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**Midterm review of the medium-term
programme framework, 2010-2013**

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Item 8 of the provisional agenda
**Midterm review of the medium-term
programme framework, 2010-2013**

Midterm review of the medium-term programme framework, 2010-2013

Report by the Director-General

In accordance with decision IDB.38/Dec.9, the present document contains information relating to a midterm review of the medium-term programme framework, 2010-2013.

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I. Introduction

1. In resolution 63/232, the United Nations General Assembly modified from triennial to quadrennial the cycle of the comprehensive policy review of operational activities for development of the United Nations system. The resolution further encouraged specialized agencies to carry out any changes required to align their planning cycles with the quadrennial comprehensive policy review (QCPR), and decided to hold its next comprehensive policy review in 2012. In response to this, the Industrial Development Board decided in IDB.38/Dec.9 to recommend to the General Conference at its fourteenth session that the existing medium-term programme framework (MTPF), 2010-2013¹ remain in force until its scheduled expiry in 2013, but that it be adjusted through a midterm review to be conducted in 2011 and submitted through the Programme and Budget Committee to the Industrial Development Board. It was also recommended that the General Conference request the Director-General to submit on a quadrennial basis, from 2013 onwards, to the Board in the second year of a biennium, through the Programme and Budget Committee, a draft MTPF for the four years that follow the current biennium, taking into account the recommendations of the QCPR.

2. The present document comprises the midterm review of the medium-term programme framework, 2010-2013, as requested in decision IDB.38/Dec.9. In this connection, and taking into account General Conference resolution GC.13/Res.3, which recognizes the importance of the MTPF as a flexible tool for implementing UNIDO mandates, and which invited the Director-General to report on the implementation of the MTPF in the annual report, the present document considers relevant external and internal developments, and puts in place adjustments in order to better contribute to internationally-agreed development goals and individual country needs. This document does not replace the MTPF contained in IDB.35/8/Add.1, but is complementary to it.

3. It is expected that, following full implementation of the enterprise resource planning system under the Programme for Change and Organizational Renewal (PCOR), the capacity of UNIDO to capture outcome indicators in its projects and programmes will be significantly enhanced. This will allow future variations of the medium-term programme framework to provide a clearer structure for programmatic results reporting, through the annual report and/or through the midterm review, as appropriate.

II. Key developments in the situation and trend analysis of the medium-term programme framework, 2010-2013

A. Effects of the global financial and economic crisis

4. Since the medium-term programme framework, 2010-2013 was considered at the thirty-fifth session of the Industrial Development Board in December 2008, the global economic and development landscape has seen significant change. By 2008 robust economic growth, particularly in South and East Asia, had brought clear

¹ Document IDB.35/8/Add.1.

progress towards achieving at least some of the Millennium Development Goals (MDGs). Economic growth, largely driven by the productive sectors, was a major factor in reducing the number of people in developing regions living on less than \$1.25 a day from 1.8 billion in 1990 to 1.4 billion in 2005.² However, the global financial and economic crisis, which began in the advanced economies of North America and Europe in 2008, as well as crises and related price increases in the food and fuel sectors, have since had a negative effect on world economic growth, and continue to gravely challenge the global development agenda.

5. World manufacturing output dropped significantly from the onset of the financial and economic crisis through to 2010. The impact of the crisis was especially severe on industrialized countries, where manufacturing output fell by 13 per cent in 2009, but developing countries have also been negatively impacted. The manufacturing economies of South and East Asia have maintained positive growth, but at a slower pace than in recent years. The effects have also been felt in the Arab region, Europe and the Newly Independent States, and in Latin America and the Caribbean.

6. When the crisis began, it was maintained that the impact on least developed countries (LDCs) and many sub-Saharan African countries would be minimal, as these economies tend not to be well integrated into global financial markets. However, recent developments disprove such an assertion: the crisis has had a serious impact on LDCs, especially in Africa. It has led to a decline in the real growth rates of sub-Saharan Africa and has reduced the prospects for achieving the MDGs in several African countries.³

7. Trade was one of the key channels through which the effects of the crisis were transmitted to African countries. World Trade Organization (WTO) statistics⁴ show that in Algeria merchandise exports fell by approximately 53 per cent in the third quarter of 2009 compared with the same quarter in 2008. Tunisia and Egypt experienced reductions of about 30 per cent and 18 per cent respectively over the same period. Sub-Saharan countries were not immune, with Rwanda, Sierra Leone and others witnessing a significant fall-off in exports. This slowdown in trade flows was due to declining import demand in key export markets, a shortage of trade finance, and volatile commodity prices.

