



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION

ANNUAL REPORT 2020



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2020



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION

Vienna, 2021

UNIDO Annual Report 2020

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Unless otherwise mentioned, all references to sums of money are given in United States dollars. References to “tons” are to metric tons, unless otherwise stated.

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APPENDICES (available online at www.unido.org)

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FOREWORD BY THE DIRECTOR GENERAL

I have opened many forewords of the Annual Report with the observation that the year under review was a special one for the Organization. The definition of inclusive and sustainable industrial development (ISID) in the Lima Declaration of 2013, the adoption of Goal 9 in the 2030 Agenda for Sustainable Development in 2015 and the Abu Dhabi Declaration in 2019 were three such milestones. This statement has however never been truer than for 2020: a very exceptional year for each and every one of us.

Just as we entered the Decade of Action, determined to accelerate progress towards the achievement of the 2030 Agenda, the COVID-19 pandemic gripped the world, causing widespread loss of life, human suffering and lost livelihoods. The progress made in the field of development over decades is likely to be undone, as hundreds of millions of people revert into poverty. The giant leap in digitalization that the world witnessed in learning, working, producing and connecting with others offered new opportunities, but also exposed new forms of inequalities, including the digital divide. Amid this dramatic socioeconomic situation, the world is moving closer and closer towards another existential threat: the climate catastrophe.

On the positive side, the challenges of 2020 renewed the global sense of solidarity and reminded us that international cooperation and the institutions of the United Nations system, such as UNIDO, are critical to addressing global crises. Sharing of information, knowledge and best practices, joint measures, policy coherence and a multilateral response are essential.

While continuing our mandated activities that by their nature address the socioeconomic challenges created by the pandemic, UNIDO took urgent action from February 2020 onwards to launch specific activities under our framework of “Responding to the crisis, building a better future”. Several of these initiatives are outlined in this report.



As an active member of the United Nations development system, UNIDO has contributed its expertise in the formulation of United Nations Socioeconomic Response Plans and the new generation of Common Country Assessments and United Nations Sustainable Development Cooperation Frameworks, underscoring the critical role of ISID for economic recovery and building back better.

The implementation of our mandate has never stopped, even during the most difficult times of travel restrictions and lockdowns. In terms of service delivery volumes, technical cooperation implementation in 2020 reached a figure of US\$177.7 million. This is equivalent to 95 per cent of the average delivery in the preceding five-year period.

This report highlights achievements in several areas of our mandate. Progress in advancing our management objective of “integration and scale-up” is exemplified by the Programme for Country Partnership (PCP). The programming and implementation of PCPs is advancing well, and the PCP for the United Republic of Tanzania became the latest PCP approved for development

in 2020, expanding the portfolio to 11 countries. In addition to our role in leading the implementation of the Third Industrial Development Decade for Africa (IDDA III), the six PCPs in Africa constitute an important contribution by UNIDO to industrial development on the continent.

I am also pleased to report that the Green Climate Fund has approved the application of UNIDO to become an accredited entity. This is an important opportunity for the Organization to achieve higher impact in the mission to help Member States reduce greenhouse gas emissions and enhance their ability to respond to climate change.

With the new approach on the Fourth Industrial Revolution presented to Member States in October, UNIDO will strive to harness digital technologies to serve the world, with digitalization as an accelerator for the achievement of the 2030 Agenda.

The Organization continued to rely on the valuable guidance given by its Member States. The Abu Dhabi Declaration of 2019 provides the Organization with the compass to navigate towards 2030. It puts poverty eradication and the need to address climate change and environmental degradation at the forefront. It highlights the role of UNIDO in the Fourth Industrial Revolution and as a platform for private sector coordination.

In accordance with this guidance, I realigned the structure of the Organization, creating a Department of Digitalization, Technology and Innovation, integrating the

Departments of Energy and Environment under one Directorate, and giving increased emphasis to operational coordination and risk management. We advanced with full cost recovery and resource optimization for technical cooperation initiatives. The new integrated results and performance framework (IRPF), adopted in 2019, not only helps us better illustrate development results, but also lays the foundation for the next biennial budget that is being developed based on results-based budgeting principles. The Organization remains committed to efficiency, effectiveness, results-orientation and transparency, and I am pleased that we are on a steady path, despite the challenging circumstances.

I am grateful for the continued support of our Member States and funding partners, and truly appreciate the trust placed in the Organization by our stakeholders. The achievements outlined in this report have only been possible through their generous contributions and close cooperation.

