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**Medium-term programme framework, 2016-2019:
Baseline for the integrated results and performance
framework**

Progress report setting a baseline for the indicators of the medium-term programme framework, 2016-2019

Report by the Director General

This document is presented in accordance with General Conference resolution GC.16/Res.1, which took note with appreciation of the medium-term programme framework, 2016-2019 and noted that the MTPF already included performance indicators. At the same time, the Conference also noted its understanding that the Organization would “set a baseline for these indicators and continue its efforts towards enriching these indicators in a continuous manner”. The present document reports on the progress achieved in this matter.

I. Introduction

1. UNIDO’s new strategy for supporting countries in creating shared prosperity, advancing economic competitiveness and safeguarding the environment through inclusive and sustainable industrial development (ISID) was presented in the medium-term programme framework (MTPF) 2016-2019 document (IDB.43/9 and Add.1) at the sixteenth session of the General Conference.
2. The MTPF 2016-2019 takes into account the Lima Declaration: Towards inclusive and sustainable industrial development (GC.15/Res.1); the quadrennial

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comprehensive policy review (QCPR) of operational activities for development of the United Nations system (General Assembly resolution 67/226 of 21 December 2012); as well as the recommendations of the outcome document of the informal working group on the future, including programmes and resources, of UNIDO, entitled “Strategic Guidance Document” (IDB.41/24).

3. Member States recognized the MTPF as an important and flexible tool for planning and managing UNIDO’s programmes and activities for the 2016-2019 period and the related programme and budgets, and welcomed its main innovative features such as the enhancement of the results-based management (RBM) approach including the integrated results and performance framework (IRPF) and its set of indicators.

4. The IRPF is composed of a set of indicators for monitoring and reporting following a two-tiered approach, each with two levels. Tier 1 presents indicators monitoring aspects of inclusiveness and sustainability. Tier 2 captures the progress in implementing the UNIDO strategy, and includes indicators of both operational and organizational effectiveness. For each indicator, a baseline value was set, except for those areas for which the methodology, definitions and values have to be revisited and redefined, or additional resources have to be secured for their calculations.

Tier 1, *Development results*, reflects the broader development context in UNIDO Member States. It consists of a set of indicators at two levels:

Level 1: Global development results. This level reflects the global inclusive and sustainable industrial development (ISID) context in which the Organization is operating, and is not intended to measure UNIDO’s performance or development impact. It includes indicators on industrial competitiveness; innovation capacities; industrial human resources; gender equality; industrial governance; institutions and infrastructure; environmental footprint of industry; as well as some indicators related to achieving Goal 9.

The MTPF 2016-2019 foresees the monitoring and reporting on the Sustainable Development Goals, primarily of Goal 9. Although informal consultations on the follow-up and review architecture of the 2030 Agenda on Sustainable Development are still ongoing at the General Assembly, the indicators proposed under Goal 9, as contained in the report of the Inter-Agency and Expert Group on Sustainable Development Goal Indicators (E/CN.3/2016/2/Rev.1), have been duly taken into consideration in this report, to allow for a stocktaking of existing data sources, and to inform future consultations.¹

Level 2: Country results with UNIDO support. This level informs on the results achieved by UNIDO’s beneficiary countries with the support of the Organization’s programmes and projects. It focuses on programmes

¹ E/CN.3/2016/2/Rev.1, para. 29: “The Secretary-General has been mandated to produce an annual progress report on the SDGs to support follow-up and review at the HLPF. [...] It is expected that the global reporting of progress on the 2030 Agenda will be based on global and regional data aggregation level as compiled by international agencies based on their respective existing mandates and/or expertise.”

and projects that build industrial statistical capacities; create shared prosperity such as ensuring food security, empowering women, and addressing post-crisis rehabilitation through agribusiness and small and medium enterprise (SME) development; advance economic competitiveness; and safeguard the environment.

Tier 2, *Organizational performance*, monitors UNIDO's performance with a set of indicators at two levels:

Level 3: Programme management effectiveness. This level tracks UNIDO's performance in terms of portfolio management, results-based management, monitoring and evaluation, partnership building, gender mainstreaming, knowledge management, and cross-organizational cooperation.

