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Programme and budgets 2024–2025

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 income on deposits, sales publications and governmental 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. This programme and budgets proposal for the period 2024–2025 focuses on a redesigned SAVCCA, to be named Innovation and Transformation Fund (ITF). Additional support will be sought from Member

* Reissued for technical reasons on 31 March 2023.



States and other funding partners on reform and results-oriented financing by supporting, deepening or expanding core areas of work.

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 goal to be achieved. Specifies a particular value that an indicator should reach by a specific date in the future.

Executive summary

12. The programme and budgets proposal for the biennium 2024–2025 is presented against the background of a difficult global context. A number of concurrent and overlapping crises have led to an increasing volatile global financial environment, spikes in inflation and persistent cost increases.

13. The term of the new Director General since December 2021 has been marked by the implementation of an ambitious reform agenda that had been strongly endorsed by Member States. The organizational reform created a leaner, more efficient and more effective organization with flatter hierarchies and future opportunities for young talent.

14. Given the rapidly mounting financial constraints, the high level of delivery of the technical cooperation portfolio and record levels of fresh resources mobilized were achieved despite a freeze in promotions and recruitments after retirement and against the backdrop of a reduction in operational costs to the maximum extent possible.

15. In parallel, the thematic priorities advanced by the Director General were met with a strong increase in demand for new UNIDO services, notably surrounding industrial decarbonization and green hydrogen, food security, job creation and local value addition as well as sustainable supply chains and sustainability standards. Other crosscutting areas continue to experience high demand, e.g. on circular economy as well as on digitalization and the Fourth Industrial Revolution.

16. UNIDO's offer hence proves more relevant than ever before and this is also reflected in strong interest and opportunities to strengthen existing and forge new partnerships (such as with the Global Environment Facility or the Green Climate Fund).

17. To respond to this demand, the ambition reflected in this programme and budgets proposal is to increase technical cooperation delivery by up to 25 per cent during the course of the coming biennium. The operational budget is hence estimated to increase to the gross amount of €46 million, reflecting the above-mentioned increase in delivery by latest 2025 against the 2022 base level.

18. However, given current cost increases due to a volatile global environment, "more with less" will no longer be viable.

19. To support the increased delivery ambition, this programme and budgets proposal envisages a better resourced and structurally stabilized organization. More specifically, a growth of 2.5 per cent per annum is proposed for the regular budget. In parallel, a recosting in the order of 5 per cent per annum reflects the changing global financial conditions and continuously increasing costs of operation. The net regular budget amounts to €165.8 million.

20. Overall, the programme and budgets proposal foresees retaining all 579 positions currently included in the budget and to urgently proceed with recruitment against vacant positions at the current composition, which were temporarily put on hold as a measure to contain costs in connection with about 10 per cent inflation in 2022 and inflation of 5.9 per cent forecasted by the European Central Bank (ECB) for 2023 as at the time of budget preparation. Through 7 new PS-level positions, the proposal furthermore envisages strengthening the Organization in its core functions and increasing technical cooperation capacities.

21. Efficiencies and cost savings in non-staff costs, such as those relating to travel, consultancy, digitalization and IT, as well as related to indirect costs will continue to be pursued under the regular and operational budgets. As one of the unexploited potentials for efficiencies, the Secretariat further pursues greater budget implementation flexibility.

22. The need for additional voluntary contributions to fund core activities of UNIDO's programme of work is reflected in a redesigned Special Account of Voluntary Contributions for Core Activities of UNIDO (SAVCCA), which will be named the UNIDO Innovation and Transformation Fund (ITF). It provides Member States and other funding partners with an opportunity for reform and impact-oriented financing by supporting, deepening or expanding core areas of work.

23. In compliance with decision GC.18/Dec.14, and as already pioneered for the biennium 2022–2023, this programme and budgets proposal was prepared according to a results-based budget (RBB) structure and it integrates regular, operational and voluntary contributions. It aligns the programme, management priorities and results framework to UNIDO's MTPF and reinforces the management objective of integration and scale-up of results, which remains the guiding direction of the Organization for the next biennium.

24. This programme and budgets proposal builds on UNIDO's integrated results and performance framework (IRPF) and remains therefore aligned to the 2030 Agenda for Sustainable Development the reform of the United Nations development system and the Decade of Action to deliver on the 2030 Agenda. In continuity with the 2022–2023 programme and budgets, it is presented across five results areas.

25. While aiming for greater balance across results and in particular with a view to Results 1 to 3 following decision GC.19/Dec.16, the proposed programme and budgets still reflects a similar allocation as the biennium 2022–2023. This is because the number of positions of the proposed programme and budgets 2024–2025 is changing only marginally and over a longer time span.

26. The intended results are described by IRPF indicators and their associated targets for the biennium 2024–2025. 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. 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. The present proposal further 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 result areas.

27. The Director General's thematic priorities accentuate the main areas of expertise of UNIDO interventions and combine and enhance existing services for greater impact. They correspond also to the three focus areas of the MTPF 2022–2025 in that

they draw on a broad range of technologies and sector-specific skills to be transferred with the aim of advancing climate-neutral industry and accelerating structural transformation in line with the objectives of the 2030 Agenda and the Paris Agreement.

28. This programme and budgets proposal envisages continued mainstreaming of 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. All results, performance and industrial development indicators are sex-disaggregated, wherever relevant and feasible.

Introduction

I. Programme and budgets framework

29. 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 second time that UNIDO adopts this approach in such a comprehensive and consolidated manner.

30. UNIDO has made significant progress in updating its results-based management (RBM) framework, processes and practices in the last MTPF cycle. The lessons learned during the early phases of implementation of the programme and budgets 2022–2023 reinforced the recognition that fully embodying the principles on RBB in the everyday operations of UNIDO to enable strong RBM practices would face a steep learning curve and disclose ever new areas for possible improvement. Capitalizing on the initial lessons learned, the continued implementation of internal reforms, including in the context of the 2022 restructuring, will be crucial to improve the accuracy of resource-results requirement calculations, target-setting, results monitoring, in particular at the portfolio level, and reporting.

31. Through this approach, UNIDO shows its commitment to further improve its efficiency and effectiveness, and thus its contribution to ISID and the Sustainable Development Goals (SDGs). The support of, and leadership by, Member States remains a decisive factor for UNIDO to successfully implement RBM practices and frameworks.

32. The preparation of the programme and budgets 2024–2025 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 ongoing transition towards greater institutional stability and maturity.

33. The programme and budgets 2024–2025 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 programme and budgets proposal reinforces this programmatic direction.

34. In alignment with proposal introduced in the programme and budgets 2022–2023, UNIDO will continue its efforts to break silos, as the Organization recognizes the integration of its work in a more programmatic approach as a precondition to achieve results at scale. Following the same intention to scale up, the Organization recognizes the need to address industrial and economic development matters alongside a range of actors at the micro, meso and macro levels. This approach

is key to understand the structure of this programme and budgets proposal, which follows the structure of the programme and budgets 2022–2023:

- 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 further explained in Section III – Budget Framework.

35. UNIDO remains an Organization whose unique mandate and value proposition are based on the distinctive thematic expertise of its staff, methodologies, approaches and partnership models. To realize its mandate, UNIDO needs to leverage an ever-evolving and up-to-date mix of technical, policy, managerial, analytical and convening expertise, today and in the future.

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

36. 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, which builds on the organizational Theory of Change introduced in the MTPF 2018–2021. The Organization will continue to move towards full alignment of work plans 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. Naturally, this programme and budgets reinforces the management objective of integration and scale-up of results, which remains the guiding direction of the Organization for the next biennium.

37. In terms of the organizational Theory of Change, 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”. By reaching or engaging different industrial development stakeholders, influencing changes in their knowledge and capacities, and by triggering changes in key behaviours, such as business practices, technology, investment, governance, standards and policies, 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.

38. 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 and related sustainability considerations, 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.

39. 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.

40. 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.

41. 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 2024–2025 continues to place a particular emphasis on normative functions, especially in Result 1. Partnerships at all levels remain a priority for UNIDO to foster innovation and transformation for inclusive and sustainable industrial development (ISID).

42. The Director General's thematic priorities, notably emphasizing industrial decarbonization and green hydrogen, food security, job creation and local value addition as well as sustainable supply chains and sustainability standards accentuate the main areas of expertise of UNIDO interventions and combine and enhance existing services for greater impact. They correspond also to the three focus areas of the MTPF 2022–2025 in that they draw on a broad range of technologies and sector-specific skills to be transferred with the aim of advancing climate-neutral industry and accelerating structural transformation in line with the objectives of the 2030 Agenda and the Paris Agreement.

43. The Programme and Budgets 2024–2025 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.

Alignment with the United Nations system

44. The programme and budgets 2024–2025 is aligned with and supports, the ongoing reform of the United Nations development system. 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

45. In compliance with decision GC.18/Dec.14 and in line with the programme and budgets 2022–2023, 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 biennium 2024–2025 are quantified in this document. Furthermore, as per established practice in the United Nations system, the programme and budgets address results at the outcome level.

46. 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.

47. The targets in this programme and budgets proposal build on the experience of the first RBB. The Organization is trending towards better accuracy of the figures due to internal learning and improved institutional arrangements, as is the case for other United Nations entities in their transition to an RBB approach.

48. In compliance with resolution GC.17/Res.1, the Organization will continue “to ensure that the integrated results and performance framework is updated to reflect the changes in the medium-term performance framework, and, when necessary, further developed in consultation with Member States”. The MTPF update, which is being prepared in 2023, provides a timely opportunity to reflect on the necessary adjustments and the further development of RBM practices in and across the Organization.

Resources

49. This programme and budgets proposal 2024–2025 integrates regular, operational and voluntary contributions.

50. 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 efficiency gains

51. In recent years, UNIDO has taken major steps in efficiency, with gains obtained through cross-functional contributions spanning the organization’s broad range of activities delivered under all sources of funding, including regular and operational budgets as well as voluntary contributions. In line with the GC.19/Dec.16 the search for efficiencies and savings has been institutionalized to become a continuous management process. In 2024–2025 in application to all activities, but specifically for those funded by the regular and operational budgets:

(a) UNIDO foresees to continue savings derived from expanded use of online meetings and capacity-building activities using innovative digital techniques, which will allow effective scale-up of operations retaining regular budget cost estimates for travel largely at the 2022–2023 levels of €0.9 million per year, while this amount includes additional €0.06 million per year to facilitate travel of members of the Oversight Advisory Committee;

(b) Inflation on UNIDO contributions towards Buildings Management and Major Repair and Replacement Fund, as well as contributions towards UNOV security and safety cost in the amount of €0.8 million is expected to be funded from savings achieved during the biennium 2024–2025; and

(c) Furthermore, approximately €1.2 million efficiency gains are expected during the biennium 2024–2025 by further digitalization of key business processes through emerging technologies such as robotic process automation (RPA), Artificial Intelligence (AI), Machine Learning and cloud solutions.

Full Cost Recovery (FCR)

52. 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.

(a) Income from FCR offsetting expenditure towards the regular budget is expected in the amount of €2.4 million, by thus reducing the funding required from

assessed contributions. Efforts will continue in 2024–2025 to further increase FCR from technical cooperation activities in line with funding partner eligibility.

Flexibility in budget implementation

53. UNIDO’s further optimization of processes continues being impeded by the limitation on possibilities to respond adequately to challenges by re-channelling resources as required by the rapidly changing environment. By 2023 UNIDO fully overcome set back from the COVID-19 pandemic, while followed by soaring inflation, wherein the regulatory framework prevented the Organization from adjusting resources for a quick response and required application of the freeze on recruitment to allow further operation. The marginal costs of further optimization may at some point outweigh the marginal revenues attained. 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”.

54. The Director General’s aim to increase technical cooperation by up to 25 per cent by the end of biennium 2024–2025 shall be boosted by the horizontal budget flexibility allowing to incur additional expenditure under the operational budget following the increase in support cost income. These costs shall have an open possibility to be fast re-invested in recruitment of additional staff to enhance mobilization of resources and increased provision of technical cooperation services quickly responding to the growing demand for UNIDO services.

55. UNIDO pursues enhanced budget flexibility both horizontally (allowing immediate re-investment of income to cover for new overheads) and vertically (between major objects of expenditure) to continue on the way of RBB implementation and revise regulations 4.1 and 4.3 of the UNIDO Financial Regulations to reach further savings and efficiencies to deliver more.

Changes in staff cost

56. The programme and budgets proposal for 2024–2025 includes a 2.5 per cent annual structural increase to be supported by about 5 per cent annual recosting in connection with the global growth of world prices with impact on private and public sector. The restructuring as announced by the Director General allowed for further refocusing and redistribution of resources along the UNIDO thematic priorities and triggered the following adjustments.

57. The Organization is reinforced by the growth in regular budget staff cost of €1.9 million. The growth emanates from seven additional positions at entry professional level aiming at upgrading organizational activities with modern technical knowledge and expertise and expanding on innovative ideas coming straight from academia reinforced by the available solid technical expertise and knowhow and, inter alia, contributing to improving gender and geographic balance of the Organization.

58. Details of the composition of posts are presented in Table 5 and Annex C.

Changes in indirect costs

59. UNIDO indirect costs comprise contributions towards after-service health insurance and contributions towards the United Nations joint and common activities, including contributions towards security and safety, Vienna International Center facilities management and the United Nations Resident Coordinator system. The total increase in indirect costs amount to €5.8 million including inflation. The major part of the increase is made up of the €3.8 million growth in expenditure for electricity (160 per cent), gas (80 per cent) and other utilities (20 per cent). Another €1.0 million comes from VIC common and joint services, including UNOV security and safety costs; medical services; and language, documents and communications services. The remaining €1.0 million contains the expected increases in UNIDO’s contributions to the United Nations Department of Safety and Security, the Chief Executive Board,

the International Civil Service Commission (ICSC), the Joint Inspection Unit and the after-service health insurance (ASHI).

Changes in income estimates

60. In connection with growing financial market interest rates in 2024–2025, UNIDO expects an increase of €0.8 million in the income on deposits towards the regular budget and about €1 million towards the operational budget. In connection with the expected increase of up to 25 per cent in delivery of technical assistance by the end of 2024–2025, the reimbursement of the cost of technical services provided by UNIDO technical staff is expected to increase to up to €3 million.

II. Programmatic adjustments

61. The programme and budgets proposal for the biennium 2024–2025 is presented against the background of a difficult global context. A number of concurrent and overlapping crises have led to an increasing volatile global financial environment, spikes in inflation and persistent cost increases.

62. The term of the new Director General since December 2021 has been marked by the implementation of an ambitious reform agenda that had been strongly endorsed by Member States. The organizational reform created a leaner, more efficient and more effective organization with flatter hierarchies and greater opportunities for young talent.

63. The thematic priorities advanced by the Director General were met by a strong increase in demand for services, notably surrounding industrial decarbonization and green hydrogen, food security, job creation and local value addition, as well as sustainable supply chains and sustainability standards.

64. Other crosscutting areas continue to experience high demand, e.g. on circular economy, on digitalization and on the Fourth Industrial Revolution.

65. UNIDO's offer hence proves more relevant than ever before and this is also reflected in strong interest and opportunities to strengthen existing and forge new partnerships (such as with the Global Environment Facility (GEF) or the Green Climate Fund (GCF)). In line with the strategic guidance to expand resource mobilization, the EU funded project portfolio increased by 48 per cent compared to the pre-COVID-19 period in 2019, at the same time projects funded by GEF grew by 103 per cent for the same period.

66. To respond to this demand, this programme and budgets proposal foresees a significant increase in technical cooperation delivery related to these thematic priorities over the course of the coming biennium.

67. The reform process initiated in 2022 created the organizational structure commensurate with leaner management, a new work culture, the thematic priorities mentioned, the need for strengthened external relations and partnerships (including with the private sector and international financial institutions). The reform also integrates a response to a broad range of other performance requirements, such as improved quality assurance and monitoring for results, enhanced coordination and integration of services, as well as risk monitoring and management and compliance.

68. Given the rapidly mounting financial constraints, the high level of delivery of technical cooperation portfolio and record levels of resources mobilized in 2022 were achieved despite a freeze in promotions and recruitments after retirement and against the backdrops of a reduction of operational costs to the maximum extent possible.

69. This programme and budgets proposal envisages a better resourced and structurally stabilized organization through a strengthened regular budget in real terms. Given continued cost increases and a volatile global environment, “more with less” will no longer be viable.

70. In other words, the delivery ambition is conditional upon the approval of the proposed regular budget increase and further increases in efficiency.

71. Efficiencies relating to non-staff costs, such as those related to travel, consultancy, digitalization and IT, and related to indirect costs will continue to be sought under the regular budget, with any supplementary needs to be funded from the operational budget or through additional voluntary contributions.

72. UNIDO remains an organization whose unique mandate and value proposition are based on the distinctive thematic expertise of its staff, methodologies, approaches, and partnership models. To deliver its ambition and respond to increasing demands for support, UNIDO needs to leverage an ever-evolving and up-to-date mix of technical, policy, managerial, analytical, and convening expertise, today and in the future.

73. Structured in this way, the programme and budgets 2024–2025 foresees a retention of all 586 positions currently included in the regular and operational budgets and a release of positions from the reserve.

74. To respond in an agile way to the rapidly changing environment, the UNIDO pursues to implement budget implementation flexibility aimed also at optimizing efficiencies and savings.

75. The need for additional voluntary contributions to fund core activities of UNIDO’s programme of work is reflected in a redesigned Special Account of Voluntary Contributions for Core Activities of UNIDO (SAVCCA), which will be named the UNIDO Innovation and Transformation Fund (ITF). It provides Member States and other funding partners with an attractive opportunity for reform and impact-oriented financing by supporting, deepening or expanding core areas of work.