Your ongoing support for UNIDO will be critical, particularly in the near future, as we seek to overcome the ravages of COVID-19 and steer the world onto an environmentally sustainable, carbon-neutral path. Once the immediate health crisis subsides, economic recovery will become a priority with ISID a key tool to build a more inclusive, sustainable and resilient planet. This is our chance to get things right for the future.

LI Yong, Director General of UNIDO



UNIDO at a glance



UNIDO

was established in **1966** and became a specialized agency of the United Nations in 1985



As at 31 December 2020, the Organization has **170 Member States**

www.unido.org/member_states

Li Yong

has been the Director General of UNIDO since June 2013, and was reappointed for a second four-year term by the General Conference in November 2017.



€79.7 million regular and operational budget (expenditure) of UNIDO in 2020

42 % 58 %



UNIDO employs **692 staff members** as well as 1,508 consultants on ISA contracts from 134 countries (as at 31 December 2020)

UNIDO contribution to the United Nations **resident coordinator system** approved by Member States for 2019: \$789,817, for 2020: \$2,637,121



The value of **technical cooperation delivery** in 2020 amounted to **\$177.7 million**



\$143 million net **voluntary contributions** in 2020 for project implementation, with a total portfolio of projects in hand of **\$559.8 million**



Projects implemented in **129 countries** in 2020



UNIDO participated in **83 United Nations country teams** (2020)



In addition to its Headquarters in **Vienna**, UNIDO has liaison offices in **Brussels, Geneva** and **New York**.

Its field network consists of **48** regional hubs, and regional and country offices covering **156 countries**.

UNIDO maintains **Investment and Technology Promotion Offices** in **9** locations (Beijing, Bonn, Lagos, Manama, Moscow, Rome, Seoul, Shanghai and Tokyo).

Regional sustainable energy centres exist in **8** locations (Bridgetown, Cairo, Kampala, Kathmandu, Nuku'alofa, Praia, San Salvador and Windhoek).

UNIDO partners with **65 National Cleaner Production Centres** of the Global Network for Resource Efficient and Cleaner Production (RECPnet).



General Conference

All Member States
Meets every 2 years
Next regular session
29 November–3 December 2021