8. Food prices had surged in the run-up to the financial and economic crisis and, while they have recently declined,⁵ remain at historically high levels. By 2010, agricultural commodity prices were relatively high compared to the low levels experienced during the 1980s and 1990s. It is estimated that world food prices will rise over the current decade, with average prices for staples such as wheat and coarse grains set to increase by 15 to 40 per cent compared with the period from 1997 to 2006.⁶ The prices of non-agricultural commodities, such as fuels and metals, are also likely to remain unstable going forward. Oil prices have soared

² *The Millennium Development Goals Report 2010* (United Nations, 2010).

³ Ibid.

⁴ World and Regional Export Profiles, 2009 (www.wto.org/english/res_e/statis_e/quarterly_world_exp_e.htm).

⁵ Food Price Index, Food and Agriculture Organization (FAO) of the United Nations, April 2011.

⁶ *Agricultural Outlook 2010-2019*, joint publication by Organization of Economic Co-operation and Development (OECD) and the FAO.

recently and, given the long-term trend towards a shortage of fossil fuel-derived energy, fuel prices are likely to see further increases.

9. This presents both a challenge and an opportunity for policymakers in developing countries. In a no-change scenario, lack of economic diversification will stifle development efforts, cause increased poverty and hunger, and raise the risk of civil conflict and insecurity.

10. UNIDO has long emphasized the need for structural change to diversify economies and build resilience to commodity price shocks. Together, the public and private sectors have interrelated and mutually supportive roles to play. Governments are, in particular, tasked with facilitating the development of productive capacities through their regulatory and policymaking functions. It is important that governments in developing countries establish a business environment conducive to investment and growth, based on sound industrial policies and strategies as well as an effective institutional framework.

11. Where the private sector is concerned, special attention will need to be given to entrepreneurs and small and medium-sized enterprises (SMEs). In developing countries, such enterprises are responsible for most economic activities supporting productivity enhancement and poverty reduction. This is particularly the case of the agriculture-based economies in Africa and the LDCs, where the development of agro-based enterprises contributes to poverty reduction while at the same time enhancing productivity. In this context, building up and strengthening productive capacities through the development of SMEs in competitive sectors takes a central role.

12. Frequently, the growth prospects of SMEs in developing countries are constrained by an inability to access investment. Such enterprises often lack the capital needed to scale up production. While this issue is closely linked to the policy measures and regulatory approaches adopted by governments, it is also partly due to a lack of knowledge on the part of external providers of capital about the opportunities for partnership with national producers.

13. Increasing the economic empowerment of marginalized sections of the population also makes a significant contribution to poverty reduction. In developing countries, women have long been recognized as constituting one of the most vulnerable groups of society. For women, long-standing inequalities in access to, and distribution of, resources have continued to place them at a disadvantage relative to men. Despite considerable progress in improving their status, inter alia, in education and access to employment, women often remain excluded from mainstream economic activity and thus bear a disproportionate burden of poverty. Women's lack of access to and control over resources limits their economic independence and increases their vulnerability to external shocks.

14. Youth are also among the most marginalized groups of society, particularly where unemployment is concerned. In comparison to adults, they are more affected by inadequate labour demand in the economy as well as prevailing economic conditions. In particular, marginalized young women and men lack opportunities for productive and decent work, and integration in employment programmes as well as in society as a whole, which might contribute to instability. Populations in developing countries that have recently emerged from crisis also face grave

challenges, often against the debilitating backdrop of relatively weak governmental structures.

15. The present document readjusts the thematic programme components of the MTPF 2010-2013, particularly within the themes of poverty reduction through productive activities and trade capacity-building respectively, to streamline the Organization's approach to these issues and thereby strengthen the UNIDO response. Further details on the adjusted thematic programme components are provided in section III, and are represented in graphical form following paragraph 27.

B. Environmental degradation and energy for development

16. A continuing challenge in industrial development is how to decouple the consumption of natural resources and the release of pollutants and greenhouse gas emissions from economic growth, mitigating the negative effects of climate change and pollution.

