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Medium-term programme framework, 2026–2029

Medium-term programme framework 2026–2029¹

Building future-ready industries for development

Proposal by the Director General

This document is presented in accordance with General Conference decision GC.2/Dec.23, as amended in decisions GC.6/Dec.10, GC.14/Dec.18 and GC.15/Dec.17, and resolutions GC.16/Res.1, requesting the Director General to submit to the Board, through the Programme and Budget Committee, a medium-term programme framework (MTPF), and GC.17/Res.1 inviting the Director General to regularly report on the implementation of the MTPF in the Organization's annual report.

The MTPF 2026–2029 draws on the 2013 Lima Declaration (GC.15/Res.1) and the 2019 Abu Dhabi Declaration (GC.18/Res.1). In addition, it fundamentally builds on the MTPF 2022–2025 and its midterm review ([IDB.51/10-PBC.39/10](#)) introducing the priorities of the Organization, namely fair and sustainable global and regional supply chains, ending hunger through innovation and local value chains and renewable and clean energy, sustainable energy access and climate action, as well as its cross-cutting priorities, including industrial and economic policy advice, skills development, fostering digitalization and artificial intelligence, gender equality and the empowerment of women, supporting youth, promoting cleaner production and circular economy, and leveraging private sector investment and development finance in the context of realizing the main mandate of UNIDO to support its Member States to attain inclusive and sustainable industrialization, based on the guidance of the Director General.

The MTPF 2026–2029 maintains its alignment to the 2030 Agenda for Sustainable Development ([A/RES/70/1](#)), in line with resolution GC.16/Res.2 and with

¹ The document has been revised for submission to the twenty-first session of the General Conference, incorporating Member States' comments from consultations on the MTPF 2026–2029.

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the Addis Ababa Action Agenda ([A/RES/69/313](#)) and the Paris Agreement, and continues to be guided by the quadrennial comprehensive policy review of operational activities for development of the United Nations system ([A/RES/79/226](#)).

The MTPF 2026–2029 will be supported by the biennium programme and budgets 2026–2027 and 2028–2029. It also takes into consideration the outlook as presented in document [IDB.52/3-PBC.40/3](#) related to the Organization's results indicators within the integrated results and performance framework (GC.18/CRP.4).

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I. Introduction

1. The medium-term programme framework (MTPF) 2026–2029 sets out the future direction of UNIDO to assist its Member States to shape their industries for development. It continues to reflect the commitment of UNIDO Member States to General Assembly resolution [A/RES/70/1](#), “Transforming our world: the 2030 Agenda for Sustainable Development”,² alongside the Paris Agreement, the Addis Ababa Action Agenda and the 2024 quadrennial comprehensive policy review of operational activities (QCPR).³ Specific to the Organization, these global agreements are being reinforced by the milestone declarations of the UNIDO General Conferences in Lima⁴ and Abu Dhabi.⁵
2. The development pathway of the MTPF 2026–2029 focuses on empowering UNIDO stakeholders with knowledge, capacities and skills at the micro, meso and macro levels (people, firms, institutions, governments and global actors). UNIDO interventions will trigger its stakeholders to change their business practices, innovate and diffuse technologies, mobilize investments, strengthen governance systems and introduce policy and standards for sustainable economic and industrial development.
3. Behavioural changes drive systematic transformation to accelerate progress towards the achievement of internationally agreed global goals. To further establish the Organization as the leading platform for knowledge and technology transfer, innovation and investments, capacity-building and knowledge-sharing, transfer and exchange will remain the main contribution and value addition of UNIDO at the global, regional and country levels.
4. The development of the MTPF 2026–2029 included an internal and external consultative process, where feedback from a survey with UNIDO Member States and key stakeholders was undertaken from November to December 2024.⁶ It also draws on the independent evaluation of the UNIDO medium-term programme framework 2018–2021 noting that future MTPFs should:
 - Be the quadrennial central strategic steering instrument and road map for the Organization while the programme and budgets document is the biennial operational arm for the implementation of the MTPF; and
 - Benefit from a stronger engagement and dialogue with its Member States.

II. Strategic context

5. The MTPF 2026–2029 was prepared at a time when there is continued poverty and widening inequalities, increased geopolitical tensions, ongoing armed conflicts in the world, escalating trade conflicts and severe effects of climate change, a polycrisis affecting, in particular, developing countries and persons in vulnerable situations.
6. Industrialization is crucial for sustainable development. It drives economic growth by increasing productivity and creating jobs, which in turn boosts household incomes and stimulates further economic activity. Industrialization fosters technological innovation and advancement. It leads to the development of new

² Argentina dissociates itself from the medium-term programme framework, 2026–2029, as it considers the 2030 Agenda legally non-binding and has dissociated itself from the Pact for the Future.

³ [A/RES/79/226](#).

⁴ The Lima Declaration (2013) laid the foundation for the development of Sustainable Development Goal 9, reinforcing the core mandate of UNIDO in industrial development and its contribution to the three dimensions of sustainable development (economic, social and environmental).

⁵ The Abu Dhabi Declaration (2019) reaffirms the UNIDO mandate and recognizes the Organization’s role as a platform for private sector engagement and cooperation.

⁶ A total of 20 responses were received (approximately 12 per cent respond rate).

products and processes that can improve efficiency and competitiveness. Additionally, it enhances infrastructure and supports the development of other sectors, such as agriculture and services, through the creation of linkages and value chains.

7. Moreover, industrialization can contribute to poverty reduction and improved living standards by providing decent employment opportunities in industry, where UNIDO research shows that every job in manufacturing creates more than two jobs in other sectors of the economy.⁷ Industrial development also promotes inclusive and sustainable economic growth. Small-scale industrial enterprises are a central source of employment in developing and emerging countries. Increasing their productivity and the quality of jobs is fundamental to improving livelihoods and to poverty eradication efforts.

8. The green transition and the artificial intelligence (AI) revolution are magnifying the current trend of increasing capital intensity in many industries, from electricity generation to manufacturing of so-called “green goods”, such as electric vehicles. The Global South, meanwhile, faces the challenge of creating a large number of formal and well-paying jobs to achieve the Sustainable Development Goals (SDGs). To accomplish a job-rich industrialization, aligned with pathways to achieve the temperature goal of the Paris Agreement, focus could be placed on labour-enhancing technologies that complement, instead of replacing human skills in support of structural transformation. To achieve this, investments in vocational training, digital skills and apprenticeship programmes will be important to ensure that the capabilities of a country’s workforce is aligned with evolving industrial needs while maximizing employment potential.

9. Due to its economic multiplier effect, industrialization is a major pillar of resource mobilization in the context of financing for sustainable development. It generates private and, when formalized, public revenues. These revenues can trigger a virtuous cycle of private and public investments, which through appropriate policy decisions have a high-impact potential across all SDGs.