Industrial Development Board

53 Members
Meets once a year
Next regular session
12–15 July 2021

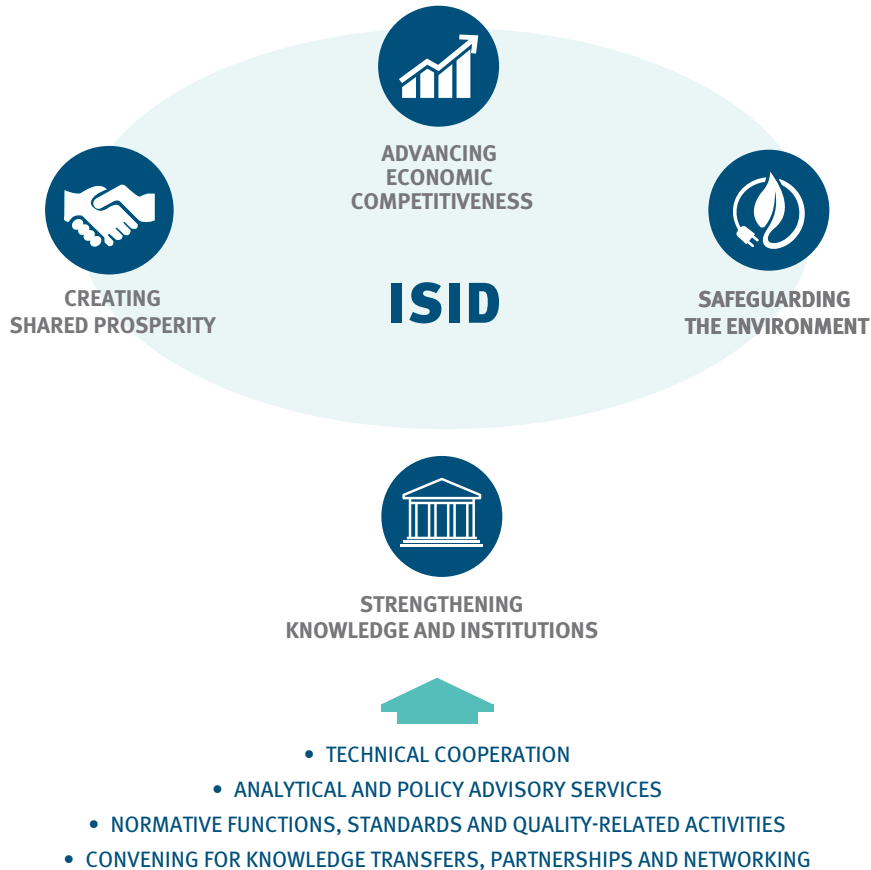


Programme and Budget Committee

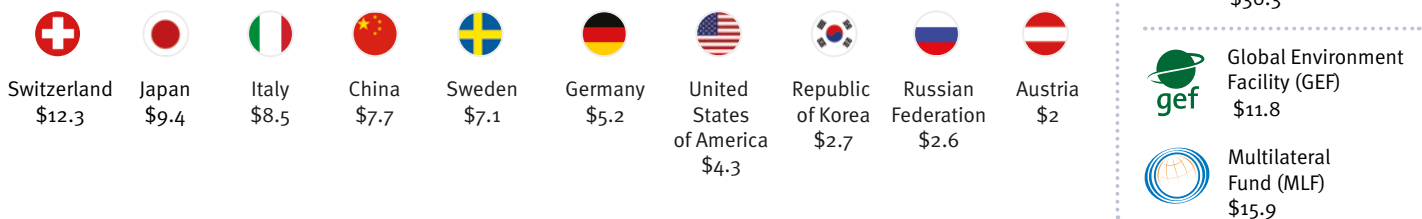
27 Members
Meets once a year
Next regular session
26–28 May 2021



The primary objective of UNIDO is the promotion of **INCLUSIVE AND SUSTAINABLE INDUSTRIAL DEVELOPMENT (ISID)** in developing countries and economies in transition



TOP FUNDING PARTNERS FOR UNIDO PROGRAMMES AND PROJECTS IN 2020 (in millions)

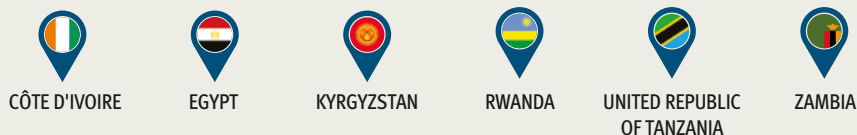


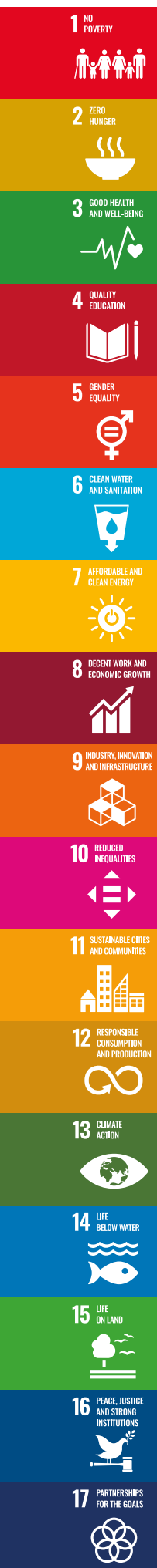
PROGRAMME FOR COUNTRY PARTNERSHIP (PCP):

IMPLEMENTATION



PROGRAMMING





1 NO POVERTY
SHARED PROSPERITY • PRODUCTIVE ACTIVITIES AND DECENT JOBS •
INCOME GENERATION • NO ONE LEFT BEHIND

2 ZERO HUNGER
VALUE ADDITION TO AGRICULTURAL PRODUCTS • RESOURCE EFFICIENCY •
REDUCED POST-HARVEST LOSSES • FOOD SECURITY • FOOD SAFETY

3 GOOD HEALTH AND WELL-BEING
REDUCED POLLUTION • HEALTH AND SAFETY • LOCAL PRODUCTION
OF ESSENTIAL MEDICINES

4 QUALITY EDUCATION
TECHNICAL AND VOCATIONAL TRAINING • ENTREPRENEURIAL CULTURE •
KNOWLEDGE FOR EMPLOYMENT • DECENT JOBS FOR YOUTH

5 GENDER EQUALITY
GENDER EQUALITY • WOMEN'S EMPOWERMENT • WOMEN'S ENTREPRENEURSHIP •
ACCESS TO RESOURCES • EQUAL INCOME OPPORTUNITIES