17. Climate change is a major threat to the poor and underscores the need to develop clean energy sources and safeguard the environment as outlined in the Millennium Development Goal 7. The present trends in consumption and population growth are putting a significant strain on the planet's natural systems. Global CO₂ emissions have continued their upward trend in recent years, reaching 30 billion metric tons by the end of 2007. This represents a 35 per cent increase above the 1990 level. Per capita emissions remain highest in developed countries — about 12 metric tons of CO₂ per person compared to about 3 metric tons in the developing countries and 0.9 metric tons in sub-Saharan Africa.⁷ The most severe impact of climate change is being felt by vulnerable populations who have contributed least to the problem. The risk of death or disability and economic loss due to natural disasters is increasing globally and is concentrated in poorer countries due to their lack of capacity to deal with the resulting effects, for example on agricultural output, labour productivity, health and internal displacement.

18. The present document retains the Organization's long-standing thematic focus on environment and energy, while increasing the emphasis of UNIDO programmes on capacity-building for the implementation of multilateral environmental agreements, and on clean energy for productive use. This is explained further in section III.

C. Efficiency and effectiveness

19. The financial and economic crisis has brought into sharper focus the need for entities within the United Nations system and elsewhere to provide, in accordance with their specific mandates and business models, demonstrable value to their stakeholders. This can be summarized as a need to increase both efficiency, in terms of cost control and productivity, as well as effectiveness, in terms of quality and results of development services. UNIDO is making gains in both of these areas, especially through the implementation of PCOR. The present document brings the

⁷ *The Millennium Development Goals Report 2010.*

management objective of “Growth with Quality” and “Delivering as One UNIDO” into the MTPF 2010-2013, to complement and enhance the wider management principles outlined in document IDB.35/8/Add.1. This is further discussed in section III.

20. Where effectiveness is concerned, improved results capturing and results reporting through the roll-out of the enterprise resource planning system will fortify the Organization’s capacity to manage for results in future variations of the medium-term programme framework. A greater emphasis on quality assurance in programme and project planning, and in monitoring, risk management and evaluation, will be incorporated into the proposed programme and budgets 2012-2013.

21. Effectiveness also relates to country ownership of the development process, including ownership of development results. This approach was formalized in the Paris Declaration on Aid Effectiveness in 2005, in the Accra Agenda for Action in 2008, and subsequently incorporated into the outcome document of the 2010 Millennium Development Goals Review Summit.⁸

22. Since the consideration of the MTPF 2010-2013 in December 2008, UNIDO has endeavoured to further align itself with this approach. Increased decentralization to the field is allowing for greater participation in country-level structures and in responding to country need. In 2010, UNIDO was closely involved in joint programme formulation, and in United Nations Development Assistance Framework (UNDAF) midterm reviews and UNDAF roll-out processes in 40 countries, assuming the lead, or convener, agency role in an UNDAF thematic area whenever requested by the United Nations Country Team (UNCT) or the respective government. A series of review and monitoring missions have been undertaken to pilot countries of the Delivering as One initiative, as well as to countries which have subsequently adopted this approach. These missions have allowed better monitoring at headquarters and have helped the move towards decentralization and national implementation mechanisms, including the use of the Harmonized Approach to Cash Transfers (HACT).

23. The present adjustment to the MTPF 2010-2013 reconfirms the UNIDO commitment to United Nations coherence and national ownership of the development process. Section III describes how decentralization will be strengthened within the programme framework.

III. Main features of the medium-term programme framework, 2010-2013, as adjusted in the midterm review

24. The medium-term programme framework is elaborated on the basis of the UNIDO mandate, as derived from the Constitution and from a number of key policy documents approved by the policymaking organs of the Organization. These include the Business Plan on the Future Role and Functions of UNIDO endorsed by the General Conference in resolution GC.7/Res.1, the strategic guidelines “Towards improved UNIDO programme delivery” adopted by the Industrial Development

⁸ A/Res/65/1.