III. Budget framework

76. In full continuity with the result structure pioneered by UNIDO in the biennium 2022–2023, resource requirements are indicated reflecting financial needs to reach the expected results at the output and outcome level. These resources also include extra-budgetary resources against each of the results. The narrative descriptions are organized along these lines.

77. 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>

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

Indirect cost

Efficient VIC buildings management

78. 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.

79. 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 eco system) 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.

80. In particular and to reiterate:

- **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, policymakers and local legislators¹, 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 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

¹ 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.

and accountability frameworks, as well as the organizational oversight functions of internal audit, evaluation and investigation;

- **Results 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.

81. The proposed programme and budgets show the distribution of assessed and voluntary contributions among the various results areas, based on both resource requirements and availability. The strong earmarking of voluntary contributions in UNIDO, largely linked to technical cooperation projects, makes it more difficult for normative, public good, representational, other core and administrative activities to rely on extra-budgetary contributions.

82. While aiming for greater balance across results and in particular with a view to Results 1 to 3 following decision GC.19/Dec.16, the proposed programme and budgets still reflects a similar allocation as the biennium 2022–2023. This is because the number of positions of the proposed programme and budgets 2024–2025 is changing only marginally and over a longer time span.

83. As before, this is largely explained by the orientation of both the operational budget and extra-budgetary resources, which by their nature allocate resources strongly to these first three results.

84. When considering the allocation of resources to the regular budget, these are naturally skewed towards Result 1 on policies and strategies for ISID and the SDGs, with about a third of the regular budget allocated to it, complementing the allocation of only 15 per cent of voluntary resources. This is intended to increase the likelihood that UNIDO's operations will achieve results at scale, by ensuring the replication of activities piloted by UNIDO under Results 3 and 4, and their integration into the legislative and regulatory frameworks of Member States.

85. Result 2 accounts for the largest allocation of resources, 36 per cent of total resources (and almost 50 per cent of voluntary contributions), confirming the importance of institutional support for UNIDO's programmatic work. Result 3 accounts for 29 per cent of total resources (and 38 per cent of voluntary contributions), consolidating enterprise and individual level interventions as critical elements of UNIDO's work in the field.

86. As in the programme and budgets 2022–2023, Results 4 and 5 rely only on the regular and operational budget, further confirming the need for the Organization to mobilize unearmarked resources to continue and expand its activities in the future. Similar to the first RBB during the period 2022–2023, the proposed programme and budgets 2024–2025 continue to align the programme and management priorities, and results framework to MTPF 2022–2025, which builds on the organizational Theory of Change introduced in the MTPF 2018–2021. Naturally, this programme and budgets reinforces the management objective of integration and scale-up of results, which remains the guiding direction of the Organization for the next biennium.

87. Each of the above results and programme and budgets items are presented against the same IRPF and area-specific indicators that were pioneered in the programme and budgets 2022–2023. As pioneered in the 2022 edition of the Annual Report, progress towards the achievement of the targets will be reported in the corresponding Annual Reports and progressively integrated into online platforms and

other pertinent reporting systems to enable a more timely dissemination of the results achieved and a more granular monitoring of risks. The identification of the targets to be pursued by UNIDO in the biennium 2024–2025 has greatly benefitted from the lessons learned in the first year of implementation of the programme and budgets 2022–2023 and presented in the Annual Report 2022.

88. In line with the experience of other United Nations agencies that have implemented result-based budgets, the introduction of the targets in the programme and budgets 2022–2023 was characterized by a relative high degree of uncertainty, in particular in terms of indicators relating to portfolio-wide achievements and hence where the development cooperation projects under implementation at the time of selection of targets provided a necessarily incomplete basis for assessment. Furthermore, the target setting process took place at a time when UNIDO staff was only progressively gaining full competence in relation to the key performances indicators contained in the IRPF. Altogether, these features led to the selection of targets, in particular in relation to Result Areas 1 to 3 that were all largely achieved in the very first year of implementation of the programme and budgets 2022–2023.

89. For the biennium 2024–2025, the Organization can rely not only on more effective and time-tested quality assurance processes in relation to result reporting and target-setting but also into a longer time-series of portfolio-wide results to be used as baseline. The targets thus identified are all significantly larger than those included in the 2022–2023 document but also built on a more inclusive bottom-up approach at the Directorate level that should in principle increase the potential for interim progress reporting at the finer organizational level and, in turn, enhance the prospect for accountability of senior managers for the results achieved.

90. It is therefore expected that the set of targets contained in this document are hence likely to prove not only more realistic but also to contain an element of ambition consistent with the Director-General's emphasis on innovation and expansion of UNIDO services. Some of the lessons learned in the first year of the biennium 2022–2023 will take longer time to be fully reflected in the work of the Organization as they will require a review of the Key Performance Indicators to become better aligned to the priorities of the Director General namely under the framework of the upcoming MTPF 2025–2029, including better aligning accountability for targets to organizational units.

UNIDO programme and risk management

91. UNIDO has aligned its risk management practices with its strategic objectives and programmatic activities to adopt a more systematic and organization-wide risk management process, which is firmly rooted into strategic planning and resource programming. In this context, the update of UNIDO's corporate risk register 2023 commenced with a focus on resource-requirement-to-risk mapping, verification and consolidation, with alignment to the programme and budgets proposal for 2024–2025.

92. Risk management is embedded in UNIDO's strategic planning and monitoring cycle to ensure that relevant risk information is available across all levels of the Organization in a timely manner and to provide the necessary basis for risk-informed decision-making. Corporate risk reporting is reviewed continually with an annual risk assessment, while project-at-risk review reporting is carried out regularly.

Development of budget estimates

93. The budgetary estimates for the regular and operational budgets are presented separately, at results levels. Comparisons between the bienniums 2022–2023 and 2024–2025 are shown at the same cost levels as the programme and budgets for 2022–2023. The budget estimates for the biennium 2024–2025 are then recosted to take into account the impact of inflation and other cost adjustments as explained below.

94. In developing the budgetary estimates for the biennium 2024–2025, the following methodology was adopted:

- (a) Approved budgets for 2022–2023;
- (b) Adjustments to the approved 2022–2023 budgets to reflect a results-based approach and to facilitate comparison;
- (c) Resource requirements for 2024–2025 at 2022–2023 rates; and
- (d) Inflation and other cost adjustments.

Approved budgets for 2022–2023 as the budget base

95. The net requirements under the regular budget financed by assessed contributions payable by Member States, have been budgeted at the level of a 2.5 per cent annual real rate increase. Total regular budget gross expenditures of €169,844,355 are reduced by an anticipated income of €4,073,300, for a net requirement of €165,771,055 and estimated gross expenditures of €46,711,800 under the operational budget reduced by €3,981,587 estimated income.

96. The programme and budgets for 2022–2023, as approved by the General Conference in GC.19/Dec.16, detailed the resource requirements to implement the programmes of the Organization in 2022–2023. In line with that document, the budgets for the biennium 2022–2023 included under the regular budget, a gross amount of €145,929,543 and €39,582,700 under the operational budget.

97. In decision GC.19/Dec.16 the General Conference approved the funding level of assessed contributions for 2022–2023 at €141,856,243 and the balance from other income. Pursuant to this decision, UNIDO has applied the efficiency gains identified together with other savings realized in 2022 against budget estimates of 2024–2025.

98. 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 2024–2025.

99. Consequently, the comparative base for the regular budget is €141,856,243 and €37,785,547 for the operational budget.

Financing of the operational budget

100. Total gross expenditures under the operational budget is €46,711,800. These expenditures are to be financed by recovery of cost pertaining to technical and operational services of €3,006,587, income on deposits of €975,000 and the balance €42,730,213 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. The projected level of technical cooperation delivery for 2024–2025 is expected at €403.6 million.

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

Adjustments to the budget base

102. The budget base has been restated to reflect the changes in the budget following the restructuring as per the DGB/2022/19 issued on 7 October 2022, and to allow for a meaningful comparison of resource requirements for 2024–2025 with those of 2022–2023. The adjustment to positions included the transfer of three positions at the Director level and one at P-5 level from field to Headquarters in line with the restructuring.

Resource requirements for 2024–2025 at 2022–2023 rates

103. The proposed resource allocation will need to be undertaken within the limited resources at the disposal of the Organization. The regular budget includes a 5 per cent increase in real terms, after the application of savings and efficiencies achieved in the prior biennium as well as expected in the forthcoming biennium. The €7.1 million growth in the regular budget includes a request for strengthening the Organization, while at the same time increasing technical cooperation capacities in the amount of €1.46 million to accommodate 7 new positions for PS-level staff; another €0.1 million increase in after-service health insurance in view of an estimated increase in the number of participants; €0.1 million requested to facilitate travel of the Oversight Advisory Committee members.

104. The structural growth of €5.4 million is triggered by the increase in indirect costs. The major part of this increase has been generated by a surge in electricity (160 per cent), gas (80 per cent) and other utilities (20 per cent) costs. Another part of the increase comes from VIC common and joint services including UNOV security and safety costs, VIC medical, language and documents and communications services, and an expected growth in UNIDO contribution to United Nations Department of Safety and Security, Chief Executive Board, International Civil Service Commission, Joint Inspection Unit.

105. The afore-mentioned increases to the base resulted in €0.4 million increase in regular programme for technical cooperation funds (RPTC).

106. The gross operational budget estimates of €40,106,900 prior to recosting reflect real growth of 1.3 per cent translating into €0.5 million staff costs accommodating transfer of two positions involved in technical cooperation delivery from regular to operational budget. The growth is thereafter offset through the expected income from reimbursement for technical services.

107. The vacancy factors assumed in the budgets for the biennium 2024–2025 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

108. The application of inflation and other cost adjustments to the 2024–2025 estimates (expressed at 2022–2023 rates) results in a recosting of these estimates to 2024–2025 rates.

109. This process consists of two steps. First, the resource requirements expressed at 2022–2023 rates are recosted to reflect the actual cost structures of 2022–2023. Then, the requirements are further adjusted in line with expected cost increases for 2024 and 2025.

110. The increase in financial requirements for 2024–2025 is attributable to anticipated changes in the consumer price and wage index levels in the European Union and field locations, and expected changes in salary and common staff cost.

111. 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.

112. On the recommendation by the International Civil Service Commission, the General Assembly of the United Nations in the resolution 76/240 approved changes to the conditions of service and entitlements for staff in the Professional and higher

categories with the effect of January 2022. These provisions have been reflected in the budget estimates.

113. 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 4.4 per cent of the General Service scale for Vienna, implemented by UNIDO effective as of 1 April 2022. The respective provisions are reflected in the budget estimates.

114. Taking into consideration the most recent inflation rates forecast for the years 2024–2025 published by the ECB in February 2023, the inflation rate applied to salaries in the Professional and General Services categories as well as non-staff objects of expenditure were 2.7 and 2.1 per cent for the years 2024 and 2025 respectively.

115. The inflation rate for various non-staff objects of expenditure such as utilities, maintenance and supplies is based on the ECB forecasted rates of 2.7 and 2.1 per cent for 2024 and 2025, respectively.

Budgeting for non-euro expenditures

116. 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 2022 average United Nations euro/dollar exchange rate, i.e. \$1 equals €0.946, 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.

The UNIDO Innovation and Transformation Fund

117. The room for increases in the UNIDO regular and operational budgets is limited by the legacy of departed Member States (shrinking assessed contributions), the high levels of inflation (increased costs), as well as the capped operational capacity in the absence of expansive recruitment opportunities, compounded by limited budget flexibility even in the event of increased voluntary contributions. At the same time, the reliance by donors and funding partners on highly earmarked voluntary contributions also constrains the ability of the Secretariat to conduct activities related to its core mandate that are not directly linked to the implementation of technical cooperation projects.

118. Acknowledging these challenges, through IDB.43/Dec.6 (i) the Industrial Development Board established the Special Account of Voluntary Contributions for Core Activities (SAVCCA) to facilitate the receipt, management and deployment of less tightly earmarked voluntary contributions for core activities, which cannot be fully funded from the regular budget. However, SAVCCA did not achieve the scale required by the Secretariat to strengthen its core capacities to significantly shift gears and increase the pace, scale and impact of its delivery. As of 20 February 2023, the amount contributed to SAVCCA since its creation in 2015 stands at €449,000, predominantly deposited through Member States by renouncing parts of their unutilized appropriations.

119. In light of the above, the Director General proposes in the present programme and budgets a re-designed mechanism to offer Member States and partners an attractive and results-oriented funding modality to strengthen UNIDO's ability to grow with the requirements of the global development scene. It aims to support the Organization in an era of increased responsibilities to, in Secretary-General's words,

“rescue the SDGs” through inclusive and sustainable industrialization and lasting economic development.

120. Member States and funding partners are thus encouraged to provide additional voluntary contributions for core activities through a re-designed SAVCCA, which will be named UNIDO “Innovation and Transformation Fund (ITF)” and represents a proposal for a results-oriented basket for voluntary contributions for core activities.

121. The objective of the Innovation and Transformation Fund is to support, deepen or expand core areas of work. These are currently performed under extremely limited resources, often constraining the Organization to mere representation or essential-only services. A moderately sized ITF would allow UNIDO to unlock the potential of these activities, including in line with the provisions of the UNIDO Constitution (Annex II):

- Administrative, research and short-term advisory activities, including or regional and inter-regional nature, as well as normative work;
- Meetings and related knowledge activities included in the regular programme of work, including with regard to greater representation of UNIDO in international forums and the United Nations reform process and that of the United Nations development system;
- Reform and results-oriented innovation and activities requiring a deepening of core activities;
- Activities reflecting a comprehensive response to the requirements of the External Auditor and/or the Oversight Advisory Committee; and
- IT support, digitalization and talent development.

122. To make such high-impact contributions attractive, the Innovation and Transformation Fund will feature:

- A strict accountability and transparency mechanisms, with an enhanced results orientation that is in line with the MTPF 2022–2025 and follows the guidance provided by Member States on resource allocation, monitoring and reporting;
- Greater visibility of contributors and funding partners;
- Attractive financial conditions, with no support cost requirements for Member States;
- A set of impact-oriented initiatives that reflect the reform priorities of the Director General (to be detailed in a Conference Room Paper (PBC.39/CRP.8)).

123. Overall, the Fund will include activities and results that will only be realized if the required voluntary contributions are mobilized from Member States and funding partners. A target for such contributions would be circa €5 million.

124. The ITF thus provides an opportunity to directly reflect the strong support of Member States and other partners to the reform and impact-driven agenda of Director General. Furthermore, the activities to be funded through the Innovation and Transformation Fund could directly contribute to a more balanced achievement of results by supporting activities in particular on results 1 and 4.

125. The Secretariat will include more detailed information in a Conference Room Paper (PBC.39/CRP.8) to be submitted to the thirty-ninth session of the Programme and Budget Committee on the items to be financed through voluntary contributions into the Innovation and Transformation Fund, as well as the embedded accountability mechanisms thereof. Member States and donor partners may wish to consult such information to support their deliberations.

