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

Integrated results and performance framework of the medium-term programme framework, 2016-2019

Action plan by the Secretariat

Following the issuance of the progress report on the establishment of a baseline for the integrated results and performance framework (IRPF) of the medium-term programme framework (MTPF), 2016-2019 (document IDB.44/6), the Secretariat submits the present action plan to the Board for consideration. The action plan is presented in line with conclusion 2016/2 of the thirty-second session of the Programme and Budget Committee, which encouraged the continuous efforts of the Secretariat to set indicators and baselines for the IRPF in an expeditious manner and invited the Secretariat to set target values for indicators.

I. Background

1. The progress report on the establishment of a baseline for the IRPF (IDB.44/6) and the Secretariat's note included in PBC.32/CRP.5 informed that UNIDO would elaborate an action plan to test the robustness of data and baselines for indicators in "category one — baseline established", and address outstanding issues for indicators in "category two — baseline in progress" and "category three — proposed adjustments". Specifically, the action plan aims to further elaborate on indicators

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provided, in terms of the methodology and definitions; on available resources and data for the proposed indicators or the adoption of alternative indicators; and on addressing periodicity and metadata elaboration. The action plan also elaborates on the development of the corporate scorecard, which will be the tool to track the indicators of the IRPF regarding expected results and performance. In line with the Committee's conclusion 2016/2, it is intended that the 2016 annual report will also feature achieved results in accordance with the IRPF, so as to enhance UNIDO's performance accountability and visibility.

II. Progress made

2. Following the thirty-second session of the Committee, the Secretariat established an intra-organizational task force to address outstanding issues. The main findings of the task force are outlined below (subparagraphs (a) to (l)). The follow-up actions are described in section III below. Detailed information on the status of each indicator is provided in an additional note by the Secretariat (IDB.44/CRP.4).

Tier one/level one — Global Development Results

(a) The task force noted that the set of indicators originally proposed for the IRPF in the MTPF 2016-2019 (IDB.43/9) was formulated before the United Nations Statistical Commission (UNSC) considered the indicator framework proposed by the Inter-Agency Expert Group on Sustainable Development Goals (SDGs) Indicators (IAEG-SDG). The original list comprised a large number of indicators directly or indirectly related to inclusive and sustainable industrial development (ISID). After the consideration of the MTPF 2016-2019 by the General Conference at the end of 2015, a new list of SDG indicators was approved by the UNSC.

(b) Against this background, the task force reviewed the complete set of originally proposed indicators of tier one/level one, focused on indicators for which UNIDO has global responsibility, and dropped resource-intensive or less relevant indicators. All indicators considered for the revised set of level one indicators were reviewed with regard to their alignment with the ISID concept and industry-related SDGs. The objective was to arrive at a complete set of indicators to track progress on pursuing ISID in the context of the 2030 Agenda and SDG targets, while considering the following:

- (i) The report of the Secretary-General to the Economic and Social Council on progress towards the SDGs (E/2016/75*, paragraphs 143 to 147), outlines the challenges facing national statistical systems in the collection and reporting of data, as well as initiatives under way to address data gaps;
- (ii) While some international agencies implement their own direct data collection programmes, UNIDO databases are entirely based on data voluntarily reported by Member States. However, many UNIDO Member States, especially least developed countries (LDCs), lack the capacity to report data on a number of SDG indicators. Hence, the task force found it necessary to extend technical assistance to Member States to strengthen their national statistical capacity for producing relevant statistics for SDG monitoring;

(iii) For some of the originally proposed indicators at level one, data could be collected, but in the short term only with substantial investment;

(iv) Indicators listed under I1.11 to I1.16 in the IRPF progress report and PBC.32/CRP.5, are considered as perception-based business indicators, with considerable data and resource gaps. Additionally, this information has limited value for the purpose of the UNIDO scorecard, as it reflects current business trends, whereas priority should be given to annual indicators suitable for long-term monitoring of progress towards achieving the SDGs;

(v) During the most recent session of the Programme and Budget Committee, Member States recommended that those indicators with issues of data and resource availability should be revisited and replaced with the indicators of the SDG framework, particularly indicators and targets under Goal 9 and other industry-related indicators and targets, as the MTPF 2016-2019 was approved prior to the adoption of the 2030 Agenda, and could therefore not incorporate the SDG indicator framework;

