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Programme and budgets 2022–2023

Proposals by the Director General

General definitions

1. The regular budget is funded primarily from assessed contributions, with a limited amount provided from other sources such as interest income, sales publications and government contributions to the regional and country offices of UNIDO. The Constitution of UNIDO provides for six per cent of the net regular budget to be used for the Regular Programme of Technical Cooperation (RPTC).
2. The operational budget is financed mainly from support cost reimbursement income, earned through the implementation of technical cooperation activities financed from voluntary contributions. The support cost income is a reimbursement by donors to compensate UNIDO for the support services rendered.
3. The scale of assessment is established by the General Conference to apportion expenses under the regular budget and is based to the extent possible on the scale most recently employed by the United Nations. No Member shall be assessed more than twenty-five per cent of the regular budget of the Organization.
4. Voluntary contributions are made to the Organization by governments, intergovernmental organizations (IGOs) or non-governmental organizations (NGOs), or other non-governmental sources, provided that the conditions attached to such voluntary contributions are consistent with the objectives and policies of the Organization.
5. The Special Account of Voluntary Contributions for Core Activities of UNIDO (SAVCCA) was established by IDB.43/Dec.6 to facilitate the receipt, management and use of voluntary contributions for core activities that cannot be fully funded from the regular budget due to funding constraints.
6. Programme support cost is the cost of a corporate and administrative nature that cannot be directly linked or traced to specific technical cooperation activities, projects or programmes.
7. Result: Specific and measurable change (output, outcome and impact; intended or unintended; positive or negative) that is derived from a causal relationship,



achieved or facilitated by UNIDO in line with the Organization's mandate and the UNIDO's medium-term programme framework (MTPF) in force.

8. Indicator: Quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, to reflect the changes connected to an intervention, or to help assess the performance of a development actor. Means by which a change will be measured.

9. Outcome: The likely or achieved short-term and medium-term effects of an intervention's outputs.

10. Outputs: The products, capital goods and services which result from a development intervention within UNIDO's sphere of control. They may also include changes resulting from an intervention, which are relevant to the achievement of outcomes.

11. Target: Definite ends to be achieved. Specifies a particular value that an indicator should reach by a specific date in the future.

Executive summary

12. This programme and budgets proposal was prepared in compliance with decision GC.18/Dec.14, by which Member States requested the Director General to "establish the [...] draft budget 2022–2023 according to results-based budgeting principles". Consequently, the present Programme and Budgets document was prepared according to a results-based budget (RBB) structure.

13. The proposed programme and budgets align the programme and management priorities, and results framework to UNIDO's MTPF 2022–2025 (see figure 1), which builds on the organizational Theory of Change introduced in the MTPF 2018–2021. In particular, this programme and budgets is consistent with, and reinforces, the management objective of integration and scale up of results, which remains the guiding direction of the Organization for the next two biennia. This programme and budgets proposal espouses the integrated results performance framework (IRPF) actor-based, behavioural change model, and addresses the strategic outcomes of strengthening knowledge and institutions, which in turn enables the achievement of ISID at the impact level, in its economic (economic competitiveness), social (shared prosperity from industry) and environmental dimensions (environmentally sustainable industry). It remains aligned to the 2030 Agenda for Sustainable Development, as well as taking into account the reform of the United Nations development system (UNDS) and the Decade of Action to deliver on the 2030 Agenda.

14. The present proposal facilitates programming vis-à-vis UNIDO's four core functions: technical cooperation; policy analysis and advice; norms and standards, and convening and partnerships. These functions span across all results. Responding to the imperative of scaling up the Organization's impact, the Programme and Budgets 2022–2023 emphasizes normative functions, in particular in Result 1.

15. The Programme and Budgets 2022–2023 will continue to mainstream the provisions of the UNIDO Gender Equality and Empowerment of Women Strategy in all programmatic and managerial work and associated results. The result areas of UNIDO set out in the programme and budgets and MTPF, are implemented in a gender-responsive manner, leading to gender equality results, while also ensuring that dedicated statistics, knowledge and capacity-building materials are generated. As established practices, all results, performance and industrial development indicators are sex-disaggregated, wherever relevant and feasible.

16. RBB requires a significant shift in logic from the approaches used in previous programme and budgets: this document describes contributions of resources to intended results. The intended results are described by IRPF indicators and their associated targets for the 2022–2023 biennium. Selected result areas and related IRPF

indicators structure the programme and budgets and capture development results, organizational as well as programme management effectiveness, and modernization. This way, clear linkages are established to the MTPF and IRPF and an integrated accountability system is created, which connects every part of the Organization to the global development agenda.

17. The current 2022–2023 budgets are based on results-based principles which integrate regular, operational and voluntary contributions.

18. With the shift towards RBB, the 2020–2021 biennium resource allocation has been restated along the identified five result areas with the separation of indirect cost to reflect the requested funding on a comparable basis.

19. Adjustments to the proposed 2022–2023 programme and budgets are related to information technologies and staffing, in particular to three positions in the Director category, five promotions from General Service to the Professional category, an increase in UNIDO contributions to after-service health insurance under the regular budget and four new positions of Industrial Development Officer at Professional-level under the operational budget. Further efficiencies have been realized through savings and reprioritizing travel funding under the regular budget, with an increase in travel to be funded from the operational budget. In addition, savings have been identified in documents management. The UNIDO contribution to the United Nations Resident Coordinator System (UNRC) decreased due to the application of recent United Nations system data for the cost-sharing formula. At the same time, a revision of governmental contributions to field office operations was revisited in line with past income received, resulting in a substantial decline in income towards field office operations.

20. All proposed priorities will need to be undertaken within limited resources at the disposal of the Organization. However, considering the aforementioned proposed increases and decreases, these programme and budgets are presented at an increased level of 1.1 per cent in real terms, with growth of 1.6 per cent in the regular budget and reduction of 0.6 per cent in the operational budget.

Introduction

I. Programme and budgets framework

21. With decision GC.18/Dec.14, Member States requested the Director General to “establish the [...] draft budget 2022–2023 according to results-based budgeting principles”. In compliance with this request, the present document has been prepared according to a RBB structure. It is the first time that UNIDO adopts this approach in such a comprehensive and consolidated manner.

22. The present programme and budgets proposal was designed with the objective to align its structure and content as much as possible to RBB principles, as adopted by the United Nations system.¹ Although RBB modalities vary across United Nations agencies, funds and programmes, they all revolve around the concept of aligning resources behind results. On this basis, UNIDO aligns itself with the working definition of RBB in the United Nations system (CEB/2005/HLCM/R.6):

“RBB is a results-driven budgeting process, in which:

- Programme formulation and resources justification involve a set of predefined objectives, expected results, outputs, inputs and performance indicators which constitute a “logical framework”, or results chain;

¹ Based on CEB/2005/HLCM/R.6.

- Expected results justify resource requirements, which are derived from and linked to outputs to be delivered, with a view to achieving such results; and
- Actual performance in achieving results is measured by predefined performance indicators.”

23. UNIDO has made significant progress in updating its results-based management (RBM) framework, processes and practices in the last MTPF cycle. Building on that progress, and recognizing the slow nature of change management, the Organization is adopting the RBB with confidence, but also conscious of the learning curve it faces. In the coming years, the correct implementation of recent internal reforms will be crucial to improve the accuracy of resource-results requirement calculations, target-setting and results monitoring and reporting.

24. Through these reforms, including the new approach adopted in the present document, UNIDO shows its commitment to further improve its efficiency and effectiveness, and thus its contribution to ISID and the Sustainable Development Goals. The support of, and leadership by, Member States remains a decisive factor for UNIDO to successfully implement RBM practices and frameworks.

25. The preparation of the Programme and Budgets 2022–2023 is guided by the overall direction given by Member States, including through decision GC.18/Dec.14. The ongoing operationalization of the Abu Dhabi Declaration and the leadership provided by its policymaking organs continue to guide the Organization in the Decade of Action and the current transition towards greater institutional maturity.

26. The Programme and Budgets 2022–2023 accompanies the MTPF 2022–2025, and builds on the MTPF 2018–2021. The overarching direction of the programmatic work of the Organization remains the transition towards improved integration and scaling-up of results. The alignment to the RBB principles in this budgets proposal reinforces this programmatic direction.

27. Consequently, an important element of the new UNIDO proposal is to break silos, as the Organization recognizes the integration of its work in a more programmatic, less project-based approach as a precondition to achieve results at scale. Following the same intention to scale up, the Organization recognizes the need to tackle ISID matters alongside a range of actors, at the micro, meso and macro level. This approach is key to understand the structure of this programme and budgets proposal, which is as follows:

- Result 1. Policies and strategies for ISID and the SDGs;
- Result 2. Conducive industrial ecosystems;
- Result 3. Innovative, inclusive and sustainable businesses;
- Result 4. Effective strategic management for results;
- Result 5. Excellence of corporate services and operations;
- Indirect cost; and
- Efficient VIC buildings management.

These results will be explained in detail in Section III – Budget Framework.

28. The above structure is a radical shift from previous programme and budgets, as it provides a comprehensive, actor-based and behavioural change approach to UNIDO results, as per the IRPF. The programmatic structure of previous programme and budgets cannot be easily traced against the current results structure. However, the set of activities outlined in former Major Programme C, remains largely applicable. In this sense, the present programme and budgets will break down the description of Results 1–3 against three focus areas identified by the MTPF 2022–2025, as described in the next section.

29. UNIDO remains an Organization whose unique selling point and value proposition is based on the distinctive thematic expertise of its staff, methodologies, approaches, and partnership models. The achievement of the ISID mandate requires UNIDO to leverage an ever-evolving mix of technical, policy, managerial, analytical, and convening expertise.

Alignment of the Organization's strategic documents, structures and programmes

30. The present programme and budgets proposal ensures alignment and consistency with the Organization's MTPF, and should therefore be read together with the MTPF 2022–2025. Further work will be needed to fully align workplans and programme strategies of each Directorate, in compliance with best practices and the UNIDO Accountability Framework, and in line with the MTPF and recommendations by the External Auditors, internal oversight and independent evaluation functions.

31. The programme and budgets structure presented in this document is consistent with, and reinforces, the MTPF's enabling strategic priority of "strengthening knowledge and institutions". This covers the outcome areas of the organizational Theory of Change (Figure 1): what actors are reached or engaged, what changes in their knowledge and capacities are influenced, and what changes in key behaviours such as business practices, technology, investment, governance, standards, and policies are triggered. As explained in the UNIDO Theory of Change, it is through these outcomes that the Organization contributes to advancing the three ISID impact dimensions, reflecting the economic, social and environmental dimensions of sustainable development: economic competitiveness, shared prosperity from industry and environmentally sustainable industry.

32. Thematic areas such as climate change, reduced pollution, gender equality and the empowerment of women, food systems and agribusiness, quality and trade infrastructure, continue to be the main areas of expertise of UNIDO interventions. Reflecting the evolving nature of industrial development, the MTPF 2022–2025 categorizes these areas into the following interconnected but distinct focus areas:

- Digital transformation and innovation;
- Climate neutral industry and the circular economy; and
- Structural transformation and sectoral expertise.

These areas are deeply interlinked. They qualify the unique expertise and knowledge inputs of UNIDO and the thematic areas of UNIDO's services as well as country and global results. For ease of reference, the present programme and budgets will break down the description of Results 1–3 against these focus areas.

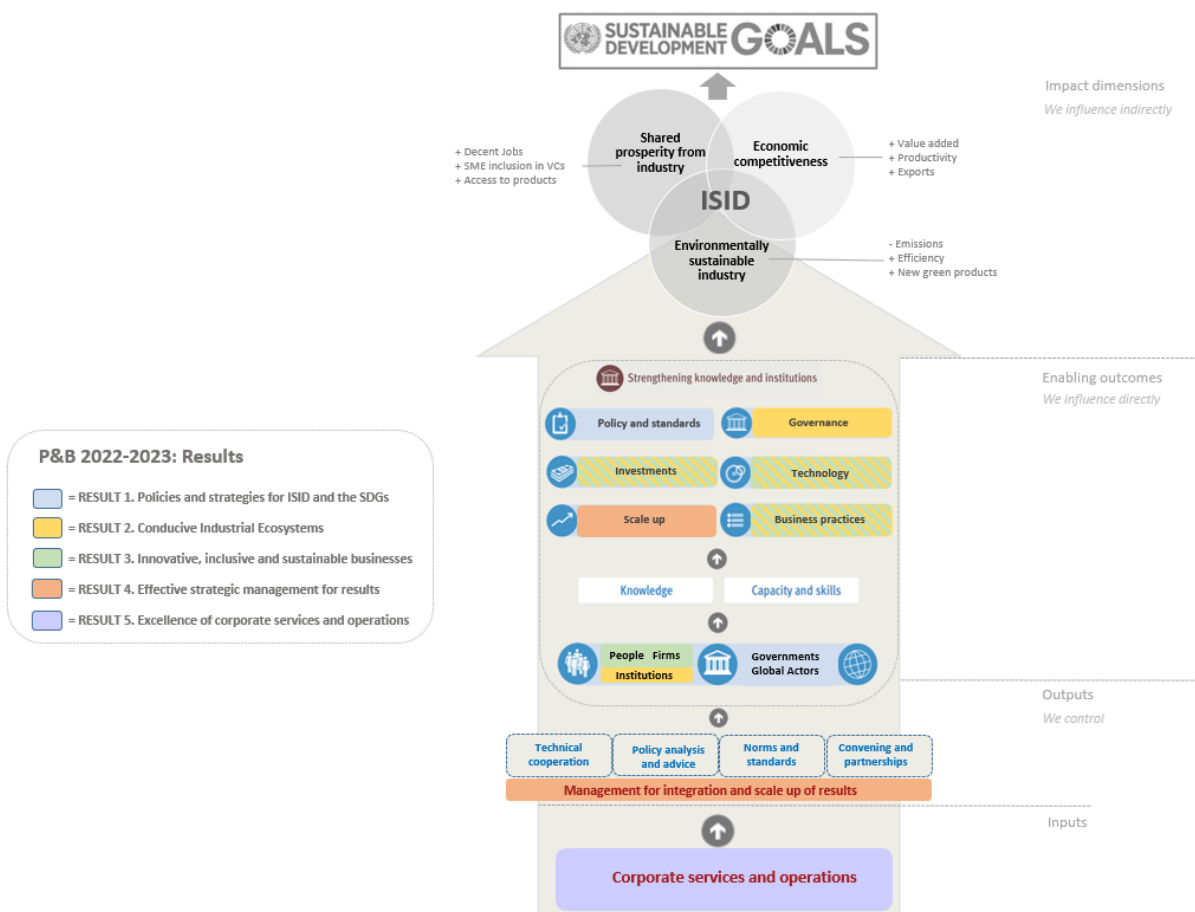
33. The present proposal also facilitates programming vis-à-vis UNIDO's four core functions: technical cooperation; policy analysis and advice; norms and standards; and convening and partnerships. These functions span across all results, as they capture the outputs delivered by the Organization and enable outcome results. Integrated approaches that strategically combine these core functions are at the core of UNIDO's unique comparative advantage and are central to advancing development results at scale. In line with the MTPF 2022–2025, the Programme and Budgets 2022–2023 places particular emphasis on normative functions, especially in Result 1. Partnerships at all levels remain a priority for UNIDO to foster transformation towards ISID.

34. UNIDO's IRPF provides specific results areas and indicators at all levels of the organizational Theory of Change, using an actor-based behavioural change model. The result areas of this programme and budgets fully reflect the outcome-level IRPF results and its actor-based logic. Section III on the budget framework provides further details. In addition, each result area in this programme and budgets is accompanied by a selection of relevant IRPF indicators and associated targets for the biennium.

35. The Programme and Budgets 2022–2023 will continue to mainstream the provisions of the UNIDO Gender Equality and Empowerment of Women Strategy in

all programmatic and managerial work and associated results. In fulfilment of the UNIDO vision that women and men equally lead, participate in, and benefit from inclusive and sustainable industrial development, the Organization follows a comprehensive approach to gender equality and the empowerment of women, recognizing the interests, needs and priorities of both women and men and the intersecting diversity of groups. Subsequently, the result areas of UNIDO set out in the programme and budgets and MTPF are implemented in a gender-responsive manner, leading to gender equality results, while also ensuring that dedicated statistical, knowledge and capacity-building material is generated. As established practice, all indicators are sex-disaggregated, wherever relevant and feasible.

Figure 1
The Programme and Budgets 2022–2023 in the UNIDO Theory of Change



Alignment with the United Nations system

36. The Programme and Budgets 2022–2023 is aligned with, and supports, the ongoing reform of the UNDS. It outlines the main results areas and resource allocation to the Organization’s delivery of its ISID mandate in contribution to the 2030 Agenda for Sustainable Development, the Decade of Action, the Addis Ababa Action Agenda, the Paris Agreement, and other relevant United Nations policies and documents on sustainable development.

Results orientation

37. RBB requires a significant shift in logic from the approach used in previous programme and budgets: this document describes contributions of resources to intended results. These intended results are aligned with the organizational Theory of Change contained in the MTPF. The results measured by IRPF indicators and targets for the 2022–2023 biennium are quantified in this document. As per established

practice in the United Nations system, the programme and budgets address results at the outcome level.

38. Selected results areas and related IRPF indicators provide the structure to the programme and budgets: they capture development results, programme management effectiveness, and organizational efficiency and modernization. This way, clear linkages are established to the MTPF and IRPF and an integrated accountability system is created, which links every part of the Organization to the global development agenda.

39. The selection of results reflects the preparatory work of the UNIDO-wide RBB Task Team and related decisions by the Executive Board. Target-setting in this first RBB was based on the IRPF data available at the time of preparation. The recent introduction of the underlying IRPF architecture, and the subsequent fine-tuning of indicators and metadata in light of the new evidence, might have in some cases affected the accuracy of the figures reported. These figures will progressively grow more representative of the Organization's achievement as more experience is accumulated, as in the case of other United Nations entities in their transition to an RBB approach.

40. In addition, the novelty of the approach and the high dependence of the Organization on condition-fixed, long-term voluntary contributions will make the impact of changes in programming towards higher indicators felt only over several budget cycles; the predominant share of the project and programme portfolio (in dollar terms) has a renewal time of more than six years, hence, indicators will only start trending upwards when measured over several years.

41. Finally, in compliance with decision GC.17/Dec.1, the Organization will continue "to ensure that the integrated results and performance framework is updated to reflect the changes in the MTPF, and, when necessary, further developed in consultation with Member States".

Resources

42. The current programme and budgets is aligned with results-based principles, which integrate regular, operational and voluntary contributions. The required resources are presented with a greater level of detail for both regular and operational budgets as well as for voluntary contributions. The financial tables included in the document provide overviews of resources by result area, major object of expenditure as well as by Directorate.

Comparison with previous programme and budgets

Budgetary savings and efficiencies

(a) Following efficient and effective changes made in the ways of working, savings amounting to €485,320 are realized in travel cost;

(b) In compliance with decision GC.18/Dec.14(c), efficiency gains of €942,223 were earmarked to fund the 2020-2021 programme and budgets; this has been effected; and

(c) Use of the most recent United Nations system data for calculating the UNIDO contribution towards the UNRC in line with the United Nations Sustainable Development Group (UNSDG) decision results in savings of €373,353.

Flexibility in budget implementation

43. The UNIDO Financial Regulations limit the possibility to adjust adequately to emerging changes by channelling resources accordingly. This became particularly obvious during the COVID-19 pandemic, wherein the regulatory framework prevented the Organization from adjusting resources for a quick response, for example by moving funds from travel to strengthen cyber security or enhancement of hardware and software to facilitate remote operations. In their review of the 2020

UNIDO Financial Statements, the External Auditors noted that the “Current budget system is quite rigid and does not allow transfer between major objects of expenditure and between major programmes, therefore management is focused on budget development and is not interested in improving efficiency”. UNIDO will pursue enhanced budget flexibility during the RBB implementation and revise regulation 4.3 of the UNIDO Financial Regulations to reach further savings and efficiencies.

Full Cost Recovery

44. General Conference decision GC.18/Dec.14 (c) (ii) endorsed the application of Full Cost Recovery (FCR) principles towards funding the budgetary gap envisaged in the 2020-2021 programme and budgets. The main objective of FCR is to minimize the impact on regular budget resources for technical cooperation programmes by increasing cost recovery. FCR is based on the principles of proportionality, transparency, equitability, and ensuring that all cost has a direct link to the project implementation, consistent with United Nations General Assembly resolution 67/226 and United Nations system and funding partners’ best practices. The expected FCR savings of €4.2 million for the biennium 2022–2023 are allocated between the regular and operational budgets in the amount of €2.5 million and €1.7 million respectively. Details of notable increases are provided below by major object of expenditure.

Changes in staff cost and the post structure

(a) The increase in regular budget staff cost emanates from position upgrades made to strengthen the delivery of technical cooperation services and provisions made for adjustment to one position in the Directors’ category, upgrades of General Service positions to the Professional-level to increase professional capacities and accountability;

(b) In the operational budget, four additional Professional-level positions are included to boost capacities under the Digitalization, Technology and Agri-Business and Programme, Partnerships and Field Coordination Directorates, in addition to position upgrades, as well as adjustment to two position in the Directors’ category; and

(c) Details of the composition of posts are presented in Table 5 and Annex C.

Information technology and communication

45. Under the current model of business delivery dictated by the COVID-19 pandemic, it is paramount to strengthen and secure the IT landscape of UNIDO for an effective and efficient delivery of IT services across the Organization. In this respect, an increase of €1.1 million for IT is estimated in the budget proposal.

Income

46. There is a reduction of €1.7 million in the budgeted income for the 2022–2023 biennium. This is primarily due to a prudent estimation of cost reimbursement for field office operations by the host governments, based on actual experience and signed agreements with host governments. Consequently, the estimate of €2.4 million for the biennium 2020–2021 has been revised to €853,300.

II. Programmatic adjustments

47. Following the adoption of GC.18/Dec.14, the Organization embarked on a thorough exercise to prepare the present programme and budgets proposal based on a radically different budget approach. With the adoption of the updated IRPF in 2019, the Organization acquired an important element of the necessary RBM infrastructure to move towards RBB. The IRPF facilitates the adoption of two defining features of RBB: the use of results chains for informed budgetary decision-making and the use of performance measurement in the budgetary decision-making process.