10. Only 17 per cent of the SDG targets are on track, with nearly half showing minimal or moderate progress, and over one-third having stalled or regressed. SDG 9, “Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation”, is one of the many SDGs that is not on track. The financing gap for industrial development in developing countries is substantial, with the micro-, small and medium-sized enterprises (MSMEs) sector alone facing an annual formal financing gap of approximately \$5.2 trillion.⁸

11. In 2024, global manufacturing continued to grow at a subdued rate compared to the pre-pandemic period. This slower growth was influenced by factors such as an incomplete recovery in some regions, increased geopolitical instability, logistical challenges, rising energy costs and a broader global economic slowdown. Additionally, higher-technology industries outperformed sectors with lower technology intensity, widening the gap between countries with modern industrial sectors and those reliant on lower value-added industries.

12. The data indicate that progress made in industrialization indeed remains uneven across regions and income groups. According to the SDG 9 Industry Index, which ranks countries based on the three dimensions of inclusive and sustainable industrial development (economic, social and environmental), high- and middle-income industrial economies achieved the best performance, while low-income economies remain at the bottom of the Index’s ranking. Although manufacturing employment in low-income countries continues to expand at a strong pace, their production growth remains sluggish. This poses a significant risk of de-industrialization that can lead to

⁷ UNIDO, *Industrial Development Report 2024. Turning Challenges into Sustainable Solutions. The New Era of Industrial Policy* (Vienna, 2024).

⁸ International Institute for Sustainable Development, “Annual SDF Financing Gaps Measured in Trillions: FSDR 2024”, 10 April 2024, available at: <https://sdg.iisd.org/news/annual-sdg-financing-gaps-measured-in-trillions-fsdr-2024/>.

a declining regional economy, the displacement of skilled workers and the exacerbation of socio-economic inequalities. Furthermore, low-income countries are estimated to lose 1 per cent of their gross domestic product (GDP) annually due to anthropogenic climate change-induced extreme weather events and slow-onset events, compared to just 0.2 per cent in high-income countries, further deepening existing inequalities and vulnerabilities.

13. From a gender perspective, women's representation in manufacturing slightly declined since 2015 and remains at 42 per cent globally, with the gender gap continuing to widen in low-income economies. Gender inequality is exacerbated by the fact that women are more likely to be employed in low-productivity sectors while under-represented in technical and leadership positions⁹ and among entrepreneurs and startups. Globally, the share of women in higher-tech industries accounts for less than half that of men.¹⁰ There is evidence that as countries achieve higher levels of industrialization, there are lower levels of gender inequality.¹¹ It is therefore economically sound and a human rights imperative to ensure support for gender equality and the empowerment of women in industry.

UNIDO and the United Nations system

14. UNIDO plays a pivotal role within the United Nations system as the specialized agency to promote, dynamize and accelerate industrial development. Its continuous provision of technical cooperation, analytical, research and policy advisory services, normative functions and standards-related activities, alongside its convening function and partnerships help to enhance structural transformation, industrial productivity, sustainability and its value addition.

15. The Organization will remain guided by the biennial resolutions on industrial development cooperation. In 2024, the Second Committee of the General Assembly¹² encouraged UNIDO to continue to support the periodic reviews of SDG 9 at the high-level political forum on sustainable development, the central United Nations platform for the follow-up and review of the 2030 Agenda for Sustainable Development and the SDGs. It also called for a Fourth Industrial Development Decade for Africa and encouraged UNIDO to support the closing of the digital divide, noting the principles and objectives of the Global Digital Compact of the Pact for the Future, a collective vision for building a digital future that is inclusive, open, sustainable, fair, safe and secure for all.

16. Maintaining its reporting line to the Economic and Social Council, the QCPR, which is the primary policy instrument of the General Assembly to define the way the United Nations operates to support countries in their development efforts, will guide UNIDO on its role and position within the United Nations development system (UNDS).

17. In 2024, the QCPR¹³ emphasized the essential role of inclusive and sustainable industrial development, contributing to structural economic transformation towards the eradication of poverty and to support sustainable economic growth, leaving no one behind. It also called on entities to allocate resources to prioritize the development objectives of countries, especially those furthest behind, ensuring a coherent and integrated approach within the system to support the SDGs.

18. Efforts to eradicate poverty and to end hunger, alongside supporting countries in implementing the Paris Agreement and adopting climate- and environment-responsive approaches were also highlighted. Member States also encouraged the enhancement of South-South and triangular cooperation. Heeding these calls, UNIDO

⁹ UN-Women, *Progress on the Sustainable Development Goals: The Annual Gender Snapshot* (New York, 2023).

¹⁰ UNIDO, *International Yearbook of Industrial Statistics* (Vienna, 2024).

¹¹ UNIDO, *International Yearbook of Industrial Statistics* (Vienna, 2024).

¹² A/RES/79/222.

¹³ A/RES/79/226.

will aim to leverage its unique strengths in industrial development within the UNDS to contribute to its Member States' efforts to leave no one behind and to achieve sustainable development.

19. During the period from 2026 to 2029, UNIDO will focus, among others, on supporting its Member States in the implementation of recently adopted international global goals, including:

- The Doha Programme of Action for the Least Developed Countries (LDCs);¹⁴
- The Antigua and Barbuda Agenda for Small Island Developing States (SIDS): A Renewed Declaration for Resilient Prosperity;¹⁵ and
- The Programme of Action for Landlocked Developing Countries (LLDCs) (2024–2034).

20. UNIDO's engagement in the global development agenda during the MTPF period from 2026 to 2029 will build on the Organization's contribution to the various intergovernmental processes in 2025, including, for instance, the Third United Nations Conference on Landlocked Developing Countries, the United Nations Ocean Conference, the fourth International Conference on Financing for Development, the Second World Summit for Social Development and the United Nations Climate Change Conference.

21. Promoting gender equality and the empowerment of all women and girls at all levels through mainstreaming a gender perspective while promoting inclusive and sustainable industrialization will continue to be a priority for UNIDO as the Organization remains an active implementer of the relevant United Nations policy in this regard.

22. The Pact for the Future,¹⁶ adopted by world leaders at the Summit of the Future in 2024, emphasizes the importance of multilateral cooperation and includes commitments to turbocharge the SDGs, enhance international peace and security, and promote sustainable development and climate action. With its focus on sustainable development, achieving gender equality and the empowerment of all women and girls, digital cooperation and the well-being of future generations, the Pact is also relevant to UNIDO as a guiding document as it complements the Organization's strategic priorities, including fostering resilient and fair supply chains and advancing innovative energy solutions. By leveraging the principles and commitments of the Pact, UNIDO can strengthen its efforts to mobilize resources, forge strategic partnerships, and implement impactful programmes and projects that contribute to global sustainability and economic transformation.

23. UNIDO will also enhance and strengthen its efforts to integrate principles of UN 2.0, the “quintet of change”, incorporating behavioural science, digital skills, innovation, data ecosystems and strategic foresight into its work, programmes and initiatives. By leveraging the principles of UN 2.0, UNIDO can enhance its capacity to support Member States through cutting-edge innovation strategies, multi-stakeholder partnerships, and the integration of science, technology and innovation. The emphasis on capacity-building, skills development and digital transformation will enable UNIDO to better assist countries in navigating the complexities of modern industrialization, ultimately contributing to the achievement of the SDGs and a more resilient global economy.