6 CLEAN WATER AND SANITATION
TRANSFER OF TECHNOLOGIES • BEST PRACTICES • SOUND WATER MANAGEMENT •
RESOURCE EFFICIENCY • WASTE WATER MANAGEMENT

7 AFFORDABLE AND CLEAN ENERGY
PROMOTION OF ENERGY EFFICIENCY • ACCESS TO AFFORDABLE RENEWABLE
ENERGY • LOW-CARBON LOW-EMISSION GROWTH

8 DECENT WORK AND ECONOMIC GROWTH
STRUCTURAL TRANSFORMATION AND ECONOMIC GROWTH • VALUE ADDITION AND
TRADE • ECONOMIC DIVERSIFICATION • CREATION OF DECENT JOBS

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
INCLUSIVE AND SUSTAINABLE INDUSTRIAL DEVELOPMENT • INNOVATION •
INFRASTRUCTURE • FOURTH INDUSTRIAL REVOLUTION

10 REDUCED INEQUALITIES
INCOME OPPORTUNITIES • CLOSING INEQUALITY GAPS • SOCIAL COHESION
AND MOBILITY • INCLUSION FOR ALL • PRO-POOR INITIATIVES

11 SUSTAINABLE CITIES AND COMMUNITIES
SMART INDUSTRIES AND CITIES • URBAN INDUSTRIAL COMPETITIVENESS AND
ZONES • ENHANCED LOCAL BUSINESS

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
CIRCULAR ECONOMY • CLEANER PRODUCTION • GREEN INDUSTRIES • RESOURCE
EFFICIENCY • SUSTAINABLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION
REDUCTION OF GREENHOUSE GAS EMISSIONS • RESOURCE-EFFICIENT
TECHNOLOGIES AND PRACTICES • CLEANER PRODUCTION

14 LIFE BELOW WATER
SOUND WATER MANAGEMENT • SUSTAINABLE OCEAN ECONOMY • PROTECTION
OF COASTAL AND MARITIME ECOSYSTEMS

15 LIFE ON LAND
IMPROVED RURAL LIVELIHOODS • SUSTAINABLE AGRICULTURAL PRODUCTION •
EFFICIENT AND SUSTAINABLE USE OF NATURAL RESOURCES

16 PEACE, JUSTICE AND STRONG INSTITUTIONS
PEACE AND DEVELOPMENT • EMPOWERMENT AND STABILITY • STRENGTHENED
NATIONAL INSTITUTIONS • HUMAN SECURITY

17 PARTNERSHIPS FOR THE GOALS
INTERNATIONAL COOPERATION • PARTNERSHIPS • PRIVATE SECTOR ENGAGEMENT •
INVESTMENT PROMOTION • SOUTH-SOUTH AND TRIANGULAR COOPERATION



1

GLOBAL ACTIVITIES TO ADVANCE ISID

Inclusive and sustainable industrial development (ISID) is critical to the achievement of the 2030 Agenda for Sustainable Development. Progress towards the Sustainable Development Goals (SDGs) had been uneven as we entered the Decade of Action in 2020, and is threatened further by the socio-economic impact of the COVID-19 pandemic and the digital divide. The crisis highlighted the need for international cooperation, support for economic recovery, and opportunities for building back better and greener. As an active member of the United Nations system, UNIDO contributes to the system-wide response. The Organization continues to offer analytical and policy advisory services, to provide a platform for high-level discussions, and to contribute on the global level by publishing statistics and other knowledge products that advance ISID.

REPORTING TO THE HIGH-LEVEL POLITICAL FORUM

The theme of the 2020 high-level political forum on sustainable development (HLPF) was “Accelerated action and transformative pathways: realizing the Decade of Action and delivery for sustainable development”. The virtual meeting in July 2020 built upon the SDG Summit 2019, but its programme was adapted in response to the impact of COVID-19.

In February, the President of the Economic and Social Council (ECOSOC) invited the Industrial Development Board (IDB) to submit its inputs to the HLPF. The COVID-19 lockdown made it impossible for the IDB to finalize this task ahead of the deadline in March.

UNIDO still participated actively in the HLPF, inter alia by contributing to three policy briefs prepared with the SDG 7 Technical Advisory Group and participating in two of the six thematic consultations, including as co-convener on “Ensuring access to sustainable energy”. During the virtual HLPF, UNIDO also contributed to several side events, including on the United Nations Roadmap for Accelerated Implementation of the Vienna Programme of Action, and on the Green Economy and COVID-19 Recovery.