Level 4: Organizational effectiveness and modernization. This level assesses UNIDO's capacity to effectively manage its internal operations, including transparency of activities, and risk management; asset and resource mobilization and management; human resources management; and administrative efficiency.

5. In line with General Conference resolution GC.16/Res.1, this report presents the progress made in establishing the baselines for the proposed indicators at the four levels explained above. During the preparation of the report consideration has been given to paragraph 94 (a) of the MTPF 2016-2019, which states that "the proposed indicators underlying the IRPF will have to be fine-tuned at all four levels in a continuous manner", as well as paragraph 94 (e) of the same document, which states that "the baseline value for all levels will be determined according to data availability".

II. Progress on the establishment of the baselines for the IRPF

6. Considerable progress has been made regarding the establishment of the baselines for the IRPF indicators since December 2015, based on an in-house review process.

7. First, a comprehensive review of all proposed indicators has been carried out. This review considered issues of relevance, methodological soundness, measurability, availability of data and resources for calculating the proper indicators. Second, in-house consultations were held in order to compile the baseline figures and to address issues identified during the review.

8. Based on these two processes, the indicators proposed in the IRPF have been grouped into three categories:

- (a) *Category one — baseline established:* In this category, the baselines for tracking the indicators could already be fully established as the methodology and data are widely available to UNIDO; UNIDO has the resources to analyse these data; and the collection and analysis of the related data are carried out regularly within UNIDO, so that recurring reporting against the baselines can be ensured. For levels 3 and 4 in particular, this category contains a standard and stable group of

indicators that concisely defines the key contributions expected by UNIDO as per the MTPF 2016-2019. For the establishment of the baselines the latest available data (fiscal year 2015) have been used as far as possible.

- (b) *Category two — baseline in progress*: The indicators in this category still need further work and in-house consultations, due to the following issues: (i) data availability; (ii) limited resources inside UNIDO; (iii) a need to fine-tune the definition of the indicator; and (iv) a need to review the methodology. Most of the indicators in this category belong to the Tier 1 indicators of the IRPF. As already anticipated in the MTPF 2016-2019, data availability remains a constraint for measuring results under this Tier, as the relevant data resources are with UNIDO client countries, and not with UNIDO sources.² In this regard, it is important to note that the data aggregation level per each indicator is dependent on the availability of data at the country level and will therefore, determine the level of reporting at the national level.
- (c) *Category three — proposed adjustments*: This category captures those cases for which the review of the proposed indicators in the IRPF by assessing (i) data availability; (ii) indicator definition and/or (iii) methodology, has led to alternative indicators' proposals.

III. Follow-up on the progress report on the establishment of the baselines for the IRPF

9. Given the complexity of fully developing the baseline and indicators framework, it is suggested that based on the present report, and allowing for the necessary flexibility, UNIDO should develop an Action Plan to: (a) test the robustness of data and baseline for indicators in category one, and (b) address the issues of the indicators currently in category two and three. The purpose of this Action Plan is to guide actions on establishing adequate methodology and definitions; discussing available resources and data for calculating proposed indicators; or developing alternative indicators; and addressing the issues of periodicity and metadata elaboration.

10. It is intended to submit the Action Plan achievements to the forty-fourth session of the Industrial Development Board, as an addendum to the present report.

11. In the meantime, more detailed information about the indicators will be made available to the Programme and Budget Committee in a conference room paper (CRP). The CRP will feature:

- (a) A table with all indicators, allocated to one of the three categories indicated in paragraph 8. For all indicators in category one the respective baselines are provided. For all indicators in category two, the cause for associating them with this category — as per reasons given in paragraph 8 (b) — are indicated. For indicators in category three the

² Medium-term programme framework, 2016-2019, IDB.43/9, paragraphs 94 (c) and (e).

proposed adjustments are specified. A colour code conveniently indicates the classification of each indicator.

- (b) Metadata on the indicators, including definitions and data sources.

IV. Action required by the Committee

12. The Committee may wish to provide further guidance on the information provided in the present document.