III. The future of industries

24. The future of industries is poised to be transformative, driven by advancements in technology and the rapid rate of convergence between the different technological

¹⁴ Resolution 76/258, annex.

¹⁵ Resolution 78/317, annex.

¹⁶ A/RES/79/1.

realms, sustainability and inclusivity. Industries will increasingly adopt cutting-edge technologies such as artificial intelligence, the Internet of things and robotics, revolutionizing production processes and enhancing efficiency. Sustainability will be at the forefront, with a strong emphasis on reducing greenhouse gas emissions in accordance with the goals of the Paris Agreement, limiting the temperature increase to 1.5°C above pre-industrial levels, utilizing renewable energy sources, ensuring the sustainability of supply chains and responsible investment, and implementing circular economy principles, as well as increasingly contributing to the restoration and regeneration of nature. The world will need to achieve a global decarbonized energy system as part of a people-centred, just and affordable energy transition to low greenhouse gas emissions and climate-resilient industrial development.

25. The industrial landscape will also be more resilient, capable of adapting to global challenges such as climate change, geopolitical tensions and unanticipated shocks, such as a pandemic. Inclusivity will play a crucial role, ensuring that industrial growth benefits all segments of society, particularly in developing regions, by creating jobs through demand-driven skills and improving living standards. Overall, the future of industries will be characterized by innovation, sustainability, resilience and a commitment to sustainable, inclusive and equitable growth.

26. To embark on the future of industries trajectory, a business-as-usual approach will not be sustainable. Developing countries, including those in special circumstances such as LLDCs, LDCs and SIDS, and especially their persons in vulnerable situations, risk being left behind as industrial production continues to be concentrated in a few major players and countries with industrial production capacity. Without proactive interventions, countries, particularly those at risk, will miss out on the transformative benefits of sustainable industrialization. The future of industries trajectory also underscores the importance of capacity-building and technology transfer on mutually agreed terms at different levels, and the rethinking of public policies to foster industrialization.

27. Promoting industrial diversification and developing new industrial capabilities are essential to sustain and accelerate economic growth. It is therefore necessary for UNIDO to help enhance industrial policies which aim to diversify and upgrade export composition, increase labour productivity and strengthen competitiveness. These policies should focus on, among others, the enhancement of human resources capacity, infrastructure investments and the advancement of digital transformation.

28. To support women in the future of industries, policies aimed at closing gender gaps will be needed to enhance gender equality, particularly as the digital landscape and emerging technologies in industry expand. Equal opportunities, training and support for women need to be ensured to enable women to fully, equally and effectively participate, lead and benefit in the industries of the future. Ensuring fair wages, safe working conditions and social protection measures, such as childcare support and parental leave can enhance women's participation in the workforce, reduce gender inequality and create more inclusive industrial economies.

IV. Looking ahead, 2026–2029

29. The MTPF 2026–2029, in line with UNIDO's Vision 2050 that is under development, envisions a fair global economy in a world free from poverty and hunger, where industry drives economic, productive and social progress, creating decent jobs, prosperity and high-value goods. Future industries will operate as an intelligently connected, partly decentralized ecosystem that prioritize resource efficiency and material reuse. These industries will feature closed-loop processes with low waste, low contamination and designs aligned with low greenhouse gas emissions and climate-resilient development. Women and men will enjoy decent, well-paid jobs, while contributing to innovative manufacturing processes that deliver valuable products and services, benefiting society as a whole.

30. The MTPF addresses cross-cutting priorities, including industrial and economic policy advice, skills development, fostering digitalization and artificial intelligence, gender equality and the empowerment of women and youth, promoting cleaner production and circular economy, and leveraging private sector investment and development finance. Thematic priorities include fair and sustainable global and regional supply chains, ending hunger through innovation and local value addition, and renewable and clean energy, sustainable energy access and climate action.

31. Leveraging on the expertise of the Organization and its functions, comprising technical cooperation, analytical, research and policy advisory services, normative functions and standards-related activities, its convening function and partnerships, particularly with the private sector, the MTPF 2026–2029 describes the efforts of UNIDO to foster sustainable and inclusive industrialization as a catalyst for decent job creation, income generation, poverty and hunger reduction, and improved living standards, while safeguarding the environment and reducing harmful emissions.

32. The following priorities reflect the global challenges faced vis-à-vis the strengths of the Organization. The dynamics of each priority having an influence on one another is recognized, with changes in one area often directly influencing the others. UNIDO's cross-cutting approach is intended to address the interplay of these strategic priorities.

Fair and sustainable global and regional supply chains

33. UNIDO specializes in promoting fair and sustainable global and regional supply chains by addressing the root causes of unsustainable practices and providing immediate support to firms and workers. The Organization's approach in this area will focus on six key dimensions: value addition, standards compliance, skills development, resource efficiency, regional integration and sustainable investment. By empowering youth and women with the necessary skills, technologies and resources, UNIDO helps integrate countries into domestic, regional and global value chains in a socially just, environmentally sustainable and economically inclusive manner.

34. Cognizant of the rising demand for critical minerals, it is anticipated that supply chains will be held to strict social and environmental standards, ensuring ethical sourcing and sustainability. With critical minerals being key drivers of green industrialization and energy transition, the demand for reliable, high-quality materials will grow. In addition to operationalizing the Global Alliance for Responsible and Green Minerals, launched in 2024, UNIDO will also expand its work under the Minamata Convention on Mercury, supporting the phasing out of mercury use in artisanal and small-scale gold mining and industrial processes by introducing mercury-free technologies and improving waste management practices. The Organization will contribute to global policy setting, including engaging in the development of voluntary principles on critical minerals.

35. Well-established UNIDO expertise in this area includes, *inter alia*, sectoral support in developing countries in strengthening regulatory frameworks, enhancing quality assurance systems and building capacity for good manufacturing practices compliance; industrial planning, facilitating the establishment and efficient operation of special economic zones, eco-industrial parks and industrial corridors; demand-driven skills development, uplifting vocational education; investment project preparation and appraisal; value chain analysis through the use of tools developed by UNIDO, such as the computer model for feasibility analysis and reporting (COMFAR) and sustainability curricula, and the subcontracting and partnership exchanges (SPX) programme; as well as the establishment of national, regional and internationally recognized national quality infrastructure systems to stimulate trade competitiveness and sustainability in supply chains.

36. To further promote resource efficiency and waste reduction in supply chains, circular economy policies and practices will be promoted. By incorporating the circular economy into supply chains, it will help reduce greenhouse gas emissions

and ensure that materials are used and reused efficiently, reduce dependencies and create high-quality jobs.

