



United Nations Industrial Development Organization

Distr.: General
24 June 2010

Original: English

Industrial Development Board

Thirty-eighth session

Vienna, 24-26 November 2010

Item 5 of the provisional agenda

Aligning the medium-term programme framework reporting cycle with the comprehensive policy review of operational activities for development of the United Nations system

Programme and Budget Committee

Twenty-sixth session

Vienna, 7-8 September 2010

Item 8 of the provisional agenda

Aligning the medium-term programme framework reporting cycle with the comprehensive policy review of operational activities for development of the United Nations system

Aligning the medium-term programme framework planning cycle with the comprehensive policy review of operational activities for development of the United Nations system

Proposals of the Director-General

The present document provides proposals for the alignment of the medium-term programme framework with the comprehensive policy review of operational activities for development of the United Nations system, as well as an indicative ceiling of resource requirements for 2012-2013.

Contents

	<i>Paragraphs</i>	<i>Page</i>
Introduction	1-2	2
I. The comprehensive policy review of operational activities for development within the United Nations system	3-6	2
II. Proposal for the realignment of the UNIDO planning cycle, and its implications for the formulation of a medium-term programme framework for 2012-2015.	7-15	3
III. Resource requirements	16-17	5
IV. Action required of the Committee	18	5

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.

V.10-54728 (E) 050710 060710



Please recycle

Introduction

1. In resolution 63/232, the United Nations General Assembly decided to hold its next comprehensive policy review of operational activities for development of the United Nations system in 2012, and thenceforth to alter the cycle of these comprehensive policy reviews from a triennial to a quadrennial basis. In the same resolution, the General Assembly also encouraged specialized agencies to carry out any changes required to align their planning cycles with the new cycle of the comprehensive policy review.

2. The planning cycle of UNIDO is based on the medium-term programme frameworks. These are prepared on a quadrennial basis, but reviewed and renewed biennially in order to facilitate adjustments to changing circumstances within a general context of continuity. The mandate for this planning cycle is given in General Conference decision GC.2/Dec.23, as subsequently amended in decision GC.6/Dec.10, which requested the Director-General to submit to the Industrial Development Board in the first year of each fiscal period, through the Programme and Budget Committee, a draft medium-term programme framework (MTPF) for the four years that follow the current fiscal period. Paragraph (b)(v)(d) of the same decision also requests the Director-General to indicate a general ceiling for the first biennium of the new MTPF period based on anticipated financial and human resources as well as on programme activity.

I. The comprehensive policy review of operational activities for development within the United Nations system

3. The comprehensive policy review of operational activities for development of the United Nations system is an instrument for ensuring the coordination, consistency and complementarity of development assistance provided by the various agencies of the United Nations. The review process is conducted at an intergovernmental level, and leads to the adoption of a resolution by the United Nations General Assembly, which establishes key system-wide policy orientations for the development cooperation and country-level modalities of the United Nations system. The Economic and Social Council (ECOSOC) of the United Nations provides coordination and guidance to the United Nations system with a view to ensuring that the policy guidelines contained in the General Assembly resolution are implemented.

4. In the past, this process has been carried out at intervals of three years, with the most recent review having taken place in 2007, leading to the adoption of the 2007 triennial comprehensive policy review (TCPR) in General Assembly resolution 62/208 on 19 December 2007. In resolution 63/232 of December 2008, the General Assembly decided to shift the review process to a quadrennial cycle in order to provide better policy guidance to the United Nations funds and programmes and to the specialized agencies, with the first review under the new cycle being scheduled for 2012.

5. Based on information available at the time of writing, the negotiations for the 2012 quadrennial comprehensive policy review (QCPR) will be completed by the end of that year with the adoption of an appropriate resolution by the General

Assembly. The policy orientations contained in that resolution will come into effect in 2013 and will remain effective until the end of 2016, subject to any amendments that may result from midterm reviews carried out during the four-year period. The subsequent QCPR will be negotiated in 2016, and will become operational in 2017.

6. As a specialized agency of the United Nations engaged in provision of development-related services, UNIDO also falls within the purview of the policy guidelines contained in resolutions of the General Assembly arising from the comprehensive policy reviews, and is expected to incorporate these into its own planning frameworks. In this connection, resolution 63/232 of the General Assembly (paragraph 20) urges the funds and programmes of the United Nations system, and encourages the specialized agencies, to carry out any changes required to align their planning cycles with the QCPR, including the implementation of midterm reviews as necessary. The resolution further provides for the funds and programmes and specialized agencies to report to ECOSOC on the adjustments that they have made to align their respective planning cycles with the QCPR.

II. Proposal for the realignment of the UNIDO planning cycle, and its implications for the formulation of a medium-term programme framework for 2012-2015

7. Based on decisions GC.2/Dec.23 and GC.6/Dec.10 of the General Conference, the Director-General is requested to submit, in the first year of each biennium, a draft MTPF for the following two bienniums (four years). This draft should be submitted through the Programme and Budget Committee to the Industrial Development Board, for eventual approval by the General Conference. Paragraph (b)(v)(d) of the same decision also requests the Director-General to indicate a general ceiling for the first biennium of the new MTPF period based on anticipated financial and human resources and on programme activity.

8. In compliance with these decisions of the General Conference, the UNIDO Secretariat has in the past formulated draft MTPFs in the first year of the Organization's biennial financial periods, which are even-numbered years. These have been submitted by the Director-General through the Programme and Budget Committee to the Industrial Development Board, with additional information sometimes being submitted directly to the Board if the need arose.

9. The need to align the UNIDO planning cycle with the new QCPRs will require a significant adjustment to this pattern. Since the QCPRs will themselves be formulated in even-numbered years and will not be finalized until the end of those years, UNIDO will not be able to draw on the policy guidelines contained within them until the second year of the Organization's biennial fiscal period.