48. Following the IRPF approach, Results 1-3 of the proposed structure align UNIDO resources with the three major levels of programmatic interventions, which map onto three major groups of actors: (i) macro level, comprising government and global actors' policies and strategies; (ii) meso level, including public and private institutions at the country levels; and (iii) micro level, summarizing UNIDO results working directly with firms and people.

49. To facilitate a comparison with the biennium 2020–2021, programme-based resource allocations have been restated according to the new results-based structure. Regular budget resources and voluntary contributions were mapped from the programmatic to the results structure through a bottom-up approach, including the reconsideration of resources at budget line level for regular resources and at project-by-project level for extrabudgetary resources.

50. With regards to variations in voluntary contributions, UNIDO will continue to rely for a significant share on multilateral funds, in particular the Global Environment Facility (GEF), for programming technical cooperation activities in Member States. Any decrease in these funds compared to the previous biennium should be compensated by an increase in the expected level of contributions from the European Union, bilateral and new multilateral funds such as the Green Climate Fund (GCF) and Least Developed Countries Fund (LDCF).

51. The Secretariat foresees an increase in the scope of work related to the key strategic priorities of UNIDO specifically focusing on advancing the fourth industrial revolution and digital transformation. To achieve these goals, additional resources have to be made available to ensure that Member States can make tangible progress in their transitions to the fourth industrial revolution in 2022–2023.

52. Within the scope of UNIDO's ongoing roll-out of the Resource Optimization for Technical Cooperation (ROTC), continuous efforts are underway to optimize and streamline the Organization's operations by introducing mechanisms such as thematic modules, shared services and segregation of functions. However, the pace of this deployment can be slowed by bottlenecks caused by the scarcity of specific skills that are not immediately related to traditional technical or administrative functions. The expansion of the workforce is one of the strategic pillars of ROTC, and a major stepping-stone and prerequisite to ensure that new strategies can be implemented. Contextually, an increase in specific capacities, which in turn requires the allocation of additional human resources and strategic alignment of Directorates, can also drive technical cooperation implementation, while supporting UNIDO's key result-oriented objectives through RBB.

53. As UNIDO fully embraces the fourth industrial revolution and benefits it can bring to its modus operandi to support all Member States in achieving the SDGs, the Organization aims to scale up its IT capacity and infrastructure. This investment will secure long-term planning for continuous high quality service delivery, sustainable in-house technological support and ensure the Organization's ability to fully pursue the Abu Dhabi Declaration.

III. Budget framework

54. The 2022–2023 results-based structure has replaced the earlier structure based on programmes. Accordingly, resource requirements are indicated reflecting financial needs to reach the expected results at the output and outcome level. These resources also include extrabudgetary resources against each of the results. The narrative descriptions are organized along these lines.

55. The RBB structure represents all UNIDO services, functions and results under the following five result areas.

<p>Result 1. Policies and strategies for ISID and the SDGs</p> <p>Inclusive and sustainable industrial development features prominently in global, regional and national policy agendas and normative frameworks, and is championed by UNIDO within the United Nations system.</p>
<p>Result 2. Conducive industrial ecosystems</p> <p>The networks of organizations participating in the delivery of industrial products work in partnership, share knowledge, innovate and mobilize investments for a resilient, inclusive and sustainable industrial sector.</p>
<p>Result 3. Innovative, inclusive and sustainable businesses</p> <p>Firms innovate and adopt resilient, inclusive and sustainable practices; women, youth and disadvantaged groups are empowered through industrial skills and leadership; consumers' preference for safe and sustainable products increases.</p>
<p>Result 4. Effective strategic management for results</p> <p>Programme management is results-driven, aims at transformational change, engages partners for scaling up and incorporates lessons learned, under conducive governance and accountability frameworks.</p>
<p>Result 5. Excellence of corporate services and operations</p> <p>Corporate services and operations are managed in an efficient and effective manner, based on innovation and best practices.</p>
<p>Indirect cost</p>
<p>Efficient VIC buildings management</p>

56. The results of the programme and budgets are interconnected and mutually supportive. Each one of them is part of a result chain. Results 1–3 are the development outcomes of UNIDO's work at the country, regional and global level, in full alignment with the MTPF 2022–2025 and organizational Theory of Change. They capture the behavioural change of different target groups triggered by projects and programmes, as well as policy, normative and knowledge initiatives. Results 4 and 5 are enablers necessary for Results 1, 2 and 3 to be achieved.

57. Development results are achieved at scale when strategic management for results is effective and the Organization operates and delivers services efficiently. In turn, the various dimensions of stakeholders addressed by Results 1, 2 and 3 capture the complexity of industrial systems, and the need to address issues and support actors at the micro (firms and individuals), meso (institutions making up the industrial ecosystem) and macro (policy, legislation/regulation and capacity-building of related institutions) levels in the supported countries for its results to be transformational and at scale.

58. In particular:

- **Result 1, Policies and strategies for ISID and the SDGs**, captures the results of UNIDO's work with global and regional actors which develop policies, strategies and norms, as well as with national governments and policymakers, and with local legislators,² so that inclusive and sustainable industrialization is adequately prioritized in development strategies and policies. UNIDO's contribution to Result 1 includes normative and policy advisory work streams funded both by regular and voluntary resources, conducted at headquarters and in the field;
- **Result 2, Conducive industrial ecosystems**, captures the results of UNIDO's work with intermediary actors and institutions in the industrial ecosystem, so

² With power to issue legislation autonomously from central authorities. Authorities that issue guidance documents at local levels within the confines of central or national level legislation are to be considered as part of Result 2.

that it is conducive to more inclusive and sustainable industries. These actors include supply chain entities, service providers, business associations, public and private institutions, and all other organizations that provide public and private services to businesses and consumers, as well as local departments and authorities of central level ministries. The majority of UNIDO's contribution to Result 2 derives from the implementation of projects and programmes, targeting industrial ecosystem entities as key enablers for replication and mainstreaming, ultimately enabling scale-up of results;

- **Result 3, Innovative, inclusive and sustainable businesses**, captures the results of UNIDO's work with firms so that they become more resilient, inclusive and sustainable. It also refers to the outcomes of the Organization's work with individuals aspiring to enter the industrial workforce or to set up businesses, and with consumers in the market for safe and sustainable products. UNIDO's contribution to Result 3 stems primarily from technical cooperation activities, predominantly funded by voluntary contributions;
- **Result 4, Effective strategic management for results**, captures strategic management for results in UNIDO, including stronger results-based programme management, field coordination and improved country and regional programming. It also refers to conducive partnerships and improved governance and accountability frameworks, as well as the organizational oversight functions of internal audit, evaluation and investigation;
- **Result 5, Excellence of corporate services and operations**, captures the efficient management and administration of corporate services and operations in UNIDO, including, inter alia, financial services, human resource management, procurement, general services, logistics, information and communication technology services;
- **Indirect cost**, present fixed cost incurred by UNIDO in its normal functioning, including, inter alia, the contribution to the UNRC system; and
- **Efficient VIC buildings management** – presents the resources and results associated to managing and administering the operations, maintenance and repairs of the buildings and related installations and equipment of the Vienna International Center complex.

59. Each of the above results and programme and budgets items are presented against IRPF and area-specific indicators and targets, which will be reported in the corresponding Annual Reports, online platforms and other pertinent reporting systems and documents.

60. Results 1, 2 and 3 also feature a disaggregated description by main areas of expertise, based on the MTPF 2022–2025. This will allow for a theme-specific understanding of the corresponding development results. In addition, the presentation of development results will include a specific description of the results and resources associated with the work of the Organization to support the recovery from the COVID-19 pandemic through ISID.

61. The following analysis is presented at 2022–2023 rates, including the elements of revaluation and recosting (see Table 2(a)).

62. The net requirements under the regular budget, which are financed by assessed contributions payable by Member States, have been budgeted at the level of a 3.7 per cent rate increase. Total gross expenditures of €147,514,442 are reduced by an anticipated income of €3,473,300, for a net requirement of €144,041,142.

63. Estimated income consists of three categories: (a) cost reimbursement for field offices; (b) savings through full cost recovery; and (c) miscellaneous income. The latter category includes income from sales publications, interest earned and other sundry items for which details are provided in a separate section. Except for deposits in the United States dollars, the projected income continues to be considerably lower

than that of the previous biennium, given the current global outlook on interest rates in the financial markets.

Financing of the operational budget

64. Total gross expenditures under the operational budget is €39,582,700. These expenditures are to be financed by miscellaneous income of €100,000, recovery of cost pertaining to technical and operational services of €1,697,154 and the balance €37,785,546 from reimbursement of support cost pertaining to technical cooperation services. Details related to technical cooperation delivery and related support cost income estimates are shown in Tables 1 and 2(a). The projected level for 2022–2023 amounts to €345.1 million.

65. Miscellaneous income earned under the operational budget originates primarily from interest income on deposits, subject to the same considerations as in the regular budget.

Development of budget estimates

66. The budgetary estimates for the regular and operational budgets are presented separately, at results levels. Comparisons between the biennia 2020–2021 and 2022–2023 are shown at the same cost levels as the biennial budget for 2020–2021. The budget estimates for the biennium 2022–2023 are then adjusted (recosted) to take into account the impact of inflation and other cost adjustments as explained below.

67. In developing the budgetary estimates for the biennium 2022–2023, the following methodology was adopted:

- (a) Approved budgets for 2020–2021;
- (b) Adjustments to the approved 2020–2021 budgets to reflect a results-based approach and to facilitate comparison;
- (c) Resource requirements for 2022–2023 at 2020–2021 rates; and
- (d) Inflation and other cost adjustments.

Approved budgets for 2020–2021 as the budget base

68. The programme and budgets for the biennium 2020–2021, as approved by the General Conference in GC.18/Dec.14, detailed the resource requirements to implement the programmes of the Organization in 2020–2021. In line with that document, the budgets for the biennium 2020–2021 included under the regular budget, a gross amount of €144,091,811 and €37,867,400 under the operational budget.

69. In decision GC.18/Dec.14 paragraph (c), the General Conference approved the funding level of assessed contributions for 2020–2021 at €138,924,543 and the balance from other income, efficiency gains and other sources. Pursuant to this decision, UNIDO has applied the entire efficiency gains identified together with other savings realized in 2020 against budget estimates of 2022–2023.

70. To allow comparison at the results and objects of expenditure levels, the resource levels, as approved in the aforementioned General Conference decision, have been used as the comparative base for the resource requirements for 2022–2023.

71. Consequently, the comparative base for the regular budget is €138,924,543.

Adjustments to the budget base

72. The budget base has been re-stated to reflect the changes in the budget structure to become results-based, and to allow for a meaningful comparison of resource requirements for 2022–2023 with those of 2020–2021. The adjustments were also made to the approved resources in accordance with the integration and movement of Divisions further to DGB/2020/04, dated 26 May 2020.

Resource requirements for 2022–2023 at 2020–2021 rates

73. The proposed resource allocation to results will need to be undertaken within the limited resources at the disposal of the Organization. The regular budget includes a 1.6 per cent increase in real terms, after the application of savings and efficiencies achieved in the prior biennium. The €2.2 million increase in the regular budget includes a request for strengthening IT in the amount of €1.1 million; another €0.32 million adjustment to positions including grade adjustment to one position in the Directors' category and five promotions from General Service to Professional category; a €0.24 million increase in after-service health insurance cost due to an increasing number of new retirements and the cost increase in provision of health services; and a €0.3 increase in costs of interpretation services as well as a €0.22 increase in UNIDO contributions towards buildings management. Due to an alignment of income at field offices' operations to the agreements signed with the host governments, the regular budget absorbs a substantial reduction in income amounting to €1.7 million. The aforementioned increases and decrease in income trigger a subsequent €0.1 million increase in the regular programme for technical cooperation.

74. The net operational budget estimates of €37,345,346 prior to recosting represent a negative growth of €225,954 or negative 0.6 per cent, in real terms.

75. The vacancy factors assumed in the budgets for the biennium 2022–2023 remain at 5 per cent for Professional-level and 3 per cent for General Service-level posts. These assumptions reflect the reduced financial requirements of a post due to a period of vacancy during the recruitment process.

Inflation and other cost adjustments

76. The application of inflation and other cost adjustments to the 2022–2023 estimates (expressed at 2020–2021 rates) results in a recosting of these estimates to 2022–2023 rates.

77. This process consists of two steps. First, the resource requirements expressed at 2020–2021 rates are recosted to reflect the actual cost structures of 2020–2021. Then, the requirements are further adjusted in line with expected cost increases for 2022 and 2023.

78. The increase in financial requirements for 2022–2023 is attributable to anticipated changes in the consumer price and wage index levels in Austria and field locations, and to expected statutory changes in salary and common staff cost.

79. It is important to recollect that the conditions of service for staff are regulated by the provisions of the United Nations common system of salaries and entitlements, as affixed in the articles 10 and 11 of the International Civil Service Commission Statute, of which UNIDO became a party as per United Nations General Assembly resolution 40/180.

80. Following General Assembly resolution 75/245 and in accordance with the procedure for adjusting the pensionable remuneration between comprehensive reviews, approved by the General Assembly in its resolution 41/208, and following the promulgation by the International Civil Service Commission (ICSC) of the revised

scales of pensionable remuneration, the pensionable remuneration scale for Professional and higher categories has been updated, effective as of 1 February 2021. The respective provisions are reflected in the budget estimates.

81. In compliance with the ICSC- promulgated methodology for review of General Service salaries at headquarters' locations, and in compliance with the interim adjustment procedures based on the movement at 90 per cent of the relevant combined indices, which for Vienna is the local consumer prices index and the wage index for office employees in the industry, the ICSC announced an across-the-board adjustment by 1.9 per cent of the General Service scale for Vienna, implemented by UNIDO effective as of 1 April 2020. All allowances remained unchanged. The respective provisions are reflected in the budget estimates.

82. Accordingly, projections are made to the standard salary cost for the biennium 2022–2023 as per the category of duty stations, reflecting the following anticipated cost increases.

83. Taking into consideration projected changes in the post adjustment multiplier, as well as the impact of continued implementation of the revised conditions of employment for staff in the Professional and higher categories, the average adjustment for Professional scales resulted in a combined average increase of 0.5 per cent for 2022–2023 at headquarters. In duty stations away from headquarters, where the inflation rates are higher and taking into account full staffing of National Officer positions, the average increase comes to 5.3 per cent for 2022–2023.

84. For General Service staff in Vienna, the interim salary increase is projected for 2022 and 2023 at 1.4 per cent and 1.8 per cent respectively. In 2022–2023, average annual increases of 2.3 per cent and 5.3 per cent were assumed for headquarters and field duty stations respectively. Estimates for salary increases have been calculated on the basis of projected average consumer price and wage indices increases as per the information provided by the Austrian Institute of Economic Research (WIFO) for headquarters and IMF World Economic Outlook 2020 for field locations.

85. The inflation rate for various non-staff objects of expenditure such as utilities, maintenance and supplies is based on forecasts of price index movements by WIFO, the Austrian Chamber of Commerce, the European Central Bank inflation forecast, International Monetary Fund Economic Outlook, the World Economic Situation and Prospects 2021, as well as assumed inflation trends at field office locations.

86. The average rate under the regular and operational budgets for net cost increases in the biennium 2022–2023 is 0.96 per cent per annum. The net amount required for recosting under the regular and operational budgets is €3,390,800.

Budgeting for non-euro expenditures

87. The Organization prepares and presents its budgets in euros only. However, some 10 to 15 per cent of expenditures remain in other currencies, mainly in United States dollars. To estimate the required budgetary amounts in euros, the January to December 2020 average United Nations euro/dollar exchange rate, i.e. \$1 equals €0.878, has been applied to those items. The same rate will be used to determine the transfers to or from the special reserve for exchange rate gains and losses, if required.

Special Account of Voluntary Contributions for Core Activities (SAVCCA)

88. By decision IDB.43/Dec.6 (i), the Industrial Development Board established the SAVCCA to facilitate the receipt, management and usage of voluntary contributions for core activities that cannot be fully funded from the regular budget. As of 31 December 2020, the amount contributed to SAVCCA stands at €71,300. It is

proposed to use the funds to enhance the skills of UNIDO staff through the provision of career development training in 2022–2023.

Table 1
Summary of budget estimates by results for 2022–2023

(In euros, at 2022–2023 cost)

<i>Results</i>	<i>Regular budget (net)</i>	<i>Operational budget (net)</i>	<i>Technical cooperation (extrabudgetary)</i>	<i>Total net estimates</i>	<i>Per cent of total estimates</i>
1 Policies and strategies for ISID and SDGs	35,839,395	11,200,135	43,562,597	90,602,127	17.1%
2 Conducive industrial ecosystems	19,521,674	9,418,360	153,759,727	182,699,761	34.4%
3 Innovative, inclusive and sustainable businesses	16,466,335	7,727,075	147,791,797	171,985,207	32.4%
4 Effective strategic management for results	17,138,750	5,834,530		22,973,280	4.3%
5 Excellence of corporate services and operations	29,551,214	5,402,600		34,953,814	6.6%
Miscellaneous income	(2,620,000)	(1,797,154)		(4,417,154)	
Indirect cost	28,143,774			28,143,774	5.3%
Total net requirements	144,041,142	37,785,546	345,114,121	526,940,809	100.0%

Total volume of operations in 2022–2023 by result (including technical cooperation)

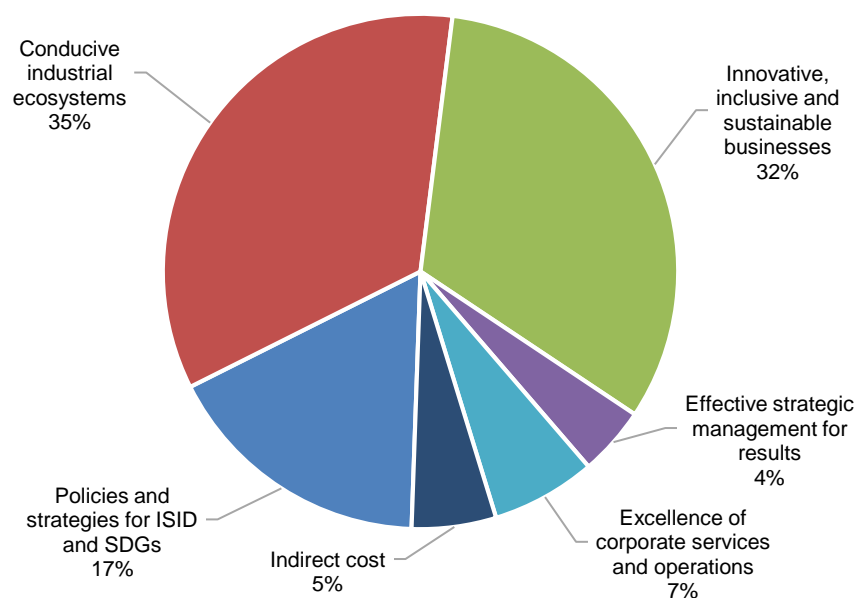


Table 2(a)
**Summary of regular and operational budgets
(Excluding efficient VIC buildings management)**

(In euros)

	<i>2020–2021 approved budget</i>	<i>2022–2023 resource growth at 2020–2021 rates</i>	<i>2022–2023 resource requirements at 2020–2021 rates</i>	<i>Recosting to 2022–2023 rates</i>	<i>2022–2023 resource requirements at 2022–2023 rates</i>
	1	2	3	4	5
Regular budget					
Expenditures	144,091,811	472,031	144,563,842	2,950,600	147,514,442
Income	(2,551,500)	(921,800)	(3,473,300)		(3,473,300)
Savings and efficiency gains	(942,223)	942,223			
Income from other sources	(1,673,545)	1,673,545			
Net requirements	138,924,543	2,165,999	141,090,542	2,950,600	144,041,142
Operational budget					
Expenditures	37,867,400	1,275,100	39,142,500	440,200	39,582,700
Income	(296,100)	(1,501,054)	(1,797,154)		(1,797,154)
Net requirements	37,571,300	(225,954)	37,345,346	440,200	37,785,546
Total regular and operational budgets	176,495,843	1,940,045	178,435,888	3,390,800	181,826,688
Rate of real growth (net)					
Regular budget		1.6%			
Operational budget		(0.6%)			
Combined		1.1%			

Table 2(b)
**Technical cooperation delivery and support cost income estimates (excluding
Regular programme activities)**

(In euros)

	<i>2020–2021</i>		<i>2022–2023^a</i>	
	<i>Delivery</i>	<i>Support cost income</i>	<i>Delivery</i>	<i>Support cost income</i>
European Union	32,486,900	2,176,600	51,682,257	3,617,758
Global Environment Facility	98,970,900	9,154,800	96,013,717	9,121,303
Industrial Development Fund	35,822,500	4,137,500	46,003,815	5,750,477
Montreal Protocol	43,940,000	6,854,300	28,378,482	3,972,987
Trust funds and others	117,887,900	13,332,600	122,009,298	15,251,162
UNDP – Main programme	991,700	81,600	1,026,552	71,859
Technical services	-	1,833,900		
Total	330,099,900	37,571,300	345,114,121	37,785,546

^a Calculated with US\$ 1 = €0.878, the January to December 2020 average United Nations exchange rate.