Table 1
Summary of budget estimates by results for 2024–2025

(In euros, at 2024–2025 costs)

Results	Regular budget (net)	Operational budget (net)	SAVCCA* (net)	Technical cooperation (extrabudgetary)	Total net estimates	Per cent of total estimates
1 Policies and Strategies for ISID and SDGs	40,859,515	13,173,125	1,288,000	63,641,292	118,961,932	19.0%
2 Conducive Industrial Ecosystems	22,916,144	11,120,920	1,942,500	187,686,478	223,666,042	35.7%
3 Innovative, Inclusive and Sustainable Businesses	19,353,880	9,195,320	1,491,500	152,141,681	182,182,381	29.1%
4 Effective Strategic Management for Results	19,558,935	7,023,135	2,868,800	144,020	29,594,890	4.7%
5 Excellence of Corporate Services and Operations	32,483,564	6,199,300	34,000		38,716,864	6.2%
Miscellaneous Income	(3,167,520)	(3,981,587)	(348,700)		(7,497,807)	
Indirect Costs	33,766,537				33,766,537	5.4%
Total net requirements	165,771,055	42,730,213	7,276,100	403,613,471	619,390,839	100.0%

Total volume of operations in 2024–2025 by result (including technical cooperation)

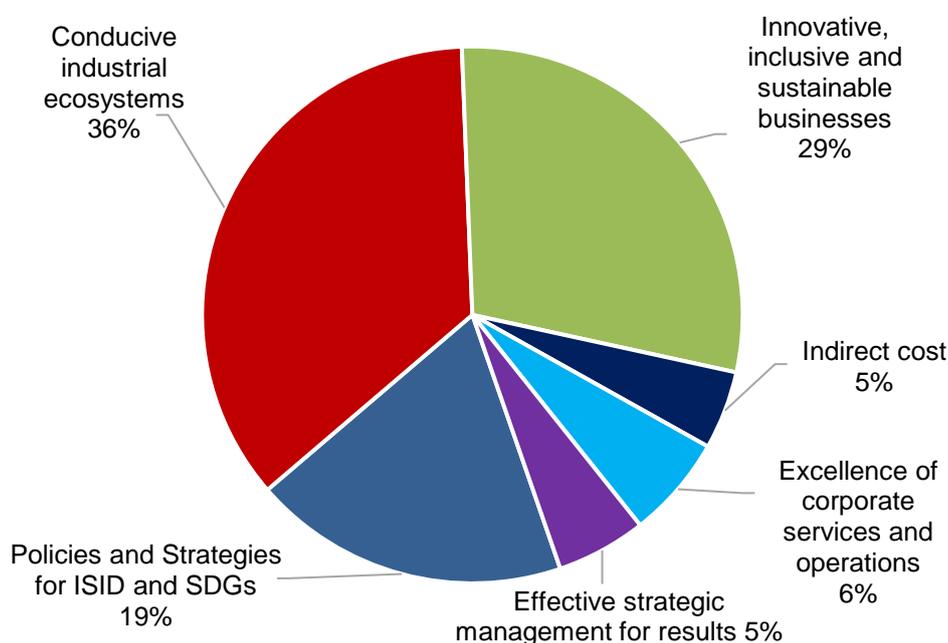


Table 2(a)
Summary of regular and operational budgets
(Excluding efficient VIC buildings management)

(In euros)

	2022–2023 approved budget	2024–2025 resource growth at 2022–2023 rates	2024–2025 resource requirements at 2022–2023 rates	Recosting to 2024–2025 rates	2024–2025 resource requirements at 2024–2025 rates
	1	2	3	4	5
Regular budget					
Expenditures	145,929,543	7,139,812	153,069,355	16,775,000	169,844,355
Income	(4,073,300)		(4,073,300)		(4,073,300)
Net requirements	141,856,243	7,139,812	148,996,055	16,775,000	165,771,055
Operational budget					
Expenditures	39,582,700	527,200	40,109,900	6,601,900	46,711,800
Income	(1,797,154)	(2,184,433)	(3,981,587)		(3,981,587)
Net requirements	37,785,546	(1,657,233)	36,128,313	6,601,900	42,730,213
Total regular and operational budgets	179,641,789	5,482,579	185,124,368	23,376,900	208,501,268
Rate of real growth (net)					
Regular budget		5.0%			
Operational budget		(4.4%)			
Combined		3.1%			

Table 3
Proposed expenditure and income by Result for 2024–2025 with comparative
data for 2022–2023

(In euros)

	2022–2023 approved budget ^a	2024–2025 resource growth at 2022–2023 rates	2024–2025 resource requirements at 2022–2023 rates	Recosting to 2024–2025 rates	2024–2025 resource requirements at 2024–2025 rates
	1	2	3	4	5
1. Regular and Operational Budgets					
1. Policies and Strategies for ISID and SDGs	47,009,430	569,610	47,579,040	6,680,045	54,259,085
Income	(213,200)	(13,245)	(226,445)		(226,445)
Net requirements	46,796,230	556,365	47,352,595	6,680,045	54,032,640
2. Conducive Industrial Ecosystems	29,082,434	716,980	29,799,414	4,464,095	34,263,509
Income	(213,400)	(13,045)	(226,445)		(226,445)
Net requirements	28,869,034	703,935	29,572,969	4,464,095	34,037,064
3. Innovative, Inclusive and Sustainable Businesses	24,337,210	720,880	25,058,090	3,717,555	28,775,645
Income	(213,300)	(13,145)	(226,445)		(226,445)
Net requirements	24,123,910	707,735	24,831,645	3,717,555	28,549,200
4. Effective Strategic Management for Results	23,024,080	26,730	23,050,810	3,757,705	26,808,515
Income	(213,400)	(13,045)	(226,445)		(226,445)
Net requirements	22,810,680	13,685	22,824,365	3,757,705	26,582,070
5. Excellence of Corporate Services and Operations	34,092,464	232,400	34,324,864	4,358,000	38,682,864
6. Efficient VIC Buildings Management	53,252,700	17,784,064	71,036,764	3,279,500	74,316,264

	<i>2022–2023 approved budget^a</i>	<i>2024–2025 resource growth at 2022–2023 rates</i>	<i>2024–2025 resource requirements at 2022–2023 rates</i>	<i>Recosting to 2024–2025 rates</i>	<i>2024–2025 resource requirements at 2024–2025 rates</i>
	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
Income	(53,252,700)	(17,784,064)	(71,036,764)	(3,279,500)	(74,316,264)
Net requirements					
Miscellaneous Income	(5,017,154)	(2,131,953)	(7,149,107)		(7,149,107)
7. Indirect Costs	27,966,625	5,400,412	33,367,037	399,500	33,766,537
Total regular and operational budgets	179,641,789	5,482,579	185,124,368	23,376,900	208,501,268
2. Regular Budget					
1. Policies and Strategies for ISID and SDGs	35,809,295	457,930	36,267,225	4,818,735	41,085,960
Income	(213,200)	(13,245)	(226,445)		(226,445)
Net requirements	35,596,095	444,685	36,040,780	4,818,735	40,859,515
2. Conducive Industrial Ecosystems	19,664,074	518,580	20,182,654	2,959,935	23,142,589
Income	(213,400)	(13,045)	(226,445)		(226,445)
Net requirements	19,450,674	505,535	19,956,209	2,959,935	22,916,144
3. Innovative, Inclusive and Sustainable Businesses	16,610,135	522,480	17,132,615	2,447,710	19,580,325
Income	(213,300)	(13,145)	(226,445)		(226,445)
Net requirements	16,396,835	509,335	16,906,170	2,447,710	19,353,880
4. Effective Strategic Management for Results	17,189,550	8,010	17,197,560	2,587,820	19,785,380
Income	(213,400)	(13,045)	(226,445)		(226,445)
Net requirements	16,976,150	(5,035)	16,971,115	2,587,820	19,558,935
5. Excellence of Corporate Services and Operations	28,689,864	232,400	28,922,264	3,561,300	32,483,564
6. Efficient VIC Buildings Management	53,252,700	17,784,064	71,036,764	3,279,500	74,316,264
Income	(53,252,700)	(17,784,064)	(71,036,764)	(3,279,500)	(74,316,264)
Net requirements					
Miscellaneous Income	(3,220,000)	52,480	(3,167,520)		(3,167,520)
7. Indirect Costs	27,966,625	5,400,412	33,367,037	399,500	33,766,537
Total regular budget	141,856,243	7,139,812	148,996,055	16,775,000	165,771,055
3. Operational Budget					
1. Policies and Strategies for ISID and SDGs	11,200,135	111,680	11,311,815	1,861,310	13,173,125
2. Conducive Industrial Ecosystems	9,418,360	198,400	9,616,760	1,504,160	11,120,920
3. Innovative, Inclusive and Sustainable Businesses	7,727,075	198,400	7,925,475	1,269,845	9,195,320
4. Effective Strategic Management for Results	5,834,530	18,720	5,853,250	1,169,885	7,023,135
5. Excellence of Corporate Services and Operations	5,402,600		5,402,600	796,700	6,199,300
Miscellaneous Income	(1,797,154)	(2,184,433)	(3,981,587)		(3,981,587)
Total operational budget	37,785,546	(1,657,233)	36,128,313	6,601,900	42,730,213

^a Reflects budget adjustments to the base.

Table 4(a)
**Proposed expenditure and income by major object of expenditure for 2024–2025
with comparative data for 2022–2023 (Excluding Result 6, Efficient VIC
Buildings Management)**

(In euros)

<i>Major object of expenditure</i>	<i>2022–2023 approved budget</i>	<i>2024–2025 resource growth at 2025 rates</i>	<i>2024–2025 resource requirements at 2022–2023 rates</i>	<i>Recosting to 2024–2025 rates</i>	<i>2024–2025 resource requirements at 2024–2025 rates</i>
	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
1. Regular, Operational, SAVCCA and Technical Cooperation (extrabudgetary) Budgets					
1 Staff costs	244,056,800	17,088,297	261,145,097	21,453,600	282,598,697
2 Official travel	18,725,709	3,091,829	21,817,538	165,800	21,983,338
3 Operating costs	250,813,305	53,061,636	303,874,941	426,600	304,301,541
4 Information and communication technology	7,590,250	50,000	7,640,250	286,700	7,926,950
5 RPTC and Special Resources for Africa	9,511,600	428,100	9,939,700	1,044,200	10,983,900
Income	(5,941,754)	(2,461,833)	(8,403,587)		(8,403,587)
Total net regular, operational and technical cooperation (extrabudgetary) budgets	524,755,910	71,258,029	596,013,939	23,376,900	619,390,839
2. Regular and Operational Budgets					
1 Staff costs	132,973,456	1,899,260	134,872,716	21,453,600	156,326,316
2 Official travel	4,441,639	122,600	4,564,239	165,800	4,730,039
3 Operating costs	30,995,298	5,217,052	36,212,350	426,600	36,638,950
4 Information and communication technology	7,590,250		7,590,250	286,700	7,876,950
5 RPTC and Special Resources for Africa	9,511,600	428,100	9,939,700	1,044,200	10,983,900
Income	(5,870,454)	(2,184,433)	(8,054,887)		(8,054,887)
Total net regular and operational budgets	179,641,789	5,482,579	185,124,368	23,376,900	208,501,268
3. Regular Budget					
1 Staff costs	96,502,656	1,372,060	97,874,716	14,961,100	112,835,816
2 Official travel	1,579,539	122,600	1,702,139	64,900	1,767,039
3 Operating costs	30,745,498	5,217,052	35,962,550	418,100	36,380,650
4 Information and communication technology	7,590,250		7,590,250	286,700	7,876,950
5 RPTC and Special Resources for Africa	9,511,600	428,100	9,939,700	1,044,200	10,983,900
Income	(4,073,300)		(4,073,300)		(4,073,300)
Total net regular budget	141,856,243	7,139,812	148,996,055	16,775,000	165,771,055
4. Operational Budget					
1 Staff costs	36,470,800	527,200	36,998,000	6,492,500	43,490,500
2 Official travel	2,862,100		2,862,100	100,900	2,963,000
3 Operating costs	249,800		249,800	8,500	258,300
Income	(1,797,154)	(2,184,433)	(3,981,587)		(3,981,587)

Major object of expenditure	2022–2023 approved budget	2024–2025 resource growth at 2025 rates	2024–2025 resource requirements at 2022–2023 rates	Recosting to 2024–2025 rates	2024–2025 resource requirements at 2024–2025 rates
	1	2	3	4	5
Total net operational budget	37,785,546	(1,657,233)	36,128,313	6,601,900	42,730,213
5. SAVCCA*					
1 Staff costs	71,300	6,497,500	6,568,800		6,568,800
2 Official travel		616,000	616,000		616,000
3 Operating costs		390,000	390,000		390,000
4 Information and communication technology		50,000	50,000		50,000
Income	(71,300)	(277,400)	(348,700)		(348,700)
Total net SAVCCA budget		7,276,100	7,276,100		7,276,100
6. Technical Cooperation (extrabudgetary) Budget					
1 Staff costs	111,012,044	8,691,537	119,703,581		119,703,581
2 Official travel	14,284,070	2,353,229	16,637,299		16,637,299
3 Operating costs	219,818,007	47,454,584	267,272,591		267,272,591
Total net technical cooperation (extrabudgetary) budget	345,114,121	58,499,350	403,613,471		403,613,471

* Rebranded as Innovation and Transformation Fund

Table 4(b)
Annual proposed expenditure and income by major object of expenditure for 2024–2025 (Excluding Result 6, Efficient VIC Buildings Management)

(In euros)

Major object of expenditure	2024 resource requirements at 2024 rates	2025 resource requirements at 2025 rates	2024–2025 resource requirements at 2024–2025 rates
	1	2	3
1. Regular, Operational, SAVCCA and Technical Cooperation (extrabudgetary) Budgets			
1 Staff costs	146,329,754	136,268,943	282,598,697
2 Official travel	12,005,181	9,978,157	21,983,338
3 Operating costs	164,131,825	140,169,716	304,301,541
4 Information and communication technology	3,925,550	4,001,400	7,926,950
5 RPTC and Special Resources for Africa	5,407,000	5,576,900	10,983,900
Income	(4,266,890)	(4,136,697)	(8,403,587)
Total net regular, operational and technical cooperation (extrabudgetary) budgets	327,532,420	291,858,419	619,390,839
2. Regular and Operational Budgets			
1 Staff costs	76,813,928	79,512,388	156,326,316
2 Official travel	2,654,969	2,075,070	4,730,039
3 Operating costs	18,038,686	18,600,264	36,638,950
4 Information and communication technology	3,900,550	3,976,400	7,876,950

Major object of expenditure		2024 resource requirements at	2025 resource requirements at	2024–2025 resource
		2024 rates	2025 rates	requirements at 2024–2025 rates
		1	2	3
5	RPTC and Special Resources for Africa	5,407,000	5,576,900	10,983,900
	Income	(4,092,540)	(3,962,347)	(8,054,887)
Total net regular and operational budgets		102,722,593	105,778,675	208,501,268
3. Regular Budget				
1	Staff costs	55,415,478	57,420,338	112,835,816
2	Official travel	861,869	905,170	1,767,039
3	Operating costs	17,863,086	18,517,564	36,380,650
4	Information and communication technology	3,900,550	3,976,400	7,876,950
5	RPTC and Special Resources for Africa	5,407,000	5,576,900	10,983,900
	Income	(2,064,246)	(2,009,054)	(4,073,300)
Total net regular budget		81,383,737	84,387,318	165,771,055
4. Operational Budget				
1	Staff costs	21,398,450	22,092,050	43,490,500
2	Official travel	1,793,100	1,169,900	2,963,000
3	Operating costs	175,600	82,700	258,300
	Income	(2,028,294)	(1,953,293)	(3,981,587)
Total net operational budget		21,338,856	21,391,357	42,730,213
5. SAVCCA*				
1	Staff costs	3,271,500	3,297,300	6,568,800
2	Official travel	333,000	283,000	616,000
3	Operating costs	207,500	182,500	390,000
4	Information and communication technology	25,000	25,000	50,000
	Income	(174,350)	(174,350)	(348,700)
Total net SAVCCA budget		3,662,650	3,613,450	7,276,100
6. Technical Cooperation (extrabudgetary) Budget				
1	Staff costs	66,244,326	53,459,255	119,703,581
2	Official travel	9,017,212	7,620,087	16,637,299
3	Operating costs	145,885,639	121,386,952	267,272,591
Total net technical cooperation(extrabudgetary) budget		221,147,177	182,466,294	403,613,471

* Rebranded as Innovation and Transformation Fund

Table 5
Positions established under the regular and operational budgets 2022–2023 and 2024–2025
(Excluding Result 6, Efficient VIC Buildings Management)

A. Total UNIDO

	2022 – 2023			2024 – 2025			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	54.0	6.0	60.0	54.0	6.0	60.0	-
PS (P-1 to P-3)	86.0	23.0	109.0	91.0	25.0	116.0	7.0
NP (National Programme Officer)	-	42.0	42.0	-	42.0	42.0	-
Subtotal	202.0	99.0	301.0	207.0	101.0	308.0	7.0
General Service	205.0	73.0	278.0	205.0	73.0	278.0	-
GRAND TOTAL	407.0	172.0	579.0	412.0	174.0	586.0	7.0

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

	2022 – 2023			2024 – 2025			Increase/ decrease
	RB	OB	Total	RB	OB	Total	
<u>Professional and above</u>							
Director-General	1.0	-	1.0	1.0	-	1.0	-
Director	19.0	5.0	24.0	19.0	5.0	24.0	-
P-5	37.0	13.0	50.0	37.0	13.0	50.0	-
P-4	54.0	6.0	60.0	54.0	6.0	60.0	-
PS (P-1 to P-3)	86.0	23.0	109.0	91.0	25.0	116.0	7.0
NP (National Programme Officer)	-	-	-	-	-	-	-
Subtotal	197.0	47.0	244.0	202.0	49.0	251.0	7.0
General Service	151.0	56.0	207.0	151.0	56.0	207.0	-
GRAND TOTAL	348.0	103.0	451.0	353.0	105.0	458.0	7.0

C. Field offices

	2022 – 2023			2024 – 2025			Increase/ decrease
	RB	OB	Total	RB	OB	Total	
<u>Professional and above</u>							
Director-General	-	-	-	-	-	-	-
Director	1.0	1.0	2.0	1.0	1.0	2.0	-
P-5	4.0	9.0	13.0	4.0	9.0	13.0	-
P-4	-	-	-	-	-	-	-
PS (P-1 to P-3)	-	-	-	-	-	-	-
NP (National Programme Officer)	-	42.0	42.0	-	42.0	42.0	-
Subtotal	5.0	52.0	57.0	5.0	52.0	57.0	-
General Service	54.0	17.0	71.0	54.0	17.0	71.0	-
GRAND TOTAL	59.0	69.0	128.0	59.0	69.0	128.0	-

Results areas

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

126. 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 foundational role played by the Organization to advance inclusive and sustainable industrial development in the development cooperation debate

127. As brought out during the biennium 2022–2023, the achievement of Result 1 is an effective catalyzer of other results and a fundamental component to ensure that results are indeed achieved at scale and hence material to the broader development priorities of the Member States. The Organization will continue striving to integrate its normative, policy, convening and technical cooperation functions at the country, regional and global levels. Furthermore, well aware that gender equality and the empowerment of women is a key feature of the global debate, the Organization will in 2024–2025 redouble its efforts to advance gender-responsive industrialization policies and the provision of sex-disaggregated statistics to further pursue thought leadership and research work.

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

128. At the global and regional level, UNIDO works with other entities of the United Nations system, with intergovernmental organizations, within global governance forums such as the Group of 20 (G20), the Group of seven (G7) and Brazil, Russian Federation, India, China and South Africa (BRICS), with international financial institutions, standard-setting institutions, business organizations, and other global partners to advocate the priority of industrialization under the motto "Progress by Innovation" so that they are clearly integrated in policy agendas, sustainable development strategies and normative frameworks. Despite continued scarcity of financial resources to accomplish this work, UNIDO is determined to fulfill its constitutional mandate to provide global public goods to "play the central coordinating role in the field of industrial development" in the United Nations.

