



19 June 2020

UNIDO Management Response to the 2019 MOPAN institutional assessment of UNIDO

INTRODUCTION

The United Nations Industrial Development Organization (UNIDO) expresses its appreciation to the Secretariat of the Multilateral Organisation Performance Assessment Network (MOPAN) and its members, the Republic of Korea as MOPAN's institutional lead country, and assessors of IOD PARC for their professionalism and support to the assessment.

The management of UNIDO recognizes and appreciates the value of MOPAN assessments as a diagnostic snapshot of organizational performance, and thus as a constructive learning tool for assessed organizations.

UNIDO welcomes this first MOPAN assessment, which overall highlights very positive findings and identifies areas of improvement, which we have already started to review and address.

UNIDO and its Member States keep demonstrating a strong commitment for a more effective and impactful Organization. As an example, during the COVID-19 crisis, our technical cooperation activities have kept a high level of delivery, while we adapted to the "new normal", responded with [key research and policy advice](#), and continued implementing change initiatives, such as the full-cost recovery and the resource optimization for technical cooperation.

Furthermore, the permanent and strong commitment and support of our Member States has increased over the past years, which is also evidenced by the guidance and strategic vision they provided in the resolutions adopted at the 18th session of the UNIDO General Conference in Abu Dhabi in 2019, as well as the wide positive feedback from government leaders across the world.

KEY FINDINGS

UNIDO appreciates the key findings presented in the assessment report, highlighting UNIDO's core strengths, including its technical expertise, networks and strengthening knowledge and institutions functions, as well as its high level of staff commitment.

The assessment recognizes UNIDO's vision of inclusive and sustainable industrial development (ISID) and the solid support of Member States for this mandate. The effective coordination of its work on the ground with other United Nations partners to increase leverage and impact is very well noted, despite limited resources. The Programme for Country Partnership (PCP) model developed by UNIDO is found to be a solid step towards strategic partnerships contributing to the

achievement of the Sustainable Development Goals (SDGs) and the 2030 Agenda for Sustainable Development.

UNIDO will continue to further strengthen its normative role, as the report highlights, by building on the support from Member States, reflected in the [Lima Declaration](#) 2013 and the [Abu Dhabi Declaration](#) 2019.

In this regard, UNIDO management concurs with the finding that the reduction in the regular budget of the Organization in the past, which has been stabilized thanks to the support and commitment of Member States, and the dependency on earmarked funding for projects, provides a challenge for balancing its normative and project implementation roles. UNIDO management is looking forward to the discussion with Member States on overcoming these constraints.

UNIDO also appreciates that its commitment to enhancing results-based management (RBM) has been recognized, and management confirms to further realize this ambition, including through the implementation of the new integrated results and performance framework (IRPF) and ongoing processes to align UNIDO's programme and budgets to results.

The assessment also recognizes continued efforts to build up the enterprise risk management function and processes to embed risk analysis, mitigation and reporting, and define risk mitigation approaches. We are pleased to inform that UNIDO is taking further steps to advance operations coordination and risk management, including in assessing and ensuring continuity of operations during the COVID-19 pandemic. [UNIDO's quick response](#) to support its Member States during and after the COVID-19 crisis highlights the Organization's strategic and policy response to the changing needs of a world in flux.

Management is pleased with the finding that the quality of the independent evaluation function is strong, which is the result of our historically strong commitment to the enhancement of the governance and assurance functions. This is now also building on the Independent Audit Advisory Committee, established in 2016 by the Industrial Development Board, and on the fruitful engagement with the External Auditor and the United Nations Joint Inspection Unit.

THE WAY FORWARD FOR UNIDO

The Organization has already started to address issues highlighted in the assessment. Concrete measures include in particular the ongoing initiative that relies on the updated medium-term programme framework ([MTPF](#)), the concurrent shift to a theory of change methodology and thinking, and the implementation of the management objective of integration and scale-up. Continued progress in this area is made possible by the dedication of staff across the Organization and the support and commitment of Member States.

The systematic use of new RBM approaches, more stringent quality criteria introduced in 2019, and a greater focus on impact assessments are already showing signs of progress in programme design and implementation. In the next years, UNIDO will continue deploying innovative tools, mechanisms and processes to facilitate the flow and use of data and information, and strengthen the Organization's results and impact.

UNIDO continues supporting the reform of the United Nations development system and efforts to leverage the reform for the advancement of inclusive and sustainable industrial development and the 2030 Agenda. To this end, the Organization pursues a stronger integration of UNIDO technical cooperation with the coordination efforts within UN Country Teams, including by promoting the PCP approach that enhances strategic collaboration with other United Nations entities.

To empower its field network and strengthen its contribution to the repositioned United Nations development system, UNIDO is conducting a number of capacity-building activities that help to better position the Organization on the ground to raise awareness of the economic dimension, in particular in preparation of common country analyses and the United Nations Sustainable Development Cooperation Frameworks (UNSDCF), as an engine to advance SDGs and for a better future after the COVID-19 crisis.

The focus on systemic transformations, greater results-orientation and a strong and impartial normative role are elements of the United Nations development system reform and at the heart of UNIDO's initiatives to improve its operations.

In addition, the well-established strength of UNIDO as partner of the private sector — not only as a source of financing, but also as a strategic partner for job creation for women and youth, technologies and innovation, and climate action — reinforces UNIDO as a strong and reliable contributor to the efforts of the United Nations development system towards the achievement of the SDGs.

Our Member States provide us with most valued guidance on the way forward. UNIDO is engaged in a dialogue with Member States on further improving efficiency and effectiveness, including through the informal working group on Programme and Budget Committee-related matters. In General Conference decision [GC.18/Dec.14](#), Member States requested the Secretariat to prepare the programme and budgets 2022-2023 according to results-based budgeting principles. UNIDO is currently designing the programme and budgets structure accordingly, and is confident that the application of results-based budgeting principles will further accelerate the ongoing change initiatives.

MOPAN METHODOLOGY

UNIDO takes note of the revised methodology (MOPAN 3.0 and 3.0*) used, and offers its support to the MOPAN Secretariat in further developing this methodology to better capture and assess the specificities of specialized agencies of the United Nations, including differentiating entities according to their size, specific mandates, and funding structure.

As conveyed to the MOPAN Secretariat, UNIDO management views the unexpected change in the colour-rating scale in the midst of the assessment as unfortunate, as it resulted in a less satisfactory graphic representation of ratings than originally shown, even though the underlying scoring and the positive assessment of UNIDO work remained unchanged.

CONCLUSION

The management of UNIDO appreciates the opportunity to engage in its first MOPAN assessment and welcomes the external perspective on its performance through the assessment report.

UNIDO is committed to build on the recognized strengths and its relevance for the advancement of the 2030 Agenda, and to address the areas for improvement identified, in line with its mandate and together with its Member States.

The assessment also highlights constraints and issues to be addressed jointly with our Member States, including members of MOPAN. We welcome the opportunities for a renewed dialogue with our stakeholders and the increased attention to areas, such as the adequate core funding of the Organization and more programmatic funding for UNIDO projects and programmes.

The recent change in the UNIDO Secretariat structure in May 2020 is another step to further consolidate our strategic alignment to the mandates and objectives of the Organization, and an indication that UNIDO is open to address challenges and seize opportunities for further growth and enhanced impact of its operations, so as to more effectively and efficiently support its Member States in achieving inclusive and sustainable industrial development.

Looking ahead, UNIDO looks forward to working closely with its stakeholders in further strengthening the work of the Organization in a rapidly changing development landscape.