



Industrial Development Board

Forty-fifth session

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Item 9 of the provisional agenda

Activities of the Joint Inspection Unit

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**Comments of the Director General on the JIU review of
management and administration in UNIDO**

Addendum

The present document provides comments of the Director General to the Joint Inspection Unit review of management and administration in UNIDO issued to the Board under the symbol IDB.45/14/Add.1.

Contents

| | <i>Paragraphs</i> | <i>Page</i> |
|--|-------------------|-------------|
| I. Introduction | 1 | 2 |
| II. JIU recommendations and UNIDO's comments | 2-11 | 2 |
| III. Action required of the Board | 12 | 4 |

For reasons of economy, this document has not been printed. Delegates are kindly requested to bring their copies of documents to meetings.



I. Introduction

1. The Director General is pleased to transmit herewith the comments of the Secretariat on the report of the Joint Inspection Unit (JIU) specifically addressing the subject of management and administration in the United Nations Industrial Development Organization (JIU/REP/2017/1), issued by the Director General to the Board under the symbol IDB.45/14/Add.1.

II. JIU recommendations and UNIDO's comments

Recommendation 1: The General Conference is invited to examine at its seventeenth session, in 2017, the strategies proposed by the Director General to support the achievement of the Sustainable Development Goals, with special emphasis on Goal 9, to ensure that the role of the Organization is well defined, and to provide necessary resources through the successive programmes and budgets for the implementation of those strategies.

2. Secretariat's response:

At the high-level political forum (HLPF) on sustainable development in July 2017, a set of Goals, including SDG 9, will be reviewed and discussed in depth, for which UNIDO has been working on the preparation of a substantive input by the Industrial Development Board for the SDG thematic review. At the same time, UNIDO took the lead in consolidating inter-agency inputs for the thematic review of SDG 9 through the United Nations Department of Economic and Social Affairs. Both efforts highlight the interlinkages between and among the SDGs, with SDG 9 playing the catalytic role in achieving the 2030 Agenda, based on UNIDO's expertise and knowledge related to the implementation of various programmes and activities. The role of UNIDO will be further defined through these activities and based on in-house discussions and consultations with Member States. It is furthermore expected that the forthcoming General Conference will take note of strategic policy documents, including the updated medium-term programme framework for the period 2018-2021 which will reflect new developments such as the 2030 Agenda and the quadrennial comprehensive policy review (QCPR) of operational activities for development of the United Nations system.

Recommendation 2: The Director General should consider formalizing the internal senior management briefings with a view to strengthening the corporate-wide coordination and information-sharing functions in order to support the Executive Board in the management of the Organization.

3. Secretariat's response:

An Information Circular is ready to be issued formalizing the internal senior management meeting as a coordination and information-sharing mechanism.

Recommendation 3: The Industrial Development Board should ensure that sufficient regular budget resources are provided to fund core functions of the Organization so as to enable it to carry out all its mandates as a specialized agency of the United Nations in a consistent and sustainable manner, in line with the provisions of the Lima Declaration. In this context, the Board, in accordance with its decision IDB.44/Dec.8, may also invite UNIDO member States to increase their contributions to the special accounts created by the secretariat.

4. Secretariat's response:

The Director General welcomes the invitation to Member States to increase their voluntary contribution to the two special accounts, i.e., the Special Account of Voluntary Contributions for Core Activities (SAVCCA) and the Major Capital Investment Fund (MCIF). This recommendation is particularly important in light of the discussions at this year's Programme and Budget Committee and Industrial

Development Board sessions, at which an eventual amendment to financial regulation 4.2 is considered by Member States. If approved, the two special accounts might enjoy a more robust income in future bienniums.

Recommendation 4: The Director General should present to the Industrial Development Board at its forty-sixth session in 2018 a comprehensive report aimed at improving the financial situation of the Organization, integrating proposals on the main categories of its resources (regular budget, operational budget and voluntary contributions).