129. The change of leadership brought a renewed commitment to maintain and further enhance the relevance of UNIDO at the global and multilateral levels through strong partnerships within the United Nations system (e.g. with FAO, the World Trade Organization, in the context of the 2022 United Nations Climate Change Conference or Conference of the Parties of the UNFCCC (COP27), etc.) and within the framework of South-South and triangular cooperation, to make the voice of industrializing and developing countries heard, in particular through platforms such as the G20, G7 and BRICS. The organizational reform implemented in 2022 are intended to increase operational efficiency and effectiveness and further sharpen the focus on thematic priorities such as food security, access to sustainable energy, sustainable supply chains and sustainability standards.

130. In 2024–2025, UNIDO will seek to ensure that its policy and thought leadership work remains central to the global development agenda contributing to United Nations-wide thematic debates, such as financing for development, COVID-19 recovery, food security, climate change, the energy transition, as well as science, technology and innovation. This engagement will intensify in the biennium

2024–2025, with the upcoming United Nations Summit of the Future, an accelerated United Nations-wide engagement stemming from the SDG Summit and an ever-closer alignment of the United Nations and global agendas to combat climate change, for example through the development standards on green hydrogen.

131. In the biennium 2024–2025, UNIDO will continue to provide inputs on sustainable industrial development and environment related to the G20 that will be hosted by Brazil and South Africa. Under this stream of work, UNIDO's focus will be on how climate change, biodiversity loss and pollution are best addressed through resource efficiency and circular economy approaches that create green and decent industrial jobs along global and regional value chains, if implemented through whole-of-society means.

132. As the lead United Nations agency in relation to SDG 9, UNIDO continues to monitor the progress of industry's crosscutting role in achieving the SDGs and it develops methodologies to produce and disseminate internationally comparable statistics and to keep track of countries' progress towards SDG 9. UNIDO furthermore will focus on providing guidance and best practices to National Statistical Offices in their call to respond to global challenges that, as evidenced during the COVID-19 pandemics, weakened data collection processes and hence reduce the evidence base that policy-makers so crucially require for their decisions.

133. In the course of the biennium, UNIDO aims to continue exploring and, on that basis, increase appreciation of the importance of gender-responsive industrial statistics, and gender-sensitive research and policy development through initiatives such as the Enhancing the Quality of Industrial Policy gender tool, the Global Manufacturing and Industrialization Summit working group on the future of industry and gender equality, and regional capacity-building programmes on gender.

134. In close collaboration with other relevant players in the international community, UNIDO will aim at improving communication between policymakers, analysts and academia and facilitating the exchange of knowledge and expertise on industrial policies through international and regional forums and seminars. The Organization will also conduct joint research and analysis on themes related to industrial policy and statistics and it will work closely with United Nations agencies and other international organizations to provide policy guidance and programmatic advice (e.g. on science, technology and innovation within the scope of the United Nations Inter-Agency Task Team (IATT) and the United Nations Economist Network to support RC offices.

135. UNIDO's response to the industrial development needs of specific categories of countries, namely least developed countries (LDCs), middle-income countries (MICs), and small island developing states (SIDS) will be further strengthened with the implementation of Organization-wide strategies and frameworks. 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, which calls for enhanced policy coherence in development interventions under UNIDO's strategy for Africa.

136. In addition, UNIDO will provide direct policy support to developing countries and countries in transition to both enhance the policy process and formulate strategies and policies that further the attainment of the SDGs. During 2024–2025, UNIDO will solidify its position as a leader in industrialization policies and strategies to provide guidance and share best practices and expertise. Among others, the Organization will: (i) enhance the production of evidence-based analyses, research and thematic studies on a wide range of industrial development-related themes based on the global industrial statistics, (ii) develop and deliver targeted capacity development trainings for policymakers and stakeholders on industrial policy-related topics, (iii) coordinate international knowledge exchanges through the annual Multilateral Industrial Policy Forum (MIPF), (iv) deliver analytical inputs and research findings, which are directly fed into the Organization's technical cooperation programmes and projects for policy

advice (e.g. country diagnostics for the Programme for Country Partnership, and (v) deliver capacity development tools and activities in collaboration with other entities and provides support in the formulation of development strategies and goals in Member States.

137. In order to achieve the SDGs by 2030, the gap between funding requirements of developing countries and the funds made available by the international community needs to be rapidly closed, in particular through the expansion of innovative financial instruments. In the biennium 2024–2025, UNIDO will focus on strengthening partnerships with international financial institutions and innovative financial actors, including platforms and networks. Advice will be extended to policy makers to revise legal and regulatory frameworks at regional level to facilitate the deployment of financial instruments but also to closely monitor their implementation and rollout.

138. In the biennium 2024–2025, UNIDO intends to champion the industry perspective in international climate change diplomacy, as well as in the energy, environmental protection and circular economy policy domains. Work in these domains will also remain relevant when it comes to engagement with the United Nations conventions on the environment in particular GEF, GCF, and the Adaptation Fund (AF). Emphasis will be placed on facilitating international coordination, convergence of efforts and a level playing field in the drive for the decarbonization of industry, to build up new low carbon industries in developing countries, as well as to support actionable policymaking organ decisions to prioritize these domains in intergovernmental processes. Through its Industrial Deep Decarbonization Initiative, the Organization will facilitate agreement on harmonized international frameworks on embedded carbon in industrial commodities as a precondition for greater trade in green commodities and a level playing field to producers from development and emerging markets.

139. 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, green hydrogen, 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, the Hydrogen Breakthrough Agenda launched at COP26 or the Climate Technology Centre and Network, co-hosted by UNIDO. UNIDO will convene a new edition of the Vienna Energy Forum, it will expand the Regional Sustainable Energy Centers and scale up the Industrial Energy Efficiency Accelerator platform as a global knowledge hub for policymakers and practitioners.

140. Building on the lessons learned from its Global Cleantech innovation programme and the Clean Energy Innovation Facility, UNIDO will continue to actively engage with several international forums, platforms and publications informing policy and practice for the promotion, finance and advancement of climate technology innovation and business development. The global multi-stakeholder Partnership for Hydrogen in Industry will be expanded to accelerate the uptake of Green Hydrogen in developing countries and emerging economies and to drive low-carbon industrialization. With a range of global partners, UNIDO will seek agreement on international standards for energy management, renewable energy, and efficient equipment.

141. UNIDO will continue to act as policy partner on circular economy and environmental protection for the African Circular Economy Alliance, hosted by the African Development Bank, and the Latin American and Caribbean Circular Economy Coalition, hosted by UNEP. It will furthermore as co-host with UNEP, the Global Alliance on Circular Economy and Resource Efficiency. On all these platforms UNIDO also promotes innovation in industrial development in conjunction with gender equality, innovation and youth entrepreneurship, and South-South and trilateral cooperation.

142. In 2024–2025, the UNIDO’s global and regional initiatives are expected to feed into UNIDO’s Consultations on Circular Economy, culminating in knowledge and experience sharing as well as global policies and guidelines on circular economy and environmental protection to achieve SDGs, and Nationally Determined Contributions that at the same time create green and decent jobs along global and regional value chains.

143. UNIDO will actively engage in 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. 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. The UNIDO SDG Innovation Centre, in partnership with the Vienna University of Economics and Business, will gear up its operations, accelerating progress on the innovation-ISID nexus. Novel efforts will be aimed at leveraging synergies among UNIDO flagship events including, inter alia, GMIS, the Learning and Knowledge Development Facility and the Vienna Energy Forum, thus contributing to the Organization’s management priorities of integration and scale-up. UNIDO will also continue to examine its role in carbon compensation mechanisms, based on the findings of an inter-divisional Task Force launched in 2023.

144. The Organization 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 forums, expert group meetings, such as the Food Safety Forum, agriculture investment forums, develop norms, frameworks and guidelines for food value chain, industrial infrastructure such as integrated agro-industrial parks, small and medium-sized enterprise (SME) development, food safety, industrial biotechnology and biodiversity. Partnerships with private sector entities will be strengthened to promote bio-economy through public-private partnerships for biomass valorization of bio-pesticides, biomaterials and clean energy, including green hydrogen.

145. 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.

146. In line with its Strategic Framework on Health Industry Development, UNIDO will continue to position ISID as an enabler within international initiatives and mechanisms to improve global health security in collaboration with a broad range of public and private sector partners. At the regional level, the Organization will contribute to strengthening value chains for critical medical goods, and support efforts to improve the ecosystem for health product manufacturing and trade across Member States. In addition, UNIDO will stimulate dialogue on COVID-19 recovery, particularly in relation to the application of new technologies in biopharma sector, and the resilience of the health industry capacity for emergency response.

Supporting national policymaking and norm-setting

147. Beyond its global leadership role outlined above, UNIDO is an established provider of direct assistance to 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, supporting knowledge dissemination, standard-setting and partnerships.

148. Industrial development features prominently amongst the priorities of most developing countries. However, support is needed for policy makers and regulators to design, implement and enforce meaningful industrial policies to translate ambitions into effective industrial development. UNIDO will continue to provide such 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 will build 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 will work with national statistical organizations to produce indicators for monitoring progress towards the SDGs, particularly SDG 9, and will continue to support countries in their implementation of the 2030 Agenda.

149. UNIDO supports country-level prioritization of ISID in national development strategies through strategic engagements with government counterparts in their national planning processes as well as within the United Nations development system, such as in Common Country Analyses/United Nations Sustainable Development Cooperation Frameworks (CCA/UNSDCF), to ensure the adequate consideration of the economic dimension of development, including women's economic empowerment. UNIDO's country programmes (CPs), including the Programmes for Country Partnerships (PCPs), provide solid integrated frameworks for this purpose. In addition, policy support will be channeled through strategic partnerships with DFIs, businesses, industry-related organizations and in cooperation with multilateral funds, and typically includes a strong focus on innovation.

150. UNIDO's expertise in developing the capacity and capabilities of all stakeholders, including policymakers in industry-related fields will be widely disseminated, especially through a Capacity Development Portal. The Multilateral Industrial Policy Forum will be used to scale up the provision of industrial policy advisory services and to facilitate knowledge sharing best practices and learning among Member States.

151. In 2024–2025, UNIDO will continue to provide policy support at national, sectoral and value chain levels on circular economy, resource efficiency and environmental protection to enable resource efficient and clean technology innovations and transfer, waste and 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. At the value chain level, focus will be placed on food, cold chains, refrigeration and air conditioning, plastics, foams, packaging, fashion and textiles, electronic and electrical equipment, ICT, construction, batteries and services, such as repairs, refurbishment and remanufacturing and recycling along value chains, in close collaboration and partnership with UNIDO Field Offices and United Nations Country Teams and national and local stakeholders. Upon their issuance, UNIDO will contribute to integration of circular economy standards (ISO 59000) into national policies.

152. In the context of climate-neutral industry 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 resources and energy, 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 will extend 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.

153. For the biennium 2024–2025, in-country projects focusing on the integration of sustainable energy in and for industry are foreseen in nearly 30 Member States. Capacity-building, technical assistance and policy advice will be channeled for additional countries through global programs and platforms such as Global Programme for Green Hydrogen in Industry the Parliamentary Action on Renewable Energy, Global Network of Regional Sustainable Energy Centers, Industrial Energy Efficiency accelerator and the CTCN. In the biennium, UNIDO will support policymakers on resource efficient and clean technology transfer, global hydrogen application and trade, 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.

154. In the context of digital transformation and innovation, UNIDO will support the development and reform of national and regional business environments for micro-, small and medium-sized enterprises (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. UNIDO is also furthering digital transformation and AI in manufacturing. The interventions usually work across various stakeholders and levels, to ensure that policies can be adopted, guidelines produced and workshops held.

155. UNIDO will continue to build the capacity of countries to implement and take advantage of the international rule-based trading system, particularly the newly concluded African Continental Free Trade Area. 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.

156. At the same time, leveraging its sectoral expertise, UNIDO will promote 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, including regional value chains, and to broader structural transformation. Interventions are set to 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 will foster private-public partnerships on policies and regulations for industrial skill development, and broker private-public engagement for the preparation and implementation of initiatives to integrate internally displaced persons and refugees in agro-industries. In collaboration with other United Nations entities, UNIDO will 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.

Result 1. Policies and strategies for ISID and the SDGs

Resource estimates (in euros)

Positions			2024 – 2025 estimates (after recosting)				
Professional	General Service	Total	Regular Budget	Operational Budget	Technical Cooperation (extrabudgetary)	Total	
89.10	70.80	159.90					
			Staff costs	29,800,552	11,815,265	21,168,894	62,784,711
			Official travel	946,310	1,157,860	2,894,777	4,998,947
			Operating costs	6,355,720	200,000	39,577,621	46,133,341
			Information and communication technology.	355,245			355,245
			RPTC/SRA	3,628,133			3,628,133
			Total gross expenditure	41,085,960	13,173,125	63,641,292	117,900,377
			Income	(226,445)			(226,445)
			Total net resources	40,859,515	13,173,125	63,641,292	117,673,932

What UNIDO offers

157. 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 climate-neutral industry 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 World Small Hydropower Development Report 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 forums;
- Lead the HLPF review on SDG 9 under the framework of SDG Summit and ensure the centrality of industry in the Global Digital Compact and the Summit of the Future in 2024, as center pieces of the Secretary-General's Common Agenda;
- Organization of global forums and leading of global and regional platforms (e.g. IDDA III, LDC Ministerial Conference and Investment Conference for Africa's Industrialization);
- 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 such as on health industry development;
- Strategic engagements, including high level dialogues for increased number of ISID initiatives, or prioritization towards inclusive and sustainable industrialization in countries' national agendas;

- Championing the ISID agenda through UNIDO’s programming tools such as PCPs and CPs, developed in relation to countries’ national development plans and strategies, deriving from the UNSDCFs;
- Develop partnerships with key development actors and sister agencies of the United Nations system;
- Evidence-based country diagnostics for UNIDO programmes;
- Knowledge exchange platforms, peer learning and analytic publications drawing on UNIDO field experience;
- Regional country grouping strategies and country-level programmes tailoring interventions to the country’s industrial development contexts and the UNSDCFs; identification of industrial sector needs and priorities, including opportunities for partnerships with other United Nations development system entities, and the public and private sector at the country and regional levels;
- Technical and Vocational Education and Training (TVET) curricula development and ensuring it’s embedded to the national TVET framework;
- Support to public-private policy dialogue processes including on investing through a women’s economic empowerment and gender lens; and
- Support governments in building conducive national regulatory frameworks for sustainability.

Results indicators

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

<i>Outcomes</i>	<i>Target 2024–2025</i>
POL.1: Number of new or revised policies adopted by policymakers	215
POL.2: Number of new standards adopted or implemented	95
POL.3: Number of guidelines adopted by relevant actors	500
Enabling outputs	
PAO.1: Number of industrial strategies and industrial policy documents drafted / prepared	185
PAO.2: Number of analytical and statistical publications produced	560
NOO.1: Number of standard-setting processes with UNIDO participation	80
CPO.1: Number of global forums and events organized	990
CPO.2: Number of United Nations interagency mechanisms with UNIDO participation	132
CPO.3: Number of international networks and platforms for which UNIDO is providing secretariat functions	40
POR.7: Number of UNCTs with UNIDO participation	103

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

158. 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 the awareness and knowledge of these actors and institutions, and builds their capacities so that they work in partnership, share knowledge, innovate and mobilize investments towards resilient, inclusive and sustainable industrial sectors, and that no one is left behind. Mainstreaming gender-informed approaches remains a priority for the Organization to address gender inequalities in industry and to harness women’s full potential as leaders and economic agents of change.

159. 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 hence also embodies the objectives of integration and scale-up, as industrial ecosystems see the convergence of actors at all levels that shape markets, technology, infrastructure, investments, institutional settings and norms, and therefore that constitute central nodes to modernize industrial systems.

160. In this sense, Result 2 remains fundamentally interconnected to the other results of the programme and budgets 2024–2025. On the one hand, conducive industrial ecosystems both respond to and influence policies and standards at the national and regional level that are reflected under Result 1. On the other hand, they shape industrial practices, boost business competitiveness and unlock systemic transformation towards inclusive and sustainable industries as part of Result 3.

Strengthening institutional capacities and industrial ecosystems for ISID

161. In the biennium 2024–2025, UNIDO will increase its efforts to support Member States in identifying and bridging gaps in national industrial ecosystems to boost industrial competitiveness, 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.

162. With the support of UNIDO, stakeholders and institutions in the industrial ecosystem will cultivate strong and innovative partnerships, establish dynamic networks at the local, country and regional levels, diffuse knowledge and best practices, accelerate innovation and job creation, help businesses – in particular SMEs – connect to global value chains, meet due diligence requirements, mobilize public and private investments in support of a resilient, inclusive and sustainable industrial sector and the recovery from the COVID-19 pandemic. To contribute to the emergences of such conducive industrial ecosystems in as many industrializing countries as possible, UNIDO will engage in active dialogue with a number of actors, including former and non-Member States, development partners and all relevant stakeholders, to create new alliances, to strengthen strategic partnerships, to launch innovative initiatives and to mobilize investments

163. Capitalizing on its sector-specific know-how, UNIDO will continue working to ensure effective partnerships and business sustainability across a broad range of value chains, in particular in complex agribusiness ecosystems. The Organization is uniquely positioned to ensure access to international good practices and good governance, to support the development of regional, sub-national and local strategies, and facilitate inclusive entrepreneurship strategies, focusing on youth and women. During the biennium 2024–2025, UNIDO will also broker private-public engagement to prepare and implement short-term initiatives aimed at the integration of internally displaced persons and refugees in productive activities.