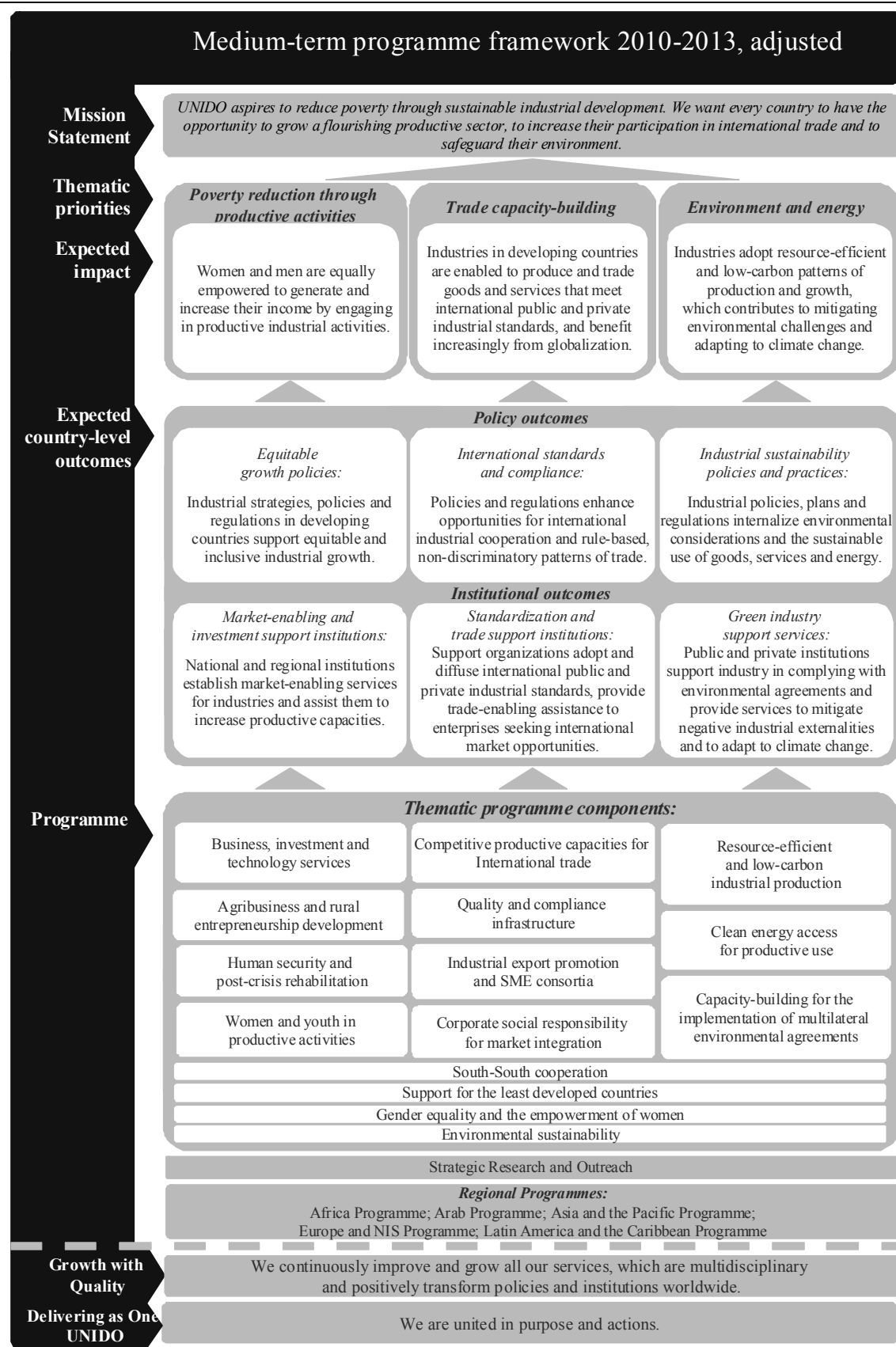
Board in decision IDB.26/Dec.7, and the strategic long-term vision statement approved by the eleventh session of the General Conference in December 2005.⁹

25. The medium-term programme framework 2010-2013, as contained in document IDB.35/8/Add.1, represented a significant departure from previous MTPF documents. Its format provided a flexible structure for the implementation of decisions and resolutions of the UNIDO governing bodies, as well as the relevant outcomes of intergovernmental bodies in the United Nations system. While retaining the well-established three thematic priorities of UNIDO (poverty reduction through productive activities; trade capacity-building; and environment and energy), a number of structural innovations were incorporated to enhance its results orientation and strengthen its relevance for the preparation of the biennial programme and budgets.

26. In particular, document IDB.35/8/Add.1 provided an overall development objective linking industrial development to the three thematic priorities. In addition, the number of thematic programme components was significantly streamlined from 21 to 12 in order to emphasize cross-organizational collaboration and synergies. Furthermore, in keeping with the principles of results-based management (RBM), the MTPF 2010-2013 introduced a set of six policy and institutional outcomes to be achieved, mainly at the country level. The document made clear that the foreseen outcomes go beyond the immediate effects of UNIDO interventions and mainly fall within the purview of Governments, upon whom the ownership and leadership of the development process rests. Finally, in terms of programme management, the MTPF 2010-2013 incorporated an overall management framework representing the core values of staff.