Table 3
Proposed expenditure and income by Result for 2022–2023 with comparative data for 2020–2021

(In euros)

	<i>2020–2021 approved budget^a</i>	<i>2022–2023 resource growth at 2020–2021 rates</i>	<i>2022–2023 resource requirements at 2020–2021 rates</i>	<i>Recosting to 2022–2023 rates</i>	<i>2022–2023 resource requirements at 2022–2023 rates</i>
	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
1. Regular and Operational Budgets					
1. Policies and strategies for ISID and SDGs	45,100,891	1,224,254	46,325,145	927,585	47,252,730
Income	(607,900)	394,700	(213,200)		(213,200)
Net requirements	44,492,991	1,618,954	46,111,945	927,585	47,039,530
2. Conducive industrial ecosystems	28,516,070	44,279	28,560,349	593,085	29,153,434
Income	(607,900)	394,500	(213,400)		(213,400)
Net requirements	27,908,170	438,779	28,346,949	593,085	28,940,034
3. Innovative, inclusive and sustainable businesses	24,830,647	(893,532)	23,937,115	469,595	24,406,710
Income	(607,800)	394,500	(213,300)		(213,300)
Net requirements	24,222,847	(499,032)	23,723,815	469,595	24,193,410
4. Effective strategic management for results	21,814,195	894,950	22,709,145	477,535	23,186,680
Income	(607,900)	394,500	(213,400)		(213,400)
Net requirements	21,206,295	1,289,450	22,495,745	477,535	22,973,280
5. Excellence of corporate services and operations	33,184,114	1,231,300	34,415,414	538,400	34,953,814
Efficient VIC buildings management	57,728,200	(5,926,800)	51,801,400	1,451,300	53,252,700
Income	(57,728,200)	5,926,800	(51,801,400)	(1,451,300)	(53,252,700)
Net requirements					
Miscellaneous income	(416,100)	(4,001,054)	(4,417,154)		(4,417,154)
Savings and efficiency gains	(942,223)	942,223			
Income from other sources	(1,673,545)	1,673,545			
Indirect cost	28,513,294	(754,120)	27,759,174	384,600	28,143,774
Total regular and operational budgets	176,495,843	1,940,045	178,435,888	3,390,800	181,826,688
2. Regular budget					
1. Policies and strategies for ISID and SDGs	34,906,096	351,884	35,257,980	794,615	36,052,595
Income	(607,900)	394,700	(213,200)		(213,200)
Net requirements	34,298,196	746,584	35,044,780	794,615	35,839,395
2. Conducive industrial ecosystems	19,797,800	(531,241)	19,266,559	468,515	19,735,074
Income	(607,900)	394,500	(213,400)		(213,400)
Net requirements	19,189,900	(136,741)	19,053,159	468,515	19,521,674
3. Innovative, inclusive and sustainable businesses	16,743,522	(451,352)	16,292,170	387,465	16,679,635

	2020–2021 approved budget ^a	2022–2023 resource growth at 2020–2021 rates	2022–2023 resource requirements at 2020–2021 rates	Recosting to 2022–2023 rates	2022–2023 resource requirements at 2022–2023 rates
	1	2	3	4	5
Income	(607,800)	394,500	(213,300)		(213,300)
Net requirements	16,135,722	(56,852)	16,078,870	387,465	16,466,335
4. Effective strategic management for results	16,264,285	625,560	16,889,845	462,305	17,352,150
Income	(607,900)	394,500	(213,400)		(213,400)
Net requirements	15,656,385	1,020,060	16,676,445	462,305	17,138,750
5. Excellence of corporate services and operations	27,866,814	1,231,300	29,098,114	453,100	29,551,214
Efficient VIC buildings management	57,728,200	(5,926,800)	51,801,400	1,451,300	53,252,700
Income	(57,728,200)	5,926,800	(51,801,400)	(1,451,300)	(53,252,700)
Net requirements					
Miscellaneous income	(120,000)	(2,500,000)	(2,620,000)		(2,620,000)
Savings and efficiency gains	(942,223)	942,223			
Income from other sources	(1,673,545)	1,673,545			
Indirect cost	28,513,294	(754,120)	27,759,174	384,600	28,143,774
Total regular budget	138,924,543	2,165,999	141,090,542	2,950,600	144,041,142
3. Operational budget					
1. Policies and strategies for ISID and SDGs	10,194,795	872,370	11,067,165	132,970	11,200,135
2. Conducive industrial ecosystems	8,718,270	575,520	9,293,790	124,570	9,418,360
3. Innovative, inclusive and sustainable businesses	8,087,125	(442,180)	7,644,945	82,130	7,727,075
4. Effective strategic management for results	5,549,910	269,390	5,819,300	15,230	5,834,530
5. Excellence of corporate services and operations	5,317,300		5,317,300	85,300	5,402,600
Miscellaneous income	(296,100)	(1,501,054)	(1,797,154)		(1,797,154)
Total operational budget	37,571,300	(225,954)	37,345,346	440,200	37,785,546

^a Reflects budget adjustments to the base.

Table 4(a)
**Proposed expenditure and income by major object of expenditure for 2022–2023
with comparative data for 2020–2021 (excluding efficient VIC buildings
management)**

(In euros)

	2020–2021 approved budget	2022–2023 resource growth at 2020–2021 rates	2022–2023 resource requirements at 2020–2021 rates	Recosting to 2022–2023 rates	2022–2023 resource requirements at 2022–2023 rates
Major object of expenditure	1	2	3	4	5
1. Regular, operational and technical cooperation (extrabudgetary) budgets					
1 Staff cost	129,208,742	112,532,558	241,741,300	2,661,700	244,403,000
2 Official travel	4,658,059	14,118,450	18,776,509	125,900	18,902,409

Major object of expenditure	2020–2021	2022–2023	2022–2023 resource	Recosting to	2022–2023 resource
	approved budget	resource growth at 2020–2021 rates	requirements at 2020–2021 rates	2022–2023 rates	requirements at 2022–2023 rates
	1	2	3	4	5
3 Operating cost	31,579,641	219,005,013	250,584,654	405,800	250,990,454
4 Information and communication technology	7,187,300	1,065,100	8,252,400	20,400	8,272,800
5 RPTC and Special Resources for Africa	9,325,469	140,131	9,465,600	177,000	9,642,600
Income	(2,847,600)	(2,422,854)	(5,270,454)		(5,270,454)
Savings and efficiency gains	(942,223)	942,223			
Income from other sources	(1,673,545)	1,673,545			
Total net regular, operational and technical cooperation (extrabudgetary) budgets	176,495,843	347,054,166	523,550,009	3,390,800	526,940,809
2. Regular and operational budgets					
1 Staff cost	129,208,742	1,520,514	130,729,256	2,661,700	133,390,956
2 Official travel	4,658,059	(165,620)	4,492,439	125,900	4,618,339
3 Operating cost	31,579,641	(812,994)	30,766,647	405,800	31,172,447
4 Information and communication technology	7,187,300	1,065,100	8,252,400	20,400	8,272,800
5 RPTC and Special Resources for Africa	9,325,469	140,131	9,465,600	177,000	9,642,600
Income	(2,847,600)	(2,422,854)	(5,270,454)		(5,270,454)
Savings and efficiency gains	(942,223)	942,223			
Income from other sources	(1,673,545)	1,673,545			
Total net regular and operational budgets	176,495,843	1,940,045	178,435,888	3,390,800	181,826,688
3. Regular budget					
1 Staff cost	94,059,742	565,114	94,624,856	2,295,300	96,920,156
2 Official travel	2,189,459	(485,320)	1,704,139	52,100	1,756,239
3 Operating cost	31,329,841	(812,994)	30,516,847	405,800	30,922,647
4 Information and communication technology	7,187,300	1,065,100	8,252,400	20,400	8,272,800
5 RPTC and Special Resources for Africa	9,325,469	140,131	9,465,600	177,000	9,642,600
Income	(2,551,500)	(921,800)	(3,473,300)		(3,473,300)
Savings and efficiency gains	(942,223)	942,223			
Income from other sources	(1,673,545)	1,673,545			
Total net regular budget	138,924,543	2,165,999	141,090,542	2,950,600	144,041,142
4. Operational budget					
1 Staff cost	35,149,000	955,400	36,104,400	366,400	36,470,800
2 Official travel	2,468,600	319,700	2,788,300	73,800	2,862,100
3 Operating cost	249,800		249,800		249,800
Income	(296,100)	(1,501,054)	(1,797,154)		(1,797,154)
Total net operational budget	37,571,300	(225,954)	37,345,346	440,200	37,785,546
5. Technical cooperation (extrabudgetary) budget					
1 Staff cost		111,012,044	111,012,044		111,012,044
2 Official travel		14,284,070	14,284,070		14,284,070
3 Operating cost		219,818,007	219,818,007		219,818,007
Total net technical cooperation (extrabudgetary) budget		345,114,121	345,114,121		345,114,121

Table 4(b)
**Annual proposed expenditure and income by major object of expenditure for
2022–2023 (excluding efficient VIC buildings management)**

(In euros)

Major object of expenditure	2022 resource requirements at 2022 rates	2023 resource requirements at 2023 rates	2022–2023 resource requirements at 2022–2023 rates
	1	2	3
1. Regular, operational and technical cooperation (extrabudgetary) budgets			
1 Staff cost	126,165,572	118,237,428	244,403,000
2 Official travel	10,410,281	8,492,128	18,902,409
3 Operating cost	135,267,207	115,723,247	250,990,454
4 Information and communication technology	4,139,350	4,133,450	8,272,800
5 RPTC and Special Resources for Africa	4,775,700	4,866,900	9,642,600
Income	(2,741,477)	(2,528,977)	(5,270,454)
Total net regular, operational and technical cooperation (extrabudgetary) budgets	278,016,633	248,924,176	526,940,809
2. Regular and operational budgets			
1 Staff cost	65,958,568	67,432,388	133,390,956
2 Official travel	2,611,569	2,006,770	4,618,339
3 Operating cost	15,381,902	15,790,545	31,172,447
4 Information and communication technology	4,139,350	4,133,450	8,272,800
5 RPTC and Special Resources for Africa	4,775,700	4,866,900	9,642,600
Income	(2,741,477)	(2,528,977)	(5,270,454)
Total net regular and operational budgets	90,125,612	91,701,076	181,826,688
3. Regular budget			
1 Staff cost	47,944,918	48,975,238	96,920,156
2 Official travel	865,469	890,770	1,756,239
3 Operating cost	15,210,902	15,711,745	30,922,647
4 Information and communication technology	4,139,350	4,133,450	8,272,800
5 RPTC and Special Resources for Africa	4,775,700	4,866,900	9,642,600
Income	(1,842,900)	(1,630,400)	(3,473,300)
Total net regular budget	71,093,439	72,947,703	144,041,142
4. Operational budget			
1 Staff cost	18,013,650	18,457,150	36,470,800
2 Official travel	1,746,100	1,116,000	2,862,100
3 Operating cost	171,000	78,800	249,800
Income	(898,577)	(898,577)	(1,797,154)
Total net operational budget	19,032,173	18,753,373	37,785,546
5. Technical cooperation (extrabudgetary) budget			
1 Staff cost	60,207,004	50,805,040	111,012,044
2 Official travel	7,798,712	6,485,358	14,284,070
3 Operating cost	119,885,305	99,932,702	219,818,007
Total net technical cooperation (extrabudgetary) budget	187,891,021	157,223,100	345,114,121

Table 5
Positions established under the regular and operational budgets 2020–2021 and 2022–2023 (excluding efficient VIC buildings management)

A. Total UNIDO

	2020–2021			2022–2023			Increase/decrease
	RB	OB	Total	RB	OB	Total	
<u>Professional and above</u>							
Director General	1.0	-	1.0	1.0	-	1.0	-
Director	20.0	6.0	26.0	20.0	6.0	26.0	-
P-5	41.0	22.0	63.0	41.0	22.0	63.0	-
P-4	55.0	6.0	61.0	54.0	6.0	60.0	-1.0
PS (P-1 to P-3)	82.0	19.0	101.0	88.0	23.0	111.0	10.0
NP (National Programme Officer)	-	42.0	42.0	-	42.0	42.0	-
Subtotal	199.0	95.0	294.0	204.0	99.0	303.0	9.0
General Service	208.0	73.0	281.0	203.0	73.0	276.0	-5.0
GRAND TOTAL	407.0	168.0	575.0	407.0	172.0	579.0	4.0

B. Headquarters (including offices at New York, Geneva and Brussels)

	2020–2021			2022–2023			Increase/decrease
	RB	OB	Total	RB	OB	Total	
<u>Professional and above</u>							
Director General	1.0	-	1.0	1.0	-	1.0	-
Director	18.0	3.0	21.0	18.0	3.0	21.0	-
P-5	37.0	12.0	49.0	37.0	12.0	49.0	-
P-4	55.0	6.0	61.0	54.0	6.0	60.0	-1.0
PS (P-1 to P-3)	82.0	19.0	101.0	88.0	23.0	111.0	10.0
NP (National Programme Officer)	-	-	-	-	-	-	-
Subtotal	193.0	40.0	233.0	198.0	44.0	242.0	9.0
General Service	154.0	56.0	210.0	149.0	56.0	205.0	-5.0
GRAND TOTAL	347.0	96.0	443.0	347.0	100.0	447.0	4.0

C. Field offices

	2020–2021			2022–2023			Increase/decrease
	RB	OB	Total	RB	OB	Total	
<u>Professional and above</u>							
Director General	-	-	-	-	-	-	-
Director	2.0	3.0	5.0	2.0	3.0	5.0	-
P-5	4.0	10.0	14.0	4.0	10.0	14.0	-
P-4	-	-	-	-	-	-	-
PS (P-1 to P-3)	-	-	-	-	-	-	-
NP (National Programme Officer)	-	42.0	42.0	-	42.0	42.0	-
Subtotal	6.0	55.0	61.0	6.0	55.0	61.0	-
General Service	54.0	17.0	71.0	54.0	17.0	71.0	-
GRAND TOTAL	60.0	72.0	132.0	60.0	72.0	132.0	-

I. Result 1. Policies and strategies for ISID and the SDGs

Inclusive and sustainable industrial development features prominently in global, regional and national policy agendas and normative frameworks, and is championed by UNIDO within the United Nations system.

Introduction and UNIDO's value addition

89. Result 1 describes UNIDO's thought leadership and contribution to the policy agenda at the global, regional and national level. As such, Result 1 captures the outcomes of the fundamental role played by the Organization in the development cooperation arena to advance the upstream aspects of inclusive and sustainable industrial development (ISID).

90. As the United Nations specialized agency on issues pertaining to industrial development, UNIDO voices the needs, concerns and aspirations of Member States to progress in their inclusive and sustainable socioeconomic development. Today, there is a growing consensus, also in the donor community, on the centrality of ISID and the role of productive value chains to sustain and propel sustainable development. However, further awareness and ambition is needed to turn these principles into action. SDG 9 remains one of the most underfunded goals of the 2030 Agenda, in particular its industrialization component. The mobilization and alignment of resources and policies towards ISID remains a fundamentally untapped area to achieve inclusive and sustainable socioeconomic development.

91. UNIDO's normative and policy advisory functions have a particularly important role to play in scaling up results. The right policy choices, both by developing and developed countries, and the prominence of these issues in the global agenda and debate greatly depend on UNIDO's ability to make its voice heard in policy fora. This is particularly true in this crucial time, in which digital transformation, the post-COVID recovery plans and what appears to be the last opportunity for a successful response to climate change are shaping the near- and long-term future of global economies and societies.

92. The modalities through which UNIDO brings about behavioural change at the policy and normative level include both the provision of global public goods – such as global thought leadership and agenda-setting, or the custodianship of SDG 9 and industrial development indicators – as well as direct support services to specific countries and regions. These modalities are described in further detail later in this section.

93. The financial resources supporting the achievement of Result 1 outcomes typically stem from a relatively even mix of assessed and voluntary contributions. Given their typical tightly earmarked nature, the latter mostly finance development assistance projects and programmes at the country and regional level. On the other hand, core resources, originating from the regular and operational budgets, are typically used to fund normative, thought leadership and policy advisory services that are global public goods in nature.

94. While particular attention is being placed on enhancing UNIDO's normative role, the ability of the Organization to prioritize these functions is determined to a large extent by the funding structure supporting Result 1. The readiness of funding partners to entrust the Organization with voluntary contributions that allow for the full range normative activities – including for the provision of public goods – will greatly support UNIDO's impact and its efforts towards reaffirming its role as an authority in policy advice, global thought leadership and, to some extent, standard-setting on ISID matters.

95. The 2022–2023 biennium will witness UNIDO's increased efforts to strengthen cooperation around ISID with UNIDO Member States, non-Member States and international bodies. The Decade of Action to implement the 2030 Agenda and the

United Nations development system reform increasingly are clarifying the need for strong cooperation across agencies, which UNIDO will continue to effectively support at the global, regional and country level.

96. At the same time, UNIDO recognizes that influencing the policy agenda necessarily entails long-term and unwavering engagement across a wide spectrum of stakeholders, including Member State governments, universities, think tanks, the private sector, media and non-governmental organizations. It takes a whole-of-society approach to achieve for instance gender equality and the empowerment of women, or to reimagine economies with a circular flow of resources, zero carbon energy sources and phased out harmful substances.

97. The Abu Dhabi Declaration further underlined UNIDO's natural role as a private sector partner and urged the Organization to be the catalytic factor for public and private sectors to join forces around ISID. The partnership approach and Programme for Country Partnership (PCP) model resulting from the Lima Declaration of 2013 paved the way for a more effective engagement of the Organization with financial institutions, businesses and governments at the highest level, as well as the international community at large towards the common goal of increased ISID impact.

98. Importantly, Result 1 is not to be considered in isolation from the other result areas in this programme and budgets, but rather as a catalyser or other results, which is fundamental for scaling up UNIDO's impact. The Organization is fully convinced that progress in ISID is only achieved through the integration of its normative, policy, convening and technical cooperation functions at the country, regional and global levels. Evidence from evaluations and other performance assessments demonstrate that Result 1 will be crucial to ensuring the scaling up of UNIDO's achievements, hence its contribution to systemic – not piecemeal – transformation towards ISID and the SDGs.

99. Gender equality and the empowerment of women has important bearings in the global agenda and policy space. In 2022–2023 the Organization will focus on the advancement of gender-responsive ISID policies and sex-disaggregated statistics and data in UNIDO's thought leadership and research work.

100. The remainder of this section details the contribution by UNIDO to the achievements captured under Result 1, both in general and with emphasis on the focus areas of the MTPF 2022–2025. These achievements, as outcomes, are the result of the joint work and accountability of UNIDO, the supported Member States and the range of stakeholders participating in UNIDO's Theory of Change.

Championing ISID in the global agenda, international and regional strategies and the United Nations system

101. At the global and regional level, UNIDO works with United Nations system entities, international organizations, global governance fora such as the Group of 20 and the World Economic Forum, with international financial institutions, standard-setting institutions, business organizations, and other global partners to support the prioritization of inclusive and sustainable industrialization pathways in policy agendas, sustainable development strategies and normative frameworks. In this sphere, UNIDO is a provider of global public goods as part of its constitutional mandate to, in the United Nations system, “play the central co-ordinating role in the field of industrial development”³.

102. UNIDO's achievements in this field include the prioritization of ISID matters by the most relevant global actors. On the one hand, UNIDO seeks that its policy and thought leadership work is considered a valuable input to the global development agenda as policymakers are made aware of the crucial role of ISID for sustainable development. On the other hand, UNIDO provides ISID-related input into high-level

³ UNIDO Constitution, Art. 2.

and operational United Nations efforts. In the recent past, these have included the High Level Steering Committee on Youth, the United Nations framework for the immediate socioeconomic response to COVID-19, as well as thematic debates, such as financing for development, COVID-19 response and recovery, as well as science, technology and innovation. This engagement will continue in the 2022–2023 biennium.

103. As the custodian of six SDG indicators related to ISID and the lead agency for indicators on SDG 9, UNIDO monitors the progress attributable to industry's cross-cutting role in achieving the SDGs. The Organization also develops statistical methodologies for the production and dissemination of internationally comparable statistics to measure sustainable development and ISID, including guidance and best practices on responding to global challenges affecting data collection processes, such as the aftermath of the COVID-19 pandemic.

104. UNIDO's response to the industrial development needs of specific categories of countries, specifically least developed countries (LDCs), landlocked developing countries (LLDCs), middle income countries (MICs), small island developing states (SIDS) and post conflict/crisis situations, will continue to be guided by Organization-wide strategies and frameworks. In addition, South-South and triangular industrial cooperation plays an essential role as part of UNIDO's overall strategy to assist developing countries and leverage the potential of regional trade, investment and economic integration among Southern partners to support local SMEs and strengthen regional supply chains. UNIDO's strategy for regional economic communities in Africa will continue to be carried out within the Third Industrial Development Decade for Africa (IDDA III), of which UNIDO is a lead implementer, and the African Continental Free Trade Area (AfCFTA) frameworks, both of which call for enhanced policy coherence in development interventions.

105. UNIDO aims to contribute to the understanding of gender-responsive industrial statistics, research and policy development, through a number of initiatives such as the Enhancing the Quality of Industrial Policy (EQUIP) gender tool, the Global Manufacturing and Industrialization Summit (GMIS) working group on the future of industry and gender equality, and regional capacity-building programmes on ISID and gender.

106. UNIDO's programme of work for the biennium 2022–2023 foresees continued attention to championing the perspective of industry in international climate change diplomacy, and in the energy, environmental protection and circular economy policy domains. An emphasis will be placed on facilitating international coordination and the convergence of efforts for enabling a level playing field in the drive for the decarbonization of industry, as well as supporting actionable policymaking organ decisions that will advance the prioritization of these domains in intergovernmental processes.

107. UNIDO continues to support a wide range of global initiatives and platforms, as well as regional networks and cooperation mechanisms advancing clean energy, climate action, sound management of chemicals and waste, and circular economy approaches. The most recent of these is the Global Alliance on Circular Economy and Resource Efficiency, which adds to other policy or technical input into global initiatives, such as the Clean Energy Ministerial, or the Climate Technology Centre and Network (CTCN), co-hosted by UNIDO.

108. UNIDO will convene the eighth edition of the Vienna Energy Forum in 2023, and work will continue on expanding the Regional Sustainable Energy Centers and scaling up the Industrial Energy Efficiency Accelerator platform as a global knowledge hub for policymakers and practitioners. Novel initiatives include the establishment of a global partnership for the promotion, development and uptake of hydrogen and related technologies in industries of developing countries and emerging economies, as well as launch of the Global Cleantech Innovation Programme platform. With a range of global partners, UNIDO also facilitates the agreement on international standards for energy management, renewable energy, and efficient

equipment. In this regard, three ISO standards on circular economy, with contributions from UNIDO, will be issued mid-2023.

109. UNIDO will also continue to actively engage with several international forums, platforms and publications on technology, digital transformation and innovation issues. These include the United Nations Innovation Network, the AI for Good Global Summit, the World Summit on the Information Society, the World Manufacturing Forum, the GMIS, and the Brand Global Summit. These and other engagements, including on industrial safety, will promote knowledge exchange, mutual learning, partnerships, networking, and evidence-based policies towards ISID. The Organization partners with other global players to advance strategic agendas, augment global outreach to investment promotion agencies and leverage industrial fairs as platforms for policymakers and institutional partners to stay abreast of forthcoming technological innovations. In 2022–2023, a UNIDO SDG Innovation Centre, in partnership with the Vienna University of Economics and Business, will start operations, accelerating progress on the innovation-ISID nexus.