(vi) The SDG indicator framework itself is a work in progress, led by UNSC. In this regard, the SDG indicators can be currently broadly divided into three categories: a. indicators with a conceptually clear, established methodology, standards available, and data regularly produced by countries; b. indicators with a conceptually clear, established methodology, standards available, but for which data are not regularly produced by countries; c. indicators for which there are no established methodology and standards, or methodology/standards are being developed/tested. At this stage, the UNIDO task force has only taken up the SDG indicators from the first category, except Goal 9 indicators 9.3.1 and 9.3.2, which currently fall under the third category. The tier one/level one indicator framework will be therefore continuously updated and complemented in line with future developments of the SDG indicator framework and the work of UNSC;

(vii) With regard to Goals 9.3.1 and 9.3.2, the UNIDO Department of Policy Research and Statistics is exploring the possibility of partnering with secondary international sources, such as the World Bank Enterprise Survey, to obtain baseline data. UNIDO has proposed to the IAEG-SDG to set up a task team for finalizing a uniform methodology defining the size-class of small industries. Due to the acute lack of data, as well as the importance of small industries in industrialization of developing countries, UNIDO will develop and implement a data collection programme for small industries as soon as the uniform methodology is internationally agreed, subject to availability of resources;

(viii) According to the MTPF, indicators at level one should capture the state of ISID in UNIDO client countries. The task force proposed to consider all countries, given the universality of the 2030 Agenda.

Tier one/level two — Country Results with UNIDO ISID Support

(c) These indicators report on country coverage by UNIDO technical cooperation (TC) projects, thereby contributing to the pursuit of ISID. The indicator groupings are congruent with the programmatic areas and the programmes identified

in the MTPF and the programme and budgets. They thus establish a link between the UNIDO TC level and the strategic level.

(d) Regular reporting on the number of countries in the defined programmatic areas is possible, but there are still some outstanding issues to be resolved, such as (i) projects covering multiple thematic areas but currently reporting only on one, based on the project manager's decision; and (ii) the country coverage by regional projects is presented separately, because the SAP system does not currently allow extraction of countries covered by a project with regional and global coverage.

(e) Additional indicators for reporting on the results achieved by client countries with UNIDO support are suggested to be considered during the course of 2017.

Tier two/level three — Programme Management Effectiveness

(f) All level three indicators were tested and, where possible, improvements were made to their ability to measure UNIDO's performance in managing its TC programmes and projects, and mainstreaming its cross-cutting priorities, including on gender, partnership-building, and knowledge management. The review process led to a revision of some indicators. Other indicators need to be further revisited and decisions need to be made whether these should be kept, revised, or deleted. The review also led to the introduction of new indicators related to cross-cutting issues.

(g) For the newly proposed indicators, the task force started to set new baselines accordingly. Outstanding baselines will be set in 2017.

Tier two/level four — Organizational Effectiveness and Modernization

(h) Overall, this level contains a robust set of indicators. The task force, therefore, concentrated on refining some indicators, setting targets where possible, and strengthening the metadata.

(i) For the indicators under the section "asset and resource management, alignment, mobilization, and stability", the task force proposed further consultations on the purpose of these targets and on setting targets for these indicators, as those are not under UNIDO's control, but depend on Member States' and donors' decisions.

(j) UNIDO's membership of the International Transparency for Aid Initiative (IATI) makes a revision of indicator "Transparency of activities and resource management (index, 0-5)" necessary, after which targets can also be set. This review will be conducted at the beginning of 2017.

(k) The work on the indicator "Comprehensive risk management framework (index)" is linked to the general risk management strategy to be presented at the current session of the Board. The development of the indicator should be concluded before the thirty-third session of the Committee.

(l) An additional indicator relating to governance has been introduced.

3. In line with the Committee's conclusion 2016/2, UNIDO will include a revised corporate scorecard in the annual report from the 2016 edition onwards. The revised corporate scorecard will show baselines for all indicators; targets, as far as

available, for level three and four indicators; and a traffic light system indicating whether the Organization is on track to achieve the set targets.