164. The COVID-19 pandemic followed by the global economic slowdown has brought to full light fragilities in supply chains and global trading systems, thereby jeopardizing the livelihood of millions of people. “Building back better” will call for significantly improved environmental and working conditions. This trend will be driven by industrialized countries more consistently enforcing corporate sustainability due diligence, which will have a profound effect on the business sectors in developing countries and countries with economies in transition. For example, in the fashion industry, which is a key sector for reducing adverse environmental impacts of industry, interventions will focus on the environmentally sound management and disposal of chemicals and wastes. This is envisaged to involve mapping of fashion eco-systems, institutional strengthening and capacity-building, and the creation and promotion of business models and mechanisms for green investment financing.

165. UNIDO will further engage 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. Possibilities will be explored to establish Circular Economy Centers of Excellence in Africa to facilitate capacity-building in eco-design, green and digital innovations, and establishment of public-private partnerships to adopt circular economy practices and deployment of renewable energy in targeted value chains. Where relevant, these efforts will be pursued in collaboration with DFIs such as the African Development Bank and the European Investment Bank.

166. In the context of climate-neutral and resilient industry and the circular economy, UNIDO will further bring together businesses, governments and consumers to promote circular economy and resource efficiency practices for a wide array of manufacturing activities along value chains. In particular, efforts will be deployed towards the food, cold chains, commercial, industrial and residential refrigeration and air conditioning, foams, plastics, packaging, fashion and textiles, electronic and electrical equipment, ICT, construction, batteries and services, such as product repairs, refurbishment and remanufacturing and recycling to recover secondary materials for reuse.

167. Introducing new clean energy technologies, systems and business models in off-grid areas will help UNIDO demonstrate 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. By developing new business models, UNIDO will support the establishment of reclaim centers and treatment facilities for handling of refrigerants and other chemicals, both during service, end-of-life, and including recovery and re-use. Interventions will also create enabling conditions to increase the sustainability of such business models, for facilities to operate independently and scale up.

168. The creation of a national knowledge base and capacities is a determining factor for accelerating the uptake of solutions at scale. Therefore, UNIDO will engage national partners such as resource efficient and cleaner production centers, works with service providers, and strengthens capacity of governments, communities and industries to promote industry-urban symbiosis and reduce industrial pollution. UNIDO will furthermore partner 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 for climate change adaptation. Interventions in this area are intended as synergetic to approaches fostering public-private partnerships for environmental stewardship and eco-industrial parks.

169. The Organization will strengthen capacity of national financial sectors and of 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 will increase access to financing for SMEs contributing to a significant reduction in industry-generated 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.

170. For the biennium 2024–2025, in-country projects focusing on strengthening institutional capacities and industrial eco-systems are foreseen in 30 Member States in the domains of industrial decarbonization, sustainable energy and climate innovation. Through these programmes and initiatives, UNIDO will support Member States with capacity-building for intermediary institutions, enabling effective implementation and monitoring of industrial decarbonization targets, strengthening of innovation eco-system and delivery of technical support for climate innovator and entrepreneurs.

171. In line with the International Framework on Eco-Industrial Parks jointly developed by UNIDO, the GIZ and the World Bank Group, the Global EIP Programme will be further expanded to support transformation of existing parks to eco-industrial parks under. The launch of additional regional and country level initiatives will be explored to enhance policy implementation capacities particularly in Latin America and the Caribbean region.

172. Through its knowledge transfer services such as the provision of analytical studies, applied industrial policy research, delivery of capacity development and toolkits, and the organization of seminars, as well as through its direct policy advice work in the form of technical cooperation, UNIDO will support industry stakeholders in taking informed decisions on sectoral and global megatrends (such as digitalization, health crises, energy management, climate change) and in identifying opportunities based on the country-specific context. Moreover, the Organization supports the improvement of the quality of services delivered by local authorities, institutions and actors in the industrial ecosystem through tools such as COMFAR, which strengthens the capacity of the domestic financial sector and investors or EQUIP, which comprises a toolkit of around ten tools to enhance the quality of industrial policies at all levels.

173. In the context of digital transformation and innovation, UNIDO will pursue wide-ranging approaches to strengthen institutional capacities of industrial ecosystems. Interventions will be aimed at the development of industrial zones and business incubators and at national and regional public and private entities supporting the manufacturing sector. Interventions also support the strengthening of national and regional industrial support networks and regional public-private partnership networks; setting up fourth industrial revolution pilot factories, innovation and technology centers, and science and technology parks; and matchmaking for the inclusion of local subcontractors and suppliers in global value chains.

174. UNIDO provision of capacities on digital skills related to digital transformation, cutting-edge technologies such as augmented and virtual realities will equip organizations (e.g. vocational training centres, Chamber of Industry and Commerce) working people, especially women and youth, with future-proof skills related to the fourth industrial revolution and digitalization and encourage their participation into the workforce. Ongoing work will be further expanded to enable companies develop new processes and products based on a shared service facility for digital transformation technologies.

175. 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 will also support feasibility analysis of large infrastructure or public-private partnership projects and development of bankable proposals for 4IR investments in industry and technology.

176. 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. Taking into account the increasing relevance and importance of new financial instruments, UNIDO will build capacity of ecosystem institutions that play a vital role for the functionality, viability, and sustainability of enterprises, to foster greater linkages between the productive sector, national policymakers and the national, regional, and

global financial community. This will in turn strengthen national financial capacities by bringing much needed financial resources to SMEs for growth and market expansion as well as technology transfer. Strengthening capacities of financial actors will be achieved through multi-stakeholder partnerships, including networks of organizations participating in the mobilization and leverage of investments for sustainable industrial development. In doing so, UNIDO will strengthen the national global financial sectors and private investors and entities related to industrial development.

177. In addition, UNIDO will be engaged in the development of the institutional and soft infrastructure to reform the national and regional business environment, in particular to the advantage of SMEs. Interventions in this sphere are going to focus on capacitating national and regional quality infrastructure institutions and 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 will contribute to protect consumers, workers and the environment through the respect of, and compliance with, quality, social and environmental standards, which becomes all the more important in view of growing corporate sustainability and due diligence requirements, requiring additional local services to support MSMEs in developing countries enhance sustainability compliance. The application of innovative and digital technologies such as blockchain and remote assessments will further enhance these approaches. UNIDO will continue engaging with business support organizations in SME clusters so that the latter take full advantage of common facilities and services to increase their competitiveness and capacity to export.

178. Leveraging sectoral expertise in agro-value chains for structural transformation, UNIDO will promote 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.

179. In post-crisis settings, the Organization will extend its supports for the rehabilitation or reconstruction of service centers, vocational and entrepreneurship schools, as well as productive facilities including adopting the most relevant agro-technologies. In all contexts, UNIDO will promote or private sector-driven service centers and the upgrading or establishment of centers 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 will include, for instance, rural transformation centers, micro-financing institutions, food processing and collection hubs, service centers including on packaging, and food safety centers of excellence to support Member States accelerate their food systems transformation.

180. UNIDO will 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.

181. During the biennium 2024–2025, UNIDO will support an inclusive and sustainable recovery, through the provision of analytical support for socio-economic assessments and post-COVID industrial recovery strategies, supporting the establishment of manufacturing platforms for formal and informal sectors for industrial revitalization, promoting innovation clusters, like Green Hydrogen

Industrial 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.

182. UNIDO will also support the enhancement of enhance health industry readiness as an essential component of future pandemic and emergency response, by supporting the set-up of an international centre of excellence promoting advanced technologies and best practices in health product manufacturing and supply, facilitating global partnerships, and sharing innovative solutions.

Result 2. Conducive industrial ecosystems

Resource estimates (in euros)

<i>Positions</i>			<i>2024 – 2025 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>	
65.80	39.65	105.45					
			Staff costs	17,883,438	10,137,710	57,194,271	85,215,419
			Official travel	154,320	937,010	7,801,342	8,892,672
			Operating costs	1,310,583	46,200	122,690,865	124,047,648
			Information and communication technology	166,115			166,115
			RPTC/SRA	3,628,133			3,628,133
			Total gross expenditure	23,142,589	11,120,920	187,686,478	221,949,987
			Income	(226,445)			(226,445)
			Total net resources	22,916,144	11,120,920	187,686,478	221,723,542

What UNIDO offers

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

- 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.
- Development of local services (e.g. standards, certification, skills development, business matchmaking, clustering) for sustainability compliance.
- 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.
- Creation or rehabilitation of shared facilities and centers 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, green hydrogen industrial clusters clean energy systems and other industrial infrastructure.
- 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 2024–2025</i>
GOV.1: Number of institutions established or strengthened	985
GOV.2: Number of actors participating in enhanced collaboration settings	2,450
BUS.2: Number of actors developing new products	230
TEC.1: Number of new technologies developed or adapted	190
INV.1: Number of investment-ready proposals elaborated	745
INV.2: Number of projects or businesses financed	410
INV.3: Value (\$) of new investments leveraged	255 m USD
KASA.2: Actors gaining skills or capacity 1,000 (22–23 target)	10,500

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

184. Result 3 describes the support extended by UNIDO to firms and people within the industrial development context of its Member States. With the support of the Organization, firms gain awareness, knowledge and capacities on topics that are central to inclusive and sustainable industrial development as encapsulated in the motto “Progress by Innovation”, as they change their behaviours and become more productive, innovative, 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.

185. In the industrial development process, firms and people are the active agents on the first line of value creation, and 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 and the UNSDCF’s. 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 the level of industrial sectors, initiatives to increase firms’ sustainability, inclusiveness and resilience, SMEs competitiveness, women’s economic empowerment, entrepreneurship and skills as the basis of the organization’s mandate.

186. 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

187. 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, resource-efficient and digital technologies and introduce standards, technical regulations 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.

188. UNIDO's approach at the enterprise level will 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, are going to improve their performance and business models to seize the opportunities unlocked by global trends in trade and manufacturing, digital transformation, transition to climate-neutral industry and the 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.

189. UNIDO will also help SMEs to overcome limitations and reap opportunities that are beyond their individual capacities by forming collaborative networks and clusters. UNIDO plans to support SMEs and entrepreneurs, either directly or through intermediary actors, in preparing these projects and facilitates access to finance with suitable investment institutions. The Organization will also work 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.

190. Moreover, UNIDO's support to Member States in upgrading food and non-food agro-value chains will further evolve, in particular in relation to structural transformation not least through the use of fourth industrial revolution technologies. Despite 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 chance for smallholder farmers through valorization of typical food products or integration in global value chains to ultimately spur jobs, income and livelihood opportunities of rural communities.. Strengthening linkages between agriculture, industry and markets with a focus on providing equal opportunities for all will remain an important part of UNIDO's mandate.

191. In the course of the biennium 2024–2025, UNIDO will strive to support the performance and competitiveness of SMEs 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

will help identify domestic firms for partnerships, strategic alliances or joint ventures. The Subcontracting and Partnership Exchange Centers will act as catalysts to match suppliers and buyers at the national, regional, and international level, will formulate business plans to adopt quality-focused capabilities and to meet international standards. Such a process will go hand-in-hand with sensitization of suppliers around quality standards, the associated managerial competencies, market information, and quality infrastructure.

192. 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. In the course of the biennium, UNIDO plans to facilitate 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.

193. UNIDO will be by the side of industrial firms engaged in climate mitigation and to the fulfilment of their country's national commitments under the Paris agreement. UNIDO will work with the private sector on innovative low-carbon technologies to reduce emissions of pollutants and of GHG emissions, improve air quality, and promote sustainable urban planning/management. The Organization continues to provide 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.

194. By the same token, UNIDO will support companies, ranging from SMEs to global multinational companies, in phasing-out ozone depleting substances including through assessments of operations, optimization of production processes, examination and modification of products where necessary; as well as by facilitating the introduction of new products. UNIDO's firm level interventions in refrigeration, air conditioning, foams, fire suppression, and pest-control are expected to prevent over 60 million tons of CO₂ emissions per annum.

195. UNIDO's mandate is to bring governments, financial institutions and industries together to create innovative partnerships and initiatives, facilitating investment, deploying financial resources and building capacity for entrepreneurs, who are developing clean energy applications, innovative hydrogen technologies, sustainable industrial products and related equipment in emerging economies, while also addressing the specific needs and voices of women and youth. This will also include the provision of targeted UNIDO awareness campaigns and capacity-building activities related to innovative finance, new financial instruments, and the related financial legal framework and ecosystem. In parallel to its efforts with public and private institutions, the Organization will also offers capacity-building activities for enterprises to participate in new financial instruments. This, in turn, will help SMEs acquire the much-needed financial resources to, for example, adopt energy-efficient processes, equipment upgrades, etc.

196. Resource efficient and cleaner production (RECP) and transfer of environmentally sound technologies at the industry level will continue in Africa, Asia and the Latin America and Caribbean regions. Support will be extended for the implementation of circular economy practices in global and domestic value chains such as food and beverages, plastics, packaging, fashion and textiles, electronic and electrical equipment, ICT, construction, batteries, and services such as product repairs, refurbishment and remanufacturing and recycling for recovery of secondary materials for reuse.

197. The promotion of best available techniques and best environmental practices (through technology transfer and training, will remain central to 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. Alongside, training sessions, toolkits and guidance will be provided to reduce different sources of industrial pollution, on issues such as management of persistent organic pollutants and other toxic chemicals, mercury-free technologies, as well as chemical leasing and green chemistry.

198. 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. In the course of the biennium 2024–2025, UNIDO will leverage 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 agribusiness and food systems, UNIDO intends to deliver targeted capacity-building activities in the areas of productivity enhancement, food safety and quality compliance, packaging, as well as technology transfer in digitalization. It will also promote 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.

199. In line with its Health Industry Framework, UNIDO will enhance and diversify industrial capacities for the production of health commodities such as essential medicines and vaccines by facilitating business linkages and technology transfer partnerships between private sector actors, promoting innovative business models, leveraging sectoral market trends, applying investment promotion tools, promoting the adoption of advanced technologies, improving their compliance with international standards, and building strategic partnerships, among others.

200. UNIDO will work 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 SMEs 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.

201. 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 SME 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, re-skilling labor and leveraging investments into digital infrastructure and innovative industrial solutions, among other focus areas.

Empowering individuals through industrial and future-proof skills

202. 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.

203. UNIDO's capacity-building and upskilling activities in the new biennium will focus on a wide range of interventions that are directed at all individuals within the industrial ecosystem, with an emphasis on women and disadvantaged youth groups to empower their inclusion into the workforce. UNIDO's support will be based on 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 those that produce innovative approaches to help design products and services for new market demand. UNIDO is going to also contribute to empowering individuals through skills strengthening by hosting the Capacity Development Portal, which gives entrepreneurs access to capacity development materials with the aim of strengthening industrial sectors' resilience and sustainability and to support the growth of industries and firms in the face of global crises.

204. 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 will underscore the progressive 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.

205. Within firms, the Organization will provide capacity-building for individuals to 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 is going to cover 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. As for its implementation of innovative approaches at the SME level, UNIDO will provide capacity-building activities on industrial design, umbrella branding and brand management initiatives, to achieve quick results, raise awareness and help companies to appeal to new markets.

206. The complete set of UNIDO's capacity-building activities is intended to be 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 can 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 will 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 includes awareness raising for consumers on the importance of a formal and traceable gold supply to prevent financing human rights violations and conflict.

207. In the biennium 2024–2025, awareness raising and capacity-building training on eco-design for circularity will be disseminated more widely for firms. This will be complemented by awareness raising training for consumers to distinguish sustainable products from those that are less sustainable. Moreover, 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.

208. UNIDO will also ensure that access is granted 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 agribusiness value chain actors such as farmers, consumers, professionals, regulators and policymakers.

Result 3: Innovative, inclusive and sustainable businesses

Resource estimates (in euros)

Positions			2024 – 2025 estimates (after recosting)				
Professional	General Service	Total	Regular Budget	Operational Budget	Technical Cooperation (extrabudgetary)	Total	
53.65	35.40	89.05					
			Staff costs	14,318,970	8,582,790	41,196,396	64,098,156
			Official travel	141,770	600,430	5,941,180	6,683,380
			Operating costs	1,237,511	12,100	105,004,105	106,253,716
			Information and communication technology	154,440			154,440
			RPTC/SRA	3,727,634			3,727,634
			Total gross expenditure	19,580,325	9,195,320	152,141,681	180,917,326
			Income	(226,445)			(226,445)
			Total net resources	19,353,880	9,195,320	152,141,681	180,690,881

What UNIDO offers

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

At the firm level

(a) Capacity-building practices on 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 through training programmes, guidelines, toolkits for entrepreneurs, firms and workers;

(b) Trainings, including vocational training, mentoring, competitions and awards, business clinics, investment facilitation, technology transfer, guidelines and knowledge products, business plans, among others;

(c) 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;

(d) 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;

(e) Support to the adoption of best-available technologies and practices, including standards, as well as upgrading technology and equipment;

(f) Enterprise peer cooperation for joint activities and collective efficiencies, such as export consortia, territorial, product-based branding and promotions;

(g) 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;

(h) Awareness-raising and skills development in new business practices and models and associated equipment provision; and

(i) Supplier development and linking suppliers in developing countries, particularly women/youth-led businesses, to global supply chains and capacitate them to meet growing due diligence requirements.

At the consumer level

(a) Awareness-raising and capacity-building on what constitutes safe and sustainable products to engage consumers in public-private dialogues on policy formulation; and

(b) Awards, awareness and learning opportunities for the members of the public on inclusive and sustainable industrialization fields.