27. The midterm review retains many of these innovations, building on them in order to better strengthen the capacity of UNIDO to deliver services for its Member States in line with the key developments outlined in section I of the present document. A graphical representation of the adjusted MTPF 2010-2013 follows.

⁹ Resolution GC.11/Res.4.



A. Incorporation of the mission statement

28. As part of the Programme for Change and Organizational Renewal (PCOR), UNIDO developed a mission statement which encapsulates the Organization's development objective and management objective. The logical flow of the adjusted MTPF 2010-2013 is oriented toward the achievement of the development objective, with the management objective also incorporated. The full version of the mission statement is attached as annex I to this document.

29. The development objective, which describes the UNIDO role in contributing to the MDGs and other internationally-agreed development goals, is the pinnacle of the medium-term programme framework, 2010-2013, and will be the ultimate objective of the UNIDO results framework and related results reporting.

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| Development objective contained in the UNIDO mission statement | UNIDO aspires to reduce poverty through sustainable industrial development. We want every country to have the opportunity to grow a flourishing productive sector, to increase their participation in international trade and to safeguard their environment. |
|---|---|

30. While the full version of the management objective addresses, inter alia, growing and improving UNIDO services, measuring results, managing efficiently, serving stakeholders, and promoting a culture of cooperation and achievement, this can be summarized as "Growth with Quality" through "Delivering as One UNIDO".

31. This concept complements and enhances the overarching management principle outlined in document IDB.35/8/Add.1, including the staff values of commitment, excellence, team-orientation, results-orientation, innovativeness, accountability, integrity, and sustainability.

32. The management objective is supported, inter alia, by the UNIDO Code of Ethical Conduct, the Policy on Protection against Retaliation for Reporting Misconduct or Cooperating with Audits or Investigations, and the Policy for Financial Disclosure and Declaration of Interests, as well as by periodic management compacts and yearly plans for the implementation of managerial priorities.

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| Management objective contained in the UNIDO mission statement | <p><i>Growth with Quality:</i> We continuously improve and grow all our services, which are multidisciplinary and positively transform policies and institutions worldwide.</p> <p><i>Delivering as One UNIDO:</i> We are united in purpose and actions.</p> |
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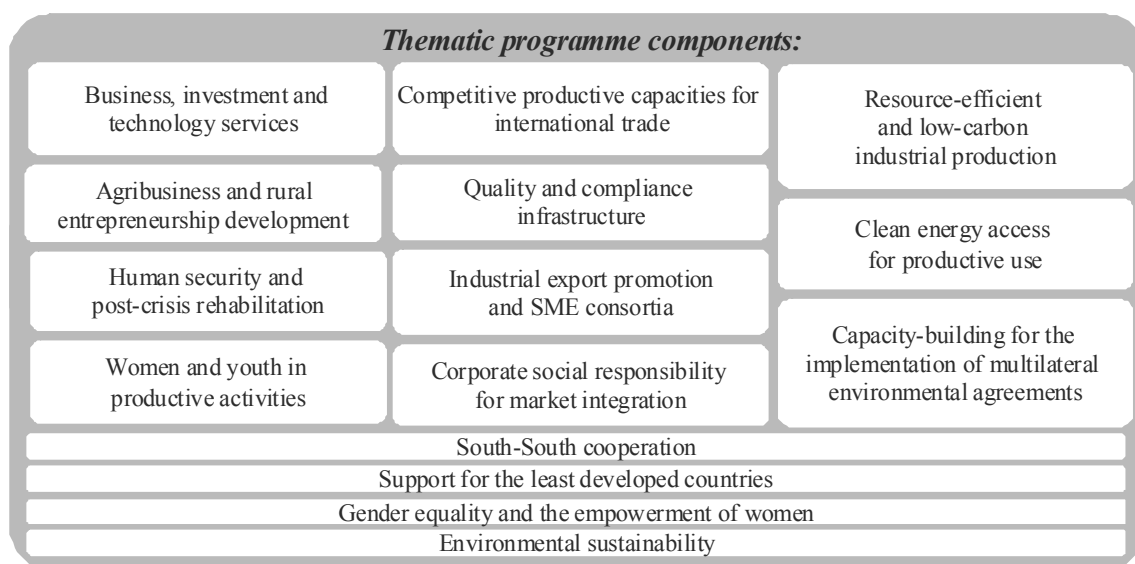
B. Thematic programmatic enhancements

33. The UNIDO medium-term programme framework, 2010-2013, remains focused on the three thematic priorities of poverty reduction through productive activities, trade capacity-building, and environment and energy.