5. Secretariat's response:

The Secretariat has taken note of this recommendation. However, Member States may wish to consider that according to Article 14 of the Constitution of UNIDO and Article III of the Financial Regulations of UNIDO, it is the programme and budgets document that is supposed to include plans on the regular budget, the operational budget and voluntary contributions. The subject recommendation could be better implemented if the requested comprehensive analysis becomes part of the document on the programme and budgets, 2020-2021, and is presented to the Committee and the Board at their sessions in 2019.

Recommendation 5: The Director General should expand the risk management strategy presented at the forty-fourth session of the Industrial Development Board in 2016 to comprehensively address all major risks faced by the Organization with appropriate mitigation measures, and submit it to the Board for endorsement at its forty-sixth session in 2018.

6. Secretariat's response:

A Risk Management Committee has been set up to further develop the UNIDO Risk Management strategy and to advise the Executive Board on measures to be taken.

Recommendation 6: The Director General should finalize the revised Human Resources Management Framework and issue it as a Director General's bulletin by the end of 2017. Relevant policies and administrative instructions should be promulgated or updated accordingly.

7. Secretariat's response:

The review of the Human Resources Management (HRM) Framework has been completed and the Director General's Bulletin (DGB) promulgating the key HR principles will be issued shortly. The relevant policies and administrative instructions will also be promulgated and updated accordingly.

Recommendation 7: The Director General should develop an action plan containing monitoring measures aimed at improving the geographical diversity of the UNIDO workforce and report regularly to the Industrial Development Board on its implementation, starting at its forty-sixth session in 2018.

8. Secretariat's response:

The DGB containing the key HR principles will underscore the importance of gender and geographical diversity. Existing mechanisms whereby the Secretariat reports to the policymaking organs on gender and geographical diversity include the UNIDO Annual Report and the report on UNIDO's integrated results and performance framework (IRPF). In the latter, key performance indicators for gender and geographical diversity of UNIDO's workforce, have been established.

Recommendation 8: The Director General should develop an action plan to improve the gender balance of the UNIDO workforce that would complement the Policy on Gender Equality and the Empowerment of Women, containing monitoring measures, and should report regularly to the Industrial Development Board on its implementation, starting at its forty-sixth session in 2018.

9. Secretariat's response:

UNIDO is participating in the United Nations System-wide Gender Parity Taskforce and in March 2017 organized trainings for staff in the Department of Human Resources Management, Gender Focal Points as well as managers on inclusive behaviours to create the understanding for the necessary organizational changes that need to take place in order to reach gender parity. UNIDO is furthermore in the process of setting internal goals and targets for reaching gender parity. This process was kick-started on 9 March 2017 with a gender parity design workshop held by a global diversity expert for staff in the Department of Human Resources Management. During the course of 2017, the Organization will finalize the development of an action plan on how to achieve gender parity within the Organization. This action plan will be presented to the policymaking organs in due course and progress reported on regularly.

Recommendation 9: The Director General should issue an updated information technology and information management policy, and set up an organization-wide working group to assist the Executive Board in overseeing the implementation of the policy and in providing strategic direction in this area.

10. Secretariat's response:

The establishment of the working group which is also responsible among others for updating the information technology management policy is in progress.

Recommendation 10: The General Conference is invited to adopt a comprehensive vision of the UNIDO field presence as an integral part of the Organization's role in implementing the 2030 Agenda, including a set of criteria to assess its effectiveness.

11. Secretariat's response:

The Organization is implementing the final phase of the field policy action plan, following the Director General's report at the sixteenth session of the General Conference. The updated terms of reference of the field, including its role in the implementation of the 2030 Agenda, are expected to be circulated by the Secretariat. Following the adoption of the resolution on the QCPR in December 2016, the role of the UNIDO field offices has become increasingly important in order to translate policies and strategies of the Organization into national and regional consultations on the Sustainable Development Goals and implementation at the country level. In this regard, the IRPF will be further developed and refined in order to reflect and monitor the progress made and indicate the effectiveness of the Organization's capacity to address the Goals set by the 2030 Agenda.

III. Action required of the Board

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