III. Action plan

4. The below action plan summarizes the required follow-up according to the IRPF tier and level.

<i>IRPF tier/level</i>	<i>Indicator</i>	<i>Action step</i>	<i>Estimated necessary resources</i>	<i>Deadline/time horizon</i>
Tier 1/ Level 1	Originally proposed indicators I1.1; I.1.5; I1.6; I1.7; I.1.9; I1.10; I1.11; I1.12; I1.13; I1.14; I1.15; I1.16; I1.17; I1.18.	Discard all originally proposed indicators for which data collection problems exist, or which have little informative power.		Completed
	Other non-SDG indicators I1.4; I1.3, for which data is available.	Non-SDG indicators to be maintained complementary to SDG indicator framework.		Completed
	Goal 9 targets 9. 2.2. and 9.b.1, for which methodology and data exist, but data could be further improved.	Conduct capacity-building TC projects for national statistical offices (NSOs) of developing countries to improve data.	To be determined (tbd)	5 to 10 years
	Goal 9 targets 9.3.1 and 9.4.1, for which no internationally accepted methodology and no data are currently available.	Establish internationally accepted methodology in collaboration with IEAG-SDG and develop and implement a data collection programme for small industries as soon as a uniform methodology is internationally agreed.	tbd	Dependent on progress achieved in collaboration with IEAG-SDG
	Industry-related SDG indicators 1.1.1; 7.1.1; 7.3.1; 8.1.1; 8.5.2; 11.6.2; 17.2.1; 17.3.1; 17.11.1, for which methodology and data are available.	Include in Tier 1/ level 1 to complement SDG9 indicators. Not UNIDO's responsibility to provide the data. UNIDO to download data from the global SDG database.	Possible with available resources	Completed
	Other industry-related SDG indicators, for which currently (a) no reliable data or (b) no approved methodology nor data are available.	UNIDO to closely monitor developments of the SDG indicator framework under the lead of the UNSC and to complement tier one/level one as soon as reliable data on relevant new indicators become available. Not UNIDO's responsibility to provide data.	Possible with available resources	Ongoing

<i>IRPF tier/level</i>	<i>Indicator</i>	<i>Action step</i>	<i>Estimated necessary resources</i>	<i>Deadline/time horizon</i>
Tier 1/ Level 2	All indicators of this level are maintained. Additional/alternative indicators for tracking results of technical cooperation to be decided.	Development of additional/alternative indicators for tracking results of technical cooperation.	Approximately €35,000	Forty-fifth session of IDB
Tier 2/ Level 3	The review of indicators at this level led to: - a revision of six indicators - introduction of additional indicators - new baselines and targets to be set for both revised and new indicators as far as possible - targets to be set for all level three indicators.	- Finalize new baselines; - Track baselines with a view to setting targets; - Develop additional indicators (to capture priority areas and cross-cutting issues).	Possible with available resources	Partially completed Forty-fifth session of IDB (tbc) for remaining baselines Tracking of baselines in ongoing
	The category two indicators I3.4; I3.8; I3.10 need to be further discussed to decide on whether to maintain, revise, or delete them	Further consultation on relevance, methodology, definition, data and resource availability, to decide whether they should be maintained, revise or deleted.	Possible with available resources	Thirty-third session of PBC
Tier 2/ Level 4	UNIDO established methodology and baseline for the indicator I4.1, “transparency of activities and resource management (index, 0-5)”, but UNIDO’s membership in IATI makes a revision of the indicator necessary.	Revise indicator and set targets in line with UNIDO’s membership in the IATI.	Possible with available resources	Thirty-third session of PBC
	I4.2, comprehensive risk management framework (index).	Indicator to be formulated based on general risk management strategy to be presented to the Board at its forty-fourth session.	Possible with available resources	Thirty-third session of PBC
	I4.4, average payment delays of assessed contributions (days).	Sustained reporting would need investment in one of the enterprise resource planning (ERP) modules and specific report writing. Further consultations on cost/benefit of indicator are thus necessary to decide whether it should be maintained, revised or deleted.	Possible with available resources	Thirty-third session of PBC

<i>IRPF tier/level</i>	<i>Indicator</i>	<i>Action step</i>	<i>Estimated necessary resources</i>	<i>Deadline/time horizon</i>
	Indicators under section “asset and resource management, alignment, mobilization, and stability” ¹	Further consultations with regards to purpose and intent of targets.	Possible with available resources	Thirty-third session of PBC
	I4.15, proportion of sustainable procurement transactions (per cent)	Introduction of sustainable procurement report functionality in SAP/Open Text, and establishment of baseline and targets.	Possible with available resources	Forty-fifth session of IDB (tbc)

IV. Action required of the Board

5. The Board may wish to take note of the information contained in the present document.

¹ Excluding indicator “vacancy ratio (per cent)”.