34. As illustrated in the diagram appearing after paragraph 27, the logical concept of document IDB.35/8/Add.1 remains intact, in which a limited number of programme components within the three thematic priorities identify a number of expected country-level outcomes, leading to an expected thematic impact, and ultimately to the achievement of the development objective. This structure will also be maintained for the programme and budgets 2012-2013, which will provide greater detail on the expected contribution of major programmes, programmes and programme components along this results chain. An overview of the programmatic results matrix is provided in annex II to this document.

35. In order to address the key developments outlined in section II above, certain adjustments have been made to the thematic programme components. In addition, four cross-cutting issues are presented. The first two of these, South-South cooperation and support for the least developed countries, exist as self-standing programme components in line with document IDB.35/8/Add.1. The last two, gender equality and the empowerment of women, and environmental sustainability, are now mainstreamed across all activities and are discussed in (e) below.

36. The application of these programme components will continue to be determined by the developmental needs of regions and countries. Individual regional programmes for Africa, the Arab region, Asia and the Pacific, Europe and the Newly Independent States, and Latin America and the Caribbean will continue to be maintained. Further information on the specific tailoring of the components to regions is provided in the programme and budgets 2012-2013 (document IDB.39/13).



Poverty reduction through productive activities

37. Even in the face of the financial and economic crisis, the international community remains committed to achieving the MDGs by 2015. Chief among these goals are poverty reduction (Goal 1) and the closely related objectives of gender equality and the empowerment of women (Goal 3). As the primary driver of economic growth and employment creation, productive activities play a central role in poverty reduction and the wider achievement of the MDGs. Industrial development can help bring about structural changes to set the economies of poor countries on a path of sustained economic growth. Industry provides a seedbed for entrepreneurship, promotes business investment, fosters technological upgrading and dynamism, improves human skills and creates skilled jobs, and through intersectoral linkages establishes the foundation for both agriculture and services to expand. All these factors contribute to sustained productivity improvements that can ensure pro-poor outcomes and contribute to increased living standards in poor countries.

38. Developing productive capacity, especially in manufacturing industry, is a rational means of bolstering development through the optimal use of human and natural resources on a long-term sustainable basis. Document IDB.35/8/Add.1 provided for five interrelated thematic programme components under this priority theme. The present review seeks synergies between these programme components in the light of the changing circumstances outlined in section II above, and streamlines UNIDO services into the following four programme components:

- (a) Business, investment and technology services;
- (b) Agribusiness and rural agricultural development;
- (c) Human security and post-crisis rehabilitation;
- (d) Women and youth in productive activities.

A full description of each of these programme components is provided in the programme and budgets 2012-2013 (document IDB.39/13).

Trade capacity-building

39. Participation in global trade is an important aspect of a developing country's strategic approach to sustainable industrial development. Trade enables countries to make use of their comparative and competitive advantages by placing their resources into those productive activities that provide the highest economic and social returns. Access to markets can lead to more jobs, higher incomes, and greater economic security, thus aiding the achievement of Goals 1, 3 and 8.

40. The costs of the fall in global trade as a result of the recent economic crisis, as discussed in section II above, have clearly demonstrated the developmental role of trade and the importance of trade capacity-building. Trade volumes and prices fell by more than domestic output and prices, and those countries dependent on a small number of markets or commodities were particularly affected.

41. As the world economy revives, some of the reduction in global trade has been reversed. However, a development-driven approach to trade requires a strong focus on how this revival can support technological change, structural diversification, employment creation and poverty reduction. Developing countries, especially the

most vulnerable amongst them, need flexibility and support to strengthen their production and trading capacities as part of broader development strategies.

42. The UNIDO programmatic approach to trade capacity-building will remain aligned with that outlined in document IDB.35/8/Add.1, with the broadening of one programme component to include industrial export promotion alongside activities in support of SME consortia. The four programme components, which are fully described in the programme and budgets 2012-2013 (document IDB.39/13) are:

- (a) Competitive productive capacities for international trade;
- (b) Quality and compliance infrastructure;
- (c) Industrial export promotion and SME consortia;
- (d) Corporate social responsibility for market integration.

Environment and energy

43. In response to the challenges outlined in section II above, UNIDO recognizes that environmental issues must be addressed and preventive approaches, including cleaner production, must be promoted at a systemic level in industrial development. Working together with the United Nations Environment Programme (UNEP), our network of National Cleaner Production Centres (NCPCs) led the way in bridging global environmental concerns with country needs. The transformation of these bodies into Resource Efficient and Cleaner Production Centres (RECPCs) recognizes the value of promoting resource and energy efficiency, and offers a perspective that considers both economic value and environmental necessities.