110. Novel efforts and actions are being established to leverage synergies among UNIDO flagship events including, inter alia, GMIS, the Learning and Knowledge Development Facility, the Vienna Energy Forum, and Bridge for Cities, thus contributing to the Organization’s management priorities of integration and scale up. A “green chain” initiative has been established with a cross-Organization approach to the decarbonization of industry in developing countries.

111. Sectoral expertise in different value chains, especially agriculture-based ones, is another competitive asset of the Organization. UNIDO will continue to contribute to global deliberations related to sustainable food systems, agricultural commodities and agro-value chains in partnership with other United Nations agencies and international institutions. UNIDO already partners with a range of global actors on themes that are central to structural transformation and industrialization. Through these collaborations, UNIDO will organize global fora, such as the United Nations Food Systems Summit, develop norms, frameworks and guidelines for agri-food value chain development, industrial infrastructure such as integrated agro-industrial parks, SME development, food safety, industrial biotechnology, and biodiversity.

112. Furthermore, UNIDO will deepen its partnerships with private sector entities to promote bio-economy through public-private partnerships for sustainable biomass valorisation for sustainable and innovative products such bio-pesticides, biomaterials and clean energy.

113. The promotion of inclusive entrepreneurship, particularly along agro-value chains, will remain a priority for UNIDO as a strategy to foster shared prosperity in particular among women, youth, or marginalized groups in society. The Organization will also continue to integrate productive activities in post-crisis and fragile contexts as a means to explore the peace-development-humanitarian nexus, in partnership with other United Nations agencies and development partners.

COVID-19 response

114. As a result of the COVID-19 pandemic, UNIDO recognized the even greater need to scale up the prioritization of global efforts on building back better through supporting ISID and the production of goods and services. As part of the implementation of its COVID-19 response framework, UNIDO will continue to reach out to external constituencies such as Member States, counterpart United Nations bodies, private sector representatives and technical expert bodies. This work will continue to entail the creation of knowledge products to advance the global and regional understanding of production-related aspects of the COVID response and recovery.

Supporting national policymaking and norm-setting for ISID

115. Beyond its global leadership role outlined above, UNIDO is an established provider of direct assistance to its developing Members States in the policymaking and normative spheres. The Organization's distinctive approach combines policy advice and technical assistance for the development and implementation of industrial policies and strategies, with a dedicated focus on building the capacities of policymakers, while also supporting knowledge dissemination, standard setting and partnerships.

116. Industrial development features prominently amongst the priorities of most developing countries. However, support is needed for lawmakers and governments to design, implement and enforce meaningful industrial policies to translate ambitions into effective progress in ISID. UNIDO will continue to provide this support through analytical platforms, tools and capacity-building workshops for policymakers, in close cooperation with other relevant organizations and knowledge institutions. Supporting the data revolution for sustainable development, UNIDO builds national statistical capacities for the collection, production, dissemination and use of industrial statistics, including industrial censuses and surveys, based on best practices and the adherence to international standards and classifications. In this context, UNIDO works directly with national statistical organizations to produce indicators for monitoring ISID-related progress towards the SDGs, particularly SDG 9.

117. UNIDO supports country-level prioritization of ISID in national development strategies through strategic engagements in Common Country Analysis/United Nations Sustainable Development Cooperation Framework (CCA/UNSDC processes within the UNDS, with a view to ensuring the adequate consideration of the economic dimension of development, including women's economic empowerment. UNIDO's programming tools such as PCPs and Country Programmes (CPs) provide solid integrated frameworks for this purpose. In addition, policy support is often conducted by UNIDO through strategic partnerships with DFIs, businesses, industry-related organizations and in cooperation with multilateral funds, and typically includes a strong focus on innovation as a key enabler of a country's ISID strategy.

118. In the context of industrial climate neutrality and the circular economy, strong legal and institutional frameworks are essential for competitive and resilient industries. UNIDO supports Member States in regulating sustainable management of industrial pollutants and other toxic substances by enabling decision-makers to chart low-carbon paths to economic progress to fostering the rise of local entrepreneurs and innovators. These issues have strong transboundary implications, which compounds the challenges of national regulation. UNIDO provides policy advice and regulatory assistance with a focus on key policy documents and national plans, including under the main climate change and environmental conventions and agreements, the UNIDO Global Eco-Industrial Parks Programme, circular economy and resource efficiency. In 2022 and 2023, annual regional conferences on implementation of circular economy practices will be held to share best practices for policymaking at national and local levels.

119. For the biennium 2022–2023, in-country projects focusing on the integration of sustainable energy in and for industry are foreseen in close to 50 Member States. Capacity-building, technical assistance and policy advice will be channelled for additional countries through global programs and platforms such as the Parliamentary Action on Renewable Energy, Global Network of Regional Sustainable Energy Centers, Industrial Energy Efficiency accelerator, and the CTCN. In the same period, public-private policy dialogue and partnerships will be operationalized in global value chains for textile, garments and packaging, and include national and local policymakers in approximately 10 countries in different regions.

120. In the coming biennium, UNIDO will support policymakers on resource efficient and clean technology transfer, industrial pollution management to reduce and, where possible, eliminate the release of chemicals from industrial processes into

the environment. A wide range of partners will be involved to support countries in these projects.

121. In the context of digital transformation and innovation, UNIDO will support the development and reform of national and regional business environments for MSMEs through quality policies, technical regulation frameworks, specific policies for conformity assessment institutions, as well as the promotion of good practices for standard-setting and quality infrastructure development at large.

122. UNIDO's normative and convening role in enabling developing countries to play an active role in global standard-setting has been increasingly recognized over the last decade. In 2022–2023, the Organization will launch new initiatives on international standards and global public goods, including the industrial safety and cybersecurity global initiative, as well as participate in standard development and implementation processes, such as innovation management (ISO 56000).

123. UNIDO will continue to build the capacity of countries to implement and take advantage of the international rule-based trading system. UNIDO's normative contribution, which is recognized by the International Network for Quality Infrastructure, includes analytical methodologies and tools, and guiding principles for quality policy definition. UNIDO will also continue to support investment promotion agencies in identifying desirable regulatory changes and establishing adequate governance structures.

124. At the same time, leveraging its sectoral expertise, UNIDO generates knowledge and promotes evidence-based policies and norms to support the sustainable and productive use of resources in agro-industries, with special attention to food safety in agro-food value chains and to broader structural transformation. Interventions include support in the drafting and approval of strategies, e.g. on inclusive entrepreneurship, with a particular focus on youth and women in agro-industries, and the adoption of curricula for industrial, vocational or entrepreneurial skills across agricultural value chains. UNIDO also promotes the establishment of public-private partnerships for development to foster private contributions to policies and regulations for industrial skill development, and brokers private-public engagement for the preparation and implementation of initiatives aimed at the integration of internally displaced persons and refugees in agro-industries. In collaboration with other United Nations entities, UNIDO continues to support public-private dialogue on value chain development and youth employment programmes, as well as facilitating the exchange of best practices at national and regional levels.

COVID-19 response at the national level

125. UNIDO supports policies and strategies at the country level to address the response and recovery from the COVID-19 pandemic, fortify cross-border value chains and prevent future disruptions to quality and other industrial infrastructure.

126. UNIDO supports countries through COVID-responsive normative work on PPE production and certification, sanitizing, and the safe restarting of businesses after lockdowns.

127. UNIDO provides in-depth analysis of the impact of COVID-19 on the national and regional manufacturing sector, to help establish a comprehensive plan that addresses needs of the sector for recovery and growth in the aftermath of COVID-19. In supporting “building back better”, UNIDO raises awareness and knowledge on digital transformation and the technologies of the fourth industrial revolution to ensure that the manufacturing sector can adapt to global trends in production and trade patterns, while also ensuring these efforts are gender responsive.

128. The COVID-19 Industrial Recovery Programme will continue to provide a comprehensive approach to assess the impact of the pandemic on industrial sectors, formulate an industrial recovery plan and pilot specific interventions in targeted SMEs to support the upscaling of the approach to the relevant industry.

Result 1. Policies and strategies for ISID and the SDGs

Resource estimates (in euros)

Positions			2022–2023 estimates (after recosting)				
			Regular budget	Operational budget	Technical cooperation (extrabudgetary)	Total	
Professional	General Service	Total					
87.90	70.80	158.70					
			Staff cost	25,499,387	9,889,275	11,842,829	47,231,491
			Official travel	881,610	1,117,660	1,578,254	3,577,524
			Operating cost	6,143,720	193,200	30,141,514	36,478,434
			Information and communication technology	342,545			342,545
			RPTC/SRA	3,185,333			3,185,333
			Total gross expenditure	36,052,595	11,200,135	43,562,597	90,815,327
			Income	(213,200)			(213,200)
			Total net resources	35,839,395	11,200,135	43,562,597	90,602,127

By Directorate

	Positions		Regular and operational budgets	Technical cooperation (extrabudgetary)	Total
	P	GS			
Polymaking Organs – PMO			3,490,400		3,490,400
Office of the Director General – ODG	5.20	4.80	3,421,650		3,421,650
Directorate of External Relations and Policy Research – EPR	29.00	20.20	13,356,627		13,356,627
Directorate of Digitalization, Technology and Agri-Business – DTA	13.30	3.20	4,779,550	4,266,810	9,046,360
Directorate of Environment and Energy – EAE	11.20	7.00	5,506,940	35,939,991	41,446,931
Directorate of Programme, Partnerships and Field Coordination – PFC	29.20	35.60	13,299,030	3,355,796	16,654,826
RPTC/SRA			3,185,333		3,185,333
Total	87.90	70.80	47,039,530	43,562,597	90,602,127

What UNIDO offers

129. UNIDO's outputs contributing to Result 1 include the following, non-exhaustive list of items:

- Global industrial statistics and statistical publications, such as the International Yearbook of Industrial Statistics;
- Global reports, such as the Industrial Development Report (IDR), policy briefs and analytical publications related to ISID topics, including industrial climate neutrality and pollution reduction, clean energy, gender equality and women's empowerment, investment, competitiveness, quality infrastructure, innovation, technology and sectoral publications;
- Policy support tools, such as the Industrial Analytics Platforms and EQUIP tools;
- International frameworks, guidelines, standards and norms-related policy support analytical tools and methodologies for ISID;
- Joint initiatives and participation in United Nations interagency policy processes;
- Joint initiatives and engagement with global and regional fora;

- Organization of global fora and leading of global and regional platforms (e.g. IDDA III, Africa Industrialization Summit, LDC Ministerial Conference);
- Capacity-building support to agenda-setters, policymakers and statistical offices at global, regional and country levels on ISID policies, strategies and statistics;
- Joint upstream initiatives with partner institutions within focused strategic frameworks;
- PCPs and CPs, developed in relation to countries' strategies, plans as well as mapping of strategic partners;
- Evidence-based country diagnostics for UNIDO programmes;
- Maintained and enhanced engagement with Member States;
- Knowledge exchange platforms, peer learning and analytic publications drawing on UNIDO field experience;
- Support to public-private policy dialogue processes including on investing through a women's economic empowerment and gender lens; and
- Engagement with UNDS at the country level with analytical support on socioeconomic assessments and the elaboration of the respective industrial/economic and social recovery strategies.

Results indicators

Note: all indicators are sex-disaggregated, wherever relevant and feasible. "Actors" in Result 1 refer to government bodies and global actors.

<i>Outcomes</i>	<i>Target 2022–2023</i>
POL.1: Number of new or revised policies adopted by policymakers	30
POL.2: Number of new standards adopted or implemented	15
POL.3: Number of guidelines adopted by relevant actors	80
Enabling outputs	
PAO.1: Number of industrial strategies and industrial policy documents drafted/prepared	100
PAO.2: Number of analytical and statistical publications produced	200
NOO.1: Number of standard-setting processes with UNIDO participation	50
CPO.1: Number of global fora and events organized	400
CPO.2: Number of UN interagency mechanisms with UNIDO participation	44
CPO.3: Number of international networks and platforms for which UNIDO is providing secretariat functions	17
POR.7: Number of UNCTs with UNIDO participation	85

II. Result 2. Conducive industrial ecosystems

The networks of organizations participating in the delivery of industrial products work in partnership, share knowledge, innovate and mobilize investments for a resilient, inclusive and sustainable industrial sector.

UNIDO's value addition

130. Result 2 captures the work of UNIDO with intermediary actors and institutions that form the industrial ecosystem at the country and local level. UNIDO strengthens their awareness and knowledge of crucial ISID issues, and builds their capacities so

that they work in partnership, share knowledge, innovate and mobilize investments towards resilient, inclusive and sustainable industrial sectors, and no one is left behind.

131. Industrial ecosystems comprise all those intermediary organizations that gravitate around industrial firms, providing them with crucial services, participating in the delivery of industrial products, ensuring coordination between businesses and the public sector, enabling the flow of knowledge and resources, certifying conformity of enterprises, processes and products with standards and technical regulations (required by markets, buyers and consumers) and facilitating innovation. These organizations include supply chain entities; service providers; business and industry associations; public and private institutions, including chambers of commerce; financial institutions; academia and think tanks; and research and training centres. Together, they form the ecosystem that is vital for businesses to prosper and innovate, for value chains to thrive and for industrial systems to transition towards inclusive and sustainable practices. The disruptions caused by the COVID-19 pandemic have certainly brought renewed attention to the importance of industrial ecosystems in ensuring resilience of productive activities and supply chains, which play a vital role in mitigating adverse socioeconomic impacts and enabling inclusive and sustainable recovery.

132. In the biennium 2022–2023, UNIDO will increase its efforts to support Member States in identifying and bridging gaps in national industrial ecosystems in order to boost industrial competitiveness while ensuring inclusiveness and environmental sustainability. Thriving industrial ecosystems call for multi-level, impact-driven partnerships, bringing together actors at the corporate, institutional and political level. With the support of UNIDO, Member States empower stakeholders and institutions in the industrial ecosystem to cultivate strong and innovative partnerships, establish dynamic networks at the local, country and regional levels, diffuse knowledge and best practices, accelerate innovation, help businesses – in particular SMEs – connect to global value chains, and mobilize public and private investments in support of a resilient, inclusive and sustainable industrial sector and the recovery from the COVID-19 pandemic.

133. One key area of UNIDO's value addition is the support for the creation of an enabling environment for capital to flow into developing countries, reaching new markets, forging new partnerships, improving competitiveness and business resilience, and enhancing digital capabilities. Ecosystem institutions play a vital role for the functionality, viability, and sustainability of enterprises. Therefore, UNIDO works to build their capacity, to foster greater linkages between the productive sector, national policymakers and the research community. This will in turn strengthen national innovation capacities, promote SME competitiveness and resilience, upscale technological capacities and digitalization and further industrial and business infrastructure.

134. Capitalizing on its sector-specific know-how, UNIDO will continue working together with its Member States to ensure effective partnerships and business sustainability across a broad range of value chains, in particular in complex agribusiness ecosystems and as it relates to structural transformation. The Organization is uniquely positioned to ensure access to international good practice, support the development of regional, sub-national and local strategies, and facilitate inclusive entrepreneurship strategies, focusing on youth and women. It also brokers private-public engagement to prepare and implement short-term initiatives aimed at the integration of internally displaced persons and refugees in productive activities.

135. Additionally, as emerging economies and least developed countries pursue their industrial growth targets, UNIDO supports them to chart a course towards industry and services that rely on resilient infrastructure, sustainable supply chains and low-carbon energy systems. The Organization enables industry to change the way they think about and use resources and energy and support climate action, to meet international standards, cut running cost, access the finance, expertise and technology

needed to shift away from a resource- and energy-inefficient linear economy and support climate action, with a special focus on small and medium-sized enterprises. UNIDO is also championing the rise of local entrepreneurs and innovators that help developing and emerging economies drive the transition to low-carbon and resilient economies. By doing so, emerging economies and least developed countries find cost-effective solutions to their own unique energy challenges and they stand to become leaders in this emerging field, creating jobs and other opportunities along the way.

136. Mainstreaming gender-informed approaches remains a priority for the Organization, as a crucial focus in order to address gender inequalities in industry. Gender mainstreaming is needed to ensure that “no one is left behind” by sustainable recovery plans and that countries harness women’s full potential as leaders and economic agents of change.

137. Overall, the Organization advances integrated solutions to foster conducive industrial ecosystems through a combination of its core functions. In particular, ecosystem approaches combine technical and sectoral expertise with industrial policy and normative guidance, supported by evidence-based country programming and an expanding base of multi-level partnerships. Result 2 embodies the objectives of integration and scale up, as industrial ecosystems see the convergence of actors at all levels to shape markets, technology, infrastructure, investments, institutional settings and norms, and therefore constitute central nodes to catalyse the transformation of industrial systems.

138. In this sense, Result 2 is fundamentally interconnected to the other results of the programme and budgets, 2022–2023. On one hand, conducive industrial ecosystems both respond to and influence ISID policies and standards at the national and regional level that are reflected under Result 1. On the other hand, they are necessary to shape industrial practices, boost business competitiveness and unlock systemic transformation towards inclusive and sustainable industries as part of Result 3. Effective, result-oriented strategic management and efficient internal operations in UNIDO are prerequisites for delivering integrated support and advancing all these results at scale.

139. Voluntary contributions make up the largest share of resources supporting the achievement of Result 2. The Organization will continue working with Member States and funding partners to further its transition towards more programmatic, impact-driven approaches, able to foster transformational change and development impact towards the SDGs. At the same time, core funding towards Result 2 is crucial to meet the increasing demand for UNIDO’s normative role, support to standard-setting as well as policy and thought leadership by the Organization in this field. UNIDO, mindful of the constraints and complexity of donors’ choices, is determined to make best use of available assessed and voluntary resources.

140. The remainder of this section details the contribution by UNIDO to the achievements captured under Result 2. These achievements, as outcomes, are the result of the joint work and accountability of UNIDO, the supported Member States and the range of stakeholders participating in UNIDO’s Theory of Change.

Strengthening institutional capacities and industrial ecosystems for ISID

141. In the context of climate neutral and resilient industry and the circular economy, UNIDO brings together businesses, governments and consumers to promote circular economy principles for a wide array of manufacturing activities and product categories, including promoting the extension of products’ lifetime, as well as end-of-life handling, but also works with a range of partners on greening the built environment value chain, the fashion industry and other sectors.

142. In the fashion industry, which is a key sector for reducing adverse environmental impacts of industry, interventions focus on the environmentally sound management and disposal of chemicals and wastes. This involves fashion ecosystem mapping, institutional strengthening and capacity-building, and the creation and promotion of business models and mechanisms for green investment financing. UNIDO also engages a wide range of partners from government, the private sector as well as other United Nations organizations to assist countries with effective e-waste management.

143. Introducing new clean energy technologies, systems and business models in off-grid areas, UNIDO demonstrates how clean energy infrastructure combined with advanced digital solutions and storage technologies can enable off-grid communities to start or expand their enterprises and enhance livelihood opportunities. Developing new business models, UNIDO also supports the establishment of reclaim centres and treatment facilities for handling of refrigerants and other chemicals, both during service, end-of-life, and including recovery and re-use. Interventions also aim to create enabling conditions to increase the sustainability of such business models, so that facilities can operate independently and scale up.

144. The creation of a national knowledge base and capacities is a determining factor for accelerating the uptake of solutions at scale. Therefore, UNIDO engages national partners such as resource efficient and cleaner production centres, works with service providers, and strengthens capacity of governments, communities and industries to promote industry-urban symbiosis and reduce industrial pollution. UNIDO also partners with think tanks, inter alia to demonstrate to decision-makers in governments and in the private sector the financial and economic benefits of investments in nature-based infrastructure (NBS) for climate change adaptation. Interventions in this area are synergetic to approaches fostering public-private partnerships for environmental stewardship and eco-industrial parks.

145. In addition, the Organization strengthens capacity of domestic financial sector and investors in a number of areas. For instance, interventions supporting circular economy financing are foreseen in approximately six countries in the biennium, while the global CleanTech programme envisages a portfolio of around €50 million covering 15 countries. This supports access to financing for SMEs, contributing to a significant reduction in industrial pollution. At the same time, accelerator programmes like GreenChem are designed to support academia and the private sector to bring green chemistry solutions to commercial scale.

146. In the context of digital transformation and innovation, UNIDO pursues wide-ranging approaches to strengthen institutional capacities and industrial ecosystems. Interventions support the development of industrial zones and business incubators and build capacity of national and regional public and private actors in providing support to the manufacturing sector. Interventions also support the strengthening of national and regional industrial support networks and regional public-private partnership (PPP) networks; setting up fourth industrial revolution pilot factories, innovation and technology centres, and science and technology parks (STP); and matchmaking for the inclusion of local subcontractors and suppliers in global value chains (GVCs).

147. In 2022–2023, UNIDO will expand its efforts to support the digital transformation of industry in developing countries. Approaches focus on building capacities of public and private institutions at the national and regional levels and of local consultancies to ensure knowledge transfer and the development of local expertise in fields related to enterprise development, quality infrastructure and innovation. Capacity-building approaches are complemented by digital transformation readiness analyses, support to governments in the development of fourth industrial revolution roadmaps and innovation-friendly policy frameworks, as well as in measuring readiness for the fourth industrial revolution.

148. Strong synergies exist between advancing innovation and strengthening industrial infrastructure and value chains. The Organization will continue to link international investors and technology providers to local value chains and SMEs for

technological upgrading, foreign direct investments and impact investments, support technology transfer, adoption, adaptation and diffusion. Interventions also support well feasibility analysis of large infrastructure or public-private partnership (PPP) projects and development of bankable proposals for 4IR investments in industry and technology. The ITPO network of UNIDO continuously expands its pool of corporate 4IR partners to coordinate investment and promote the transfer and application of new technologies in developing countries. Through its ITP network, UNIDO is also setting up the first 4IR alliance with leading partners from industries, academia and institutions and NGOs for digitalization. The expansion of the Enterprise Development and Investment Promotion Program (EDIP) is foreseen, building capacities of potential entrepreneurs and investors to unleash innovation towards economic development. UNIDO's work with investment promotion agencies (IPAs) will enhance crucial investment facilitation and assist in shifting investment promotion efforts into the virtual space, broadening investment opportunity profiling, and use of smart, digital solutions to track and analyse investment-related data.