37. In collaboration with various stakeholders, including governments, institutions involved in investment and export promotion, international organizations and the private sector, UNIDO will aim to foster a conducive business environment and support infrastructure, ensuring that the benefits of globalization are fairly distributed and that supply chains are transformed to add more value locally and become more sustainable.

Ending hunger through innovation and local value addition

38. The UNIDO efforts to combat hunger will be guided by the recommendations contained in the joint study by UNIDO and the Food and Agriculture Organization of the United Nations (FAO), published in 2024 and presented at the World Without Hunger Conference held in Addis Ababa in November 2024. UNIDO will strengthen and increase its work focused on expanding and adding value to agricultural processing in developing economies to improve incomes. It will draw on the Organization's grounded expertise, among others, in facilitating investments to build infrastructure and improve mechanization and technology adoption, improving access to finance, enhancing food processing technologies and value addition, strengthening agricultural value chains, including in related sectors, such as leather and textile, and reducing post-harvest losses. UNIDO will draw on its networks, including its Investment and Technology Promotion Offices (ITPOs), to build investible and bankable investment opportunity pipelines and link such investment opportunities to potential investor groups.

39. Well-established UNIDO expertise includes, *inter alia*, the establishment of integrated agro-industrial parks, supporting the application of principles of cleaner production, renewable energy, circular economy and life cycle management in agro-industry, and supporting the development of food value chains. UNIDO also has the know-how to help strengthen agro-industries through the establishment of food quality and safety compliance infrastructure and capacity-building programmes, including in, for example, Good Hygiene Practices, as set by local regulatory authorities, helping firms to establish practical quality management systems to meet international food safety and quality standards. UNIDO has also been supporting the agro-industry to develop schemes for the sustainable sourcing of food products in line with quality protocols and standards of food safety.

40. Strategic partnerships with the private sector, international financial institutions and other agencies, and funds and programmes of the United Nations will be crucial to leverage resources and expertise. By focusing on innovation, capacity-building and infrastructure development, UNIDO aims to create resilient and inclusive food systems that ensure access to nutritious food for all towards the goal of ending hunger.

41. UNIDO will actively contribute to relevant global initiatives such as the United Nations Food Systems Summit Stocktaking Moments in 2027 and 2029, and the Group of 20 Global Alliance against Hunger and Poverty. UNIDO will leverage on the Addis Ababa Call to Action and the "World Without Hunger is Possible initiative"¹⁷ that aims to scale private sector solutions for sustainable agro-food systems transformation.

42. Inter-agency collaboration within the United Nations system, including with FAO, the World Food Programme and the Vienna-based organizations, the International Atomic Energy Agency, the United Nations Office on Drugs and Crime, and the Office for Outer Space Affairs, will be undertaken, leveraging on the expertise of the individual agencies to effectively achieve the targeted developmental impact.

¹⁷ Working title.

Renewable and clean energy, sustainable energy access and climate action

43. The UNIDO Climate Change Strategy establishes a comprehensive framework to support Member States in achieving low greenhouse gas emissions and climate-resilient industrial development. The Strategy recognizes industry's threefold role as a major greenhouse gas emitter, a sector affected by climate change and a critical provider of technological solutions to address impacts and sustainable jobs. Guided by the United Nations Framework Convention on Climate Change (UNFCCC), the Paris Agreement and the 2030 Agenda, the Strategy envisages a world where industry drives low-emission economies, improves living standards, ensures sustainable access to energy and preserves the environment for present and future generations, leaving no one behind.

44. The Strategy outlines 10 operational principles and nine key areas of work to achieve its objectives. These include promoting transformational change through economy-wide approaches, mainstreaming climate adaptation in industrial development, empowering MSMEs and achieving net-zero emissions for UNIDO's operations by 2030. The areas of work encompass raising the profile of inclusive and sustainable industrial development in climate discourse, facilitating international cooperation, promoting Paris Agreement-compatible industrial policies, supporting adaptation and climate resilience building, enabling participation in high-integrity carbon markets and boosting renewable energy adoption, with a particular focus on green hydrogen development and strengthening the nexus between sustainable energy access and industrialization.

45. Through this strategy, UNIDO brings extensive expertise in facilitating climate technology transfer, on mutually agreed terms, advancing just and affordable energy transition, and supporting industrial decarbonization, particularly in developing countries. The Organization's proven track record includes successful partnerships with major climate finance institutions, enabling transformative projects that combine climate mitigation and adaptation with industrial development. UNIDO's technical expertise spans across energy efficiency optimization, renewable energy and low emissions hydrogen applications and industrial processes, adaptation technologies and climate-resilient manufacturing. Recognizing the vital link between sustainable energy access and industrial development, UNIDO promotes integrated solutions that simultaneously expand energy infrastructure, stimulate productive activities and foster socio-economic transformation. This expertise is further enhanced by the Organization's role in international climate advocacy and its ability to convene diverse stakeholders to accelerate collective action toward low greenhouse gas emission and climate-resilient industrial development.

46. The implementation of the Strategy will be operationalized through a five-year action plan covering the period from 2026 to 2030, with measurable targets and indicators, supported by strategic partnerships and regular updates to reflect emerging global trends and UNFCCC deliberations. In addition to well-established areas of work, the action plan will cover emerging opportunities such as averting, minimizing and addressing loss and damage, expanding participation in carbon markets and supporting the development of ocean renewable energy technologies. It will also emphasize leveraging the energy-industrialization-social development nexus to deliver inclusive growth, ensuring that access to sustainable, reliable and affordable energy directly fuels industrial activities and economic diversification. Furthermore, the action plan will include programmes to empower Member States and private sector actors to effectively participate in carbon markets in accordance with Article 6 of the Paris Agreement and to address climate and environment policies and mechanisms which have an impact on trade.

47. UNIDO will enhance and expand its collaboration with the United Nations Climate Change Secretariat, partner organizations including FAO, the International Renewable Energy Agency, the United Nations Development Programme (UNDP) and the United Nations Environment Programme, as well as international climate finance institutions to leverage synergies and maximize impacts of climate action in

Member States, particularly in developing countries. Focus will also be placed on initiatives that strengthen the critical link between sustainable energy access and industrialization, and facilitate technology transfer, on mutually agreed terms and access to climate finance, particularly for small and medium-sized enterprises (SMEs) ensuring that the energy transition directly supports inclusive and sustainable industrial development.

Cross-cutting priorities

Industrial and economic policy advice

48. Traditional models of industrialization are insufficient in addressing complex global challenges, such as climate change, technological advancements and the shifting of global value chains. To build future-ready industries, UNIDO advocates for new SDG-friendly approaches to industrial policy, integrating sustainability, inclusivity and resilience. To ensure that industrialization is accelerated and leaves no one behind, enhanced financial, technological and technical support should be provided to African countries, LDCs, LLDCs, SIDS¹⁸ and middle-income countries (MICs).

49. UNIDO's approach to SDG-friendly industrial policies prioritizes the building of policy capacities in Member States to better equip them to formulate and implement evidence-based, multi-stakeholder participatory policies that promote economic prosperity while safeguarding the environment and social well-being.