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 2024–2025</i>
BUS.1: Number of firms with improved management practices	4,200
BUS.2: Number of actors developing new products	2,060
BUS.3: Number of established start-ups	780
TEC.1: Number of new technologies developed or adapted	270
TEC.2: Number of countries showing the adoption of new technologies	40
TEC.3: Number of new technologies adopted	370
INV.1: Number of investment-ready proposals elaborated	2,340
INV.2: Number of projects or businesses financed	350
INV.3: Value (\$) of new investments leveraged	550 m. USD
KASA2: Actors gaining skills and capacities (firms)	9,400
KASA2: Actors gaining skills and capacities (people)	50,400

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

210. 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 industrialization is

inextricably linked to all Sustainable Development Goals, UNIDO can be seen to contribute to them all as well. Triggering the chain of results outlined above is made possible by appropriate RBM approaches and processes inside UNIDO, which are also the domain of Result 4.

Managing for results: enabling UNIDO results and transformational change

211. The Organization's efforts to streamline internal processes and simplify its internal structure to better realize its contribution to the SDGs continues to be a management priority, in line with the dual objective of integration and scale-up of the MTPF 2022–2025. Under the new leadership, results orientation and results-based management remain crucial enablers to achieve UNIDO's objectives and priorities and to make a significant contribution to and accelerate the achievement of the 2030 Agenda.

212. As a result, policies and frameworks were revised to be better aligned to a new, flatter and leaner organizational structure to allow UNIDO to expand 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 continue to manifest themselves in the biennium 2024–2025.

213. Selected elements of the new organizational structure reflect the Management's strive for improved results orientation and strategic approaches to effectively promote and strategically position the Organization in the global development context. At the executive level, functions were strengthened and reorganized, including on matters related to change management, strategic communication, innovation and digitalization, South-South and triangular cooperation as well as to strategic planning and United Nations engagement.

214. At the operational level, a stronger focus on innovation, upscaling and development impact will be supported by a revised organizational structure: Member States and institutional partnerships have been grouped with the field and liaison offices (Directorate for Global Partnerships and External Relations); technical cooperation activities are concentrated in one directorate (Directorate for Technical Cooperation and Sustainable Industrial Development) and innovative, catalytic approaches have been subsumed under a new directorate to inspire and empower the other ones and to launch innovative flagship initiatives (Directorate for SDG Innovation and Economic Transformation). The new organizational structure is underpinned by two new, results-oriented divisions that foster the devolution of results-based management functions across all departments – the creation of a dedicated unit in charge of impact, quality and accountability in the Directorate for SDG Innovation; and the establishment of a coordination and integration support function in the Directorate for Technical Cooperation, which will also look at procedural improvements and efficiencies. All these changes or initiatives are clear signs of the importance attributed by Management to the rigorous application of results based management principles across operations.

215. Improved programming and results management as well as more efficient service delivery will also be the objective of the interventions of the Office of Change Management. The office is responsible to provide the Organization with a focal point for governing and implementing structural and cultural change. It communicates the rationale of change and its benefits and points towards solutions of adjustments that need to be made so that organizational entities and staff can operate in the restructured UNIDO in the most efficient and effective way.

216. Result 4 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 will therefore be underpinned by an improved and effective country and regional programming, field coordination and conducive partnerships with public and private entities.

217. The effective and results-oriented functioning of corporate and programme management for results is made possible by a system of converging policies, frameworks and actions, supported by a strong tone from the top and by dedicated organizational units with a mandate to monitor and report on alignment to internal policies and accountability for results.

218. Policies and frameworks alone do not ensure results on their own. Their implementation is paramount. For this reason, organizational reforms were introduced in the biennium 2022–2023 to ensure dedicated resources to facilitate results-based planning, monitoring, evidence-based reporting and data verification. 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.

219. In 2024–2025, UNIDO will complete the streamlining and realignment of key policies such as the Quality Assurance Framework, the IRPF, the Accountability Framework, the Enterprise Risk Management policy, the operational strategy on South-South and Triangular Industrial Cooperation, the Internal Control Framework to the organizational restructuring implemented in the biennium 2022–2023.

220. The progress of the Organization towards greater results-based management maturity will continue in 2024–2025 with a renewed focus on innovation and partnerships. 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 including strong partnership focus. While the intangibles associated with this process are significant, concrete and measurable indicators will provide proxies for assessing its benefits.

221. 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 will be underscored by a consistent application of RBM principles and frameworks and require a strong partnerships and innovative financing approach. 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.

222. 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 capitalize on the lessons learned during the implementation of the first-ever result-based budget in the biennium 2022–2023, and further improve data collection and management across the Organization, building on the implementation of IRPF tools and stronger standardization of operational processes.

223. 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. In view of the low amount of funding that remains available for this item, the Organization will further capitalize on efficiency gains emerging from the new organizational structure.

224. These efforts on quality assurance will enable dedicated mechanisms for projects and programmes funded by GEF, GCF and AF, thus enhancing the impact of UNIDO's portfolio. 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.

225. 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 industrialization, to fully implement the priorities identified in the 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.

226. Evidence-based country programming remains the most appropriate approach to achieve results that are systemic and can eventually ensure transformational change. In 2024–2025, UNIDO will further develop and effectively apply its tools and mechanisms for effective operationalization, coordination, communication, oversight and reporting of UNIDO strategies, frameworks, Regional and global approaches. This work will include high-level strategic dialogues, engagements and tangible ground-level actions and results, through UNIDO's programmatic instruments such as PCPs and CPs, contributing to the UNSDCF.

227. The Organization plans to significantly enhance its engagement with external partners, in particular both private and public business sector entities and international financial institutions through dedicated organizational units, including within the context of the United Nations development system reform. Such interaction is intended to increase the scale and scope of UNIDO as well as the efficiency and effectiveness of joint interventions. In relation, a revitalized approach for country programming derived from UNSDCF will be pursued for enhanced partnership and collaboration and a strategic positioning of UNIDO on the ground and as key partner within the UNSDG.

228. The business sector plays a pivotal role in advancing the 2030 Agenda for sustainable development, the importance of business sector partnerships has been reaffirmed by Member States as a vital and critical component to accomplish the SDGs. As UNIDO aims to scale up its engagement with business, it needs to do so in a way that optimizes the benefits of collaboration, manages potential risks and ensures integrity and independence of the organization. That will require solid risk management and due diligence approach, coordination and adaptation of internal policies, procedures, as well as systems and capacities to implement as key element for stepping up the scale and scope of partnerships with the business community and to analyze manage and mitigate risks emerging from the partnerships.

229. Capacity-building and advisory support will be provided to the field network of UNIDO, including through field empowerment and decentralization efforts, contributing to: effective field representation; service delivery and coordination; programmatic consistency of the Organization's work, including its strategic engagement and cooperation within the United Nations development system. These mechanisms will also entail greater involvement of the field for effective programme/project identification, formulation, implementation, monitoring and reporting of results.

230. In the context of the United Nations development system reform, UNIDO will vigorously pursue a reform of its field network to strengthen its strategic and systematic engagement, to enhance its contributions and role in countries' development agendas, and ensure strategic positioning and effective service delivery on the ground. This is expected to increase strategic engagement and participation in CCA/UNSCF processes within the United Nations development system, including the One United Nations mechanisms. The field network is expected to play a major role in partnership building; hence it is crucial to develop a UNIDO strategy for effective UNSDCF participation.

231. Further work will aim to develop innovative 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.

232. 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. UNIDO will pay special attention to the fruitful partnership with donors, in particular towards a commonly agreed approach to transformational interventions. There is currently growing awareness in the international development community on 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.

233. In this context, UNIDO is committed to provide transparent reporting to its funding partners and to coordinate and manage the programming processes with donors and partners, including through joint committee meetings and joint programme reviews. 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 regulations.

234. 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 will systematically assesses projects from a gender perspective and assigns gender markers through the UNIDO Gender Compliance and Marker Form.

Effective oversight

235. 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 intervention support organizational learning and continuous improvement and inform 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.

236. 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 enhance 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.

237. 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 (IDB.48/Dec.5).

Effective legal advisory services

238. Under Result 4, UNIDO will continue to support the Organization in achieving its goals by ensuring that all its activities and programmes are in compliance with the Organization's external and internal legal framework. In particular, sound and impartial legal advice and expert legal assistance is available to promote compliance with the rule of law and to manage legal risks in all aspects of the Organization's activities, as well as to defend the Organization's rights, positions and interests in contractual and litigation matters.

239. In accordance with the mandate of UNIDO under the Constitution and the Charter of the United Nations, the Office provides legal support to the Organization's activities through the following functions:

- Provide legal advisory services to the Director General and senior management;
- Provide advice and assistance to all organizational units with respect to legal questions arising in connection with the programmes, projects and other activities and operations of the Organization;
- Provide advice and overall guidance to all organizational units to promote compliance with legal obligations deriving from the Organization's external and internal legal framework, including agreements concluded by UNIDO and administrative issuances promulgated by or under the authority of the Director General;
- Provide legal advice and assistance in connection with draft decisions, resolutions and other documents of the policymaking organs;
- Provide legal advice, upon request, to the policymaking organs, and communicate with permanent missions and government offices in respect of specific legal issues involving the Organization;
- Review draft agreements and arrangements to be concluded by UNIDO, including basic cooperation agreements, agreements with states hosting UNIDO offices and other partnership agreements, and participate in the negotiation of these texts as necessary;
- Act as repository for the international agreements, arrangements and other legal texts of UNIDO;
- Review and clear draft administrative issuances promulgating regulations, rules, policies and other instructions, and provide advice on the interpretation and application of as well as compliance with such administrative issuances;
- Act as custodian for administrative issuances regulating legal matters;
- Represent the Director General in cases brought before the Administrative Tribunals of the International Labour Organization and the United Nations and in other claims against UNIDO;
- Serve as focal point for interaction with the legal offices of the United Nations and other agencies in connection with legal and compliance matters of mutual interest, including the development of international law and the harmonization

or coordination of rules, procedures and policies in the United Nations common system.

Result 4. Effective strategic management for results

Resource estimates (in euros)

Positions			2024 – 2025 estimates (after recosting)				
Professional	General Service	Total	Regular Budget	Operational Budget	Technical Cooperation (extrabudgetary)	Total	
51.45	49.15	100.60					
			Staff costs	17,213,680	6,755,435	144,020	24,113,135
			Official travel	402,880	267,700		670,580
			Operating costs	1,912,020			1,912,020
			Information and communication technology	256,800			256,800
			Total gross expenditure	19,785,380	7,023,135	144,020	26,952,535
			Income	(226,445)			(226,445)
			Total net resources	19,558,935	7,023,135	144,020	26,726,090

Results indicators

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

IRPF indicators	Target 2024–2025
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 fully meeting quality requirements at appraisal (%)	40
POR.3: Number and volume of ongoing projects, CPs and PCPs (by thematic focus area; by region)	750
POR.4: Percentage of programmes/projects whose quality was evaluated satisfactory at completion	70
POR.5: Percentage of overall number of UNIDO programme/projects per gender marker category	53% with 2A or 2B
POR.6: Transparency [as per IATI standards]	65%
EIO: Percentage of management action plans (MAPs) and/or recommendations from internal audit and evaluations timely implemented	70%

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

240. Result 5 encompasses the results related 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. 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 mandate, UNIDO has made optimizing the use of resources a defining priority in all recent programme and budgets. The Organization recognizes that process innovation and digitalization can reduce cost while managing corporate services and operations in an efficient and purpose-driven manner. For the biennium 2024–2025, UNIDO will continue seizing these opportunities, with a renewed focus on efficiency, effectiveness and accountability.

241. The correct functioning of corporate services and operations is a fundamental pillar of UNIDO and allows the delivery on its mandate across the Organization's core functions. These services include financial services; human resource services; learning and development services; procurement services; asset management and logistics services; information technologies and digitalization; the overall effective management of corporate services; as well as the stewardship of ethics and accountability principles across the Organization. In addition, gender equality and empowerment of women is mainstreamed across the Organization's policies, programmes, functions and services, to strengthening their gender-transformative nature.

242. Importantly, especially as displayed during the COVID-19 pandemic, the UNIDO business continuity plan ensures 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.

243. For the purposes of the present programme and budgets document, Result 5 directly captures the organizational functions that underpin efficient and effective corporate services and operations. The description of Result 5 highlights synergies and interlinkages with the other results areas of this programme and budgets.

Human resource management

244. In 2024–2025, UNIDO will continue to focus on acquiring talent to deliver its business model; to engage, motivate and empower employees to deliver high quality results; to mobilize and expand the human resources base through special talent programmes especially for youth; and to grow managers and leaders capable of driving innovations in the workforce. In doing so, UNIDO will strive to maintain a balanced regional and gender representation.

245. The improvements of these services foreseen are expected in the biennium to further enhance the efficiency, effectiveness, accountability, diversity, gender parity, transparency, and impact of UNIDO workforce, both at Headquarters and in the field. The improvements 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, 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).

246. Planned activities for the period 2024–2025 include the continuation of policy developments throughout the human resources cycle, such as workforce planning, job design and classification, talent outreach, acquisition and onboarding, performance management, reward and recognition schemes, managing retirement and knowledge retention and management. The expansion of special talent programmes, such as, *inter alia*, those for young professionals, interns, partner experts and seconded experts, will continue to be pursued with external partners.

Learning and development services

247. A skilled, agile and adaptive workforce that embodies the values of UNIDO and the United Nations is fundamental for UNIDO to deliver on its mission and motto "progress by innovation".

248. In the biennium 2024–2025, the work of UNIDO will be centered around three pillars, namely (a) inclusive learning and development, wherein all UNIDO personnel, regardless of the type of contract, work unit or duty station, contribute to UNIDO’s mission and should have resources and support to learn, excel, and grow; (b) strategic learning, wherein strategic priorities dictate learning priorities and critical skills; and (c) learner-centric learning, whereby learners are responsible for pursuing opportunities among available resources that suit their needs and ambitions.

249. Accordingly, priorities will be granted to promoting relevant learning opportunities from the United Nations system, open platforms, and other partners; design and deliver learning programs and modules; and facilitate and support knowledge exchange and teamwork, typically through learning and team building. An effective and inclusive implementation of learning and development plan in 2024–2025 will enable UNIDO workforce use available tools and resources better, enhance their impact, and innovate.

Gender equality and the empowerment of women

250. As stipulated in the UNIDO Gender Strategy, gender equality and the empowerment of women are fundamental throughout the entire scope of activities of the Organization. Conscious of the nexus between diversity and institutional capacity, including as regards improvements in innovation, efficiency and sustainability, UNIDO will further enhance gender parity among personnel, including senior staff, and continue to advance family-friendly policies and standards of conduct for a discrimination-free and supportive workplace for all. In addition, efforts will be further intensified to improve the accountability of staff for reflecting gender considerations in their work through the staff performance management framework. These efforts will be supported by an effective Gender Focal Point Network encompassing all Divisions, Offices and Services.

Financial services

251. Aiming at ensuring and maintaining 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 will be provided by UNIDO to support the achievement of all results areas based on international best practices and, wherever possible with innovative approaches. Advisory services are also going to be 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 extra-budgetary 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.

252. Besides ensuring the financial stability with sound financial advice and optimal use of the available regular and extra-budgetary financial resources, UNIDO will, in the course of the biennium 2024–2025, continue the digital transformation of its financial services. 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

253. Procurement and project execution services are crucial elements of the Organization's delivery of results. Firmly standing upon the results-based management principle, UNIDO will ensure that procurement principles, such as, best value for money; fairness; accountability, integrity and transparency; effective competition; and the best interest of the Organization, are upheld throughout the procurement and project execution processes.

254. Procurement services and processes will be aimed at supporting the implementation of substantive activities of the Organization primarily through, among others, policy and strategic advices, guidance, training, and administrative assistance, for all procurement-related activities as well as project executions. Procurement support and services will be made equally available to field offices, as well as the other Vienna-based organizations, for their efficient management and operations. UNIDO will also ensure through business/procurement seminars, and international conferences, organized by Member States and their business/industry organizations.

Asset management and logistics services

255. The management of commercial contracts, general services, asset management including of technical cooperation, and logistical operations 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. 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. Practices will be extended to UNIDO's responsibility to managing specific common services of the Vienna-based organizations, such as catering services and key joint procurement efforts.

Information technology and digitalization

256. Digital transformation and the use of modern information technologies are key in supporting the motto of progress by innovation. To achieve this, a cohesively information technologies and Digitalization framework has been developed that center on the key principles of:

1. *Regular Budget Neutrality* to deliver more within the same available resources, and;
2. *Impact-based Digitalization* through applications and tools to bring the highest rate of return in terms of user acceptance and adaptability with seamless integration across all organizational units, and being fit for the future. While minimizing information security risks and strengthening internal controls.

257. In 2024–2025, the UNIDO information technologies and digitalization framework includes key priorities in line with the above-mentioned principles and across five corresponding pillars: Collaborative Environment; Information Security; Resilience and Business Continuity; Digital Innovation (e.g. Artificial Intelligence, robotics, etc.); and Digital Skills and Adaptability.

258. UNIDO will explore new and innovative digital technologies while ensuring secure, reliable, effective, and efficient information technologies services towards the achievement of strategic objectives. This includes the management and development of web, Enterprise Resource Planning systems, digital and business solutions; maintaining a resilient data center and infrastructure; managing information and cyber security risks, providing efficient service desk and support; ensuring knowledge management; data-driven analytics and business intelligence; and platforms for enabling transparent external relations with Member States, partners, and civil society.