149. In addition, UNIDO contributes to the institutional and soft infrastructure development and to the reform of the national and regional business environment for MSMEs. Interventions in this sphere focus on capacitating national and regional quality infrastructure institutions, advancing institutional best practices in: standard-setting and harmonization; the accreditation of conformity assessment bodies through national and regional schemes and international recognition; in scientific, legal and industrial metrology; as well as in services for conformity assessment and market surveillance. All these elements contribute to protect consumers, workers and the environment through the respect of, and compliance with, quality, social and environmental standards. The application of innovative and digital technologies such as blockchain and remote assessments enhance these approaches. Furthermore, UNIDO engages with business support organizations that allow clusters of MSMEs to take advantage of common facilities and services to increase their competitiveness and capacity to export.

150. Leveraging sectoral expertise in agro-value chains for structural transformation, UNIDO promotes the creation of public-private partnerships for development among various actors to ensure all challenges faced by the particular agro-industries ecosystem are addressed systematically. In its interventions, the Organization focuses on developing local knowledge and specific skills in managing natural resources and agribusinesses. It also promotes traditional and innovative financial schemes for regional and local commodities where investors, the private sector, governments, and development partners de-risk and leverage investments to scale up solutions.

151. In post-crisis settings, the Organization supports the rehabilitation or reconstruction of service centres, vocational and entrepreneurship schools, as well as productive facilities including adopting the most relevant agro-technologies. In all contexts, it promotes and supports the setup of PPP or private sector-driven service centres and the upgrading or establishment of centres of excellence across agro-value chains to ensure the provision of specialized services needed for the development of the target value chains and industries. This includes, for instance, rural transformation centres; micro-financing institutions; food processing and collection hubs; service centres including on packaging; and food safety centres of excellence.

152. Finally, the Organization builds institutional capacities of relevant public and private sector actors involved in the operation and management of agro-industrial parks, food safety systems, or value chain-specific institutions by enhancing capacities for service provision, competences, introducing optimized business process solutions, and equipping them with new technologies in production, logistics, and compliance.

COVID-19 response

153. In the face of the global COVID-19 emergency, ecosystems play a vital role in the resilience of productive sectors and hence the mitigation of adverse socioeconomic impacts.

154. UNIDO supports Member States in preparing and containing the crisis by ensuring the resilience of food supply chains through informed policy and contingency planning in partnership with food scientists and technologists, by disseminating information on innovative business sector initiatives and facilitating partnership formalization for market-driven approaches to address pandemic impacts. While responding and adapting, countries supported by UNIDO can ensure adequate quality infrastructure services for food safety and increase national pharmaceutical testing capacities. Negative impacts of local divestments by multinational corporations (MNEs) subsidiaries can be reduced through engagement with IPAs.

155. Finally, UNIDO helps foster an inclusive and sustainable recovery, including by supporting the establishment of manufacturing platforms for formal and informal sectors for industrial revitalization, promoting innovation clusters adopting fourth industrial revolution technologies and new business models in the biopharma and medical sectors, as well as prioritizing green and circular economy practices.

Result 2: Conducive industrial ecosystems

Resource estimates (in euros)

<i>Positions</i>			<i>2022–2023 estimates (after recosting)</i>			
<i>Professional</i>	<i>General Service</i>	<i>Total</i>	<i>Regular budget</i>	<i>Operational budget</i>	<i>Technical cooperation (extrabudgetary)</i>	<i>Total</i>
63.40	39.65	103.05				
			14,947,523	8,467,950	55,036,658	78,452,131
			162,820	905,610	7,055,025	8,123,455
			1,279,183	44,800	91,668,044	92,992,027
			160,215			160,215
			3,185,333			3,185,333
			19,735,074	9,418,360	153,759,727	182,913,161
			(213,400)			(213,400)
			19,521,674	9,418,360	153,759,727	182,699,761

By Directorate

	<i>Positions</i>		<i>Regular and operational budgets</i>	<i>Technical cooperation (extrabudgetary)</i>	<i>Total</i>
	<i>P</i>	<i>GS</i>			
Directorate of External Relations and Policy Research – EPR	2.30	1.35	963,613		963,613
Directorate of Digitalization, Technology and Agri-Business – DTA	22.30	16.00	8,887,550	89,494,399	98,381,949
Directorate of Environment and Energy – EAE	21.90	13.40	9,520,800	48,092,047	57,612,847
Directorate of Programme, Partnerships and Field Coordination – PFC	16.90	8.90	6,382,738	16,173,281	22,556,019
RPTC/SRA			3,185,333		3,185,333
Total	63.40	39.65	28,940,034	153,759,727	182,699,761

What UNIDO offers

156. UNIDO's outputs contributing to Result 2 include the following, non-exhaustive list of items:

- Regional approaches and tailoring of interventions to the country's industrial development contexts; identification of industrial sector needs and priorities, including opportunities for partnerships with the public and private sector at the country and regional level.
- Capacity-building to improve quality of services delivered by local authorities, institutions and actors in the industrial ecosystem, including the development of curricula, toolkits, guidelines and provision of equipment.
- Capacity-building of intermediate institutions and actors engaged with building a conducive ecosystem for technology innovation and commercialization, including clean technologies.
- Strengthening of business and industry associations, professional, consumer, membership organizations, including for women and youth, and assistance in setting up new organizations such as clusters, business and technology incubators, export consortia.
- Support to set up, strengthen, or rehabilitate shared facilities and centres at the local, national and regional level.
- Capacity-building for national and regional quality infrastructure systems, including for standardization, metrology, accreditation of conformity assessment bodies.
- Technical assistance and partnership facilitation for industrial, agro-industrial, eco-industrial parks, clean energy systems and other industrial infrastructure.
- National, regional and global industrial capacity assessments, industrial development plans for industries and value chains, including analytical support for socio economic assessments and the elaboration of the respective industrial and socioeconomic recovery strategies supporting industrial ecosystems.
- Events, platforms as well as joint publications to disseminate knowledge and best practices.
- Investment and technology forums, matchmaking, investment advisory services, technology exhibitions and investment promotion events.
- Analytical tools software, such as UNIDO's Computer Model for Feasibility Analysis and Reporting (COMFAR).

Results indicators

Note: all indicators are sex-disaggregated, wherever relevant and feasible. "Actors" in Result 2 refer to intermediary institutions.

<i>Outcomes</i>	<i>Target 2022–2023</i>
GOV.1: Number of institutions established or strengthened	120
GOV.2: Number of actors participating in enhanced collaboration settings	250
BUS.2: Number of actors developing new products	20
TEC.1: Number of new technologies developed or adapted	20
INV.1: Number of investment-ready proposals elaborated	15
INV.2: Number of projects or businesses financed	50
INV.3: Value (\$) of new investments leveraged	\$200,000,000
KASA.2: Actors gaining skills and capacities	1,000

III. Result 3. Innovative, inclusive and sustainable businesses

Firms innovate and adopt resilient, inclusive, standard-compliant and sustainable practices; women, youth and disadvantaged groups are empowered through industrial skills and leadership; consumers' preference for safe and sustainable products increases.

Introduction and UNIDO's value addition

157. Result 3 describes the fundamental role played by UNIDO to advance the downstream aspects of ISID, through direct support to firms and people within the industrial development context of Member States. With the support of the Organization, firms gain awareness, knowledge and capacities on topics that are central to ISID, they change their behaviours and become more productive, resilient, sustainable, standard-compliant, and inclusive. Consumers gain awareness and progressively shift their preference towards safe and sustainable products. Individuals are empowered through industrial and future-proof skills, with UNIDO working closely with specific disadvantaged groups, including women and youth to enter the industrial workforce or set up their own businesses, so that no one is left behind.

158. In the industrial development process, firms and people are the active agents on the first line of value creation, and prime recipients of its benefits. As a conduit for economic growth, increasing productivity and competitiveness plays a major role in a firm's sustainable development, especially those within the manufacturing sectors. From individual firms and consumers to clusters and entrepreneurs, UNIDO focuses its programmatic interventions on different industries as well as on different thematic areas, based on the developmental priorities of Member States. This goes hand-in-hand with UNIDO's commitment to SDG 9, which is key to mobilize and align more resources and partnerships to be able to tackle, at a the level of industrial sectors, initiatives to increase firms' sustainability, inclusiveness and resilience; small and medium-sized enterprise (SMEs) competitiveness; women's economic empowerment; and entrepreneurship and skills as the basis of the organization's mandate.

159. UNIDO's approach at the enterprise level looks to provide options to increase productivity and inclusion, improve products and processes, introduce new technologies and innovate, strengthen compliance with standards and technical regulations and drive an overall culture of quality. In doing so, firms, especially smaller ones operating in traditional sectors, improve their performance and business models to seize the opportunities unlocked by global trends in trade and manufacturing, digital transformation, transition to climate neutrality and circular economy, and to ensure resilience to disruptions. SMEs and entrepreneurs are also often underfinanced, and often have limited ability to prepare and present investment projects to potential financiers. UNIDO supports SMEs and entrepreneurs, either directly or through intermediary actors, in preparing these projects and facilitates access to finance with suitable investment institutions. Furthermore, UNIDO supports SMEs to find new markets, especially those created by industrial activities from larger businesses, both foreign and domestic, as well as opportunities emanating from public or state-owned enterprise procurement. The Organization also works with a variety of external stakeholders to improve the skills base and qualifications of the industrial workforce, entrepreneurs and employment seekers, including women, youth and groups at risk of being marginalized.

160. Finally, UNIDO's support to Member States in upgrading food and non-food agro-value chains is evolving rapidly, in particular in relation to structural transformation not least through the use of fourth industrial revolution technologies. Despite such tumultuous changes, sustainable, competitive agro-industries remain pivotal to add value to agricultural products and agricultural residue, build productive capacities of agro-value chain actors in an inclusive manner, providing a fair change

for smallholder farmers to integrate in global value chains and ultimately spur jobs and income opportunities of rural communities. Strengthening linkages between agriculture, industry and markets with a focus on providing equal opportunities for all continues to be an important part of UNIDO's mandate.

161. The Organization's services under Result 3 integrate all core functions. Technical cooperation activities remain a substantial value addition in UNIDO's support to industries, firms and individuals, combined with the promotion of standards and technical regulation. Results at scale are enabled by the ever-growing efforts to convene private sector stakeholders and partners, in line with the Abu Dhabi Declaration. At the same time, the Organization's interventions at this level provide an important basis for UNIDO's competitive advantage at the normative and policy levels, as they generate unique insights into the needs, opportunities and dynamics of industrial sectors and hence offer a closer look at the obstacles facing industrial development.

Supporting firms to become more resilient, sustainable, standard-compliant, and inclusive, and influencing consumers' preference for safe and sustainable products

162. UNIDO directly and indirectly supports firms to become more resilient, standard-compliant, inclusive and sustainable. Supported by UNIDO, firms boost innovation, adopt best-available, low-carbon and digital technologies and introduce standards and best practices, circular models and inclusive approaches. UNIDO also works with consumers, enhancing their awareness and influencing their preferences towards safer and more sustainable products.

163. In the context of digital transformation and innovation, UNIDO provides direct support to firms to improve their ability to innovate and react to market forces with better products, services, and processes and resources, as well to enhance their capacity to resist external and internal shocks, independent of their size. In this sense, UNIDO will continue supporting enterprises through technical assistance, capacity-building, and awareness initiatives related to enhancing export and investment promotion, trade infrastructure, innovation, digital transformation, and the fourth industrial revolution, with a special focus on women-led enterprises.

164. At the firm level, UNIDO supports the performance and competitiveness of MSMEs by promoting common, non-competitive facilities and services such as industrial parks, clusters, and export consortia, which create opportunities to introduce and enhance territorial and cross-cutting management approaches. When firms are ready for foreign direct investors, UNIDO works with investment promotion agencies and other institutional actors, such as SME Development Agencies or private sector associations, to identify domestic firms for partnerships, strategic alliances or joint ventures. The Subcontracting and Partnership Exchange (SPX) Centers match suppliers and buyers at the national, regional, and international level, provide assistance in formulating business plans that help them to adopt quality-focused capabilities and meet international standards, and provide follow-up services on investment opportunities. Such a process goes hand-in-hand with sensitization of suppliers around quality standards, the associated managerial competencies, market information, and quality infrastructure. The SPX Centers are also critical for robust industrial park tenant linkage to periphery SMEs, which enables a trickle-down of the benefits of an industrial park strategy.

165. An increased focus on quality standards will help to strengthen domestic supply chains, thus building country-level resilience to economic shocks and disruptions to global supply chains. A culture of quality, together with infrastructure that supports these objectives, provides SMEs with the ability to achieve and prove conformity with market requirements, compete in international markets, and connect with global value chains, developing firm-level performance and improving competitiveness. UNIDO facilitates the adaptation, promotion and adoption of good practices, standards, and technical regulations, through the local, affordable, and internationally recognized

proof of conformity, and through the overall promotion of a quality culture and awareness by the public, the private sector and consumers.

166. Today, innovation and the fourth industrial revolution are central to countries' socioeconomic performance, but risk widening inequalities if the opportunity is not properly seized. UNIDO provides awareness and training on fourth industrial revolution, jointly with public and private sector institutions and academia, to help ease business interactions and negotiations between domestic and foreign direct investors representing the fourth industrial revolution domain.

167. UNIDO supports its Member States' industrial firms to contribute to a climate neutral and circular economy and to the fulfilment of their country's national commitments under multilateral climate change and environmental agreements. UNIDO works with national private sector partners to encourage the uptake of innovative low-carbon technologies to reduce emissions of pollutants and of GHG emissions, improve air quality, and promote sustainable urban planning and management methods. The Organization provides capacity-building, tools, supporting skills and technology for firms and entrepreneurs to transform their business models with cost-reduction strategies and state-of-the-art knowledge to inspire energy efficient and circular economy practices at the firm level.

168. UNIDO brings governments, financial institutions and industries together to create innovative partnerships and initiatives, facilitating investment, deploying financial resources and capacity-building for entrepreneurs, who are developing clean energy applications, sustainable industrial products and related equipment in emerging economies, while also addressing the specific needs and voices of women and youth. With world-class specialized training and tools on efficient and renewable energy, and with its growing cadre of trained national and international energy experts, UNIDO provides targeted awareness campaigns and compelling examples of success directly to industry. This helps inspire CEOs or entrepreneurs to adopt energy-efficient processes, equipment upgrades, and renewable energy generation across industries. Similarly, UNIDO promotes the uptake of innovative lower carbon technologies by enterprises, in order to reduce GHG emissions and improve air quality, promoting sustainable urban planning and management methods.

169. Key business development skills are provided to innovators and entrepreneurs to transform their technological or business model into fast-growing, scalable and investable enterprises with climate neutral processes or emission-reduction objectives. Resource efficient and cleaner production (RECP) and transfer of environmentally sound technologies (TEST) at the industry level will continue in Africa, Asia and the Latin America and Caribbean regions, supporting the implementation of circular economy practices in global and domestic value chains.

170. The promotion of best available techniques (BATs) and best environmental practices (BEPs) through technology transfer and training, is central to creating conditions that favourably shift contextual factors towards scaling-up, as confirmed by UNIDO's experiences spanning various areas of expertise, such as polychlorinated biphenyl (PCB) and reuse of PCB-laced transformer oils, or new microwave technology for medical waste management. Furthermore, training sessions, toolkits and guidance are provided to reduce different sources of industrial pollution, on issues such as management of POPs and other toxic chemicals, mercury-free technologies, as well as chemical leasing and green chemistry. In addition, UNIDO supports companies ranging from SMEs to global multinational companies in phasing-out ozone depleting substances (ODS), including through assessments of operation; optimization of the production process and its upgrade to use ODS-alternative technologies; examination and modification of products where necessary; as well as by facilitating the introduction of new products by subsidizing initial incremental operating costs.

171. To be included in global value chains as well as contribute to broader structural transformation, firms are required to be at the forefront of value creation, thus remaining competitive and generating shared prosperity in their own economies and

countries. UNIDO leverages its sectoral expertise to build human capital and support enterprises along value chains and sectors, for example through vocational training and industrial skill development activities, or improved processes for increased safety and resilience. With a special focus on agri-business and food systems, UNIDO delivers targeted capacity-building activities in the areas of productivity enhancement, food safety and quality compliance, packaging, as well as technology transfer in digitalization. It also promotes proper practices through the development and dissemination of guidelines in the “farm to fork” continuum, thus reducing foodborne illnesses and losses, and unlocking trade opportunities. Digitalization of agribusinesses further enhances resilience, including through the diffusion of smart mechanization, precision agriculture, the application of digital tools for traceability and transparency along value chains, development of industrial design, and access to markets.

COVID-19 response

172. UNIDO has stepped up to assist, through integrated service packages, Member States and firms to contain the COVID-19 pandemic, by diversifying manufacturing capacity and ensuring access to critical supplies such as personal protective equipment and pharmaceuticals, among others. UNIDO works with stakeholders along value chains to ensure business continuity, assess possibilities of re-purposing manufacturing capacities towards soft medical equipment, while promoting targeted solutions across a number of sectors to help respond to the crisis. These include, for instance, help for MSMEs to access financial assistance, encourage business innovation through adoption of digital solutions, diversify food supply and distribution chains, as well as assistance to re-train the catering, tourism and hospitality workforce. The integrated service package will continue promoting inclusive and environmentally sustainable solutions for firms and MSMEs.

173. As countries see their industrial sector heavily affected by the crisis, with limited financial availability to reactivate economic activities and a high risk of social exclusion, UNIDO will continue working with governments, firms and stakeholders along value chains proposing smart solutions for the manufacturing, energy and transport sectors to help them recover in an inclusive and sustainable manner. The organization will continue to support reviews of food systems, emphasizing resilience and local or regional sourcing and reengineering of supply chains, assisting the informal and MSME sectors to revitalize activities and generate jobs for women and youth, building resilience in the manufacturing sector by forging partnerships on fourth industrial revolution initiatives, reskilling labour and leveraging investments into digital infrastructure and innovative industrial solutions, among other focus areas.

Empowering individuals through industrial and future-proof skills

174. UNIDO works closely with individuals, including women, youth and disadvantaged groups, aspiring to enter the industrial workforce or to set up businesses. Supported by UNIDO, they are empowered through industrial, green and digital skills and leadership, so that no one is left behind.

175. UNIDO’s capacity-building and upskilling activities focus on a wide range of interventions that are directed at all individuals within the industrial ecosystem, with an emphasis on women and disadvantage youth groups to empower their inclusion into the workforce. UNIDO’s support is grounded in activities that equip people with skills and tools to improve SME-inclusion in national, regional, and global value chains, individuals that can improve or support internal business management practices, and, finally, those that produce innovative approaches to help design products and services for new market demand.

176. UNIDO will continue to address gender inequalities in industry to harnesses women’s full potential as economic agents of change and leaders to help transform economies and generate inclusive growth. By implementing gender-targeted actions

and utilizing gender mainstreaming as key strategies to achieve gender equality and the empowerment of women, UNIDO is committed to implementing programmes that challenge the discrimination faced by women and girls, whatever their background and identity. UNIDO's programmes facilitate the transformation of social norms and power relations by prioritizing increased women's participation and leadership in formal economic sectors and in environmental conservation and climate action.

177. Within firms, the Organization provides capacity-building for individuals to assist companies implement plans to upgrade or adopt new technologies, activities related to best manufacturing practices, quality standards, innovative processes, and digital transformation, among others. At the same time, UNIDO's capacity-building for core business professionals covers several activities related to product development, human resources, cost-accounting, environment, quality, marketing, training and awareness-raising packages for MSMEs on fourth industrial revolution technologies. Finally, as for its implementation of innovative approaches at the SME level, UNIDO provides capacity-building activities on industrial design, umbrella branding and brand management initiatives, in order to achieve quick results, raise awareness and help companies to appeal to new markets.

178. The complete set of UNIDO's capacity-building activities is deployed at all levels in UNIDO's work on climate neutral industry and circular economy. The artisanal and small-scale gold mining programme is an example of how training and capacity-building contribute to the creation of green and decent jobs in rural areas for young adults as well as women, and to the professionalization of the sector. Its activities range from awareness raising on the negative effects of mercury use at mining sites, to training for mining communities on administrative, technical, and value chain requirements. The programme also includes awareness raising for consumers on the importance of a formal and traceable gold supply to prevent financing human rights violations and conflict.

179. Educational materials and curricula on circular economy for various levels of education and training are also developed in collaboration with business partners and deployed in countries supported by UNIDO.

180. In 2022–2023, UNIDO will continue to execute several pilot projects that provide innovative approaches to integrate individuals from marginalized groups in mainstream agribusinesses, particularly if the participants are women or young persons from disadvantaged backgrounds. These projects focus on bridging the digital divide and capitalizing on the opportunities of digital markets.

181. UNIDO also works to expand access to skills and business development services to internally displaced persons, migrants and refugees as a strategy to ease their inclusion in the local economy and reduce the distress they migrate from. Furthermore, using digital and online platforms, the Organization designs and implements specialized training, awareness, and competency development programmes for different agri-business value chain actors such as farmers, consumers, professionals, regulators, and policymakers.

