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**Review of the progress of the deliberations of the
informal working group**

Programme and Budget Committee

Twenty-eighth session

Vienna, 25-26 June 2012

Item 7 of the provisional agenda

**Informal working group on the future, including
programmes and resources, of UNIDO**

Informal working group on the future, including programmes and resources, of UNIDO

**Interim report of the Co-Chairs (H.E. Ms. A. T. Dengo Benavides,
Costa Rica, and Mr. A. Groff, Switzerland)**

The present report provides an update on the activities of the informal working group on the future, including programmes and resources, of UNIDO, in line with the terms of reference included in the initial progress report provided to the fourteenth session of the General Conference (GC.14/14 and Corr.1).

Background

1. Pursuant to Board decision IDB.39/Dec.7, paragraph (h), an informal working group of interested Member States to provide guidance on the future, including programmes and resources, of UNIDO was established under the co-chairmanship of H.E. Ms. A. T. Dengo Benavides (Costa Rica) and Mr. A. Groff (Switzerland) on 11 November 2011. The Co-Chairs held a number of meetings, and presented their initial progress report, including the group's terms of reference, to the fourteenth session of the General Conference (GC.14/14 and Corr.1), based on submissions received by Member States, regional and other groups.

Main developments

2. In 2012, the informal working group met on five occasions: 31 January, 7 February, 1 March, 30 March and 23 May. At the initial stage of its work, the group received Secretariat briefings on the mandate and work of UNIDO; the



“Changing external environment and megatrends: How can UNIDO contribute?”, the Fourth High-level Forum on Aid Effectiveness, held in Busan, Republic of Korea, in November 2011, as well as the post-2015 agenda. A representative of the United Nations Department of Economic and Social Affairs (UNDESA) provided a presentation on the quadrennial comprehensive policy review of operational activities for development of the United Nations (QCPR).

3. Following these initial background briefings, the Co-Chairs proposed that a strengths, weaknesses, opportunities and threats (SWOT) analysis of UNIDO activities be undertaken. This should be based on a number of already existing studies and evaluations: (a) United Kingdom Department for International Development (DFID): “DFID’s assessment of multilateral effectiveness — an overview of results”, 2005, and “Multilateral Aid Review: Ensuring maximum value for money for UK aid through multilateral organisations”, 2011; (b) Norwegian Agency for Development Cooperation (NORAD): “Norway’s trade related assistance through multilateral organizations: a synthesis study”, 2011; (c) Montreal Protocol: Evaluation of the implementation of the business plans 2001 to 2010; (d) Global Environment Facility (GEF): “Comparative advantages of the GEF agencies”, 2007.

4. Subsequently the Co-Chairs undertook informal consultations with interested Member States and regional groups and invited them to present their analysis of UNIDO strengths to the Co-Chairs. Based on the submissions received and further informal consultations conducted, the Co-Chairs presented a summary proposal of strengths to the informal working group. At its meeting on 23 May 2012, Member States considered the strengths identified and expressed support for the summary proposal as a basis for further discussions in order to complete the SWOT analysis. The working group’s summary proposal is issued as an annex to the present report.

Action required of the Committee

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

Annex

Strengths summary proposal of the informal working group on the future, including programmes and resources, of UNIDO

General observations

Historical and political meaning for developing countries
Provider of essential public goods
Satisfaction of donors with trade capacity-building
Relevance for donors of technical cooperation focus/donor visibility
Adequate size, niche and size of operations
Fair allocation of resources among priorities
Generally high collection rates

Mandate and governance

1. Clear/unique mandate in industrial development
2. Effective governance/policymaking organs
3. Results-oriented strategic planning frameworks

Programmatic

1. Wealth creation in small and medium enterprise sectors
2. Agribusiness and rural development
3. Investment opportunities
4. Technology transfer, know-how, innovation
5. Rural energy access
6. Renewable energy, industrial energy efficiency, low carbon technology and production
7. Environmental management/Montreal Protocol
8. Clear climate change strategy/interest
9. Thematic priorities relevant to Millennium Development Goals/industrial development
10. Technical assistance in the area of standards and norms (e.g. trade capacity-building, Montreal Protocol, standards, metrology, testing and quality/benchmarks)
11. Policy advice and technical expertise
12. South-South cooperation

13. Engagement in least developed countries and difficult regions/response to urgent problems
14. Demonstration of value added on local products
15. Intellectual and knowledge capital/research and publications
16. Partnership behaviour, private sector, public-private partnerships
17. United Nations system-wide coherence
18. Collaboration with and access to international funds
19. Well-established and expanding networks
20. Many programmes and projects aligned to national developmental needs

Organizational

1. Independent evaluation
 2. Financial accountability
 3. Flexibility in funding mechanisms, allows predictability and meeting unexpected demands
 4. Positive attitude to reform/Programme for Change and Organizational Renewal aiming at transparency in monitoring, accountability, human resources
 5. Cost effectiveness/cost and value consciousness
 6. Qualified and trained expert staff
 7. Can adapt functions and priorities to meet new global challenges
 8. Increased resource mobilization
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