In a statement posted on the HLPF website, the Director General called on the international community to use the opportunities arising from the pandemic to transform and build back better.

REFORM OF THE UNITED NATIONS DEVELOPMENT SYSTEM

UNIDO is committed to strengthening the United Nations development system and continues to support the reform initiated through General Assembly resolution 72/279 for a more cohesive collaboration to advance the SDGs.

In 2020, the second year of the reinvigorated United Nations Resident Coordinator system, the COVID-19 pandemic was a litmus test for the reforms. As the crisis highlighted the importance of international

cooperation and the critical role of the United Nations system and its specialized agencies, the response of the system was swift and well-coordinated. UNIDO supported several joint initiatives, including the development of United Nations Socioeconomic Response Plans (SERPs).

UNIDO continued to contribute as a member of the United Nations Sustainable Development Group. Engagement at the country level was increased to deepen the understanding of partners about the key role of economic transformation and ISID for the achievement of the 2030 Agenda. UNIDO applied a new country diagnostic approach as input for the development of common country assessments (CCAs) and United Nations Sustainable Development Cooperation Frameworks (UNSDCFs). To further empower its representations on the ground and enhance integration with Headquarters, the terms of reference for UNIDO field offices were revised in alignment with the reform.

Briefings on the reform, including documents for UNIDO policymaking organs, kept Member States informed.



UNIDO Director General attending the first SDG Moment of the Decade of Action, September 2020

INDUSTRIAL POLICY ADVICE AND RESEARCH

Through its analytical and policy advisory services, UNIDO provides Member States with relevant research and evidence-based policy advice that help shape appropriate industrial strategies and policies.

During the year 2020, the UNIDO Industrial Analytics Platform was upgraded with an SDG 9 Industry Tracker, based on fresh evidence gathered by UNIDO and partner organizations in the field. A Chain Analysis Tool was developed for national and firm-level value chain policy analysis and business development action. PCP diagnostics were concluded in Egypt and Zambia and progressed in Côte d'Ivoire and Rwanda.

UNIDO continued its support to the Governments of Cambodia, Cuba, Guinea, Jordan, Kuwait, Oman, Sudan, the United Republic of Tanzania, and Zambia, through the design, revision and implementation of industrial strategies, policies, capacity development, and value chain development interventions.

In 2020, this function gained particular prominence through regular analyses and opinion pieces assessing the effects of COVID-19. The six bulletins issued on the socioeconomic impact of COVID-19 have become the most read documents on the UNIDO website. UNIDO also conducted firm- and policy-level surveys on the impact of the pandemic on manufacturing in 11 Asian and 9 African countries, used to inform further analysis and publications. The Organization held several webinars and virtual events, including a series on the “Future of industrialization in a post-pandemic world” and the annual Forum on Globalization and Industrialization.

The publication *Industrialization as the driver of sustained prosperity* under the editorial supervision of the Director General constitutes another key contribution to the policy discourse in 2020.

STATISTICAL WORK ON SDG 9

In 2020, UNIDO continued to produce and disseminate global industrial statistics products, including the *International Yearbook of Industrial Statistics 2020*, *World Statistics on Mining and Utilities 2020*, and the quarterly *World Manufacturing Production* reports.

In the context of COVID-19, UNIDO increased its collection of monthly data on industrial production to monitor the impact of COVID-19 on manufacturing and disseminate the findings through regular information



briefs. UNIDO also contributed to the report of the Committee for the Coordination of Statistical Activities with the publication *How COVID-19 is changing the world: A statistical perspective*.

UNIDO is a custodian agency for six industry-related indicators under SDG 9, collecting and compiling data for the global database of SDG indicators. The Organization provided data and narratives for the Secretary-General's 2020 report on *Progress towards the SDGs, The Sustainable Development Goals Report 2020* and the *Sustainable Development Goals Progress Chart 2020*. Beyond regular reporting on SDGs, UNIDO developed the SDG 9 Industry Tracker and the SDG 9 progress assessment methodology to help Member States evaluate their progress towards achieving ISID and SDG 9. These tools are available on the Industrial Analytics Platform.

In February 2020, UNIDO published a report providing statistical evidence on *How industrial development matters to the well-being of the population* and the achievement of the 2030 Agenda.

In 2020, UNIDO implemented technical cooperation projects to strengthen national industrial statistical systems in Cambodia, Cuba, Jordan, Oman, and the Russian Federation. A regional project on improving industrial statistics in countries of Eastern Europe and Central Asia entered its second phase.