Result 3: Innovative, inclusive and sustainable businesses

Resource estimates (in euros)

Positions			2022–2023 estimates (after recosting)			
Professional	General Service	Total	Regular budget	Operational budget	Technical cooperation (extrabudgetary)	Total
51.25	35.40	86.65	11,901,080	7,134,545	44,132,557	63,168,182
			149,370	580,730	5,650,791	6,380,891
			1,208,411	11,800	98,008,449	99,228,660
			148,840			148,840

<i>Positions</i>			<i>2022–2023 estimates (after recosting)</i>			
			<i>Regular budget</i>	<i>Operational budget</i>	<i>Technical cooperation (extrabudgetary)</i>	<i>Total</i>
<i>Professional</i>	<i>General Service</i>	<i>Total</i>				
		RPTC/SRA	3,271,934			3,271,934
		Total gross expenditure	16,679,635	7,727,075	147,791,797	172,198,507
		Income	(213,300)			(213,300)
		Total net resources	16,466,335	7,727,075	147,791,797	171,985,207

By Directorate

	<i>Positions</i>		<i>Regular and operational budgets</i>	<i>Technical cooperation (extrabudgetary)</i>	<i>Total</i>
	<i>P</i>	<i>GS</i>			
Directorate of External Relations and Policy Research – EPR	2.05	1.10	780,440		780,440
Directorate of Digitalization, Technology and Agri-Business – DTA	12.40	12.80	5,493,740	55,892,753	61,386,493
Directorate of Environment and Energy – EAE	19.90	12.60	8,270,360	88,368,090	96,638,450
Directorate of Programme, Partnerships and Field Coordination – PFC	16.90	8.90	6,376,936	3,530,954	9,907,890
RPTC/SRA			3,271,934		3,271,934
Total	51.25	35.40	24,193,410	147,791,797	171,985,207

What UNIDO offers

182. UNIDO's outputs under Result 3 include the following, non-exhaustive list of items:

- At the firm level
 - Capacity-building practices: Focuses on several dimensions in firm-specific interventions, such as business management, technical, professional and trade areas, product development and innovation, compliance with standards and technical regulations (quality, environmental, health, and safety), organizational practices and policies that promote gender equality, digitalization of production processes, among many others, all of which are provided with training programmes, guidelines, toolkits for entrepreneurs, firms and workers.
 - Capacity-building along value chains: Offers capacity-building support to firms, entrepreneurs and individuals along different value chains, with a special focus on women-led firms. The Organization works directly with firms which focus specifically on the agri-food, chemicals, cosmetics, automotive, wood processing, and pharmaceutical industries, and also with those in the service economy, such as tourism.
 - Analytical support on socioeconomic assessments, e.g. on gender inequalities, and the design of industrial/economic and social recovery strategies/plans to support firms, especially local businesses.
 - RECP assessments for firms and industries create opportunities to increase output with fewer resources and decrease waste through better methods, practices and techniques; and energy efficiency assessments to understand the industry's or firm's overall *energy efficiency* challenges and opportunities.
 - Supports the adoption of best-available technologies and practices, including standards, as well as upgrading technology and equipment.
 - Enterprise peer cooperation for joint activities, such as export consortia, territorial, product-based branding and promotions.

- Quality, standard compliance and promotion, by capacitating enterprises to meet quality, social and environmental standards and technical regulations and promotion of quality culture, including the development of quality award schemes, and industry benchmarking.
- Awareness-raising and skills development in new business practices and models and associated equipment provision.
- At the consumer level
 - Awareness-raising and capacity-building on what constitutes safe and sustainable products so as to engage consumers in public-private dialogues on policy formulation.
 - Awards, awareness and learning opportunities for the members of the public on inclusive and sustainable industrialization fields.

For entrepreneurs, industrial workforce and employment seekers:

- Training, including vocational training, mentoring, competitions and awards, business clinics, investment facilitation, technology transfer, guidelines and knowledge products, business plans, etc.

Results indicators

Note: all indicators are sex-disaggregated, wherever relevant and feasible. “Actors” in Result 3 refers to firms, including unipersonal businesses.

<i>Outcomes</i>	<i>Target 2022–2023</i>
BUS.1: Number of firms with improved management practices	1,500
BUS.2: Number of actors developing new products	1,000
BUS.3: Number of established start-ups	700
TEC.1: Number of new technologies developed or adapted (by firms)	50
TEC.2: Number of countries showing the adoption of new technologies	40
TEC.3: Number of new technologies adopted (by firms)	300
INV.1: Number of investment-ready proposals elaborated (by firms)	300
INV.2: Number of projects or businesses financed (by firms)	40
INV.3: Value (\$) of new investments leveraged (from firms)	\$2,000,000
KASA.2: Actors gaining skills and capacities (firms)	3,000
KASA.2: Actors gaining skills and capacities (people)	50,000

IV. Result 4. Effective strategic management for results

Programme management is results-driven, aims at transformational change, engages partners for scaling up and incorporates lessons learned, under conducive governance and accountability frameworks.

UNIDO’s value addition

183. UNIDO delivers on its ISID mandate by contributing to the achievements of key areas of behavioural change, setting in motion systemic transformation and impact in the economic, social and environmental dimensions of ISID. As ISID and SDG 9 are linked to all Sustainable Development Goals, UNIDO can be seen to contribute to them all as well.

184. The chain of results outlined above is made possible by appropriate RBM approaches and processes, which are the object of Result 4.

Managing for results: enabling UNIDO results and transformational change

185. The Organization's efforts to improve its internal processes to better realize and demonstrate its contribution to ISID and the SDGs has been a clear management priority in the last few years, in line with the dual objective of integration and scale-up of the MTPF 2018–2021.

186. As a result, crucial policies and frameworks were revised or introduced to allow UNIDO to perform its developmental work and achieve transformational results at scale. These improvements, which were documented in recent reports and reviews, including by the External Auditor, were necessary steps forward. The resulting performance gains for the Organization and its Member States will manifest clearly starting in the biennium 2022–2023.

187. Result 4 of this programme and budgets proposal reflects the alignment of resources behind the intended objective of effectively managing for results. In other words, this result describes the use of resources by the Organization to ensure that its frameworks, policies, processes, and activities are geared towards stronger and better-demonstrated results-based programme management. Result 4 is underpinned by an improved and effective country and regional programming, field coordination and conducive partnerships with public and private entities.

188. The effective and results-oriented functioning of corporate and programme management for results is made possible by a system of deliberately converging policies, frameworks and actions, supported by a strong tone from the top and by good governance and accountability.

189. Policies and frameworks alone do not ensure results on their own. Their implementation is paramount. However, results-based planning, monitoring, reporting, evaluation, and verification are the backbone of any successful development organization. To maintain a tree analogy, these elements, constituting Result 4, are the trunk and branches that allow the foliage of ISID outcomes and impact to be healthy and prosperous.

190. Result 4 is therefore a key enabler to achieve Results 1, 2 and 3, a necessary means to the developmental ends of UNIDO. Its importance, and the fact that the Organization is currently in a critical period of transition towards greater institutional maturity, warrants the inclusion of Result 4 as a dedicated result, in line with the practice of most United Nations entities.

191. In 2022–2023, UNIDO will consolidate and deepen the implementation of key policies, such as the Quality Assurance Framework, the Integrated Results and Performance Framework, the Accountability Framework, the Enterprise Risk Management policy, the Internal Control Framework, and the 2020–2023 UNIDO Strategy for Gender Equality and the Empowerment of Women.

192. The progress of the Organization towards greater results-based management maturity will continue in 2022–2023. It will include capacity-building, the development and introduction of planning, monitoring and reporting toolkits, as well as the furthering of a culture change towards greater results orientation. While the intangibles associated with this process are significant, concrete and measurable indicators will provide proxies for assessing its benefits.

193. The importance of a strong RBM, across programmes and corporate frameworks cannot be overemphasized. This is particularly true if country results are to be achieved at scale. The drive towards integration and scale-up, hence towards ISID and the SDGs, demands a consistent application of RBM principles and frameworks.

194. Result 4 therefore covers efforts at improving RBM and effectiveness across the project and programme cycle: planning, monitoring, reporting, and evaluation. These efforts also underpin non-project interventions, such as core business and operations.

In all cases, the objective remains to advance and sustain continuous learning and improvement, and ensure accountability.

195. The increased use of data and evidence analysis for decision-making will also benefit the overall management of the Organization, an area covered under Result 5 in this programme and budgets proposal. Result 4 will support activities to improve data collection and management across the Organization, building on the implementation of IRPF tools and stronger standardization of operational processes.

196. The Organization will also continue to improve its quality assurance tools and processes, both with regard to its projects and programmes, and to activities and functions funded by assessed contributions. The low amount of funding available for this item remains a constraint on UNIDO. However, the increased ownership across the Organization of these issues, and solution-oriented innovations will lead to overall quality improvements, whose effects can be tracked through the IRPF indicators under Result 4.

197. These efforts on quality assurance will also enable dedicated mechanisms for projects and programmes funded by the GEF, the GCF and the Adaptation Fund, thus ensuring] that contributions to ISID are made, thereby increasing the impact of UNIDO's portfolio.

198. UNIDO will continue to systematically raise operational efficiency and effectiveness, as well as the compliance with the fiduciary and environmental standards of key funding partners as the basis for transparency, integrity and sustained partnerships.

199. Result 4 also includes the planning and management efforts across all Directorates and offices, to improve the efficiency and effectiveness of the work conducted in 2022–2023. It will provide enhanced impact, effectiveness, efficiency, and sustainability of UNIDO's operations to accelerate ISID by implementing UNIDO's MTPF, and to increase UNIDO's impact on the advancement of the 2030 Agenda. Result 4 also leads to enhanced transparency, accountability, results, integrity, and stakeholders' trust and confidence in the Organization.

200. Evidence-based country programming remains the most appropriate approach to achieve results systemically, and eventually transformationally. In 2022–2023, UNIDO will further develop its tools and mechanisms for effective operationalization, coordination, communication, oversight, and reporting of UNIDO strategies, frameworks and regional approaches. This work includes the translation of high-level documents into tangible ground-level actions and results, through UNIDO's programmatic instruments such as PCP or County Programmes (CP) and the related ISID service packages.

201. The Organization plans for an enhanced level of engagement with external partners both at headquarters and in the field, including within the context of the UNDS reform. Such interaction will benefit needs-based programming, as well as the efficiency and effectiveness of joint interventions.

202. Capacity-building and advisory support will be provided to the field network of UNIDO, including through a training programme developed for: effective field representation; coordination; operational guidance to ensure the programmatic consistency of the Organization's work, including its strategic engagement and cooperation within the UNDS. These mechanisms will also entail greater involvement of the field and will improve CP/PCP coordination for effective programme implementation, monitoring and reporting of results.

203. In the context of the UNDS reform, UNIDO will operationalize a roadmap for the field network to support strategic and systematic engagements at the country and regional level. At the same time, policies and guidelines will be developed or adjusted to strengthen, through its field network, UNIDO's role, strategic positioning and effective service delivery on the ground. For example, beyond the current pilot phase

in the Latin America and Caribbean region, business plans will be developed and expanded to other regions.

204. Result 4 also covers oversight and operational support to the field network in their strategic engagements and participation in CCA/UNSDCF processes within the UNDS, including UNIDO investments to One United Nations mechanisms and other strategic cooperation frameworks at the country and regional levels.

205. Further work will aim to develop mechanisms tailored to multi-stakeholder partnerships, to ensure synergies across interventions and to build on the strengths of each partner to maximize the development impact. These mechanisms link the efforts of the national government, United Nations agencies, development partners, IFIs, and the business sector to support the country's industrialization goals. By facilitating the mobilization of expertise, technology and financial resources, Member States are supported in advancing SDG 9 on industry, innovation and infrastructure, while also contributing to other goals of the 2030 Agenda.

206. Management for results is the responsibility of the Secretariat. The achievement of outcomes and impact, however, is the shared responsibility of UNIDO, counterpart Member States and relevant stakeholders. Given the prevalence reliance of voluntary contributions for programme delivery, and to support a common culture of results, the donor community plays an important role. Under Result 4, UNIDO pays special attention to the fruitful partnership with donors, in particular towards a commonly agreed approach to transformational interventions. There is currently greater awareness in the international development community of the importance of moving away from fragmented, piecemeal approaches if the SDGs are to be achieved. UNIDO will continue its efforts to engage, conceptualize, manage, and coordinate its strategic and policy-level relationships with donors and partners, including Member States and non-Member States, to foster partnerships conducive to the achievement of UNIDO's ISID mandate.

207. In this context, UNIDO will continue to provide transparent reporting frameworks and mechanisms to funding partners, and to coordinate and manage the programming processes with donors and partners, including through joint committee meetings and joint programme reviews. Finally, the Organization will continue to coordinate and facilitate verifications and assessments of UNIDO by donors and partners in line with the existing bilateral agreements and UNIDO's rules and regulation.

208. By ensuring that gender equality is incorporated into budgetary decisions through a system of gender markers, UNIDO underscores the importance of allocating and tracking voluntary contributions in a gender-responsive manner. To evaluate and track programmes and projects and the degree to which they address gender equality and the empowerment of women, UNIDO systematically assesses projects from a gender perspective and assigns gender markers through the UNIDO Gender Compliance and Marker Form. The composition of the total portfolio is made public on the UNIDO Open Data Platform. The 2020–2023 Strategy for Gender Equality and the Empowerment of Women has committed the Organization to ensure that by 2023, 45 per cent of newly-approved projects per year significantly contribute to gender equality and the empowerment of women as per the assigned gender marker (2A and 2B).

209. Progress in Result 4 is demonstrated through a selection of IRPF indicators, ranging from portfolio management indicators to partnership indicators and scale indicators. They will include measures of the quality of UNIDO's intervention and specific assessments of the advancement of gender equality and the empowerment of women through UNIDO's work.

Effective oversight

210. Under Result 4, UNIDO's oversight functions will continue to support the achievement of UNIDO's mission and fulfilment of expected results, fostering a culture of integrity, transparency and accountability through:

- Independent evaluations of UNIDO activities and operations, providing support to organizational learning and continuous improvement and informing the programmatic and strategic decision-making process based on evidence;
- Independent and objective internal audit, assurance, and advisory services, for improving the efficiency, effectiveness and adequacy of UNIDO's internal control, risk management and governance processes, the efficient, effective and economic use, as well as protection and safeguarding of resources available to UNIDO; and
- Assessment and conduct of investigations of allegations of misconduct, such as fraud, corruption, workplace harassment, sexual exploitation and abuse, retaliation, waste of resources, violation of UNIDO's regulations, rules and procedures, or other wrongdoing, committed by UNIDO staff or personnel.

211. These functions play a vital role to enhance impact, efficiency, effectiveness, and sustainability of UNIDO's operations and results, thus accelerating UNIDO's contribution towards ISID and the 2030 Agenda. They are also key to enable enhanced transparency, accountability, results, and integrity of UNIDO, and thus stakeholders' trust and confidence in the Organization. These functions are governed by the Charter of the Office of Evaluation and Internal Oversight, as approved by the forty-eighth session of the Industrial Development Board in decision IDB.48/Dec.10.

212. The secretariat function for the UNIDO Independent Oversight Advisory Committee (OAC) is also included in this area, as provided in its Terms of Reference, which were approved by the forty-eighth session of the Industrial Development Board in decision IDB.48/Dec.5.

Ethics and Accountability

213. Integrity is one of UNIDO's core values and it is crucial to maintain the trust of Member States, clients, donors and partners. In the biennium 2022–2023, the Office of Ethics and Accountability (EAO) will continue to foster an organizational culture of ethics, transparency and accountability by assisting all staff members and other personnel to observe and to perform their functions consistently with the highest standards of integrity. This is a key function in the delivery of its mandate and the achievement of all results, and is aligned with the principles of quality, results, risk, and strategic management outlined in Result 4.

214. In the 2022–2023 biennium, UNIDO will further develop its comprehensive ethics and integrity system. Building on ethics and integrity principles, as laid down in its Code of Ethical Conduct, the Organization will continue to develop standards and principles that meet best practices in the United Nations System. The planned improvements to UNIDO's ethics framework focus on updating policies, developing bespoke training for all personnel and management, strengthening mechanisms of protection against retaliation, and the digitalization and automation of conflict-management processes. These activities aim to raise awareness and further enhance the Organization's ethical culture and strengthen the ethical conduct by all personnel at all levels of the Organization.

Result 4: Effective strategic management for results**Resource estimates (in euros)**

Positions			2022–2023 estimates (after recosting)			
Professional	General Service	Total	Regular budget	Operational budget	Technical cooperation (extrabudgetary)	Total
52.45	48.15	100.60				
			Staff cost	14,808,250	5,576,430	20,384,680
			Official travel	431,180	258,100	689,280
			Operating cost	1,865,220		1,865,220
			Information and communication technology	247,500		247,500
			Total gross expenditure	17,352,150	5,834,530	23,186,680
			Income	(213,400)		(213,400)
			Total net resources	17,138,750	5,834,530	22,973,280

By Directorate

	Positions		Regular and operational budgets	Technical cooperation (extrabudgetary)	Total
	P	GS			
Office of the Director General – ODG	20.80	10.20	8,499,730		8,499,730
Directorate of External Relations and Policy Research – EPR	3.65	1.35	1,581,420		1,581,420
Directorate of Programme, Partnerships and Field Coordination – PFC	27.00	35.60	12,375,830		12,375,830
Directorate of Corporate Management and Operations – CMO	1.00	1.00	516,300		516,300
Total	52.45	48.15	22,973,280		22,973,280

Results indicators

Note: all indicators are sex-disaggregated, wherever relevant and feasible.

IRPF indicators	Target 2022–2023
CPO.4: Number of interventions or joint programmes with United Nations system entities	110
CPO.5: Number of interventions (project/programmes) in partnership with non-United Nations institutions	105
POR.2: Breakdown of new programme/project documents (..) meeting quality requirements at appraisal (%)	70%
POR.3: Number (..) of ongoing projects, CPs and PCPs	750
POR.4: Percentage of programmes/projects whose quality was evaluated satisfactory at completion	90%
POR.5: Percentage of approved UNIDO programmes/projects per gender marker category	45% with 2A or 2B category
POR.6: Transparency (as per IATI standards)	53%
EIO: Percentage of management action plans (MAPs) and/or recommendations from internal audit and evaluations timely implemented	60%

V. Result 5. Excellence of corporate services and operations

Corporate services and operations are managed in an efficient and effective manner, based on innovation and best practices.

UNIDO's value addition

215. Result 5 encompasses the results of those activities, which are instrumental to the correct and timely functioning of UNIDO operations and facilities. It is a crucial enabler for the achievement of the other Results of the Organization.

216. The continuous improvement of internal operations and corporate services is a prominent feature of any Organization's effort to improve its efficiency and effectiveness. With limited resources in the face of its broad ISID mandate, UNIDO has made optimizing the use of resources a defining priority in all recent programme and budgets. The Organization recognizes that process and technology innovation provide an evolving palette of opportunities to reduce cost and to manage corporate services and operations in an efficient and purpose-driven manner. For the 2022–2023 biennium, UNIDO will continue the established practice of seizing these opportunities, with a renewed focus on effectiveness and on accountability for delivering high-quality results in a timely and cost-effective manner.

217. The correct functioning of corporate services and operations is a fundamental pillar of UNIDO and allows the delivery on its ISID mandate across the Organization's core functions. These services include human resource management; financial services; information and communication technologies; procurement and project/programme execution services; general services; logistics; the overall effective management of corporate services; as well as the stewardship of ethics and accountability principles across the Organization.

218. In addition, the coordination office for gender equality and empowerment of women provides cross-cutting services in areas of knowledge generation, advocacy, training and advisory guidance to mainstream gender across Organization's policies, programmes, functions, and services.

219. Importantly, especially at a time of uncertainty and emergency like the one generated by the COVID-19 pandemic, the provisions of the UNIDO business continuity plan ensure preparedness for crises and defines measures for safeguarding UNIDO's human, financial and non-financial resources, while continuing to deliver services in a timely and effective manner.

220. For the purposes of the present programme and budgets document, and in light of the novelty of the RBB approach, Result 5 directly captures the organizational functions that underpin efficient and effective corporate management and operations. The description of Result 5 highlights synergies and interlinkages with the other results areas of this programme and budgets, in particular Result 4 on effective strategic management for results.

Human resource management

221. In 2022-2023, UNIDO will continue to improve human resource management (HRM), with a special focus on three priority areas: institutional strengthening, knowledge management and preservation, and balanced regional and gender representation. These improvements will continue to be based, inter alia, on innovation, best practices and UNIDO-specific business needs.

222. The improvements of HRM foreseen in the biennium are expected to further enhance the efficiency, effectiveness, accountability, diversity, gender parity, transparency, and impact of both HRM and the UNIDO workforce, both at headquarters and in the field. They will also further strengthen the role of the Department of Human Resource Management of UNIDO as a strategic partner for the Organization's stakeholders. The improvements in HRM and in UNIDO's workforce will, in turn, reinforce and support the effective strategic management of the Organization and its programmes (Result 4), including the implementation and roll-out of the new business models and initiatives (e.g. ROTC), the efficient and effective management of other UNIDO corporate services and operations (Result 5), as well as the achievement of UNIDO's development outcomes (Results 1 to 3).

223. Planned activities include the improvement of the existing policies, systems and manuals. They will include training of personnel; the introduction of a business partner approach for the HRM function; the introduction of strategic workforce planning and systematic skills gap analysis (KSAs); improved data management; and career progression and performance management. The partnership approach will be expanded both within and outside the United Nations system, to facilitate improvements across all aspects of HRM.

Gender equality and the empowerment of women in UNIDO

224. Conscious of the many ways in which gender equality and the empowerment of women throughout the work of the Organization is fundamental to ensure excellence of corporate services and operations, UNIDO will continue to promote internal changes in terms of organizational gender mainstreaming. Guided by the 2020–2023 Gender Strategy, efforts will be further intensified to improve staff's performance management, to conduct training on an enabling, diverse and inclusive working environment, and to reach the objective of gender parity among UNIDO personnel. These efforts will continue to be supported by an effective Gender Focal Point Network encompassing all Departments and Offices.

Financial services

225. Aiming to ensure and maintain the financial integrity of the Organization, UNIDO develops, maintains and operates policies, systems and tools to facilitate the effective management of the available financial resources, both at headquarters and in the field network. Financial services are provided to support the achievement of all results areas, based on international best practices and, wherever possible with innovative approaches. Advisory services are also provided on the mobilization of financial resources in areas such as grants and financial instruments to scale up technical cooperation activities. The services include budgeting; financial control; financial planning; accounting; application of full cost recovery principles; reporting management of both budgetary and extrabudgetary financial resources; cash management and treasury operations; determination, management and reporting of assessed contributions; receipts and disbursements of funds, including payroll operation for headquarters and field staff and financial management of technical cooperation services of the Organization. This function also supports liaison with Member States, policymaking organs and other strategic partners on financial matters, and submits annual financial statements prepared on the basis of International Public Sector Accounting Standards for audit by the External Auditor.

226. Besides ensuring the financial stability with sound financial advice and optimal use of the available regular and extrabudgetary financial resources, the Finance Dept. will continue the digital transformation of financial services. In this regard, it will make use of innovative technological tools to enhance efficiency and effectiveness of the financial services provided to both internal and external stakeholders.