50. Aligned with its unique mandate within the United Nations system to promote industrialization and its role as the custodian agency collecting and compiling data for six industry-related indicators under SDG 9, UNIDO is committed to supporting Member States' efforts to build robust industrial ecosystems that can foster the localization of industry, adapt to and leverage emerging megatrends, such as digitalization and artificial intelligence, and green industrialization. This involves policies to support productivity and competitiveness in global markets while fostering the transition to renewable energy sources and technologies, and implementing circular economy principles. It also implies fostering digitalization and increased capacities to undertake industrial innovation.

51. UNIDO will continue to offer cutting-edge policy advisory services to increase the capacity of its Member States to formulate and implement stronger industrial policies and strategies. These services will be tailored to the specific needs and contexts of different regions, and the development status of Member States.

Skills development

52. The skill sets required for employment and entrepreneurship in modernizing industries are evolving rapidly, particularly in competitive sectors that demand innovative approaches to training, skills development and entrepreneurial capacity-building. As technological advancements accelerate and are increasingly leveraged to tackle global development challenges, there is a growing need for employees and entrepreneurs with specialized, adaptable and advanced skills. To cope with the new wave of technological change, which lies in the rapid advancement of renewable energy technologies, it is essential to have in place strategic and long-term policies to enhance the capacity of skilled professionals in developing countries to develop and produce green technology products.

53. To meet these needs in developing countries, UNIDO will take a comprehensive, multi-dimensional systemic approach that bridges gaps in education systems, industry requirements and entrepreneurial ecosystems. There is a pressing demand for specialized, flexible and high-level training programmes that connect society to educational institutions and the private industrial sector. These efforts set the stage for UNIDO's programme on skills and entrepreneurship development, aimed at

¹⁸ Target 9.a of SDG 9.

preparing the workforce for employment while empowering it to lead sustainable industrial innovation and entrepreneurial ventures.

54. UNIDO's approach will strategically integrate skills and entrepreneurship development with its core thematic priorities, fostering sustainable global and regional supply chains and trade, sustainable agribusiness and rural industrial development to end hunger, and climate action and sustainable energy. This programmatic alignment will foster innovative solutions while delivering significant benefits such as enhanced operational efficiencies, improved knowledge management, strengthened multi-stakeholder networks, and streamlined scalability and replicability. By leveraging these synergies, this approach will also reduce project development costs, ensuring greater impact and sustainability across initiatives.

55. UNIDO will tap into potential synergies and collaboration within the United Nations system, including with the International Labour Organization, drawing on its relevant tools, including the Green Employment Diagnostics for Just Transitions, which supports countries to understand and respond to the opportunities and threats posed by climate change, and policy responses to promote just transition.

Fostering digitalization and artificial intelligence

56. The UNIDO digital transformation approach is centred around leveraging digital technologies to drive industries for development.¹⁹ Its strategic approach is anchored in the Secretary-General of the United Nation's Roadmap for Digital Cooperation²⁰ and aims to advance the implementation of the Global Digital Compact. UNIDO's actions in this area will also be fully aligned with the 2030 Agenda and will be driven by national priorities and needs. The Organization will focus on ensuring that digital technologies are adaptable to local, national and regional contexts. This approach emphasizes the importance of digital governance, capacity-building and the development of digital ecosystems that support economic development, social inclusion and environmental sustainability.

57. To achieve these goals, UNIDO will implement three mutually reinforcing workstreams: strengthening digital governance and ecosystems at all levels, mainstreaming digital considerations in its programming and transforming UNIDO into a digitally enabled fit-for-purpose organization. This will involve creating robust digital governance frameworks, fostering public-private partnerships and promoting the responsible use of digital technologies.

58. UNIDO will also focus on building digital capabilities through capacity-building programmes, collaborating where relevant with other United Nations agencies, funds and programmes, such as UNDP and the United Nations Technology Bank for the Least Developed Countries, drawing on the individual entities' mandate. The Organization will also leverage open-source technologies to democratize access to digital solutions. Through such activities, UNIDO will enable the benefits of digital transformation to be accessible to all Member States, regardless of their level of development or geographical location.

59. UNIDO's Global Alliance on Artificial Intelligence for Industry and Manufacturing, launched in July 2023, will serve as a collaboration platform for governments, international organizations, the private sector, academia, civil society and industry leaders to foster the responsible, sustainable, inclusive and ethical application of artificial intelligence in the industrial sector.

Gender equality and empowering women

60. UNIDO will apply a twin-track approach to mainstream a gender perspective while promoting sustainable and inclusive industrialization. The Organization will continue to further strengthen its efforts to address gender inequality in industry.

¹⁹ See document GC.20/CRP.4, "UNIDO Operational Strategy for Digital Transformation. Note by the Secretariat".

²⁰ A/74/821.

Efforts will be made to harness women's full potential as leaders and agents of change to contribute to the transformation of economies to achieve inclusive growth.

61. Cognizant of the specific needs of women across different contexts and sectors, tailored interventions that address root causes of gender inequality and counter barriers for women, particularly those from marginalized communities, will be prioritized. The Organization will actively advocate for women's representation and leadership in industrial policymaking, corporate governance and innovation ecosystems. It will also strengthen equal access to skills training, entrepreneurship support, affordable finance and investment, green sustainable and digital technologies, and industrial value creation.

62. To scale up the contribution of women to industries for development, programmes will be implemented to increase women's employment in decent jobs through supporting women-owned and women-led SMEs across the value chains. To achieve this goal, UNIDO will forge partnerships with the private sector, academia and local communities and support women's groups and business associations.

Supporting youth

63. Recognizing the transformative potential of youth as drivers of innovation, UNIDO will support youth empowerment and mainstream the inclusion of youth across its programmes and projects. Empowering young people implies engaging them as partners and stakeholders. UNIDO therefore intends to further strengthen its engagement via youth platforms at the national and global level to reinforce the consensus that young people are a driving force behind economic transformation and that they have the highest stakes in industries for development.

64. Efforts could also include offering young entrepreneurs access to UNIDO's comprehensive tools for enterprise development and partnerships to promote youth-focused financial services, such as low-interest loans, grants, mentorships, expanding technical and vocational education and training systems to meet industry needs, and establishing incubation hubs and entrepreneurship programmes to nurture innovation and entrepreneurial skills.

Promoting cleaner production and circular economy

65. In addition to mobilizing climate action by industry, UNIDO will contribute to addressing the global environmental challenges, including climate change, biodiversity loss and pollution by enhancing its support to Member States in implementing multilateral environmental agreements and transitioning toward decoupling socio-economic development from the use of natural resources. Under the Stockholm Convention on Persistent Organic Pollutants, UNIDO will strengthen its assistance to developing countries in eliminating and reducing persistent organic pollutants through the introduction of best available techniques and best environmental practices in industrial processes, while promoting alternative green chemistry solutions.

