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## Industrial Development Board

Nineteenth session

Vienna, 18-20 May 1998

Item 10 of the provisional agenda

### PERFORMANCE INDICATORS

#### Intersessional working group on the future role and functions of UNIDO

Report of the Chairman

(Mr. I. Posta, Hungary, President, Industrial Development Board)

#### Summary

Provides information on the activity of the working group since the resumed eighteenth session of the Board.

1. In its decision IDB.18/Dec.14, the Board requested the intersessional working group to continue its work under the chairmanship of Mr. I. Posta (Hungary). The working group was requested in particular to further develop, in consultation with the Secretariat, a set of criteria and indicators that would allow the future assessment of the implications and monitoring of the implementation of the UNIDO reform process, including the performance of the Organization, in particular through the programme and budgets. The group was further requested to take into consideration in its work the proposals contained in the report of the External Auditor for the improvement of the functioning of UNIDO. In

compliance with decision IDB.18/Dec.14, the Chairman of the intersessional working group submits the present report to the Board at its nineteenth session.

2. At its meeting on 27 February 1998, the intersessional working group considered a paper prepared by the Secretariat on proposed UNIDO performance indicators. It was generally agreed that performance indicators were an important tool that could be applied to the work of UNIDO, and that the work done so far by the Secretariat to develop such indicators was to be commended. A clear-cut opinion emerged that performance indicators should help Member States to judge and

evaluate the progress of the implementation of the Business Plan and the programme and budgets. The set of performance indicators to be elaborated should be an efficient tool to ensure that decisions made by the governing bodies of UNIDO are fulfilled.

3. The performance indicators should enable Member States to judge efficiency-related issues of the Organization. Performance indicators should be few and interlinked; their introduction should be gradual and they should then be assessed on the basis of experience gained. The set of performance indicators should serve the purpose of transparency in terms of target-setting and of implementation control and should be quantitative as well as qualitative.

4. The Secretariat was encouraged to continue its work on the development of performance indicators and to keep Member States informed thereon. Conversely, Member

States were invited to assist the Secretariat in further developing the indicators.

5. The group proposed the provision of concrete information to the nineteenth session of the Industrial Development Board (18-20 May 1998) in the form of a conference room paper that would report on the further progress of the work of developing performance indicators (e.g. interlinkages among the indicators and clarification of their relationship to the Business Plan). A formal submission should be made to the twentieth session of the Board (19-20 November 1998). At that time, a decision should be taken to apply performance indicators to the work of the Organization as of 1 January 1999.

#### **ACTION REQUIRED OF THE BOARD**

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