Procurement and project execution services

227. For UNIDO, procurement and project execution services are crucial elements of its delivery of results. Continuing its path of repositioning to results-based procurement, procurement services include best practice and SDG-based procurement and supply chain management, sustainable (green) procurement, and circular procurement, as well as project execution services for UNIDO offices, programmes and projects globally.

228. Procurement services delivery also encompasses best practice and results-based contract management services, fully embedded in UNIDO's IT landscape and directly supporting all other Results of the Organization. In line with the augmented involvement of UNIDO's field offices in implementing technical cooperation, the procurement services function will continue consolidating its role in providing procurement and project execution related policy advice, guidance, support, and

training globally. Based on an agile and flexible organizational setup, UNIDO's procurement services are optimally positioned to swiftly redirect resources to offer and provide efficient procurement and project execution support and services to UNIDO's headquarters, Vienna-based organizations, field offices, and Project Executing Entities. In this, they will continue adding value to the Organization's efficiency and effectiveness, as demonstrated in the context of the COVID-19 pandemic response and the ROTC roll-out. In addition, UNIDO continues supporting the awareness of the global business community on ISID matters, also in the context of business seminars and commercial conferences organized by Member States.

General services and logistics

229. The logistical operations and other general services are essential for programmatic delivery and achieving organizational results. These operations have a substantial impact on the Organization's carbon footprint, and therefore are managed innovatively to ensure that the Organization maintains climate neutrality. Such innovations include the careful review of air travel together with the upgrade of meeting facilities and mobile communication devices to provide virtual meetings as alternatives. They also encompass promoting sustainable practices when managing the Organization's properties and assets, including office spaces, prioritizing environmentally friendly materials in the procurement of office equipment, stationery and paper, implementing efficiencies in courier services, deliveries, printing, and archiving. Practices are extended to UNIDO's responsibilities for managing specific common services of the Vienna-based organizations, such as catering services and key joint procurement efforts.

Information technology and communication

230. Information and communication technologies (ICT) play a central role in today's business delivery. As such, the correct, secure and effective functioning of ICT services enables every UNIDO result. For the sake of simplicity, UNIDO reports these services under Result 5. ICT services include the management of the data centre, network infrastructure, endpoint solutions, ERP systems, business applications, knowledge management, reporting and analytics systems supporting all UNIDO's corporate functions. This programme also manages a growing footprint of enterprise cloud-based and other "as-a-service" contracts, similar to other United Nations system organizations and in line with general ICT trends.

231. In 2022–2023, ICT will contribute to UNIDO's objectives through:

- The digitization of business activities and tasks, lowering their transaction cost, providing improved (digital) records and making them faster and more accurate;
- Improved enterprise-grade collaboration and communication tools to support new ways of working and enhance work within the organization, partners and other stakeholders;
- Support for business transformation and digitalization activities, such as FCR, ROTC, further operationalization of the IRPF, and others; and
- An enhanced IT Security regime, as strongly advocated by the Independent Oversight Advisory Committee and several External Audit team. This priority supports UNIDO's Internal Control Framework and further protects the Organization from fraud, data breaches and other cybercrime threats.

232. Business initiatives that require IT investment (ROTC, FCR) tend to bring business benefits that significantly outstrip the investment. However, these savings, efficiency gains, and other benefits typically happen throughout the Organization.

Result 5: Excellence of corporate services and operations

Resource estimates (in euros)

Positions			2022–2023 estimates (after recosting)			Total
			Regular budget	Operational budget	Technical cooperation (extrabudgetary)	
Professional	General Service	Total				
48.00	82.00	130.00	Staff cost	21,778,055	5,402,600	27,180,655
			Official travel	131,259		131,259
			Operating cost	815,300		815,300
			Information and communication technology	6,826,600		6,826,600
			Total gross expenditure	29,551,214	5,402,600	34,953,814
			Total net resources	29,551,214	5,402,600	34,953,814

Details

	Positions		Regular and operational budgets	Technical cooperation (extrabudgetary)	Total
	P	GS			
5.0 Excellence of corporate services and operations		1.00	155,200		155,200
5.1 Human resource management	10.00	20.00	6,623,055		6,623,055
5.2 Financial services	14.00	27.00	8,172,859		8,172,859
5.3 Procurement and logistics	9.00	20.00	7,538,900		7,538,900
5.4 Information technology and communication	11.00	11.00	10,520,200		10,520,200
5.5 Direction and management	3.00	3.00	1,650,500		1,650,500
5.6 Gender equality and empowerment of women	1.00		293,100		293,100
Total	48.00	82.00	34,953,814		34,953,814

Ensuring the correct, efficient and conducive functioning of the Organization

233. Overall, the Organization will continue building its capacity to implement the strategic priorities through the provision and effective management of human, financial and material resources. This includes exploring innovative financing, improving processes and reporting, building up workforce capacity and strengthening staff competencies through knowledge and skills building. It will also continue strengthening governance and its culture of accountability and ethical behaviour by updating related policies, rules and procedures, as well as driving gender mainstreaming initiatives, in close synergies with the priorities and principles for effective strategic management for results described under Result 4. Overall, UNIDO will continue to ensure adequate frameworks towards an enabling environment for flexibility and adaptability to building back better in the post COVID-19 era.

Results indicators

<i>IRPF indicators</i>	<i>Target 2022–2023</i>
FIN.1: Regular financial resources	Budgets as approved by the GC
FIN.2: Voluntary contributions	\$ 167.3 million per year
FIN.3: Programme support cost recovered	€ 19.8 million per year 12.2% on average
HR.1: UNIDO workforce: composition and diversity	Annual gender parity targets (% of women staff by level) as per UNIDO Gender Parity Action Plan 2018-2023 Staff Geographical Diversity Index: 60-65% Workforce Geographical Diversity Index: 75-80%
EXP.1: Regular financial resources implementation rate	As % of approved budgets
EXP.2: Technical cooperation delivery (in US dollars)	\$ 218.9 million for 2022 \$ 182.3 million for 2023
OPM.3: ICT operational efficiency	90%
OPM.1: Procurement timeline	60%

VI. Indirect cost

234. Indirect cost is fixed and variable cost which is not directly attributable to any of the five results areas, but constitutes a significant part of the financial resources used by the Organization (19.1 per cent of the regular budget). By identifying this cost in a separate section, the Organization aims at both increasing transparency and at facilitating monitoring over time.

Indirect cost

Resource estimates (in euros)

<i>Positions</i>	<i>2022–2023 estimates (after recosting)</i>		
	<i>Regular budget</i>	<i>Operational budget</i>	<i>Total</i>
<i>General</i>			
<i>Professional</i>			
<i>Service</i>			
<i>Total</i>			
Staff cost	7,985,861		7,985,861
Operating cost	19,610,813		19,610,813
Information and communication technology	547,100		547,100
Total gross expenditure	28,143,774		28,143,774
Total net resources	28,143,774		28,143,774

235. These collective costs include the cost items that are mainly attributable to UNIDO being located in the Vienna International Centre and its resulting participation in joint and common services with the other Vienna-based organizations. In addition, it includes payments to the after-service health insurance scheme of retirees. Furthermore, it also includes UNIDO's contribution to joint activities with United Nations bodies.

236. UNIDO continues to participate in the cost-sharing arrangement among entities of the UNSDG that contributes to the budget for the United Nations Resident

Coordinator system and the Development Coordination Office. In the 2020 review of the UNSDG cost-sharing formula, the UNSDG considered various options for a change of the cost-sharing formula. At the November 2020 Principals meeting, it was decided to retain the existing three components of the formula, as well as the 50:50 weighting between agency size and system-load, and the exclusion of humanitarian and peacekeeping operations. The data used will be updated every two years, instead of every four years. Consequently, the 2022–2023 contribution by UNIDO is based on the latest verified data as per UNSDG Cost-Sharing Agreement in Support of the RC System (IDB.48/10). UNIDO's cost-sharing contribution for 2022–2023 is expected to amount \$2,376,414 per year and constitutes 3.07 per cent of the UNRC cost shared part of the budget. It is noted that the results UNIDO contributes to the United Nations Resident Coordinator system are captured in this programme and budgets document under all result areas.

237. As is shown in Table 3, the net budgeted expenditure (at 2020-2021 rates) under contributions to the cost-shared services has decreased by €754,120 prior to recosting.

238. Most of the savings, in the amount of €942,223, come from the efficient use of joint language and document services and continued systematic use of electronic forms of documents distribution. Another €373,353 come from data update for calculating the UNIDO contribution towards the UNRC in line with the UNSDG decision.

239. The aforementioned savings are partly offset by the increase in the pay-as-you-go servicing of the long-term liability under the After Service Health Insurance scheme (ASHI) by an amount of €243,474, due to the increase in the number of UNIDO retirees that are estimated on the basis of actual cost incurred in 2020, and to the additional estimated cost from expected retirements during 2021–2022 period.

240. The increase of €317,981 under the budget line UNIDO contribution to BMS and reimbursements to the Major Repair and Replacements Fund is caused by the update of the cost-sharing rate from 14.098 per cent to 14.516 per cent as well as the agreement of the Vienna-based organizations and the Austrian Government to provide for 3.8 per cent increase in the approved MRRF budgets contributing to the costs for maintenance of the aging VIC buildings.

241. The following list shows the cost elements and the drivers or distribution keys for UNIDO's contribution to the total cost:

- (a) After-service health insurance (ASHI) – per retired staff;
- (b) Joint medical services (IAEA) – 12.61 per cent;
- (c) Joint language training (UNOV) – per enrolled staff;
- (d) UNIDO contribution to common buildings management – 14.516 per cent;
- (e) Reimbursement to the Major Repair and Replacements Fund – 14.516 per cent of the United Nations share;
- (f) UNIDO contribution to joint buildings management – 37 per cent;
- (g) Language and documentation services (UNOV) – share based on workload;
- (h) Security and safety services (UNOV) – 14.516 per cent;
- (i) Contribution to joint activities with various United Nations bodies – by United Nations formulas;
- (j) UNRC – by United Nations formula; and
- (k) Joint communication services (UNOV) – 29.9 per cent.

242. The resource estimates under each of the indirect cost items including recosting are presented in the summary table below.

Indirect cost

<i>2022–2023 estimates (after recosting)</i>	
	<i>Regular budget</i>
Joint Medical Services (IAEA)	570,120
Joint language training	62,400
After-service medical coverage	7,353,341
UNIDO contribution to common BMS	6,479,968
UNIDO contribution to joint BMS	883,980
Reimbursements to Major Repair Fund	789,126
Security and safety services (UNOV)	4,065,100
Joint language and documents services	886,572
Contribution to joint activities with United Nations bodies	2,333,085
Contribution to UNRC programme-UNDG	4,172,982
Joint communication services UNOV	547,100
Total gross expenditure	28,143,774
Total net resources	28,143,774

243. The objective, expected results and outputs of the common and joint services are described in detail in the programme and budgets documents of the responsible organizations. Expected results of common and joint buildings management services are elaborated in the next section.

VII. Buildings management

244. Under the terms of the Memorandum of Understanding on Common Services, on behalf of and financed by the International Organizations based in the Vienna International Centre (VIC), UNIDO's Buildings Management Services Division (BMS) is responsible for managing and administering the operations, maintenance, repairs, and replacements of the buildings and related installations and equipment of the VIC complex.

Efficient VIC buildings management

Resource estimates (in euros)

<i>Positions</i>			<i>2022–2023 estimates (after recosting)</i>		
<i>Professional</i>	<i>General Service</i>	<i>Total</i>	<i>Regular budget</i>	<i>Operational budget</i>	<i>Total</i>
7.00	106.00	113.00			
			18,322,900		18,322,900
			14,300		14,300
			34,835,700		34,835,700
			79,800		79,800
			53,252,700		53,252,700
			(53,252,700)		(53,252,700)
			0		0

245. The main constituencies and the target groups of the subject programme are the four VIC-based international organizations, IAEA, UNOV, UNIDO, and CTBTO,

with approximately 5,000 staff members and 2,500 additional daily visitors, conference participants, etc.

246. The cost of operating, maintaining and repairing the buildings and their integrated and added installations is increasing with the ageing of the complex, which was constructed in 1974 -1979. The necessary repairs and maintenance works at the VIC are carried out on a regular basis to ensure the safe and reliable operation, as well as to fulfil the commitments made towards the Austrian Government, the owner of the 379,000 square meter building complex.

247. After over four decades of occupancy, there is an evident need for replacement programmes in all areas of the buildings complex, to maintain and increase the reliability of VIC operations. This fact has been underlined by the recently completed risk assessment of the entire VIC premises. This component of the programme and budgets will be used to maintain and increase the standard of building management services, and to implement innovative projects to cope with the demands of a modern office building complex. The COVID-19 pandemic has furthermore affected the maintenance of the buildings, with increased hygiene measures that are likely to continue at the highest level in the next biennium.

248. In connection with the recently conducted risk assessment, important financial resources for the refurbishment of the VIC will be required. This includes normal maintenance works and other high-cost risks identified, which will be addressed over a period.

Overall objective of buildings management

249. The overall objective is to ensure the safe, reliable and cost-effective operation, maintenance, repair, and modernization of the VIC complex and the associated installations, according to the local buildings codes and standards and according to the VIC operating license conditions. BMS provides the maintenance and updating of installations and equipment required by the organizations occupying the VIC complex.

250. Furthermore, BMS is committed to ensure a modern working environment and state-of-the-art installations and equipment to cope with the work needs of the coming years.

251. While fulfilling the above-mentioned objective, the aim is also to be cost-effective by using all potential savings and making the best and most efficient use of the available resources.

252. The resources foreseen under this programme comprise the following items:

(a) The common buildings management: Cost-shared among the VIC-based international organizations, under the agreed cost-sharing formula, based on occupants and space usage. In 2020, UNIDO contributed 14.516 per cent of the total cost;

(b) The joint buildings management operates within the overall context of the cooperation agreement between UNOV, UNIDO, IAEA, and CTBTO;

(c) The projects financed by the Common fund for Major Repairs and Replacements at the VIC are co-financed by the VIC-based International Organizations and the Austrian Government (50 per cent each).

Common buildings management

<i>2022–2023 estimates (after recosting)</i>	
	<i>Regular budget</i>
Established positions	15,667,600
Overtime and night differential	386,300

<i>2022–2023 estimates (after recosting)</i>	
<i>Regular budget</i>	
General temporary assistance	899,200
Career development training	84,700
After-service medical coverage	415,100
Travel on official business	14,300
Rental and maintenance of premises	13,172,100
Utilities	18,087,800
Rental and maintenance of office equipment	30,000
Rental and maintenance of vehicles	20,800
Miscellaneous general operating expenses	35,400
Other general operating expenses	100,000
Printing and binding	2,000
Supplies for premises	1,515,000
Office supplies	40,800
Fuel and lubricants	53,000
Assets	106,000
IT supplies and materials	22,300
IT assets	45,000
Communication service charges	12,500
Total gross expenditure	50,709,900
Other contributions to common operations	(1,196,200)
Other VBOs contribution to common operations	(42,326,314)
UNIDO contribution to common operations	(7,187,386)
Total income	(50,709,900)
Total net resources	

Joint buildings management

<i>2022–2023 estimates (after recosting)</i>	
<i>Regular budget</i>	
Established positions	776,000
Overtime and night differential	13,300
General temporary assistance	80,700
Rental and maintenance of premises	1,594,800
Supplies for premises	32,200
Assets	45,800
Total gross expenditure	2,542,800
Other contributions to common operations	(153,800)
Other VBOs contribution to common operations	(1,505,020)
UNIDO contribution to common operations	(883,980)
Total income	(2,542,800)
Total net resources	

Expected results

<i>No.</i>	<i>Results</i>	<i>Performance Indicators</i>	<i>Means of Verification</i>
I	The VIC buildings complex is safe and fully operational.	<ul style="list-style-type: none"> • Compliance with building codes, rules and standards. 	<ul style="list-style-type: none"> • Certificates and reports received from authorized technical institutions such as TÜV Austria GmbH.
II	The VIC incorporates state-of-the-art, innovative and new techniques, as well as up-to-date equipment.	<ul style="list-style-type: none"> • Compliance with state-of-the-art norms and techniques. 	<ul style="list-style-type: none"> • Certificates and reports received from authorized technical institutions such as TUEV.
III	The working environment of the VIC has improved for the staff and visitors.	<ul style="list-style-type: none"> • Number of positive feedback by email/calls versus negative ones. 	<ul style="list-style-type: none"> • Indicated by absence of complaints and increased positive feedback.
IV	Services are cost-effective.	<ul style="list-style-type: none"> • Comparison of actual reports against previous ones in terms of cost and efficiency (time). 	<ul style="list-style-type: none"> • BMS reports.
V	UNIDO is recognized as a leader in the sustainable management of buildings.	<ul style="list-style-type: none"> • Climate neutrality certification. 	<ul style="list-style-type: none"> • Certificates and reports received from authorized technical institutions such as TÜV Austria GmbH.

What BMS offers

- Placing over 100 maintenance contracts in various parts of the VIC, addressing heating, ventilation, cooling, electrical, as well as elevators, telecommunication and teleconferencing services, to ensure proper functioning and a smooth operation;
- Extending the lifetime of installations and plants through proactive and preventive maintenance, resulting in minimal breakdowns of installations and plants;
- Initiating, developing and implementing replacement programmes and projects (currently 120 projects) to update and modernize the infrastructure and working conditions in the VIC;
- Reorganizing the BMS structure, modernizing working tools such as the electronic work order platform and the automated facility management systems, and redeploying duties and responsibilities to achieve higher efficiency and output;
- Modernizing the infrastructure of the VIC, for example by enhancing the air-conditioning capacity and replacing and modernizing the cabling structure of the buildings;
- Lowering consumption and the utility cost in spite of longer operating time and higher comfort by introducing state-of-the-art technology, such as LED lights, air-condition with heat recovery system and smart elevators;
- Minimizing the risks related to the VIC premises and its technical installations by implementing the findings of the Buildings Risk Assessment;
- Reviewing recurrent maintenance contracts leading to a re-tendering of these contracts to lower cost contractors and/or to an in-sourcing of services;
- Improving the accessibility to the VIC for people with disabilities;
- Implementing the finding from the risk assessment and the Fire and Safety Concept in the VIC;

- Improving the quality of the working environment for staff and visitors of the VIC;
- Implementing cost saving and environmentally beneficial measures resulting from the projects related to greening the VIC initiatives;
- Securing important financial resources for the refurbishment of the VIC from the Government of Austria through negotiations in line with the recently conducted risk assessment;
- Transferring of certain projects from the BMS budget to the MRRF, to which the Austrian Government contributes; and
- Maintaining the energy neutrality of the VIC, which was achieved in 2015.

Special resources for Africa

253. Special resources for Africa (SRA) are utilized for the development, support and implementation of national, regional and subregional programmes and projects. For the period 2022–2023, SRA will, inter alia, be utilized for the following activities:

- Implementation of the United Nations' Third Industrial Development Decade for Africa (IDDA III) programme of actions, taking into account the Action Plan for the Accelerated Industrial Development of Africa (AIDA) and the African Union's Agenda 2063 and its 10 year implementation plan 2013–2023;
- Contribution to the preparation of national, subregional and regional industrial strategies and policies;
- Preparation and implementation of national, subregional and regional programmes and projects related to ISID;
- Development of PCPs and CPs and projects, upon specific and targeted requests from Member States and/or Regional Economic Communities (RECs);
- Contribution to the preparation of the next cycle of the United Nation's Comprehensive Programmes of Action for LDCs and formulation, implementation, monitoring and evaluation of UNIDO's LDC Operational Strategy 2022–2030;
- Contribution to the implementation, monitoring and evaluation of the Vienna Programme of Action (VPoA) for Landlocked Developing Countries for the Decade 2014–2024 as well as the UN Roadmap for Accelerated Implementation of the VPoA;
- Support for Africa-related global forum activities and expert group meetings (EGMs); and
- Institutional capacity-building and support for the African Union (AU), the African Union Commission (AUC), and the African Union Development Agency – New Partnership for Africa's Development (AUDA-NEPAD) and RECs.

254. Significant emphasis will be placed on the cost-effectiveness, inclusiveness and sustainability of UNIDO's services in Africa and their impact on the development process. Cross-cutting issues, such as gender, youth, partnerships, and environmental aspects will be considered in the SRA-funded programmes.

What UNIDO offers

255. In 2022–2023, the utilization of the Special Resources for Africa will deliver:
- A joint IDDA III roadmap, and joint projects and programmes developed and implemented;

- IDDA III Champion Initiative operationalized and expanded, based on Action Plan developed and approved for each IDDA III Champion;
- Comprehensive overview of the Africa-centred ISID programmes and projects of all international organizations and donors presented to Member States undertaken;
- National, regional and subregional strategies, programmes developed and implemented taking into account the AfCFTA context;
- Consideration of ISID increased in national, subregional and regional development plans and budgets;
- Programmes for partnerships at national, regional and subregional levels developed and implemented;
- Resources for IDDA III implementation increased;
- Pan-African Industrial Project Preparation Facility developed and operationalized
- UNIDO visibility and relevance in promoting ISID in Africa enhanced;
- Programmes in the field of policy advisory, applied research, and analytical services at the national and regional level implemented;
- Multi-stakeholder partnerships, industrial parks, cross-border special economic zones and South-South cooperation developed and enhanced;
- Productive capacities in African LDCs/LLDCs increased;
- Africa-related global forum activities and EGMs supported, including the AU Summit on Industrialization and Economic Diversification;
- Knowledge products including the Africa Industrial Report/Index produced and disseminated;
- The AU, especially the AUC, the AU Specialized Technical Committee on Trade, Industry and Minerals, the RECs and AUDA-NEPAD supported to facilitate and strengthen their capacities; and
- Capacity-building for RECs for the implementation of selected AIDA programmes and projects, in particular in prioritized areas provided, including:
 - (i) industrial policy and institutional direction, (ii) upgrading production and trade capacities, (iii) promotion of infrastructure and energy for industrial development, (iv) human resources for industry, and (v) industrial innovations, digital transformation, research and development, and technological development.

Overall outcome

256. Tailored programmes and projects implemented for Africa to achieve ISID through economic competitiveness, shared prosperity from industry and environmentally sustainable industry.

