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Provisional outline of the medium-term programme framework, 2016-2019

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Note by the Secretariat

The present document provides an outline proposal for the medium-term programme framework (MTPF), 2016-2019, in line with Board decision IDB.41/Dec.17 and General Conference decision GC.15/Dec.17.

1. In decision GC.15/Dec.17, the General Conference at its fifteenth session requested the Director General to submit from 2015 onwards to the Industrial Development Board in the second year of the biennium, through the Programme and Budget Committee, a draft MTPF on a quadrennial basis, taking into account the Lima Declaration: Towards inclusive and sustainable industrial development (GC.15/Res.1). The Conference also requested that the draft MTPF take into account the quadrennial comprehensive policy review of operational activities for development of the United Nations (QCPR),¹ and the recommendations of the outcome document of the informal working group on the future, including programmes and resources, of UNIDO, entitled "Strategic Guidance Document".²

¹ General Assembly resolution 67/226 of 21 December 2012.

² IDB.41/24, annex.

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2. A provisional outline proposal for the MTPF, 2016-2019 is provided in the annex of the present document, a comprehensive draft of which will be submitted through the thirty-first session of the Committee to the forty-third session of the Board in 2015. Taking into account both the Lima Declaration and the “Strategic Guidance Document”, the framework is proposed to consist of four sections, namely:

(a) An **introduction**, reiterating the importance of inclusive and sustainable industrial development (ISID) and providing additional specifications on this approach, also in view of the emerging framework of the post-2015 development agenda;

(b) A **thematic programme framework** that balances the contributions of ISID to the three dimensions of sustainable development — economic, social and environmental — and describes the measures proposed by UNIDO to support countries in achieving their development objectives under this framework by building and quantitatively improving their industrial capacities through the four enabling functions of the Organization (technical cooperation; analytical and research functions and policy advisory services; normative functions and standards- and compliance-related activities; and convening and partnerships for knowledge transfer, networking and industrial cooperation);

(c) A **management framework** that provides an overview of most recent developments with regard to agreed United Nations system-wide principles and frameworks to which UNIDO adheres, and that incorporates sections on (i) results-based management, including an organizational strategy based on most recent international trends and principles; (ii) partnership development, including strategies for advocacy, external relations, ISID Forums, and multi-stakeholder partnerships; (iii) human resource management, including considerations on the implementation of the gender policy and a strategy to approach balanced geographical representation; (iv) field operations management, including the organization of the field network and related resources; (v) operational management, including the further development of procurement and enterprise resource management systems; and (vi) financial management, including approaches on the modernization of the financial framework of the Organization to address the need for innovative and more flexible sources of finance;

(d) An indicative **budgetary framework** of financial requirements for the period 2016-2019, based on the proposed thematic programme framework, which will necessitate additional resources over the current level of the regular budget approved for the biennium 2014-2015.

Action required of the Board

3. The Board may wish to take note of the proposed outline, and request the Director General to present the comprehensive draft MTPF, 2016-2019 based on this outline at the thirty-first session of the Committee, along with his proposals for the programme and budgets, 2016-2017, within the indicated regular budget ceiling.

Annex

Provisional outline of the medium-term programme framework, 2016-2019

I. Introduction

1. The introductory part will provide a brief overview of the most recent trends and developments in the global industrialization landscape, including global and regional challenges and opportunities. It will also provide an outlook of the global post-2015 development agenda of the United Nations in its entirety, and indicate UNIDO's position, role and responsibilities therein. Finally, this section will examine trends with regard to the global aid architecture, including aid effectiveness, system-wide coherence, and financing for development, all considered crucial for allowing UNIDO to think forward and plan strategically for the medium-term.

II. Thematic programme framework

2. Based on the Lima Declaration, UNIDO aims to support its Member States in their efforts towards ISID. In accordance with the overall guidance provided by the Lima Declaration, and in line with the three dimensions of sustainable development which form the basis for the overarching development agenda of the United Nations system beyond 2015, UNIDO's thematic framework is presented in the figure below.

3. The figure provides a holistic view of the interrelationships between different mutually supportive aspects of industrialization, each related to a different dimension of sustainable development as well as to the three thematic priorities of UNIDO. Development outcomes and impacts are achieved through the Organization's four enabling functions: technical cooperation; analytical functions and policy advisory services; normative functions and standards- and compliance-related activities; and convening and partnerships for knowledge transfer and knowledge networking.

4. The programmatic focus of UNIDO is designed to have a catalytic and transformative effect towards ISID in country programmes. Biannual ISID Forums enable the Organization to regularly review best practices and scale up balanced programmes. Although specific programmes and activities may address one or more of the three dimensions to varying degrees, highlighting the complexity of the development process, taken together they are intended to provide a comprehensive and coherent set of services to address all three dimensions of sustainable development.