Ethics and Accountability

259. UNIDO is committed to for fostering an organizational culture of ethics, transparency and accountability so that its personnel observes and performs its functions consistently and in full compliance with the guiding principles and core values of integrity, professionalism and respect for diversity. During the biennium 2024–2025, UNIDO will further strengthen the culture of high ethical behaviour, aligned with best practices in the United Nations system, and with the principles of quality, results, risk, and strategic management as outlined in Result 4. This will include, inter- alia, the review, development and the implementation of ethics-related policies, standards, procedures and practices, such as a new “Code of Ethical Conduct” and a revised “Policy for the Protection against retaliation for reporting misconduct or cooperating with audits or investigations”, “Protection from Sexual Exploitation and Abuse”, “Protection of personnel data” and anti – fraud measures including corruption. To progress consistently towards its commitment for zero tolerance against any form of misconduct, special attention will be paid to outreach activities and trainings for all UNIDO personnel at all levels.

Ensuring the correct, efficient, effective and conducive functioning of the Organization

260. 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 business models, improving and streamlining 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 continuously 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 ensure adequate frameworks towards an enabling environment for flexibility and adaptability to supporting its Member States and advancing the 2030 Agenda and its SDGs.

Result 5. Excellence of corporate services and operations

Resource estimates (in euros)

<i>Positions</i>			<i>2024 – 2025 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>
48.00	83.00	131.00	Staff costs	25,139,955	6,199,300	31,339,255
			Official travel	121,759		121,759
			Operating costs	845,300		845,300
			Information and communication technology	6,376,550		6,376,550
			Total gross expenditure	32,483,564	6,199,300	38,682,864
			Total net resources	32,483,564	6,199,300	38,682,864

Results indicators

<i>IRPF indicators</i>	<i>Target 2024–2025</i>
FIN.1: Regular financial resources	Budgets as approved by the GC
FIN.2: Voluntary contributions	\$ 398 million for 2024–2025
FIN.3: Programme support cost recovered	€ 44.3 million for 2024–2025
HR.1: UNIDO Workforce Composition and Diversity – Annual Gender Parity Targets (% of women staff by level as per UNIDO)	D2: 33% D1/L6: 35% P5/L5: 40% P4/L4: 50% P3/L3: 50% P2/L2: 50% P1/L2: 50% NO: 50%
EXP.1: Regular financial resources implementation rate	As % of approved budgets
EXP.2: Technical cooperation delivery (in US dollars)	\$430 million for 2024–2025
OPM.3: ICT operational efficiency	90% standard ICT requests fulfilled within 3 working days
OPM.1: Percentage of procurement processes completed within 110 days	60%

VI. Buildings management

261. 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 Facility Management Services (BMS) is given the responsibility for managing and administering the operations, maintenance, repairs and replacements of the buildings and related installations and equipment of the VIC complex. Main constituencies and the target groups of the subject programme are the 4 VIC-based international organizations, IAEA, UNOV, UNIDO and CTBTO, with approximately 5000 staff members and 2500 additional daily visitors, conference participants, etc.

262. In recent years, BMS has witnessed a trend of additional tasks entrusted to it with ever-increasing large-scale alteration projects of the VBOs. The certification of the conference building M, as a green conference building, has positively contributed towards our continuous effort in greening the VIC. BMS will strive to obtain certification for the C building as a green conference building as the next target.

263. The costs of operating, maintaining and repairing the buildings and their integrated and added installations are increasing with the ageing of the complex, which was constructed in 1974–1979. The necessary repairs and maintenance works at the Vienna International Centre are carried out on a regular basis to ensure the safe

and reliable operation, among others, according to the commitments made vis-à-vis the Austrian Government, the owner of the 379,000 square meter building complex.

264. After over four decades of occupancy, the need for replacement programmes in all areas of the buildings complex to maintain and increase the reliability of the VIC operations is more than apparent. This has been further underlined by the recently conducted risk assessment of the entire VIC premises. The next biennium foresees implementation of mainly the immediate measures that are related to the health and safety of staff as a prime component. While inflation rates have risen in the construction business to way above the estimated 11 per cent in Austria, Facility Management Services will concentrate on the highest of risks in terms of ensuring proper maintenance of its buildings. The COVID-19 pandemic has furthermore affected the maintenance of the buildings and applied hygiene measures, which will continue to be required in the next biennium.

265. Efficiency gains have already been planned for large-scale project in 2022–2023 and implementation thereof has already commenced. Since these large-scale projects require several years to be completed, they inevitably will continue in the biennium 2024–2025. Innovative technological approaches, such as the implementation of state-of-the-art LED lighting, new elevators and the installation of highly efficient air-condition plants, are being implemented to help generate further savings and improve services. Additionally, important financial resources for the refurbishment of the VIC should be secured from the Government of Austria through negotiations in connection with the risk assessment.

266. Due to the current worldwide inflation situation, especially in energy sector, which has been drastically affected, the requirements for 2024–2025 have been revised to reflect the continuous surge in the utility prices. The latest forecast for the electricity price for the year 2023 foresees an increase of approximately 160 per cent; while an 80 per cent increase is projected for gas and a further 20 per cent for other utility costs.

Overall Objective of Facility Management (BMS)

267. 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. With up-keeping and up-dating of installations and equipment, BMS is providing services as required by the organizations occupying the VIC complex.

268. 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.

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

Result 6. Buildings management

Resource estimates (in euros)

<i>Positions</i>			<i>2024 – 2025 estimates (after recosting)</i>		
			<i>Regular Budget</i>	<i>Operational Budget</i>	<i>Total</i>
<i>Professional</i>	<i>General Service</i>	<i>Total</i>			
9.00	100.00	109.00	Staff costs	19,559,788	19,559,788
			Official travel	14,800	14,800
			Operating costs	54,545,076	54,545,076
			Information and communication technology	196,600	196,600
			Total gross expenditure	74,316,264	74,316,264
			Income	(74,316,264)	(74,316,264)
			Total net resources	0	0

270. 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. Since 2021, UNIDO contributes 14.528 per cent of the total cost.

(b) The joint buildings management operates within the overall context of the cooperation agreement between UNOV, UNIDO and CTBTO for Conference Services. The Programme provides buildings operation services, which are cost-shared between UNOV, UNIDO and CTBTO. Most prominently, the Programme provides conference technicians for the conference facilities, the repair and maintenance of the equipment and installations and cleaning of jointly used premises. After the end of the COVID-related restrictions, the number of conferences requirements has steadily increased in the two conference buildings.

Common buildings management

<i>2024 – 2025 estimates (after recosting)</i>	
	<i>Regular budget</i>
Established positions	16,453,100
Overtime and night differential	442,972
General temporary assistance	1,031,216
Consultant fees and travel	62,300
Career development training	87,900
After-service medical coverage	539,500
Travel on official business	14,800
Rental and maintenance of premises	15,145,998
Utilities	35,307,700
Rental and maintenance of office equipment	31,100
Rental and maintenance of vehicles	21,600
Miscellaneous general operating expenses	36,700
Other general operating expenses	103,800
Printing and binding	2,000
Supplies for Premises	1,741,650
Office Supplies	42,400

<i>2024 – 2025 estimates (after recosting)</i>	
	<i>Regular budget</i>
Fuel and Lubricants	87,700
Assets	110,000
IT supplies and materials	23,200
IT Assets	160,400
Communication Service Charges	13,000
Total gross expenditure	71,459,036
Other VBOs contribution to common operations	(61,104,665)
UNIDO contribution to common operations	(10,354,371)
Total income	(71,459,036)
Total net resources	

Joint buildings management

<i>2024 – 2025 estimates (after recosting)</i>	
	<i>Regular budget</i>
Established positions	845,200
Overtime and night differential	13,800
General temporary assistance	83,800
Rental and maintenance of premises	1,833,528
Supplies for Premises	33,400
Assets	47,500
Total gross expenditure	2,857,228
Other VBOs contribution to common operations	(1,800,038)
UNIDO contribution to common operations	(1,057,190)
Total income	(2,857,228)
Total net resources	

271. The BMS budget proposal for the biennium 2024–2025 is construed based on the minimum requirement estimated in line with the recent information received regarding a surge of increased utilities prices, accounting for a substantial increase in this particular field. Furthermore, the extensive experience of the operations in the past four bienniums, as well as anticipated requirements for the next biennium have been taken into consideration in devising this budget proposal.

272. The Common Fund for Major Repairs and Replacements at the VIC is co-financed by the VIC-based International Organizations and the Austrian Government (50 per cent each). In accordance with the Memorandum of Understanding, €5,869,868 are expected in 2024 and €6,222,060 in 2025, to implement major projects in the VIC. For UNIDO, this is expected to amount to € 440,000.

Expected results

- Over 100 maintenance contracts are in place in various parts of the VIC, addressing heating, ventilation, cooling, electrical as well as elevator, telecommunication and teleconferencing 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 as well as the working conditions in the VIC;
- Reorganizing the BMS structure, modernizing working tools (New Central Store Platform, Automated Facility Management Systems), redeployment of duties and responsibilities to achieve higher efficiency and output;
- Modernizing the infrastructure of the VIC such as enhancement of the air-conditioning capacity, replacement and modernization of the cabling structure of the buildings;
- Lowering consumption and the utility costs in spite of longer operating time and higher comfort by introducing state-of-the-art technology (e.g. LED light; air-condition with heat recovery system; replacement of the elevator engines);
- Minimizing the risks related to the VIC premise and its technical installations by implementing the findings of the Buildings Risk Assessment;
- Review of recurrent maintenance contracts leading to a re-tendering of these contracts to lower cost contractors and/or to an in-sourcing of services;
- Improvement of the handicapped accessibility to the VIC;
- Implementation of the finding from the Risk Assessment and the Fire and Safety Concept in the VIC;
- Improve the quality of the working environment of staff and visitors of the VIC;
- Cost savings and environmentally beneficial measures resulting from the projects related to greening the VIC initiatives;
- Important financial resources for the refurbishment of the VIC to be secured from the Government of Austria through negotiations and in connection with the recently conducted Risk Assessment;
- Transfer of certain projects from the BMS budget to the Common Fund for Major Repairs and Replacements at to which the Austrian Government contributes; and
- Maintain the energy neutrality of the VIC, which has been continuously achieved since 2015.

VII. Indirect cost

273. Indirect costs are fixed and variable costs, which are not directly attributable to any of the five results areas, but constitute a significant part of the financial resources used by the Organization. By identifying these costs in a separate section, the Organization aims at both increasing transparency and facilitating monitoring over time.

Indirect costs

Resource estimates (in euros)

<i>Positions</i>			<i>2024 – 2025 estimates (after recosting)</i>		<i>Total</i>
			<i>Regular Budget</i>	<i>Operational Budget</i>	
<i>Professional</i>	<i>General Service</i>	<i>Total</i>			
		Staff costs	8,479,221		8,479,221
		Operating costs	24,719,516		24,719,516
		Information and communication technology	567,800		567,800
		Total gross expenditure	33,766,537		33,766,537
		Total net resources	33,766,537		33,766,537

274. These costs include the cost items that are mainly attributable to the fact that UNIDO is located on the premises of the Vienna International Centre and hence it participates in joint and common services with the other Vienna-based organizations, as well as includes the after-service health insurance scheme. Furthermore, it also covers for the UNIDO's contributions to joint activities with the United Nations bodies.

275. UNIDO continues to participate in the cost-sharing arrangement among entities of the United Nations Sustainable Development Group (UNSDG) that contributes to the budget for the United Nations Resident Coordinator system and the Development Coordination Office. The UNIDO cost-sharing contribution for 2024–2025 is budgeted at 2022–2023 rate, adjusted for inflation. It is to be noted that the results UNIDO contributes to the United Nations Resident Coordinator system are captured in this P&B under all five Results.

276. The resource estimates under each of the indirect cost items presented in the summary table below:

Result 7. Indirect costs

<i>2024 – 2025 estimates (after recosting)</i>	
	<i>Regular budget</i>
Joint Medical Services (IAEA)	658,520
Joint language training	78,200
After-service medical coverage	7,742,501
UNIDO contribution to common BMS	9,902,515
UNIDO contribution to joint BMS	997,790
Reimbursements to Major Repair Fund	842,661
Security and safety services (UNOV)	4,894,910
Joint language and docs. Services	920,172
Contribution to joint activities with UN bodies	2,767,386
Contribution to UNRC Programme-UNDG	4,394,082
Joint communication services UNOV	567,800
Total gross expenditure	33,766,537
Total net resources	33,766,537

277. The total budgeted expenditure under contributions to the cost-shared services has increased by €5,799,912.

278. The biggest increase is coming from UNIDO's contribution to common BMS (€3.8 million). This is due to the raising energy prices. This is followed by another significant increase in the Security and Safety Services provided by UNOV (€0.8 million), resulting mainly from the staff salary increases, inflation and exchange rate fluctuations.

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

- (a) After-service health insurance (ASHI) – per retired staff;
- (b) Joint medical services (IAEA) – 14.49 per cent;
- (c) Joint language training (UNOV) – per enrolled staff;
- (d) UNIDO contribution to common buildings management – 14.49 per cent;
- (e) Reimbursement to the Major Repair and Replacements Fund – 14.49 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) – 14.49 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) – 24.5 per cent.

280. The objective, expected results and outputs of the common and joint services described in detail in the programme and budgets documents of the responsible organizations. Common and joint buildings management services elaborated in full under the Buildings Management chapter.

Special resources for Africa

281. Special Resources for Africa (SRA) are utilized to contribute to national, sub-regional and regional programmes and projects as well as relevant initiatives in support of Africa's inclusive and sustainable industrialization and economic transformation. For the period 2024–2025, SRA will be utilized to contribute in the funding of the following activities:

- Support the implementation of UNIDO Strategy for Africa 2023–2025; including high-level engagement with Africa at the national, regional and continental level and active support of the implementation of the Declaration and Decisions and Action Plan of the 17th Extraordinary Session of the Assembly of African Union Heads of State and Government on Industrialization and Economic Diversification;
- Contribute to the implementation of the United Nations' Third Industrial Development Decade for Africa (IDDA III) programme of action, taking into account the Action Plan for the Accelerated Industrial Development of Africa and the African Union's Agenda 2063 and its second 10-year implementation plan for 2024–2034, including the AfCFTA;
- Support the UNIDO's LDC Operational Strategy 2022–2031 and activities in LLDCs, in line with the Doha Programme of Action 2022–2031 and the Vienna Programme of Action for LLDCs 2014–2030;

- Support the organization and contribution to Africa-related global forum activities and expert group meetings, such as the African Industrialization Week and the Africa Investors Conference; and
- Contribute to institutional capacity-building and support for the African Union (AU), the African Union Commission, the African Union Development Agency – New Partnership for Africa’s Development and regional economic commissions.

282. Significant emphasis will be placed on the cost-effectiveness, inclusiveness, integration 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

283. In 2024–2025, the utilization of the Special Resources for Africa will deliver:

- Selected actions of the UNIDO Strategy for Africa and Implementation Plan as well as the UNIDO Operational strategy for LDCs 2022–2031 implemented;
- Designated deliverables of the AU Summit Action Plan including the African Industrial Observatory, the African Industrialization Report and the African Industrialization Index as well as a strategic framework and programmes for the development /strengthening of regional value chains supported;
- Increased resources for IDDA III implementation and prioritized actions of the Joint IDDA III Roadmap sustained;
- Conducive environment for large size projects and programmes as well as strengthened partnerships with various domestic and international stakeholders and partners;
- Africa related Global forum activities such as IDDA III events and the 2023 edition of the African Industrialization Week supported; and
- Institutional capacity-building strengthened for effective development and implementation of regional and continental intergovernmental institutions’ ISID related flagship projects and programmes.

Overall outcomes

284. UNIDO visibility and relevance in promoting ISID in Africa enhanced.

285. Tailored and large-scale programmes and projects supported for Africa to achieve ISID through economic competitiveness, shared prosperity from industry, and environmentally sustainable industry.

286. Enhanced integration of UNIDO work on the continent, increased investments in the manufacturing sector and technology transfer as well as increased impact at scale of development results in the context of the AfCFTA.

Regular programme of technical cooperation

General description

287. 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 United Nations development system.

288. 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

289. The RPTC aims to deliver the following expected outputs by the end of the 2024–2025 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.

290. 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

291. An effective programme of technical cooperation and strengthened contribution to the overall United Nations development system.

Innovation and transformation fund

General description

292. 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. However, SAVCCA did not achieve the scale required by the Secretariat to strengthen its core capacities to significantly shift gears and increase the pace, scale and impact of its delivery. As of 20 February 2023, the amount contributed to SAVCCA since its creation in 2015 stands at € 449,000, predominantly deposited through Member States by renouncing parts of their unutilized appropriations.

293. The Director General therefore proposes in the present programme and budgets a re-designed mechanism to offer Member States and partners an attractive and results-oriented funding modality to strengthen UNIDO's ability to grow with the requirements of the global development scene. It aims to support the Organization in an era of increased responsibilities to, in Secretary-General's words, "rescue the SDGs" through inclusive and sustainable industrialization and lasting economic development.

294. Member States and funding partners are thus encouraged to provide additional voluntary contributions for core activities through a re-designed SAVCCA named the UNIDO "Innovation and Transformation Fund (ITF)", a proposal for a results-oriented basket for voluntary contributions for core activities. An initial target for such contributions would be circa €5 million.