66. The Organization will continue its successful work under the Montreal Protocol on Substances that Deplete the Ozone Layer, helping industries transition away from ozone-depleting substances and high global warming potential alternatives in sectors such as refrigeration, air conditioning and foam manufacturing, while promoting energy efficiency and sustainable cooling. UNIDO will strengthen its support for the Convention on Biological Diversity by promoting bio-based industries and sustainable practices that protect and restore ecosystems and biodiversity, while creating nature-positive economic opportunities. UNIDO will continue to actively contribute to global policy setting, in particular by engaging in the development of an international legally binding instrument on plastic pollution.

67. UNIDO will intensify its efforts to advance circular economy principles across industrial sectors. The Organization will support developing countries in redesigning their industrial processes to eliminate waste, extend product life cycles and maximize

resource utilization. This includes promoting eco-industrial parks, greening industrial supply chains, implementing extended producer responsibility schemes, and fostering industry-urban symbiosis initiatives and networks.

68. The Organization's work on blue economy initiatives will be expanded, recognizing the crucial role of oceans and water resources in sustainable industrial development. This includes supporting coastal and maritime industries in adopting cleaner production methods, reducing marine and plastic pollution from industrial sources, and developing sustainable aquaculture and marine biotechnology sectors. These interventions will be particularly crucial for SIDS and coastal communities where industrial development intersects with marine ecosystem preservation.

Leveraging private sector investment and development finance

69. UNIDO's strategic approach to innovative financing is designed to bridge the significant financing gap required to achieve the SDGs, estimated at \$4.2 trillion annually.²¹ Recognizing that public funds alone are insufficient, UNIDO emphasizes the mobilization of public and private capital²² to support industries for development. This approach involves leveraging a range of innovative financial mechanisms,²³ such as blended finance, impact investment, green bonds and results-based financing, to attract both private and public resources. By integrating these financial tools into its technical cooperation activities, UNIDO aims to enhance its support for Member States, ensuring that investments align with environmental, social and governance criteria.

70. International financial institutions, and national and multilateral development banks can play a key role in structuring de-risking mechanisms that attract private sector participation in industrial projects in the Global South. Joint work and collaboration with United Nations Trade and Development will be explored to create frameworks and data analysis to improve investment climates, streamline trade and investment regulatory frameworks, and facilitate foreign direct investments into sustainable industrial parks and value chains.

71. Systematically incorporating financial components into UNIDO's technical cooperation programmes and projects will play an important role. This includes training, workshops and advisory services to increase the financial and investment project preparation and appraisal skills of project managers. This approach will include the identification of suitable financial partners to enhance the overall impact and sustainability of its initiatives. UNIDO will also report on the mobilization of parallel public and private funding (grants, loans, equity and direct investments, etc.) that goes beyond the implementation of its grants for technical cooperation, as per its current operation on a standard basis under the Programmes for Country Partnership (PCPs).

72. Cognizant of the specific challenges faced by SMEs in emerging markets and developing economies, UNIDO will support the development of investment-ready women- and men-led SMEs, in particular by equipping them with essential research, data collection and analytical skills. They will also be equipped with the necessary investment project preparation and appraisal tools to successfully attract stable and development-conducive foreign direct investment. These actions contribute to the de-risking of investments, through guarantee schemes and co-investments, and help promote a conducive legal and policy environment for innovative finance, as pipelines of solid investment projects are created for promotion in relevant international forums. By piloting comprehensive solutions that combine policy

²¹ See <https://jointsdgfund.org/sdg-financing>.

²² As guided by the UNIDO Policy on Business Sector Partnerships (DGB/2024/04) which defines that UNIDO's private sector partnerships are non-commercial in nature and are subject to due diligence screening.

²³ UNIDO does not intend to act as a lender, it will mobilize finance and seek to de-risk industrial lending by facilitating technical cooperation and mobilizing funds from the private sector and international financial institutions for direct investments in support of industrial development.

advice, capacity-building and financial instruments, UNIDO will be able to support sustainable financial ecosystems in Member States, allowing for industries for development and the integration of regional markets.

V. Enabling industrial developmental impact

Funding

73. The implementation of the MTPF 2026–2029 will be supported by two biennial programme and budgets, covering 2026–2027 and 2028–2029. It would require an assessment of the needs of its Member States to determine the need for the mobilization of additional resources, including through voluntary contribution, to ensure UNIDO's capacity to deliver on its expected expanded programme and project implementation portfolio.

74. During the MTPF period, voluntary contributions²⁴ from its major donors, including multilateral funds, such as the Global Environment Facility, the Multilateral Fund for the Implementation of the Montreal Protocol, the Green Climate Fund and the Adaptation Fund, alongside contributions from governmental donors, including the European Union, will become increasingly important for UNIDO to manage its service portfolio in an integrated and programmatic manner. In addition, parallel public and private resources from governments, development finance institutions and international finance institutions, and the private sector will be essential to complement UNIDO operations and scale up its development impact.

Deploying a stronger integrated, programmatic approach

75. UNIDO will deliver its assistance in line with its functions in an integrated, programmatic approach. A strategic programming framework, currently being developed, together with a portfolio management system, will be in place to support this integrated programmatic approach in UNIDO. This effort will transform the Organization's service portfolio in scope, scale and quality to deliver higher developmental impact for its Member States.

76. At the regional level, cognizant of the diversity of UNIDO Member States, their regions and backgrounds, unique challenges and local strengths, tailored Organization-wide regional strategies will guide UNIDO's response to the industrial development needs of its Member States. A more targeted and effective approach to promote and accelerate industries for development will be increasingly achievable by aligning the tailored regional strategies with the unique requirements and goals of each group of countries (MICs, LLDCs,²⁵ LDCs and SIDS).

77. The regional strategies will:

- *Advance resource-based industrialization, job creation and regional integration in Africa* – Africa, rich in natural resources and a youthful population, remains under-industrialized, with manufacturing contributing less than 12 per cent of GDP. Reliance on raw commodity exports hampers job creation and economic diversification. However, progress is emerging in sectors like textiles, automotive, agro-processing and electronics, bolstered by the African Continental Free Trade Area, which enhances intra-African trade, strengthens industrial linkages and fosters fair and sustainable regional supply and value chains. The continent's abundant renewable energy resources can drive

²⁴ Regulation 6.1 on voluntary contributions, including gifts, bequests and subventions in the Financial Regulations of UNIDO notes, “Voluntary contributions, whether or not in cash, may be accepted by the Director-General on behalf of the Organization, provided that the purposes for which the contributions are made are consistent with the policies of the Organization. The acceptance of such contributions, which directly or indirectly involve additional financial liability for the Organization, shall require the consent of the appropriate governing bodies of the Organization.”

²⁵ See General Conference resolutions GC.19/Res.3 and GC.20/Res.3.

industrialization, value addition and job creation, amplified by deeper regional integration. The UNIDO regional strategy for Africa²⁶ will aim to build capacity, enhance financing access for SMEs, promote prosperity, foster collaboration and technology transfer to support sustainable industrial development in line with the Agenda 2063 of the African Union and the 2030 Agenda.

