
- Environment and energy as factors for sustainable development;
- Sub-Saharan African countries' unique development needs and differentiated development requirements of other regions;
- Countries and regions emerging from crisis situations resulting from man-made or natural disasters requiring international assistance.

4. UNIDO will need to address these challenges on the basis of its mandate, taking into account the *Business Plan on the Future Role and Functions of UNIDO*, the *Strategic Guidelines Towards Improved UNIDO Programme Delivery*, and its corporate strategy, using its comparative advantage to ensure value addition within the framework of the United Nations development system.

Areas of focus

5. In order to deal with the future challenges, the activities of UNIDO will need to focus on the following three areas:

(A) Poverty alleviation through productive activities

The activities and programmes under this group will focus on the following:

- (a) Entrepreneurship (including rural and women's entrepreneurship) development;
- (b) Small enterprise and business development;
- (c) Development of microenterprises, including informal sector upgrade;
- (d) Development of the domestic private sector;
- (e) Institutional capacity-building at the country and sectoral levels;
- (f) Development of agro-industries and textiles;
- (g) Industrial policy advice based on applied research;
- (h) Assistance in the diffusion and transfer of modern and relevant technologies.
- (i) Assistance in the creation of conducive investment climate;
- (j) Promoting industrial growth in less developed areas with a focus on employment and income generation.

(B) Trade capacity-building

The activities and programmes under this area of focus will seek to assist the developing countries and transition economies to build and develop both production and trade-related capacities, including the capacity to conform to the standards of international markets. These will include:

- (a) Assistance in building and developing production and export capacities in quality products and for conforming with technical standard requirements;
- (b) Programmes for the development of infrastructure relating to metrology, standards, testing and quality.

(C) Environment and energy

The activities under this area of focus will promote sustainable industrial development. These activities would include:

(a) Programmes on environmentally sustainable industrial development strategies and policies;

(b) Transfer and promotion of technologies and know-how to enhance the efficient use and management of energy, natural resources, and materials to produce less pollution and waste;

(c) Support programmes involving changes in product design and technology which maximize the reuse and recycling of waste materials;

(d) Programmes for promoting renewable sources of energy, particularly in remote rural areas;

(e) Assistance and participation in the implementation of international environmental agreements.

Cross-cutting approaches

6. A number of cross-cutting approaches will characterize the Organization's activities in the identified focus areas:

(a) Continuous improvement in the managerial and financial performance of the Organization as well as the technical expertise and professional competence of UNIDO personnel;

(b) Establishment of a balanced portfolio of activities relating to implementation of the environmental agreements and traditional industrial development functions in areas such as investment and technology promotion, small enterprise development and trade capacity-building;

(c) A proper mix of operational activities and global forum functions involving analysis, dissemination of knowledge and discussions of industrial development issues;

(d) Creation, transformation and management of knowledge on, and best practices in relevant areas such as industrial development, technology, industrial statistics, skills;

(e) Promotion of new and emerging technologies;

(f) Assistance with rehabilitation and reconstruction of industrial infrastructure in countries emerging from crisis situations in cooperation and

coordination with other international organizations and within UNIDO's mandate;

(g) Coordination of UNIDO activities with national policies and priorities as well as nationally-owned poverty reduction strategies;

(h) Promotion of partnerships with the organizations of the private sector and of civil society;

(i) Strengthening UNIDO's advocacy function and enhancing its visibility;

(j) Consolidating UNIDO's reform process in order to increase its efficiency to fulfil its mandate.

Regional dimensions

7. There will be a number of regional dimensions to UNIDO's work in the coming years. In this regard, UNIDO will consult with each regional group to define regional strategies as a way to enhance sustainable industrial development.

8. Given its unique development problems, Africa, in particular sub-Saharan Africa, will receive special attention in the Organization's technical cooperation and global forum activities.

9. Due consideration will be given to the differentiated challenges and opportunities of other regions—Asia and the Pacific, Latin America and the Caribbean and countries with economies in transition.

10. Effective decentralization of the Organization's functions and activities to the field will be continued and strengthened through various measures including networking, arrangements with the United Nations Development Programme and other development agencies, whilst ensuring proper evaluation of this process in consultation with Member States.

11. Promotion of South-South cooperation will be an important feature of UNIDO's work in the coming years.

Finance for development

12. UNIDO will strive to mobilize adequate financial resources for its technical assistance and global forum activities and also to increase their levels over the next 10 years. This will be done through:

(a) Seeking a fair share of the increase in the official development assistance expected in the coming years;

(b) Negotiating for increased allocations under various multilateral environment agreements, and

seeking allocations from new and additional multilateral funds;

(c) Striving to access and take advantage, within its mandate, of human security funds to finance its industrial development activities, taking into account United Nations General Assembly discussions on human security;

(d) Designing other innovative measures including funding from the private sector and industry associations.

13. UNIDO will strengthen its policy of promoting public awareness of its activities and reinforce the Goodwill Ambassadors initiative, launched by the Director-General in October 2004, with a view to

mobilizing funds for developing countries, and particularly least developed countries.

14. In this connection, the Organization will continue to refine and streamline its methods of work to more efficiently address the needs and interests of its donor and recipient Member States to achieve the MDGs.

UNIDO in the multilateral system

15. UNIDO will continue and enhance its cooperation arrangements with other international, regional and subregional organizations, in the relevant areas of UNIDO activities. At the same time it will strive to contribute to the coherence of the United Nations development system through the adoption of an agreed, MDG-based business plan or common agenda of action on the basis of the concept of issue-based leadership.