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Proposals of the Director-General

Provides preliminary information on proposed activities in the forthcoming medium-term programme framework period, 2010-2013

I. Introduction

1. This note is presented in accordance with General Conference decision GC.2/Dec.23, as subsequently amended in decision GC.6/Dec.10, which requests the Director-General to submit to the Board in the first year of each fiscal period, through the Committee, a draft medium-term programme framework (MTPF) for the four years that follow the current fiscal period – i.e. the four years from 2010 to 2013. It also complies with paragraph (b)(v) d of the same decision, which requests the Director-General to indicate a general ceiling for the biennium 2010-2011 based on anticipated resources and on programme activity.

2. In view of the ongoing transition of UNIDO's programmatic services and administrative processes towards a fully results-based approach, the format of the MTPF for 2010-2013 will be significantly revised from that adopted for the recent MTPF documents. This new format is currently under development, and is not expected to be finalized before the latter half of 2008. The submission of a comprehensive MTPF document for 2010-2013 is therefore deferred to the forthcoming thirty-fifth session of the Board in December 2008. In the meantime,

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this document will present a brief overview of the programmatic context, implementation modalities, inter-agency coordination processes and partnerships, resource mobilization mechanisms, and programme support measures projected for the MTPF for 2010-2013. Finally, this note will provide Member States with an indication of the resource requirements for the implementation of the MTPF for 2010-2013.

II. The programmatic context

3. The broad programmatic objectives and priorities of UNIDO will continue to be given by the strategic long-term vision statement adopted by the General Conference in resolution GC.11/Res.4. It provides for UNIDO to address the prevailing international development challenges, including the achievement of the Millennium Development Goals and an equitable distribution of the benefits of globalization, within the context of its mandate and its comparative advantages. Specifically, the strategic long-term vision statement calls upon UNIDO to focus its activities on three priority areas:

- (a) Poverty alleviation through productive activities;
- (b) Trade capacity-building; and
- (c) Environment and energy.

4. In addition, the strategic long-term vision statement requires UNIDO to adopt a number of cross-cutting approaches in implementing its activities in the designated focus areas. It also identifies a number of specific regional dimensions, as well as advocacy and funds mobilization measures, for UNIDO to follow, and calls upon UNIDO to enhance its cooperation with other organizations operating in areas relevant to its own activities. The programmatic content of the MTPF for 2010-2013 will be based on these guidelines.

5. Within the overall framework given by the strategic long-term vision statement, however, the MTPF for 2010-2013 will also include a number of programmatic enhancements intended to cover issues that have gained increased relevance since the adoption of resolution GC.11/Res.4. These will include topics that have already been incorporated into UNIDO's programmatic agenda, such as:

- (a) Promotion of South-South cooperation in industrial development;
- (b) Measures to reduce youth unemployment; and
- (c) Enhanced access to energy for developing countries within the context of mitigating climate-change effects where possible, and adapting to them where necessary.

6. Additional programmatic enhancements will be considered as the need arises. In this connection, an appropriate response will also be formulated for the global food crisis, based on ongoing consultations with the Member States and taking into account UNIDO's mandate and expertise. This response will involve the promotion of industrial inputs for agriculture on the one hand, and the promotion of agri-business and value-chain development on the other. The former will be aimed at enhancing the productivity of the agricultural sector in developing countries,

while the latter will be aimed at reducing post-harvest losses and increasing the marketability of food crops.

III. Increased field participation in programme formulation and implementation

7. The previous biennium has witnessed a significant strengthening of UNIDO's position in the field, with the vacancy ratio for international Professional staff in field offices being reduced from almost 48 per cent in 2005 to slightly more than 11 per cent in 2007. This reallocation of resources to the field has allowed field offices to enhance both their representative and substantive functions, and it is anticipated that the field offices will begin to make an increasing contribution to programme formulation and implementation in the coming years. As the portfolio of UNIDO projects in various countries continues to grow, there is also a strong likelihood of an increased recruitment, where appropriate, of suitably qualified national staff for the implementation of these projects.

IV. Inter-agency coherence and partnership

8. UNIDO will retain its unqualified support for, and commitment towards, the intensifying efforts to achieve increased inter-agency coherence at the country level, in accordance with the "One-UN" and "Delivering as One" approaches currently being developed. This will entail an increasing degree of joint project formulation and implementation within the context of the "One-Programme" called for by the "One-UN" framework. While the process of formulating these common programmes is still in its infancy, and largely limited to eight pilot countries at present, it is almost certain to become increasingly prevalent in the coming years. It appears almost certain to have emerged as the dominant modality for service delivery during the period covered by the MTPF for 2010-2013. This will inevitably pose a number of challenges in the coming years, and require innovative adjustments to existing delivery mechanisms, which are based primarily on sole implementation by UNIDO, including some degree of experimentation.

9. Meanwhile, UNIDO will also continue to follow a partnership-oriented approach with regard to both public-sector organizations, including multilateral and bilateral development agencies, and private-sector institutions, even beyond the "One UN" requirements. Partnerships with development agencies are particularly likely in areas where UNIDO's services complement or supplement the services provided by the partner agencies, e.g. in the case of agro-industries and agri-business with FAO and IFAD, or in the case of trade capacity-building with WTO and ITC. Special efforts will also be made to enter into partnerships with international financial institutions (IFIs) as a means not only of mobilizing additional funds but also of generating synergies between the activities of the individual partner organizations and thereby enhancing the impact of their respective individual developmental services. Partnerships with the private sector will continue to be sought in cases where they can support and enhance the impact of UNIDO's developmental interventions, as in the case of the Organization's existing partnerships with Microsoft and Hewlett-Packard.

V. Programme support mechanisms

10. High priority will be given during the coming years to enhancing the efficiency of UNIDO's programme support services, including finance, human resources, information and communications management, and procurement. Steps are already being taken in this direction through the introduction of revised management processes required for the implementation of the International Public Service Accounting Standards (IPSAS), which UNIDO is committed to operationalize by 2010. In order to take full advantage of these changes, UNIDO has introduced a companion "Business Process Re-engineering" project aiming to simplify administrative processes through the increased application of appropriate information technology (IT) solutions.

VI. Resource requirements

11. The resources required for the implementation of the medium-term programme framework 2010-2013 will have to be determined in conjunction with the finalization of its substantive content. It is anticipated, however, that the growing demand for UNIDO service delivery in all programmatic areas will require additional regular budget resources. In the absence of such an increase in available resources, UNIDO will be placed in a situation of having to turn down requests for development support. This situation will be reflected in the Secretariat's budget proposal.

VII. Action required of the Committee

12. The Committee may wish to take note of the information provided in the present document.