- *Drive higher-value industries and digital transformation in Asia and the Pacific* – Being the largest and most populous region, Asia and the Pacific also exhibits disparities in industrialization. Thriving economies coexist with challenges like environmental degradation and economic inequality. The UNIDO regional strategy for Asia and the Pacific will focus on innovation, digital transformation and climate-neutral industries to harness the region's potential. This will entail supporting artificial intelligence integration and automation for enhanced productivity, and the continued promotion of renewable energy and circular economy practices. UNIDO will explore opportunities to enhance its partnership with regional bodies, such as with the Association of Southeast Asian Nations.
- *Build resilience through technology transfer and sustainability in the Arab region* – With the region facing challenges such as limited industrial diversification and environmental risks like water scarcity and desertification, the UNIDO regional strategic approach for the Arab region will address these issues through inclusive industrial development and economic diversification. It will explore the further promotion of localization of industry, in particular green industries, financing access for SMEs, the development of smart cities and sustainable industrial parks and the mainstreaming of fourth industrial revolution technologies, including renewable energy technologies. The strategy will also emphasize strengthening local agriculture production, reducing post-harvest losses and enhancing employment and skills development, particularly for youth and women.
- *Modernize and generate green industries, and enhance economic resilience in Europe and Central Asia* – The region boasts a skilled workforce and showcases industrial potential, but relies on resource extraction and faces environmental risks. The UNIDO regional strategy for Europe and Central Asia will focus on fostering human-centred green growth and sustainable industrialization by generating quality employment through high-value industries. Focus will also be given to the promotion of circular economy, renewable energy and resource-efficient practices. Support for MSMEs in the region will help enhance competitiveness, export capacities and supply chain linkages, alongside targeted support to build green and digital economies.
- *Advance industrial competitiveness, circular economy and renewable energy in Latin America and the Caribbean (LAC)* – With the region marked by immense biodiversity and significant renewable energy potential, the UNIDO regional strategy for LAC will aim to foster sustainable industrial development, taking into account different levels of advancement and growth, while enhancing inclusivity, economic resilience and environmental sustainability aimed at generating quality employment through high-value industries. UNIDO will intensify its collaboration with LAC countries through strengthened partnerships with governments, the private sector and international organizations, innovative business models and funding mechanisms tailored to middle- and high-income countries, enhanced communication, policy advisory and knowledge-sharing platforms, as well as rigorous monitoring and evaluation to ensure alignment with national and regional goals.

78. At the country level, the PCP will be the Organization's single programmatic approach, supported by revised policy and guidelines, as appropriate. The effectiveness of the PCP approach in helping governments design and achieve

²⁶ Building on the achievements and lessons learned from the implementation of the UNIDO Strategy for Africa, 2023–2025 (GC.20/Res.1).

forward-looking strategies for industries for development was highlighted in an independent evaluation of the programme. The PCP model will continue to balance project-driven and programmatic approaches, integrating their strengths into a cohesive strategy and approach.

Strengthening UNIDO's field network

79. The Organization will strengthen its field-level capacities based on country-level contexts, demand and the international development landscape, taking into consideration the availability of resources. UNIDO will also aim to enhance the efficiency and effectiveness of its field-level operations and further operationalize sharing knowledge and best practices. To do this, the UNIDO field network, liaison offices and ITPOs will continue to be empowered to proactively promote the role of industrial development to achieve national and regional sustainable development objectives.

80. UNIDO will build on its ongoing engagement efforts with national and regional planning processes to firmly position the Organization's service offer and its mandate in national and regional development agendas. The UNIDO field network will not only represent the Organization vis-à-vis governments, partner institutions, the UNDS and national development partners, it will also ensure the alignment and coherence of the Organization's services with local and regional priorities. Working closely with the UNDS, the UNIDO field network will also continue to provide industry-related contributions to the United Nations Sustainable Development Cooperation Frameworks and the related Common Country Assessments.²⁷

81. To effectively fulfil these roles, the Organization will continue its efforts to enhance the decentralization of its field network, in addition to augmenting the role of its field personnel to include industrial diplomacy, resource mobilization and technical cooperation implementation²⁸ to remain agile in its readiness to respond to requests from Member States.

82. The coordination and cooperation between the field network and headquarters will be further systematized through a unified approach based on strategic direction, knowledge-sharing, efficient and timely operations, and stronger collaborative partnerships across all levels of the Organization. Through these comprehensive measures, UNIDO is reinforcing its commitment to inclusive sustainable industrial development and increasing its presence and influence at the field level, ensuring that its mission aligns with the aspirations and priorities of Member States.

Strengthening strategic partnerships

83. With clear evidence that international cooperation and partnerships play a critical role in accelerating the promotion and achievement of industrial development, the Organization will focus on leveraging multi-stakeholder collaborations to address global challenges and drive industries for development. Cooperation, specifically in the form of South-South and triangular cooperation, will be imperative.

84. Towards this end, the Organization's partnership approach will focus on three core pillars: safeguarding, engaging and enabling. Safeguarding will involve robust risk management and due diligence processes to protect UNIDO's reputation and ensure the sustainability of partnerships. The engagement pillar will focus on identifying and mobilizing strategic partnerships with public and private entities, fostering collaboration to maximize impact, while the enabling pillar will aim to transform the Organization's partnership culture by providing innovative tools and training and promoting knowledge-sharing across divisions.

85. UNIDO actively collaborates with the private sector, acknowledging its crucial role in economic growth and job creation, to leverage its core strengths, brokering

²⁷ Relevant strategic and policy documents will be developed and promulgated to guide and support efforts in this area.

²⁸ DGB/2024/07.

knowledge, technology and investment for industrial development. This includes mobilizing resources from both advanced industries and emerging markets to support the industrialization of developing countries. In operationalizing partnerships with the private sector, a due diligence screening is a mandatory prerequisite for all prospective business partners.²⁹

86. UNIDO will also leverage the strengths of its various stakeholders, including research institutions, academia and financial entities, to develop innovative solutions. This approach aligns with SDG 17, which advocates for a “global partnership for development”, and underscores the need for a shared vision, common goals and a commitment to transparency, trust and accountability. UNIDO will strive to build an ecosystem where both the public and private sectors work seamlessly together, sharing resources, knowledge and innovative solutions to address global development challenges. It will also draw on its long-standing experience in applying the public-private development partnership (PPDP) approach, especially in the promotion of industrial skills development.³⁰

South-South and triangular industrial cooperation

87. To drive industrial transformation, UNIDO will leverage its South-South and triangular industrial cooperation (SSTIC) expertise as part of its support to its Member States and to complement the Organization’s North-South cooperation activities. The SSTIC approach is known to foster mutually beneficial partnerships and enables, in particular, the exchange of expertise, technology and investments. UNIDO will therefore amplify its role as a global facilitator, supporting SSTIC through peer learning, policy coordination and skills development initiatives.