44. Green industry is at the heart of the UNIDO programmatic approach. This is a two-pronged agenda for sustainable industrial development. First, it covers the greening of industries, under which all industries continuously improve their resource productivity and environmental performance, through such practices as cleaner production, energy and water efficiency, and environmentally sound management of chemicals. Secondly, it aims to create green industries that deliver environmental goods and services in an industrial manner, including for example waste management and recycling services, renewable energy technologies, and environmental analytical and advisory services.

45. During the remaining course of the MTPF 2010-2013, UNIDO will pay particular attention to the need for energy access to drive the productive sectors in developing countries. This will be of central importance during 2012, which has been designated the International Year of Sustainable Energy for All by the sixty-fifth session of the United Nations General Assembly.¹⁰ Access to clean and modern sources of energy is key to successfully ensuring environmental protection, to greening industry and, indeed, to achieving all developmental objectives, including the MDGs.¹¹

¹⁰ United Nations General Assembly resolution 65/151.

¹¹ As recognized in the 2010 Millennium Development Goals Review Summit, General Assembly resolution 65/1.

46. UNIDO will also continue to assist countries in capacity-building for the implementation of relevant multilateral environmental agreements, such as the Montreal Protocol on the phasing out of ozone-depleting substances and the Stockholm Convention on persistent organic pollutants.

47. The three programme components under this thematic priority are described further in the programme and budgets 2012-2013 (document IDB.39/13), and are:

- (a) Resource-efficient and low-carbon industrial production;
- (b) Clean energy access for productive use;
- (c) Capacity-building for the implementation of multilateral environmental agreements.

An addendum to the present document will in response to decision IDB.38/Dec.10, paragraph (f) (iv) include additional information on strengthening UNIDO implementation in the field of energy and environment.

C. Field representation and decentralization

48. Important steps towards decentralization were taken in 2006, when a field mobility policy was introduced. Since then, a substantial number of staff have been posted to the field, and the field vacancy ratio has remained low. The Delivering as One initiative, discussed in section II above, has also increased the emphasis in the United Nations system on strengthened country-level delivery mechanisms in support of country needs and the related joint plans of United Nations Country Teams.

49. The MTPF 2010-2013, as adjusted, aims to further strengthen field capacity by supporting a higher degree of decentralization to the field. This will allow for a swifter response to country needs and a closer partnership between UNIDO and local counterparts. To that end, the programme and budgets 2012-2013, will provide for the alignment of the field network with the main substantive programmes of technical cooperation.

D. Strategic research and outreach

50. In its decision IDB.38/Dec.8, the Industrial Development Board requested, inter alia, that the Director-General support research, advice and technical assistance in the field of industrial policy, including through activities for the exchange of knowledge, experiences and best practices among experts and policymakers at the global and regional level. It was further requested that the present midterm review of the MTPF 2010-2013 should include information on the progress made in implementing that decision.

51. Full information on the implementation of the decision will be provided in an addendum to the present document. In programmatic terms, UNIDO's activities in strategic research and outreach will be strengthened in the programme and budgets 2012-2013 to enhance the contribution of the Organization in providing tailored analysis and policy advisory services.

E. Mainstreaming of gender equality and the empowerment of women, and of environmental sustainability

52. In keeping with the UNIDO policy on gender equality and the empowerment of women, a gender focus is applied to all programmatic and managerial aspects of the MTPF 2010-2013, and will be incorporated into the performance indicators of the programme and budgets 2012-2013. Environmental sustainability, which forms an important programmatic area for UNIDO, is also to be taken into account across the breadth of the services provided by the Organization.

IV. Action required of the Board

53. The Board may wish to take note of the information provided in the present document.

Annex I

Mission statement

PARTNER FOR PROSPERITY: *UNIDO aspires to reduce poverty through sustainable industrial development. We want every country to have the opportunity to grow a flourishing productive sector, to increase their participation in international trade and to safeguard their environment.*

Our Services: Growth with Quality

Growth with Quality means that we continuously improve and grow all our services, which are multidisciplinary and positively transform policies and institutions worldwide.