5. Accordingly, the thematic programme framework in this section will be structured in three parts, namely:

(a) ***Creating shared prosperity through enhanced and inclusive productive capacities***: Advancing poverty eradication and inclusiveness, building productive capacities in an inclusive manner, and providing more opportunities for all women

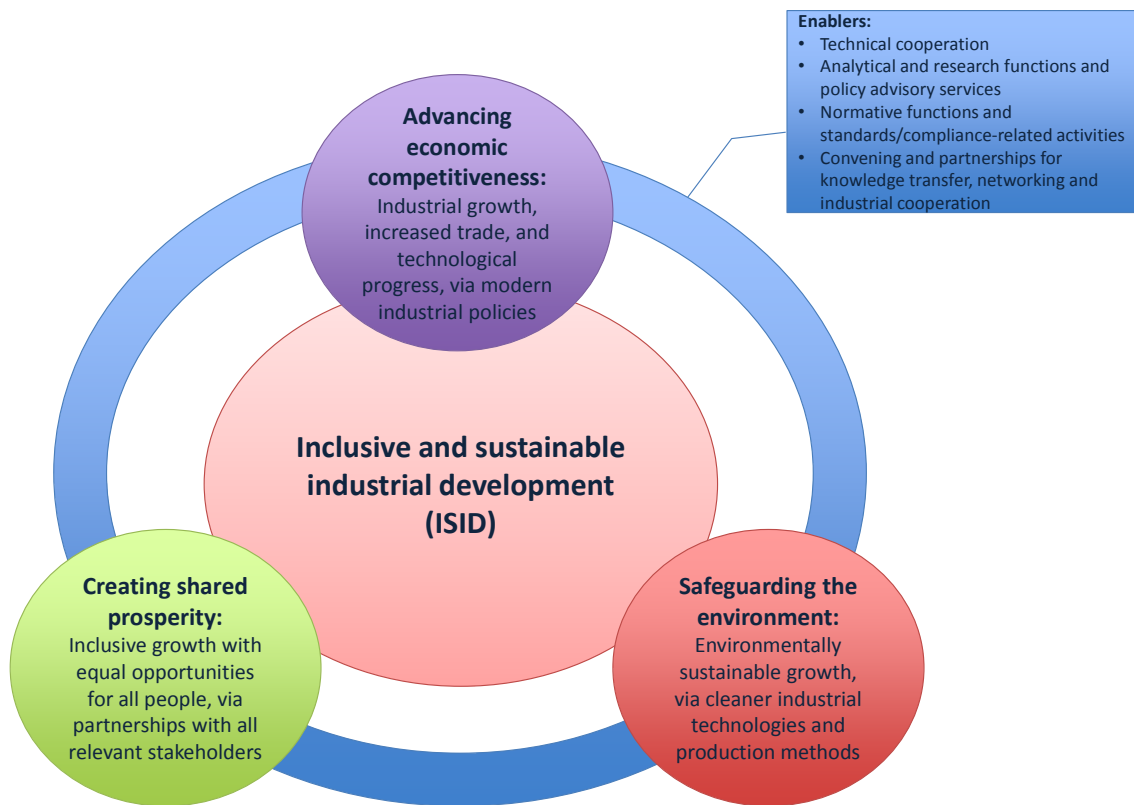
and men as well as across social groups, also through partnerships with all relevant stakeholders involved in industrialization processes;

(b) *Advancing economic competitiveness through increased trade and technological capacities*: Advancing rapid economic and industrial growth, building trade capacities in industries, and ensuring that all countries can benefit from international trade and technological progress, also through the application of modern industrial policies and compliance with global standards and norms;

(c) *Safeguarding the environment through sustainable production and industrial resource efficiency*: Advancing environmentally sustainable growth, building institutional capacities for greening industries through cleaner production approaches and more energy- and resource-efficient technologies, as well as the creation of green industries, including in the fields of waste management and recycling.

Figure

The role of UNIDO in the global development landscape



III. Management framework

6. The Lima Declaration and the “Strategic Guidance Document” provided clear guidance to UNIDO as to measures to be taken to improve the Organization’s effectiveness, efficiency, and alignment with United Nations system-wide policies, including the QCPR.

7. This section will therefore synthesize these guiding documents and provide a management framework for UNIDO in accordance with the mandates given to the Organization by the Member States. It will first provide an overview of most recent developments with regard to United Nations system-wide agreed principles and frameworks to which UNIDO adheres. It will then turn to internal management guidelines and principles, providing guidance on six management areas, namely:

(a) *Results-based management*, including an organizational strategy based on most recent international trends and principles;

(b) *Partnership development*, including strategies for advocacy, external relations, ISID Forums, and multi-stakeholder partnerships;

(c) *Human resource management*, including considerations on the implementation of the gender policy and a strategy to approach balanced geographical representation;

(d) *Field operations management*, including the organization of the field network and related resources, participation in system-wide activities at the country level, and the strategy for field locations as well as security and safety issues;

(e) *Operational management*, including the further development of procurement and enterprise resource management systems;

(f) *Financial management*, including approaches on the modernization of the financial framework of the Organization to address the need for innovative and more flexible sources of finance.

IV. Budgetary framework

8. The comprehensive draft of the MTPF, 2016-2019, will contain indicative financial requirements and a regular budget ceiling for the planning period at a level that is necessary to implement the programmes of work as mandated by Member States.³

9. The reinforced mandate of the Organization and the implementation of the thematic framework outlined above call for a stable financial basis and additional resources over the current level of the regular budget approved for the biennium 2014-2015.⁴ Initial estimates suggest a net regular budget ceiling for 2016-2017 at the level of €150 million.

³ General Conference decision GC.2/Dec.23, para. (b) (v) (d).

⁴ General Conference decision GC.15/Dec.16.