10. The Secretariat therefore proposes that following the adoption of the QCPR cycle in 2012, the UNIDO MTPFs should be formulated in the first quarter of the year in which the QCPR comes into operation, which would be the second year of the biennium. The draft MTPF documents would be presented to the session of the Programme and Budget Committee of that year, with the subsequent submission mechanism to the Board and the General Conference remaining unchanged. After

approval by the General Conference, the MTPF would become operational in the first year of the following biennium.

11. Thus, it is proposed that following the adoption of the QCPR resolution by the General Assembly towards the end of 2012, the Secretariat should draft its MTPF in the first quarter of 2013, drawing inter alia on the policy guidance contained in the QCPR. Following its approval process by the policymaking organs, the MTPF would become operational in 2014 and remain in force until the end of 2017. It may be noted in this connection that wide-ranging consultations currently being carried out within the United Nations system suggest the emergence of a broad consensus that the planning cycles of the funds and programmes and specialized agencies should be based on a four-year cycle beginning in 2014.¹

12. While it is foreseen that the QCPRs will be subject to midterm reviews, it is anticipated that these reviews will result in only modest revisions to their substantive content. It is therefore further proposed that UNIDO also adopt this approach for the preparation of its MTPFs. They would be subject to a comprehensive review and reformulation only on a quadrennial basis, and to midterm reviews to permit required adjustments in order to adapt to changing circumstances. This would imply the discontinuation of the current approach of rolling four-year MTPFs being replaced every two years.

13. The requirement contained in paragraph (b)(v)(d) of General Conference decision GC.2/Dec.23 for the Director-General to indicate to the Industrial Development Board, through the Programme and Budget Committee, a general ceiling of anticipated resources for the following biennium would have to be adjusted accordingly. It is therefore proposed that these indicative ceilings of required resources should be conveyed to the policymaking organs in connection with the submission of the new quadrennial MTPFs and the findings of the midterm reviews, respectively, which would, under the new cycle, also coincide with the submission of the biennial programme and budgets.

14. In the interim period before the formulation of the MTPF 2014-2017, it is proposed that the existing MTPF 2010-2013 (document IDB.35/8/Add.1) remain in force until its scheduled expiry in 2013, with a midterm review being conducted in 2011. This implies that no new MTPF will be prepared for 2012-2015, although necessary adjustments will be made to the existing MTPF in light of the findings of the proposed midterm review.

15. This proposal is justified on the grounds that the current MTPF 2010-2013 was the product of an extensive review of the programmatic services and administrative processes of UNIDO, in particular with a view towards strengthening the results-based orientation of the MTPF as an important and flexible planning tool for implementing the Organization's mandate (resolution GC.13/Res.3 refers). This resulted in a significant enhancement of the substantive content of the document, which is expected to remain valid for the foreseeable future and will only need

¹ Decisions in line with that consensus have been adopted by all funds and programmes, among them United Nations Children's Fund (Executive Board decision 2009/5) and the World Food Programme (Board decision 2009/EB.A/3, EN). Specialized agencies are in the process of aligning their planning frameworks.

limited adjustments in the course of a midterm review process to take account of new developments.

III. Resource requirements

16. It is understood, however, that the transitional arrangements proposed under paragraphs 10 to 15 above do not affect the existing requirement for the Director-General to provide the thirty-eighth session of the Industrial Development Board, through the twenty-sixth session of the Programme and Budget Committee, with an indicative ceiling of the resource requirements for the coming biennium, 2012-2013.

17. The resources required for this period, i.e. for the implementation of the second biennium of the MTPF 2010-2013, will have to reflect the rapid growth in demand for UNIDO services. This has been exemplified not only by the steady rise in the value of the Organization's service delivery in recent years, but also by the increasing mobilization of resources for the provision of such services. All available indicators suggest that the growth in this demand will continue, at an accelerating pace, in the coming years. It is therefore anticipated that UNIDO will require additional regular budget resources for the biennium 2012-2013. Based on current assessments, the Secretariat is projecting an increased requirement of about three per cent in real terms in these resources.

IV. Action required of the Committee

18. The Committee may wish to propose to the Industrial Development Board the adoption of the following draft decision:

“The Industrial Development Board:

“(a) Recalls General Conference decisions GC.2/Dec.23 and GC.6/Dec.10, providing the mandate for a four-year medium-term programme framework to be submitted by the Director-General to the Board, through the Programme and Budget Committee, in the first year of each biennium;

“(b) Also recalls General Assembly resolution 63/232 of 19 December 2008, changing the comprehensive policy review of operational activities for development of the United Nations system from a triennial to a quadrennial cycle, encouraging the specialized agencies to carry out any changes required to align their planning cycles with the quadrennial comprehensive policy review, including the implementation of midterm reviews as necessary, and deciding to hold its next comprehensive policy review in 2012;

“(c) Recommends that the General Conference at its fourteenth session decide that the existing medium-term programme framework 2010-2013 (document IDB.35/8/Add.1) remain in force until its scheduled expiry in 2013, taking into account the midterm review conducted in 2011 and submitted through the Programme and Budget Committee to the Industrial Development Board;

“(d) Also recommends that the General Conference request the Director-General to submit on a quadrennial basis, from 2013 onwards, to the Board in the second year of a biennium, through the Programme and Budget Committee, a draft medium-term programme framework for the four years that follow the current biennium, taking into account the recommendations of the latest comprehensive policy review of operational activities for development;

“(e) Further recommends that the General Conference request the Director-General to henceforth continue submitting midterm reviews of each medium-term programme framework through the Committee to the Board in the second year of a biennium.”