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| We offer solutions: | Bring global expertise and experience to address complex development challenges through integrated and high-impact services. |
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| We are flexible: | Differentiate and adapt our approaches and methodologies according to the needs of countries at different stages of development. |
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| We expand our services: | Widen our geographic scope and increase our delivery volume to serve more countries and people. |
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| We ensure effectiveness: | Measure the impact that our services have on development in order to ensure the best possible results. |
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Our Operations: Delivering as One UNIDO

Delivering as One UNIDO means that we are united in purpose and actions.

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| We empower our people: | Recognize and develop competencies and knowledge, encourage communication and innovative thinking, strengthen integrity and accountability and reward team achievement. |
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| We serve our stakeholders: | Advance a culture of cooperation, responsiveness and ownership in addressing the needs of all our stakeholders. |
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We lead by example:

Demonstrate ethical and gender-sensitive leadership, motivate people, promote innovation and work in flexible and cross-organizational teams.

We manage efficiently:

Improve the timeliness and cost-efficiency of all our services and create and use business processes that minimize bureaucracy.

Annex II

Programmatic results matrix (2010-2013) (adjusted)

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|---|--|
| UNIDO aspires to reduce poverty through sustainable industrial development. We want every country to have the opportunity to grow a flourishing productive sector, to increase their participation in international trade and to safeguard their environment. | |
| 1. Poverty reduction through productive activities | Performance indicators |
| Expected impact: <i>Women and men are equally empowered to generate and increase their income by engaging in productive industrial activities</i> | <ul style="list-style-type: none"> Increased job opportunities, in particular for poor target groups Increased and equitable levels of income from productive activities More decent working conditions. |
| Policy outcome: Equitable growth policies Industrial strategies, policies and regulations in developing countries support equitable and inclusive industrial growth | <ul style="list-style-type: none"> Industrial policies set quantifiable and gender-disaggregated poverty reduction objectives Inclusiveness and reduced inequality are policy priorities Industrial statistics monitor the impact of industrial policies on poverty reduction |
| Institutional outcome: Market-enabling and investment support institutions National and regional institutions establish market-enabling services for industries and assist them to increase productive capacities | <ul style="list-style-type: none"> Support institutions serve increased numbers and types of enterprises New and better support services become available Enterprises are satisfied with quality of services Private service providers emerge and develop |
| 2. Trade capacity-building | |
| Expected impact: <i>Industries in developing countries are enabled to produce and trade goods and services that meet international public and private industrial standards, and benefit increasingly from globalization</i> | <ul style="list-style-type: none"> Increased exports, in particular from poverty-relevant sectors Reduced rejection rates of exported products New products brought to the global market |
| Policy outcome: International standards and compliance Policies and regulations enhance opportunities for international industrial cooperation and rule-based, non-discriminatory patterns of trade | <ul style="list-style-type: none"> Trade policies give priority to industrial development Effective policy dialogue between public and private sector Harmonized framework of trade-related institutions Consumers are effectively protected from substandard imports |
| Institutional outcome: Standardization and trade support institutions Support organizations, adopt and diffuse international public and private industrial standards, provide trade-enabling assistance to enterprises seeking international market opportunities | <ul style="list-style-type: none"> National and international standards are aligned and relevant to enterprise Support organizations serve increased numbers and types of enterprises Enterprises have access to necessary trade related services Enterprises are satisfied with quality of services |

| | |
|---|--|
| 3. Environment and energy | |
| Expected impact: <i>Industries adopt resource-efficient and low-carbon patterns of production and growth, which contributes to mitigating environmental challenges and adapting to climate change</i> | <ul style="list-style-type: none"> • Reduced industrial pollution • Better use of natural resources • Increased use of renewable energies • Reduced ozone-depleting substances (ODS) and carbon dioxide (CO₂) emissions |
| Policy outcome: Industrial sustainability policies and practices Industrial policies, plans and regulations internalize environmental considerations and the sustainable use of goods and services | <ul style="list-style-type: none"> • Industrial policies define verifiable environmental objectives and comply with multilateral environmental conventions, protocols and agreements • Legislation and enforcement mechanisms ensure compliance with environmental agreements • Policies and regulations provide incentives for sustainability • Energy policies give priority to energy efficiency and access to clean energy for productive energy use |
| Institutional outcome: Green industry support services Public and private institutions support industry in complying with environmental agreements and provide services to mitigate negative industrial externalities and adapt to climate change | <ul style="list-style-type: none"> • Support organizations serve increased numbers and types of enterprises • Environmental and other enterprise support services delivered in integrated manner • Enterprises have increased access to clean energy • Enterprises demonstrate increased energy efficiency • Enterprises have adopted ODS-free technologies • National institutions are effectively implementing international environmental agreements. |