Innovation and transformation fund

Resource estimates (in euros)

<i>Positions</i>			<i>2024 – 2025 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>
		Staff costs	6,568,800		6,568,800
		Official travel	616,000		616,000
		Operating costs	390,000		390,000
		Information and communication technology	50,000		50,000
		Total gross expenditure	7,624,800		7,624,800
		Income	(348,700)		(348,700)
		Total net resources	7,276,100		7,276,100

What UNIDO offers

295. The objective of the Innovation and Transformation Fund is to support, deepen or expand core areas of work, including:

- Administrative, research and (short-term) advisory activities, including or regional and inter-regional nature, as well as normative work;
- Meetings and related knowledge activities included in the regular programme of work, including with regard to greater representation of UNIDO in international forums and the United Nations reform process and that of the United Nations development system;
- Reform and impact-oriented innovation and activities requiring a deepening of core activities;
- Activities reflecting a comprehensive response to the requirements of the External Auditor and/or the Oversight Advisory Committee; and
- IT support, digitalization and talent development.

296. A set of impact-oriented initiatives proposed for ITF and that reflect the reform priorities of the Director General are included in a detailed Conference Room Paper.

297. The ITF thus provides an opportunity to directly reflect the strong support of Member States and other partners to the reform and impact-driven agenda of Director General. Furthermore and as stated above, the activities to be funded through the Innovation and Transformation Fund could directly contribute to a more balanced achievement of results by supporting activities in particular on results 1 and 4.

298. The Secretariat will include more detailed information in a Conference Room Paper (PBC.39/CRP.8) to be submitted to the thirty-ninth session of the Programme and Budget Committee on the items to be financed through voluntary contributions into the Innovation and Transformation Fund, as well as the embedded accountability mechanisms thereof. Member States and donor partners may wish to consult such information to support their deliberations.

Miscellaneous income

299. Estimated miscellaneous income for 2024–2025 comprises of income on deposits and amounts to €760,500 in the regular budget and €975,000 in the operational budget, details of which are described in the following paragraphs.

A. Income on deposits

300. 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 approximately €760,500 on Euro deposits under Regular budget and Working Capital Fund as well as €975,000 on Euro deposits under Operational Budget. Compared to the previous biennium, income on deposits is expected to be significantly higher due to the ECB raising interest rates.

B. Sale of publications

301. In 2000–2001, a sales publications revolving fund was established with income earned from the sale of publications during the biennium. The fund supports the longer-range planning of publication activities, including promotion, marketing, translation and re-printing of publications and CD-ROMs.

302. UNIDO has stopped selling its databases since January 2022 under the new open data policy, so no income from the sales activities is expected in the biennium 2024–2025. The sales publication revolving fund is expected to have a balance of €223,083 by the end of the biennium. The table presents the anticipated financial activity during the biennium under the fund:

303. 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	2022–2023 approved budget a/ 1	2024–2025 resource growth at 2022–2023 rates 2	2024–2025 resource Requirements at 2022–2023 rates 3	Recosting to 2024–2025 rates 4	2024–2025 resource Requirements at 2024–2025 rates 5	Per cent of total budget		
						2022– 2023 6	2024– 2025 7	
Expenditure								
1 Policies and strategies for ISID and SDGs	47,009,430	569,610	47,579,040	6,680,045	54,259,085	25.3%	25.1%	
2 Conducive industrial ecosystems	29,082,434	716,980	29,799,414	4,464,095	34,263,509	15.7%	15.8%	
3 Innovative, inclusive and sustainable businesses	24,337,210	720,880	25,058,090	3,717,555	28,775,645	13.1%	13.3%	
4 Effective strategic management for results	23,024,080	26,730	23,050,810	3,757,705	26,808,515	12.4%	12.4%	
5 Excellence of corporate services and operations	34,092,464	232,400	34,324,864	4,358,000	38,682,864	18.4%	17.9%	
Indirect costs	27,966,625	5,400,412	33,367,037	399,500	33,766,537	15.1%	15.6%	
TOTAL expenditure (excl. result BMS)	185,512,243	7,667,012	193,179,255	23,376,900	216,556,155	100.0%	100.0%	
6 Efficient VIC buildings management								
6.1 Common buildings management	50,709,900	17,630,136	68,340,036	3,119,000	71,459,036	95.2%	96.2%	
6.2 Joint buildings management	2,542,800	153,928	2,696,728	160,500	2,857,228	4.8%	3.8%	
TOTAL expenditure (result BMS)	53,252,700	17,784,064	71,036,764	3,279,500	74,316,264	100.0%	100.0%	
Income								
1 Policies and strategies for ISID and SDGs	213,200	13,245	226,445		226,445	3.6%	2.8%	
2 Conducive industrial ecosystems	213,400	13,045	226,445		226,445	3.6%	2.8%	
3 Innovative, inclusive and sustainable businesses	213,300	13,145	226,445		226,445	3.6%	2.8%	
4 Effective strategic management for results	213,400	13,045	226,445		226,445	3.6%	2.8%	
Miscellaneous income	5,017,154	2,131,953	7,149,107		7,149,107	85.5%	88.8%	
TOTAL income (excl. result BMS)	5,870,454	2,184,433	8,054,887		8,054,887	100.0%	100.0%	
6 Efficient VIC Buildings Management								
6.1 Common buildings management	50,709,900	17,630,136	68,340,036	3,119,000	71,459,036	95.2%	96.2%	
6.2 Joint buildings management	2,542,800	153,928	2,696,728	160,500	2,857,228	4.8%	3.8%	
TOTAL income (result BMS)	53,252,700	17,784,064	71,036,764	3,279,500	74,316,264	100.0%	100.0%	
NET GRAND TOTAL	179,641,789	5,482,579	185,124,368	23,376,900	208,501,268			

Table 2
Regular budget expenditure and income by result

(In euros)

Result	2022–2023 approved budget a/	2024–2025 resource growth at 2022–2023 rates	2024–2025 resource requirements at 2022–2023 rates	Recosting to 2024– 2025 rates	2024–2025 resource requirements at 2024–2025 rates	Per cent of total budget	
						2022– 2023	2024– 2025
	1	2	3	4	5	6	7
Expenditure							
1 Policies and strategies for ISID and SDGs	35,809,295	457,930	36,267,225	4,818,735	41,085,960	24.5%	24.2%
2 Conducive industrial ecosystems	19,664,074	518,580	20,182,654	2,959,935	23,142,589	13.5%	13.6%
3 Innovative, inclusive and sustainable businesses	16,610,135	522,480	17,132,615	2,447,710	19,580,325	11.4%	11.5%
4 Effective strategic management for results	17,189,550	8,010	17,197,560	2,587,820	19,785,380	11.8%	11.6%
5 Excellence of corporate services and operations	28,689,864	232,400	28,922,264	3,561,300	32,483,564	19.7%	19.1%
Indirect costs	27,966,625	5,400,412	33,367,037	399,500	33,766,537	19.2%	19.9%
TOTAL expenditure (excl. result BMS)	145,929,543	7,139,812	153,069,355	16,775,000	169,844,355	100.0%	100.0%
6 Efficient VIC Buildings management							
6.1 Common buildings management	50,709,900	17,630,136	68,340,036	3,119,000	71,459,036	95.2%	96.2%
6.2 Joint buildings management	2,542,800	153,928	2,696,728	160,500	2,857,228	4.8%	3.8%
TOTAL expenditure (result BMS)	53,252,700	17,784,064	71,036,764	3,279,500	74,316,264	100.0%	100.0%
Income							
1 Policies and strategies for ISID and SDGs	213,200	13,245	226,445		226,445	5.2%	5.6%
2 Conducive industrial ecosystems	213,400	13,045	226,445		226,445	5.2%	5.6%
3 Innovative, inclusive and sustainable businesses	213,300	13,145	226,445		226,445	5.2%	5.6%
4 Effective strategic management for results	213,400	13,045	226,445		226,445	5.2%	5.6%
Miscellaneous income	3,220,000	(52,480)	3,167,520		3,167,520	79.1%	77.8%
TOTAL income (excl. result BMS)	4,073,300		4,073,300		4,073,300	100.0%	100.0%
6 Efficient VIC Buildings Management							
6.1 Common buildings management	50,709,900	17,630,136	68,340,036	3,119,000	71,459,036	95.2%	96.2%
6.2 Joint buildings management	2,542,800	153,928	2,696,728	160,500	2,857,228	4.8%	3.8%
TOTAL income (result BMS)	53,252,700	17,784,064	71,036,764	3,279,500	74,316,264	100.0%	100.0%
NET GRAND TOTAL	141,856,243	7,139,812	148,996,055	16,775,000	165,771,055		

Table 3
Operational budget expenditure and income by result

(In euros)

<i>Result</i>	<i>2022–2023 approved budget a/</i>	<i>2024–2025 resource</i>	<i>2024–2025 resource Requirements at 2022–2023 rates</i>	<i>Recosting to 2024–2025 rates</i>	<i>2024–2025 resource Requirements at 2024–2025 rates</i>	<i>Per cent of total budget</i>	
						<i>2022– 2023</i>	<i>2024– 2025</i>
	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>
Expenditure							
1 Policies and strategies for ISID and SDGs	11,200,135	111,680	11,311,815	1,861,310	13,173,125	28.3%	28.2%
2 Conducive industrial ecosystems	9,418,360	198,400	9,616,760	1,504,160	11,120,920	23.8%	23.8%
3 Innovative, inclusive and sustainable businesses	7,727,075	198,400	7,925,475	1,269,845	9,195,320	19.5%	19.7%
4 Effective strategic management for results	5,834,530	18,720	5,853,250	1,169,885	7,023,135	14.7%	15.0%
5 Excellence of corporate services and operations	5,402,600		5,402,600	796,700	6,199,300	13.6%	13.3%
TOTAL expenditure (excl. result BMS)	39,582,700	527,200	40,109,900	6,601,900	46,711,800	100.0%	100.0%
Income							
Miscellaneous Income	1,797,154	2,184,433	3,981,587		3,981,587	100.0%	100.0%
TOTAL income (excl. result BMS)	1,797,154	2,184,433	3,981,587		3,981,587	100.0%	100.0%
NET GRAND TOTAL	37,785,546	(1,657,233)	36,128,313	6,601,900	42,730,213		

Annex B

Table 1

Regular and operational budget expenditure and income by result and major object of expenditure at 2022–2023 rates

(In euros)

Result	Staff costs		Official travel		Operating costs		Information and communication technology		RPTC and Special Resources for Africa		Total Expenditure		Income		Net requirements	
	2022–2023	2024–2025	2022–2023	2024–2025	2022–2023	2024–2025	2022–2023	2024–2025	2022–2023	2024–2025	2022–2023	2024–2025	2022–2023	2024–2025	2022–2023	2024–2025
1 Policies and strategies for ISID and SDGs	35,281,262	35,586,872	1,906,670	2,029,270	6,336,920	6,336,920	342,545	342,545	3,142,033	3,283,433	47,009,430	47,579,040	(213,200)	(226,445)	46,796,230	47,352,595
2 Conducive industrial ecosystems	23,401,973	23,977,553	1,054,230	1,054,230	1,323,983	1,323,983	160,215	160,215	3,142,033	3,283,433	29,082,434	29,799,414	(213,400)	(226,445)	28,869,034	29,572,969
3 Innovative, inclusive and sustainable businesses	19,023,425	19,599,005	717,200	717,200	1,220,211	1,220,211	148,840	148,840	3,227,534	3,372,834	24,337,210	25,058,090	(213,300)	(226,445)	24,123,910	24,831,645
4 Effective strategic management for results	20,265,180	20,291,910	646,180	646,180	1,865,220	1,865,220	247,500	247,500			23,024,080	23,050,810	(213,400)	(226,445)	22,810,680	22,824,365
5 Excellence of corporate services and operations	27,015,755	27,248,155	117,359	117,359	815,300	815,300	6,144,050	6,144,050			34,092,464	34,324,864			34,092,464	34,324,864
Indirect costs	7,985,861	8,169,221			19,433,664	24,650,716	547,100	547,100			27,966,625	33,367,037			27,966,625	33,367,037
Miscellaneous income													(5,017,154)	(7,149,107)	(5,017,154)	(7,149,107)
TOTAL (excluding result BMS)	132,973,456	134,872,716	4,441,639	4,564,239	30,995,298	36,212,350	7,590,250	7,590,250	9,511,600	9,939,700	185,512,243	193,179,255	(5,870,454)	(8,054,887)	179,641,789	185,124,368
6 Efficient VIC Buildings Management																
6.1 Common buildings management	17,452,900	17,426,088	14,300	14,300	33,162,900	50,709,848	79,800	189,800			50,709,900	68,340,036	(50,709,900)	(68,340,036)		
6.2 Joint buildings management	870,000	852,400			1,672,800	1,844,328					2,542,800	2,696,728	(2,542,800)	(2,696,728)		
TOTAL (result BMS)	18,322,900	18,278,488	14,300	14,300	34,835,700	52,554,176	79,800	189,800			53,252,700	71,036,764	(53,252,700)	(71,036,764)		

Table 2
Regular budget expenditure and income by result and major object of expenditure at 2022–2023 rates
(In euros)

Result	Staff costs		Official travel		Operating costs		Information and communication technology		RPTC and Special Resources for Africa		Total Expenditure		Income		Net requirements	
	2022–2023	2024–2025	2022–2023	2024–2025	2022–2023	2024–2025	2022–2023	2024–2025	2022–2023	2024–2025	2022–2023	2024–2025	2022–2023	2024–2025	2022–2023	2024–2025
1 Policies and strategies for ISID and SDGs	25,391,987	25,585,917	789,010	911,610	6,143,720	6,143,720	342,545	342,545	3,142,033	3,283,433	35,809,295	36,267,225	(213,200)	(226,445)	35,596,095	36,040,780
2 Conducive industrial ecosystems	14,934,023	15,311,203	148,620	148,620	1,279,183	1,279,183	160,215	160,215	3,142,033	3,283,433	19,664,074	20,182,654	(213,400)	(226,445)	19,450,674	19,956,209
3 Innovative, inclusive and sustainable businesses	11,888,880	12,266,060	136,470	136,470	1,208,411	1,208,411	148,840	148,840	3,227,534	3,372,834	16,610,135	17,132,615	(213,300)	(226,445)	16,396,835	16,906,170
4 Effective strategic management for results	14,688,750	14,696,760	388,080	388,080	1,865,220	1,865,220	247,500	247,500			17,189,550	17,197,560	(213,400)	(226,445)	16,976,150	16,971,115
5 Excellence of corporate services and operations	21,613,155	21,845,555	117,359	117,359	815,300	815,300	6,144,050	6,144,050			28,689,864	28,922,264	(213,200)	(226,445)	28,689,864	28,922,264
Indirect costs	7,985,861	8,169,221				24,650,716	547,100	547,100			27,966,625	33,367,037			27,966,625	33,367,037
Miscellaneous income													(3,220,000)	(3,167,520)	(3,220,000)	(3,167,520)
TOTAL (excluding result BMS)	96,502,656	97,874,716	1,579,539	1,702,139	30,745,498	35,962,550	7,590,250	7,590,250	9,511,600	9,939,700	145,929,543	153,069,355	(4,073,300)	(4,073,300)	141,856,243	148,996,055
6 Efficient VIC Buildings Management																
6.1 Common buildings management	17,452,900	17,426,088	14,300	14,300	33,162,900	50,709,848	79,800	189,800			50,709,900	68,340,036	(50,709,900)	(68,340,036)		
6.2 Joint buildings management	870,000	852,400			1,672,800	1,844,328					2,542,800	2,696,728	(2,542,800)	(2,696,728)		
TOTAL (result BMS)	18,322,900	18,278,488	14,300	14,300	34,835,700	52,554,176	79,800	189,800			53,252,700	71,036,764	(53,252,700)	(71,036,764)		

Table 3
Operational budget expenditure and income by result and major object of expenditure at 2022–2023 rates
(In euros)

Result	Staff costs		Official travel		Operating costs		Information and communication technology		RPTC and Special Resources for Africa		Total Expenditure		Income		Net requirements	
	2022–2023	2024–2025	2022–2023	2024–2025	2022–2023	2024–2025	2022–2023	2024–2025	2022–2023	2024–2025	2022–2023	2024–2025	2022–2023	2024–2025	2022–2023	2024–2025
1 Policies and strategies for ISID and SDGs	9,889,275	10,000,955	1,117,660	1,117,660	193,200	193,200					11,200,135	11,311,815			11,200,135	11,311,815
2 Conducive industrial ecosystems	8,467,950	8,666,350	905,610	905,610	44,800	44,800					9,418,360	9,616,760			9,418,360	9,616,760
3 Innovative, inclusive and sustainable businesses	7,134,545	7,332,945	580,730	580,730	11,800	11,800					7,727,075	7,925,475			7,727,075	7,925,475
4 Effective strategic management for results	5,576,430	5,595,150	258,100	258,100							5,834,530	5,853,250			5,834,530	5,853,250
5 Excellence of corporate services and operations	5,402,600	5,402,600									5,402,600	5,402,600			5,402,600	5,402,600
Miscellaneous income													(1,797,154)	(3,981,587)	(1,797,154)	(3,981,587)
TOTAL (excluding result BMS)	36,470,800	36,998,000	2,862,100	2,862,100	249,800	249,800					39,582,700	40,109,900	(1,797,154)	(3,981,587)	37,785,546	36,128,313

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	59.85	29.25	89.10	54.05	16.75	70.80
2 Conducive Industrial Ecosystems	41.80	24.00	65.80	25.75	13.90	39.65
3 Innovative, Inclusive and Sustainable Businesses	33.00	20.65	53.65	23.00	12.40	35.40
4 Effective Strategic Management for Results	31.35	20.10	51.45	40.20	8.95	49.15
5 Excellence of Corporate Services and Operations	41.00	7.00	48.00	62.00	21.00	83.00
TOTAL (excl. result BMS)	207.00	101.00	308.00	205.00	73.00	278.00
6 Efficient VIC Buildings Management	9.00		9.00	100.00		100.00
TOTAL (result BMS)	9.00		9.00	100.00		100.00