Regular programme of technical cooperation

General description

257. This section sets out the programmatic description and resources of the RPTC. The purpose of the programme is to improve the effectiveness of the Organization's programme of technical cooperation work in the field of industrial development, and to strengthen the Organization's overall contribution to the broader UNDS.

258. The implementation of the programme will continue to enable UNIDO to predominantly focus its activities and contributing policies and strategies for ISID

and the SDGs, conducive industrial ecosystems, innovative, inclusive and sustainable businesses, and effective strategic management for results.

What UNIDO offers

259. The RPTC aims to deliver the following expected outputs by the end of the 2022–2023 period:

- Preparatory activities implemented, including needs assessments, to enable UNIDO to develop programmes or projects based on its thematic priorities and the needs of recipient countries;
- Upstream and analytical activities implemented, including joint projects with research institutions, to support the development of UNIDO priority programmes and innovative initiatives;
- Global forum activities implemented, in the form of seminars, workshops and symposiums, directly linked to the development of priority programmes;
- Contributions provided for activities in furtherance of United Nations coherence, including for PCPs and CPs; and
- Flexible responses delivered to urgent requests for immediate policy and technical advisory services.

The programme will emphasize the needs of LDCs, to support them in the design of technical cooperation programmes and the mobilization of financial resources for their implementation. The programme will also promote international industrial cooperation, with special emphasis on South-South cooperation, as well as on the integration of women in development.

Overall outcome

260. An effective programme of technical cooperation and strengthened contribution to the overall United Nations development system (UNDS).

Special Account of Voluntary Contributions for Core Activities (SAVCCA)

General description

261. Through decision IDB.43/Dec.6 (i) the Industrial Development Board established the SAVCCA to facilitate the receipt, management and usage of voluntary contributions for core activities that cannot be fully funded from the regular budget. As at 31 December 2020, the amount contributed to SAVCCA stands at €71,300 and it is proposed to use the funds to enhance the skills of UNIDO staff through the provision of career development training in 2022–2023.

Resource estimates (in euros)

<i>Positions</i>			<i>2022–2023 estimates (after recosting)</i>		
<i>Professional</i>	<i>General Service</i>	<i>Total</i>	<i>SAVCCA budget</i>	<i>Total</i>	
0.00	0.00	0.00	Staff cost	71,300	71,300
			Total gross expenditure	71,300	71,300
			Income	(71,300)	(71,300)
			Total net resources	0	0

What UNIDO offers

262. Implementation of UNIDO's annual training programme.

Overall outcome

263. Increased performance, productivity and sustainability of industrial development expertise and skills in UNIDO.

Miscellaneous income

264. Estimated miscellaneous income for 2022–2023 comprises income on deposits and income from sales publications. It amounts to €120,000 in the regular budget and €100,000 in the operational budget, details of which are shown in the following paragraphs.

Income on deposits

265. Estimates for income on deposits are based on anticipated interest earnings on cash balances in the General Fund, the Working Capital Fund and the Operational Budget Account for Support Cost Reimbursements. Forecasts from the global investment market as well as the banking sector show that UNIDO will earn no material interest on Euro deposits and other instruments held with various banking institutions. The United States dollar deposits, however, are expected to earn interest of approximately €100,000 for the biennium.

Sale of publications

266. Through its sales publications, UNIDO seeks to promote its image worldwide as the focal point of the United Nations in all matters concerning sustainable industrial development. A sales publication usually originates when a substantive unit considers it has produced a study with sufficiently wide appeal as to be saleable. If the study is the result of an expensive input of staff and consultant time, selling it is a means not only of disseminating the data or information gathered, but also of recouping at least part of the cost of its preparation.

267. UNIDO generally follows a co-published model where business units partner with commercial publishers to produce, market and sell publications. Older publications have been declared a public good in 2016 and are available for free download at UNIDO websites.

Sales publication revolving fund

268. In 2000–2001, a sales publications revolving fund was established with income earned from the sale of publications and data products during the biennium. The fund supports the longer-range planning of publication and statistical activities.

269. During a biennium, one half of the sales to the fund is credited to miscellaneous income to ensure that the anticipated credit against Member States' contributions for sales of publications is maintained. The fund covers cost, which under the current procedures are set off against revenues.

270. Unless there is a marked increase in sales activity, the sales publication revolving fund is expected to have a balance of €244,786 by the end of the biennium. The table presents the anticipated financial activity during the biennium under the fund.

		<i>Revised estimates for 2020–2021</i>		<i>Budge estimates for 2022–2023</i>	
		<i>Sales publications revolving fund 2020/2021</i>	<i>Miscellaneous income 2020/2021</i>	<i>Sales publications revolving fund 2022/2023</i>	<i>Miscellaneous income 2022/2023</i>
540110	Gross sales	92,741	92,741	120,000	120,000
330000	Revolving fund balance of the previous biennium	263,921		279,725	
530130/530150	Interest				
	Total income	356,662	92,741	399,725	120,00
610200	General Temporary Assistance	-		-	
610300	Consultants	65,469		80,000	
620100	Travel	4,000		10,000	
630190	Other General Operating Expenses	-		-	
630310	Printing	7,467		4,000	
	Total expenses	76,936		94,000	
330000	Publications revolving fund	279,725		305,725	

271. Funds will be required for relevant projects and for organizing special promotional activities. Resources will also be required for further modernization of the statistical system and the data portal.

Annexes

Annex A

Table 1
Regular and operational budget expenditure and income by result

(In euros)

Result	2020–2021	2022–2023	2022–2023	Recosting to	2022–2023	Per cent of total budget	
	approved budget a/	resource growth at 2020–2021 rates	resource requirements at 2020–2021 rates	2022–2023 rates	resource requirements at 2022–2023 rates	2020–2021	2022–2023
	1	2	3	4	5	6	7
Expenditure							
1 Policies and strategies for ISID and SDGs	45,100,891	1,224,254	46,325,145	927,585	47,252,730	24.8%	25.3%
2 Conducive industrial ecosystems	28,516,070	44,279	28,560,349	593,085	29,153,434	15.7%	15.6%
3 Innovative, inclusive and sustainable businesses	24,830,647	(893,532)	23,937,115	469,595	24,406,710	13.6%	13.0%
4 Effective strategic management for results	21,814,195	894,950	22,709,145	477,535	23,186,680	12.0%	12.4%
5 Excellence of corporate services and operations	33,184,114	1,231,300	34,415,414	538,400	34,953,814	18.2%	18.7%
Indirect cost	28,513,294	(754,120)	27,759,174	384,600	28,143,774	15.7%	15.0%
TOTAL expenditure (excluding result BMS)	181,959,211	1,747,131	183,706,342	3,390,800	187,097,142	100.0%	100.0%
Efficient VIC buildings management							
- Common buildings management	55,042,900	(5,779,300)	49,263,600	1,446,300	50,709,900	95.3%	95.2%
- Joint buildings management	2,685,300	(147,500)	2,537,800	5,000	2,542,800	4.7%	4.8%
TOTAL expenditure (result BMS)	57,728,200	(5,926,800)	51,801,400	1,451,300	53,252,700	100.0%	100.0%
Income							
1 Policies and strategies for ISID and SDGs	607,900	(394,700)	213,200		213,200	11.1%	4.0%
2 Conducive industrial ecosystems	607,900	(394,500)	213,400		213,400	11.1%	4.0%
3 Innovative, inclusive and sustainable businesses.	607,800	(394,500)	213,300		213,300	11.1%	4.0%
4 Effective strategic management for results	607,900	(394,500)	213,400		213,400	11.1%	4.0%
Miscellaneous income	416,100	4,001,054	4,417,154		4,417,154	7.6%	83.8%
Savings and efficiency gains	942,223	(942,223)				17.2%	
Income from other sources	1,673,545	(1,673,545)				30.6%	
TOTAL income (excluding result BMS)	5,463,368	(192,914)	5,270,454		5,270,454	100.0%	100.0%
- Efficient VIC buildings management							
- Common buildings management	55,042,900	(5,779,300)	49,263,600	1,446,300	50,709,900	95.3%	95.2%
- Joint buildings management	2,685,300	(147,500)	2,537,800	5,000	2,542,800	4.7%	4.8%
TOTAL income (result BMS)	57,728,200	(5,926,800)	51,801,400	1,451,300	53,252,700	100.0%	100.0%
NET GRAND TOTAL	176,495,843	1,940,045	178,435,888	3,390,800	181,826,688		

Table 2
Regular budget expenditure and income by result

(In euros)

Result	2020–2021	2022–2023	2022–2023	Recosting to	2022–2023	Per cent of total budget	
	approved budget a/	resource growth at 2020–2021 rates	resource requirements at 2020–2021 rates		2022–2023 requirements at 2022–2023 rates	2020–2021	2022–2023
	1	2	3	4	5	6	7
Expenditure							
1 Policies and strategies for ISID and SDGs	34,906,096	351,884	35,257,980	794,615	36,052,595	24.2%	24.4%
2 Conducive industrial ecosystems	19,797,800	(531,241)	19,266,559	468,515	19,735,074	13.7%	13.4%
3 Innovative, inclusive and sustainable businesses	16,743,522	(451,352)	16,292,170	387,465	16,679,635	11.6%	11.3%
4 Effective strategic management for results	16,264,285	625,560	16,889,845	462,305	17,352,150	11.3%	11.8%
5 Excellence of corporate services and operations	27,866,814	1,231,300	29,098,114	453,100	29,551,214	19.3%	20.0%
Indirect cost	28,513,294	(754,120)	27,759,174	384,600	28,143,774	19.8%	19.1%
TOTAL expenditure (excluding result BMS)	144,091,811	472,031	144,563,842	2,950,600	147,514,442	100.0%	100.0%
Efficient VIC buildings management							
Common buildings management	55,042,900	(5,779,300)	49,263,600	1,446,300	50,709,900	95.3%	95.2%
Joint buildings management	2,685,300	(147,500)	2,537,800	5,000	2,542,800	4.7%	4.8%
TOTAL expenditure (result BMS)	57,728,200	(5,926,800)	51,801,400	1,451,300	53,252,700	100.0%	100.0%
Income							
1 Policies and strategies for ISID and SDGs	607,900	(394,700)	213,200		213,200	11.8%	6.1%
2 Conducive industrial ecosystems	607,900	(394,500)	213,400		213,400	11.8%	6.1%
3 Innovative, inclusive and sustainable businesses	607,800	(394,500)	213,300		213,300	11.8%	6.1%
4 Effective strategic management for results	607,900	(394,500)	213,400		213,400	11.8%	6.1%
Z1 Miscellaneous income	120,000	2,500,000	2,620,000		2,620,000	2.3%	75.4%
Z2 Savings and efficiency gains	942,223	(942,223)				18.2%	
Z3 Income from other sources	1,673,545	(1,673,545)				32.4%	
TOTAL income (excluding result BMS)	5,167,268	(1,693,968)	3,473,300		3,473,300	100.0%	100.0%
Efficient VIC buildings management							

Result	2020–2021	2022–2023	2022–2023	Recosting to 2022–2023 rates	2022–2023	Per cent of total budget	
	approved budget a/ 2020–2021 rates	resource growth at 2020–2021 rates	resource requirements at 2020–2021 rates		resource requirements at 2022–2023 rates	2020–2021	2022–2023
	1	2	3	4	5	6	7
Common buildings management	55,042,900	(5,779,300)	49,263,600	1,446,300	50,709,900	95.3%	95.2%
Joint buildings management	2,685,300	(147,500)	2,537,800	5,000	2,542,800	4.7%	4.8%
TOTAL income (result BMS)	57,728,200	(5,926,800.0)	51,801,400	1,451,300	53,252,700	100.0%	100.0%
NET GRAND TOTAL	138,924,543	2,165,999	141,090,542	2,950,600	144,041,142		

Table 3
Operational budget expenditure and income by result
(In euros)

Result	2020–2021	2022–2023	2022–2023	Recosting to 2022–2023 rates	2022–2023	Per cent of total budget	
	approved budget a/ 2020–2021 rates	resource growth at 2020–2021 rates	resource requirements at 2020–2021 rates		resource requirements at 2022–2023 rates	2020–2021	2022–2023
	1	2	3	4	5	6	7
Expenditure							
1 Policies and strategies for ISID and SDGs	10,194,795	872,370	11,067,165	132,970	11,200,135	26.9%	28.3%
2 Conducive industrial ecosystems	8,718,270	575,520	9,293,790	124,570	9,418,360	23.0%	23.8%
3 Innovative, inclusive and sustainable businesses	8,087,125	(442,180)	7,644,945	82,130	7,727,075	21.4%	19.5%
4 Effective strategic management for results	5,549,910	269,390	5,819,300	15,230	5,834,530	14.7%	14.7%
5 Excellence of corporate services and operations	5,317,300		5,317,300	85,300	5,402,600	14.0%	13.6%
TOTAL expenditure (excluding result BMS)	37,867,400	1,275,100	39,142,500	440,200	39,582,700	100.0%	100.0%
Income							
Miscellaneous income	296,100	1,501,054	1,797,154		1,797,154	100.0%	100.0%
TOTAL income (excluding result BMS)	296,100	1,501,054	1,797,154		1,797,154	100.0%	100.0%
NET GRAND TOTAL	37,571,300	(225,954)	37,345,346	440,200	37,785,546		

Annex B

Table 1
Regular and operational budget expenditure and income by result and major object of expenditure at 2020–2021 rates

(In euros)

Result	Staff cost		Official travel		Operating cost		Information and communication technology		RPTC and Special Resources for Africa		Total expenditure		Income		Net requirements	
	2020–2021	2022–2023	2020–2021	2022–2023	2020–2021	2022–2023	2020–2021	2022–2023	2020–2021	2022–2023	2020–2021	2022–2023	2020–2021	2022–2023	2020–2021	2022–2023
1 Policies and strategies for ISID and SDGs	33,619,307	34,631,977	1,974,330	1,946,970	6,057,920	6,277,420	340,845	341,845	3,108,489	3,126,933	45,100,891	46,325,145	(607,900)	(213,200)	44,492,991	46,111,945
2 Conducive industrial ecosystems	23,144,073	22,948,688	800,210	1,040,630	1,305,083	1,283,883	158,215	160,215	3,108,489	3,126,933	28,516,070	28,560,349	(607,900)	(213,400)	27,908,170	28,346,949
3 Innovative, inclusive and sustainable businesses	19,242,895	18,686,230	1,129,460	710,000	1,202,961	1,180,311	146,840	148,840	3,108,491	3,211,734	24,830,647	23,937,115	(607,800)	(213,300)	24,222,847	23,723,815
4 Effective strategic management for results	19,185,325	19,989,745	611,900	666,780	1,796,070	1,805,720	220,900	246,900			21,814,195	22,709,145	(607,900)	(213,400)	21,206,295	22,495,745
5 Excellence of corporate services and operations	26,452,555	26,664,555	142,159	128,059	816,000	815,300	5,773,400	6,807,500			33,184,114	34,415,414			33,184,114	34,415,414
Indirect cost	7,564,587	7,808,061			20,401,607	19,404,013	547,100	547,100			28,513,294	27,759,174			28,513,294	27,759,174
Miscellaneous income													(3,031,868)	(4,417,154)	(3,031,868)	(4,417,154)
TOTAL (excluding result BMS)	129,208,742	130,729,256	4,658,059	4,492,439	31,579,641	30,766,647	7,187,300	8,252,400	9,325,469	9,465,600	181,959,211	183,706,342	(5,463,368)	(5,270,454)	176,495,843	178,435,888

Result	Staff cost		Official travel		Operating cost		Information and communication technology		RPTC and Special Resources for Africa		Total expenditure		Income		Net requirements	
	2020–2021	2022–2023	2020–2021	2022–2023	2020–2021	2022–2023	2020–2021	2022–2023	2020–2021	2022–2023	2020–2021	2022–2023	2020–2021	2022–2023	2020–2021	2022–2023
Efficient VIC buildings management																
Common buildings management	16,982,100	16,446,200	26,700	14,000	37,895,800	32,725,100	138,300	78,300			55,042,900	49,263,600	(55,042,900)	(49,263,600)		
Joint buildings management	865,000	865,000			1,820,300	1,672,800					2,685,300	2,537,800	(2,685,300)	(2,537,800)		
TOTAL (result BMS)	17,847,100	17,311,200	26,700	14,000	39,716,100	34,397,900	138,300	78,300			57,728,200	51,801,400	(57,728,200)	(51,801,400)		

Table 2
Regular budget expenditure and income by result and major object of expenditure at 2020–2021 rates
(In euros)

Result	Staff cost		Official travel		Operating cost		Information and communication technology		RPTC and Special Resources for Africa		Total expenditure		Income		Net requirements	
	2020–2021	2022–2023	2020–2021	2022–2023	2020–2021	2022–2023	2020–2021	2022–2023	2020–2021	2022–2023	2020–2021	2022–2023	2020–2021	2022–2023	2020–2021	2022–2023
1 Policies and strategies for ISID and SDGs	24,472,932	24,847,472	1,119,110	857,510	5,864,720	6,084,220	340,845	341,845	3,108,489	3,126,933	34,906,096	35,257,980	(607,900)	(213,200)	34,298,196	35,044,780
2 Conducive industrial ecosystems	15,027,893	14,583,308	242,920	157,020	1,260,283	1,239,083	158,215	160,215	3,108,489	3,126,933	19,797,800	19,266,559	(607,900)	(213,400)	19,189,900	19,053,159
3 Innovative, inclusive and sustainable businesses	12,070,360	11,619,215	226,670	143,870	1,191,161	1,168,511	146,840	148,840	3,108,491	3,211,734	16,743,522	16,292,170	(607,800)	(213,300)	16,135,722	16,078,870
4 Effective strategic management for results	13,788,715	14,419,545	458,600	417,680	1,796,070	1,805,720	220,900	246,900			16,264,285	16,889,845	(607,900)	(213,400)	15,656,385	16,676,445
5 Excellence of corporate services and operations	21,135,255	21,347,255	142,159	128,059	816,000	815,300	5,773,400	6,807,500			27,866,814	29,098,114			27,866,814	29,098,114

Result	Staff cost		Official travel		Operating cost		Information and communication technology		RPTC and Special Resources for Africa		Total expenditure		Income		Net requirements	
	2020–2021	2022–2023	2020–2021	2022–2023	2020–2021	2022–2023	2020–2021	2022–2023	2020–2021	2022–2023	2020–2021	2022–2023	2020–2021	2022–2023	2020–2021	2022–2023
Indirect cost	7,564,587	7,808,061			20,401,607	19,404,013	547,100	547,100			28,513,294	27,759,174			28,513,294	27,759,174
Miscellaneous income													(2,735,768)	(2,620,000)	(2,735,768)	(2,620,000)
TOTAL (excluding result BMS)	94,059,742	94,624,856	2,189,459	1,704,139	31,329,841	30,516,847	7,187,300	8,252,400	9,325,469	9,465,600	144,091,811	144,563,842	(5,167,268)	(3,473,300)	138,924,543	141,090,542
Efficient VIC buildings management																
Common buildings management	16,982,100	16,446,200	26,700	14,000	37,895,800	32,725,100	138,300	78,300			55,042,900	49,263,600	(55,042,900)	(49,263,600)		
Joint buildings management	865,000	865,000			1,820,300	1,672,800					2,685,300	2,537,800	(2,685,300)	(2,537,800)		
TOTAL (result BMS)	17,847,100	17,311,200	26,700	14,000	39,716,100	34,397,900	138,300	78,300			57,728,200	51,801,400	(57,728,200)	(51,801,400)		

Table 3
Operational budget expenditure and income by result and major object of expenditure at 2020–2021 rates
(In euros)

Result	Staff cost		Official travel		Operating cost		Information and communication technology		RPTC and Special Resources for Africa		Total expenditure		Income		Net requirements	
	2020–2021	2022–2023	2020–2021	2022–2023	2020–2021	2022–2023	2020–2021	2022–2023	2020–2021	2022–2023	2020–2021	2022–2023	2020–2021	2022–2023	2020–2021	2022–2023
1 Policies and strategies for ISID and SDGs	9,146,375	9,784,505	855,220	1,089,460	193,200	193,200					10,194,795	11,067,165			10,194,795	11,067,165
2 Conducive industrial ecosystems	8,116,180	8,365,380	557,290	883,610	44,800	44,800					8,718,270	9,293,790			8,718,270	9,293,790
3 Innovative, inclusive and sustainable businesses	7,172,535	7,067,015	902,790	566,130	11,800	11,800					8,087,125	7,644,945			8,087,125	7,644,945

Result	Staff cost		Official travel		Operating cost		Information and communication technology		RPTC and Special Resources for Africa		Total expenditure		Income		Net requirements	
	2020-2021	2022-2023	2020-2021	2022-2023	2020-2021	2022-2023	2020-2021	2022-2023	2020-2021	2022-2023	2020-2021	2022-2023	2020-2021	2022-2023	2020-2021	2022-2023
4 Effective strategic management for results	5,396,610	5,570,200	153,300	249,100							5,549,910	5,819,300			5,549,910	5,819,300
5 Excellence of corporate services and operations	5,317,300	5,317,300									5,317,300	5,317,300			5,317,300	5,317,300
Miscellaneous income													(296,100)	(1,797,154)	(296,100)	(1,797,154)
TOTAL (excluding result BMS)	35,149,000	36,104,400	2,468,600	2,788,300	249,800	249,800					37,867,400	39,142,500	(296,100)	(1,797,154)	37,571,300	37,345,346

Annex C

Staffing by result

Result	Professional and above			General service		
	Regular budget	Operational budget	Total	Regular budget	Operational budget	Total
1 Policies and strategies for ISID and SDGs	59.05	28.85	87.90	54.05	16.75	70.80
2 Conducive industrial ecosystems	40.20	23.20	63.40	25.75	13.90	39.65
3 Innovative, inclusive and sustainable businesses	31.40	19.85	51.25	23.00	12.40	35.40
4 Effective strategic management for results	32.35	20.10	52.45	39.20	8.95	48.15
5 Excellence of corporate services and operations	41.00	7.00	48.00	61.00	21.00	82.00
TOTAL (excluding result BMS)	204.00	99.00	303.00	203.00	73.00	276.00
Efficient VIC buildings management	7.00		7.00	106.00		106.00
TOTAL (result BMS)	7.00		7.00	106.00		106.00