UNIDO INVOLVEMENT IN THE TECHNOLOGY FACILITATION MECHANISM

UNIDO is contributing to various science, technology and innovation (STI) forums in the United Nations system, including in the context of the HLPF, the Commission for Science and Technology for Development, the Technology Facilitation Mechanism, and its Inter-agency Task Team on STI. In the context of the latter, UNIDO contributed to the *Guidebook for the Preparation of STI for SDGs Roadmaps* and the implementation of the “Global pilot programme on STI for the SDGs Roadmaps”, including a pilot in Serbia in collaboration with the Joint Research Centre of the European Commission. Contributions were made to the call by United Nations Department of Economic and Social Affairs (UNDESA) for technology solutions to fight COVID-19 in developing countries, and the *Financing for Sustainable Development Report 2020*. In addition, UNIDO participated in several expert consultations and generated publications on issues related to STI and industrial development in the context of COVID-19.

G20 ENGAGEMENT

Under the presidency of Saudi Arabia, UNIDO utilized its expertise on industrial and economic growth in developing countries to provide inputs to deliverables of the G20 Development Working Group, focusing on financing sustainable development, supporting the COVID-19 response and recovery in developing countries, and building quality infrastructure for regional connectivity. The Organization also contributed to the policy brief on *Advancing sustainable and digital investment under the Think20 (T20) process*. Senior management actively participated in the T20 and Youth20 (Y20) summits and the G20 digital forum. After Italy had assumed the presidency in December 2020, UNIDO expanded its engagement with the G20 by joining the Digital Economy Task Force and the activities of the Energy Transitions and Climate Sustainability working groups.

UNIDO IN NEW YORK

The onset of the COVID-19 pandemic and the immediate call for a health, humanitarian, and socioeconomic response of the United Nations system required a high level of coordination among Member States and United Nations agencies, funds and programmes. The UNIDO Liaison Office in New York was instrumental in sharing information on planned initiatives and task teams to jointly deliver the United Nations response framework.

The Director General participated actively in several high-level virtual meetings, including the ministerial side events organized during the fully virtual HLPF. The mostly virtual high-level week of the General Assembly celebrated the seventy-fifth anniversary of the United Nations and introduced a new recurring event called the SDG Moment. The Director General participated in four ministerial events to showcase UNIDO programmes on greener cities, sustainable

energy, action to support landlocked developing countries and industrialization in the digital age.

UNIDO continued to show strong support to the United Nations Youth Strategy 2030 by participating at the level of the Deputy to the Director General in the high-level steering committee.

The New York Office also supported efforts to advance IDDA III. Through its Friends of Inclusive and Sustainable Industrial Development group and partnerships with the African Union and the United Nations Economic Commission for Africa (UNECA), UNIDO engaged locally based Member States in the Africa Industrialization Week. Best practices in industrialization and start-up development were shared and discussions initiated to analyse and address the challenges of advancing structural transformation.



Commemoration of 75 years of the United Nations

The COVID-19 pandemic has brought on the worst human and financial crisis of the century and the deepest recession since the Second World War. Industry experienced shocks as containment measures, unemployment and lower incomes resulted in lower spending and demand. With factories closed or operating below capacity, output decreased. The lack of intermediate supplies caused global value chain disruptions, particularly in the first half of 2020. Reduced manufacturing output resulted in declines in international trade. Foreign direct investment and remittance flows were also strongly affected. Workplace closures, revenue losses, bankruptcies, and layoffs triggered major job and income losses for millions. Those insufficiently covered by formal working arrangements were hit particularly hard by the crisis, which further deepened existing gender inequalities. Financing the COVID-19 response while avoiding a major debt crisis remains a dual challenge for many Governments.

The severity of the COVID-19 pandemic and its socioeconomic consequences underscore the importance of both international cooperation and the multilateral institutions needed for a joint response to global challenges. In 2020, the United Nations commemorated the anniversary of an institution that was created 75 years ago, to collectively meet international development and peace challenges. Neither the United Nations, nor its specialized agencies such as UNIDO, have lost any of their relevance. The crisis is a strong reminder of the need for shared responsibility, global solidarity and support to multilateral institutions. Among the tools available for economic recovery and progress towards the 2030 Agenda, ISID remains among the most critical.

