



Industrial Development Board
Fifty-second session
Vienna, 25–27 November 2024

Programme and Budget Committee
Fortieth session
Vienna, 10–11 June 2024
Item 3(a) of the provisional agenda
**Managing for results: Update on the
implementation of the medium-term programme
framework, 2022–2025**

Managing for Results: Update on the implementation of the medium-term programme framework, 2022–2025

Report by the Director General

The present report reviews the current medium-term programme framework (MTPF) 2022–2025, which coincides with the tenure of the eighth Director General of UNIDO, with a particular focus on data collection and results monitoring in line with document IDB.49/8. It includes a review of the main lessons learned during the 2022–2023 biennium and how they will be reflected in the preparation of the MTPF 2026–2029, which will be presented to the policymaking organs of UNIDO in 2025.

This update also considers internal strategic and programmatic deliberations, recommendations made by the External Auditor (IDB.47/3, paragraph 173(c)) and the outcomes of UNIDO policymaking organs in 2023.

I. Background

1. The present document provides an update on the implementation of the medium-term programme framework (MTPF) 2022–2025 (IDB.49/8), which provides strategic guidance for the work of the Organization, including through its use for the development of the programme and budgets 2022–2023 and 2024–2025. This report reflects the evolution of the priorities and results management framework of UNIDO in the context of the reform and change management process of the Organization. The priorities of the eighth Director General remain relevant to, and fit well into, the focus areas of the MTPF 2022–2025. They however, call for further refinement in terms of results-based management and the Organization's integrated results and performance framework (IRPF) (GC.18/CRP.4), in particular in the way the Organization monitors its own performance and reports on its results in the next years.

2. In the context of ongoing reform efforts, UNIDO has further strengthened its focus on quality assurance and accountability. In doing so, the Organization

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consolidated the steps taken in recent years to address the recommendations made by the External Auditor, the Office of Evaluation and Internal Oversight, the Independent Oversight Advisory Committee and Member States.

II. The integrated results and performance framework and the reporting on results cycle of UNIDO

3. The results reporting for 2023, completed at the end of the first quarter of 2024, represents the first cycle of the IRPF-based reporting for UNIDO. Progress towards the achievement of the targets contained in the programme and budgets 2022–2023 and results achieved in the second year of the biennium are reported in the *Annual Report of UNIDO 2023*.

4. In the biennium 2022–2023, UNIDO exceeded its targets for most of the selected indicators across all the five results areas. Most of the indicators contained in the IRPF proved to be broadly relevant, where the data collected were coherent and provided meaningful information on UNIDO's achievements in the specific results area. Some indicators, such as the number of industrial policies and strategies under result area 1, the volume of additional investments leveraged under result area 2 or improved management practices in small and medium-sized enterprises under result area 3, emerged as being more relevant than others to communicate the achievements of the Organization.

5. As UNIDO's experience and expertise evolve in results-based management, results reporting has become progressively more complete. Consequently, there has been an improvement in the quality of the data collected and reported to Member States. However, budget constraints have posed a challenge on the verification of data and the assessment of impact.

III. Systemic implications

6. Lessons learned during the implementation of the programme and budgets 2022–2023 will be instructive for the implementation of the programme and budgets 2024–2025, as well as for the drafting of the MTPF 2026–2029 and subsequent programme and budgets documents.

7. Much has been learned in relation to the target setting process, in particular for IRPF indicators that are included in the programme and budgets for the biennium 2022–2023 and 2024–2025, and that draw from the achievements of the Organization's technical cooperation portfolio, such as those related to result areas 1, 2 and 3. The targets selected for these indicators were largely based on the projections of achievements made in 2019, an early stage of implementation of the IRPF. It is now evident that achievements made were under-estimated due to a relatively low level of completeness in reporting. This situation in turn, had led to the selection of relatively conservative targets for the biennium 2022–2023 resulting in very high levels of achievements recorded vis-à-vis the targets ratios, with achievements in a few cases exceeding the target by a factor of two or even more. Indicators related to result areas 4 and 5 were clearly less affected by this problem, as baselines were drawn from internal data, the quality of which was easier for UNIDO to assure.

8. The selection of the targets set in the programme and budgets 2024–2025 was based on substantively improved baseline data. This was achieved through extensive internal engagement with senior as well as middle level management and with project managers to enhance data quality at both the target setting and result reporting stages.

9. In the past biennium, UNIDO introduced organizational measures to enhance its capacity to monitor results and to flag corrective actions to ensure alignment between the results achieved and the established targets. Additionally, the Organization's accountability framework was enhanced across all directorates with a dedicated

organizational unit created to ensure acceptable quality levels of the data reported by UNIDO, whereby reports on data quality are regularly provided to senior management.

10. Protocols to ensure the quality of data, in particular in relation to its completeness, reliability and timeliness, were piloted and rolled out. Ad hoc as well as scheduled training sessions were provided to staff, with a deliberate focus on newly inducted personnel. These sessions in 2023 were attended by numerous participants both at UNIDO headquarters and field offices. These sessions will be continued in 2024 to meet the high demand for these trainings. Definitions of the indicators included in the IRPF were also further refined and tightened to ensure data accuracy.

11. As recommended by the Office of Evaluation and Internal Oversight's independent evaluation of the MTPF 2018–2021, UNIDO will seek to further enhance the role of the MTPF and position future frameworks as the central strategic steering instrument and roadmap for the Organization. This will ensure that the programme and budgets documents will continue to serve as an operational mechanism to implement the MTPFs on a biennial basis. To achieve this, the full support and substantive guidance from Member States will be required in the development of the upcoming MTPFs.

IV. Outlook

12. The drafting of a new quadrennial MTPF provides an opportunity for the Organization to leverage on the lessons learned from the implementation of the programme and budgets for the biennium 2022–2023 and 2024–2025. The engagement with Member States on the MTPF in a more substantive manner will also be beneficial.

13. While the current results indicators as contained in the IRPF were maintained for the programme and budgets 2024–2025, there may be a necessity for a new or complementary set of indicators to be developed. These will likely be needed to gauge the progress of the reforms and ensure their accuracy, particularly as the Organization moves towards the achievement of the strategic priorities outlined by the Director General.

14. In alignment with this perspective and in relation to the Organization's functions that are not immediately related to technical cooperation, such as its convening and policy advisory roles, the IRPF would benefit from an expansion of its indicators to effectively track UNIDO's programmatic performance, including at the country and regional levels. It would also reinforce the Organization's global position and contribution to the achievement of the Sustainable Development Goals.

15. Internal capacities may also require further strengthening, especially given a much-needed assessment of the Organization's long-term results and development impact, particularly for its extra-budgetary funded projects.

16. UNIDO is currently exploring a feasible software solution to address gaps that prevent full data coverage and to support better alignment of its enterprise resource planning, which is now over a decade old, to the principles of results-based management.

V. Action required of the Committee

17. The Committee may wish to take note of the information contained in the present document.