88. During the MTPF 2026–2029 period, UNIDO will focus on:

- *Promoting awareness and advocacy for SSTIC* – UNIDO will actively advocate the relevance of SSTIC in industrial development through high-level policy dialogues and knowledge-sharing platforms. To enhance global visibility and engagement, UNIDO will utilize platforms like the Global South-South Development Expo and the United Nations Day for South-South Cooperation³¹ for targeted SSTIC promotion, providing strategic opportunities for Member States, development institutions and private sector partners to showcase best practices and explore collaboration opportunities.
- *Strategic corporate partnerships and technology transfer, on mutually agreed terms* – UNIDO will host forums to accelerate SSTIC through strategic corporate partnerships in the Global South. Through such partnerships, UNIDO will scale industrial cooperation initiatives that enhance technology transfer, skills development and investments in key industrial sectors based on the needs of its Member States. The ITPOs and the UNIDO SSTIC network³² will facilitate technology transfer by providing methodologies and toolkits to assess technology needs, evaluate transferred technologies and identify partners to operationalize technology transfer. Educational programmes focusing on the practical aspects of technology transfer, such as negotiation and commercialization, will also be provided.
- *Strengthening institutional coordination and knowledge generation* – Systematic coordination and engagement with the UNDS will be undertaken

²⁹ As guided by the UNIDO Policy on Business Sector Partnerships (DGB/2024/04) which defines that UNIDO’s private sector partnerships are non-commercial in nature and are subject to due diligence screening.

³⁰ The Learning and Knowledge Development Facility is the UNIDO platform that promotes industrial skills development among young people in developing economies. It works with the private sector through its effective PPPD approach.

³¹ A/RES/58/220.

³² These include the UNIDO Centre for South-South Industrial Cooperation, the UNIDO field offices, the International Centre on Small Hydro Power and the Global Network of Regional Sustainable Energy Centres.

through the inter-agency mechanism led by the United Nations Office for South-South Cooperation. This will ensure that the SSTIC activities of UNIDO remain aligned with global development strategies.

Managing for results

89. The UNIDO integrated results and performance framework (IRPF), introduced in 2016 and revisited in 2018–2019,³³ will continue to be updated to remain as the main tool to monitor the achievements and developmental impact of the operations of the Organization. It integrates the three main strategic documents of the Organization, the MTPF, the programme and budgets document and the UNIDO Annual Report.³⁴

90. During the MTPF 2026–2029 period, the results framework will be fully aligned with the programmatic priorities of the Organization and be progressively reflected in the programmes and projects implemented beyond 2025. The update of the IRPF³⁵ will be closely coordinated with Member States to refine the current set of indicators. This includes developing new or complementary indicators to fit the current state and status of the Organization and its strategic focus areas. Mechanisms to monitor results to reduce inequalities, including sex- and age-disaggregated data, will also be further strengthened.

91. In the spirit of managing with quality results, further efforts will also be made to strengthen internal capacities for quality assurance, and for the monitoring of and reporting on development results and impacts.

92. An enhanced quality assurance framework will be an important building block for UNIDO to promote evidence-based decision-making and foster integration of its services and coherence across its interventions to ensure the overall alignment of its portfolio with its strategic priorities. This includes refining tools and processes to systematically assess the design of projects and programmes, and monitor their implementation and results against established performance criteria, in addition to assuring the quality of results data.

93. Aligned with the Organization’s digitalization plans in 2026–2029, UNIDO intends to implement a next generation enterprise resource planning solution to enable quality assurance for reporting on outcomes in line with results-based management principles. Continuous engagement with Member States to ensure substantive guidance and support will be essential for the successful updating of the IRPF and other frameworks of relevance.

94. Internally supported by the UN 2.0 principles, UNIDO will undergo a digital transformation of its operations, programmes and human capital by nurturing digital capabilities and by fostering a forward-thinking organizational culture. This will require investing in digital literacy and advanced technology training for its workforce, optimizing workflows through automation and fostering a collaborative digital ecosystem. The Organization will enhance data and knowledge management to support overall efficiency gains in the programming cycle and programme delivery as well as enhancing evidence-based decision-making. By transforming into a digitally enabled organization, UNIDO aims to enhance its efficiency and effectiveness in the delivery of its functions to its Member States, reinforcing its role as a trusted partner in industrial development in the digital era.

Risk management

95. The MTPF 2026–2029, where feasible, will progressively integrate UNIDO’s enterprise risk management (ERM) as a principled and enabling framework. ERM embodies a holistic and integrated approach to managing risks and opportunities,

³³ GC.18/CRP.4.

³⁴ GC.17/Res.1 invites the Director General to regularly report on the implementation of the MTPF in the annual report.

³⁵ The process is anticipated to begin in 2025.

aligning with foresight, scenario planning and results-based management to strengthen the implementation and long-term impact of the MTPF.

96. By systematically identifying, assessing and managing risks and opportunities, it helps ensure that UNIDO remains resilient, adaptable and proactive in a dynamic global environment. An enhanced understanding of its risk and opportunity landscape enables UNIDO to translate insights into high-quality interventions, supported by risk-informed strategies that advance industries for development. This integration ensures that ERM directly contributes to the achievement of the 2030 Agenda for Sustainable Development and the Paris Agreement, while navigating the transformative megatrends reshaping industrialization.

97. By embedding ERM principles, UNIDO will enhance its capacity to prioritize, adapt and safeguard its resources in pursuit of its strategic objectives, thereby enhancing its ability to deliver measurable outcomes. This approach fosters the exploration of innovative business models, strategic partnerships and transformative solutions, particularly in response to the changing developmental landscape. ERM not only supports the scaling-up of initiatives but also amplifies UNIDO's efforts to remain at the forefront of global industrial development by addressing emerging risks while seizing new opportunities for sustainable growth. This is especially critical in the context of evolving global value chains, sustainable energy innovation and inclusive economic growth in developing countries.

98. Furthermore, by enhancing the Organization's governance framework, ERM strengthens trust and transparency with Member States, funding partners and other stakeholders, ensuring that UNIDO's initiatives are supported by a clear, risk-informed strategy that fosters long-term sustainability. Grounded in risk-informed strategies, ERM will instil confidence in UNIDO's processes, enabling the scaling-up of initiatives and mobilizing funding to address evolving challenges.

99. UNIDO also recognizes the critical importance of environmental and social safeguards (ESS) in ensuring the sustainability and inclusiveness of its programmes and projects. During the 2026–2029 period, the Organization will enhance its capacity to identify, assess and mitigate potential environmental and social risks by ensuring continuous alignment with international best practices and standards. This will require stronger integration of ESS into project design, implementation and monitoring processes, as well as fostering a culture of accountability and transparency. Investments in dedicated training, tools and resources will help to empower stakeholders and staff to uphold these safeguards to mitigate risks, preserving UNIDO's reputation and operational integrity while maximizing positive impacts and, ultimately, development results.

VI. Action required of the Conference

100. The Conference may wish to take note of the information provided in the present document.