UNIDO: responding to the crisis, building a better future

In addition to the implementation of ongoing and planned programmes and projects that by the nature of the UNIDO mandate contribute to the socioeconomic response, UNIDO initiated specific activities from February 2020 in response to COVID-19 as a matter of urgency:

- Monitoring, situational analyses and information-sharing, including through articles, analyses, and opinion pieces on the impact of COVID-19 and its mitigation
- Surveys of manufacturing firms
- A global call for innovative ideas and technologies
- Launch of the COVID-19 Industrial Recovery Programme (CIRP)
- Guidance for micro, small and medium-sized enterprises (MSMEs), including on business continuity and recovery
- Knowledge-sharing through online conferences, webinars and training
- Emergency response assistance, including support to Governments in the procurement of critical supplies
- Harmonization of quality standards for hand sanitizers, medical face masks, other personal protective equipment (PPE), and lung ventilators
- Revitalization of light manufacturing by repurposing for PPE production
- Supporting the local production and testing of PPE, medical devices, etc.
- Capacity-building for MSMEs, small and medium-sized enterprises (SMEs) and entrepreneurs for workplace safety, to contain economic consequences and adapt to the crisis
- Medical waste management and disposal of hazardous medical waste
- Building back better: supporting an economic recovery towards inclusive, resilient and environmentally sustainable economies



COVID-19 RESPONSE

The UNIDO framework *Responding to the crisis: building a better future* was developed in alignment with the United Nations framework for the immediate socioeconomic response to COVID-19, and outlines the Organization's approach.

PREPARE AND CONTAIN

to support countries as they prepare for and contain the health crisis and its economic consequences.

RESPOND AND ADAPT

to support the adaptation of the productive sector, including MSMEs, in responding to the crisis through inclusive and sustainable solutions as well as the management of medical waste.

RECOVER AND TRANSFORM

to support the recovery and transformation towards inclusive, resilient and environmentally sustainable economies.

UNIDO has also actively contributed to the joint response of the United Nations system, in particular by providing advice and expertise in the formulation of SERPs. All UNIDO field offices engaged systematically and actively in this important exercise, working with United Nations Country Teams under the direction of Resident Coordinators and the leadership of the respective Governments. UNIDO took this opportunity to underscore the necessity of ISID to the recovery process.

In addition to developing and implementing projects financed by its traditional funding partners, UNIDO emphasized its support to joint programmes with United Nations partners. The Organization submitted 41 proposals for the first funding call of the United Nations COVID-19 Response and Recovery Multi-Partner Trust Fund (COVID-19 MPTF) in April 2020, and 31 proposals for the second call for proposals.





2

STRENGTHENING KNOWLEDGE AND INSTITUTIONS

The medium-term programme framework (MTPF) 2018–2021 provides strategic guidance for UNIDO and specifies the theory of change for the work of the Organization. Following an actor-based, behavioural change model, the results chain of the MTPF tells a performance story that links activities and outputs to outcomes and impact results. Knowledge, skills and institutional capacities are important enabling elements of the UNIDO theory of change. The MTPF thus calls for the strengthening of knowledge and institutions by UNIDO and explains how the Organization’s interventions and engagement with its stakeholders result in changes in behaviour, business practices, policies, technologies, and investments, ultimately contributing to ISID and long-lasting SDG impact.

REACH, REACTIONS, KNOWLEDGE AND CAPACITIES

UNIDO is committed to the principle of “leaving no one behind” that is at the heart of the 2030 Agenda. For the Organization, this means that ISID should offer equal opportunities and that all countries and all people benefit. The close engagement with key stakeholders leads to changes in behaviour and strengthened capacities. It also triggers the expansion, replication, adaptation and sustainability of successful initiatives beyond the groups directly assisted. UNIDO engages with stakeholders at all levels, including Governments, partners in the United Nations system, the private sector, including SMEs, and key groups, such as women and youth.

The COVID-19 pandemic further exacerbated inequalities among and within countries and underlined the urgent need for strong institutions, innovative solutions and cross-sectoral and multilateral cooperation. Faced with the overwhelming challenges posed by the health, humanitarian and socioeconomic crises in 2020, and building on a reinvigorated development system, the entities of the United Nations system worked closely together in a joint response framework.

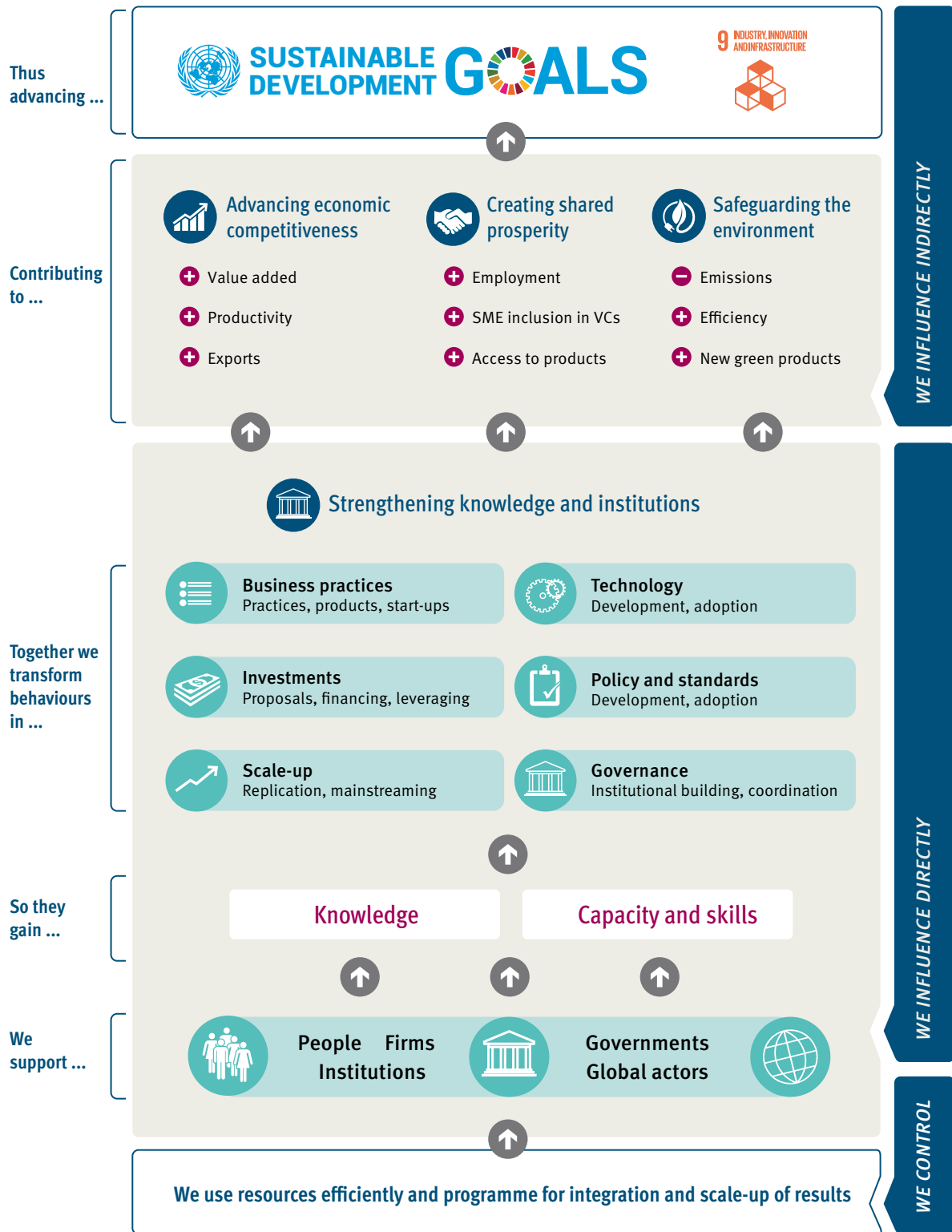
In addition to the activities outlined in chapter 7, UNIDO developed various global interventions to address the gender effects of the pandemic. For instance, the Organization joined forces with the World Health Organization (WHO) and the United Nations International Children’s Emergency Fund (UNICEF) to assist women-led enterprises in Madagascar in the production of PPE. UNIDO also collaborated with the Food and Agriculture Organization of the United Nations (FAO) in the Opportunities for Youth in Africa initiative to accelerate job creation for youth through agribusiness and entrepreneurship development. The Learning and Knowledge Development Facility (LKDF) Forum 2020 (see chapter 3) discussed supporting young people in the post-pandemic world with green skills.



Workshop in pre-COVID times

In line with its mandate, UNIDO has been supporting and partnering with entrepreneurs and firms, emphasizing MSMEs and SMEs through its micro-level interventions. This long-standing collaboration and experience have been essential for the conduct of several surveys on the impact of COVID-19 (see chapters 1, 3 and 6). It informed UNIDO technical cooperation and made the rapid development of guidance on business continuity and economic recovery possible (see chapter 4).

Firms are crucial for the achievement of ISID and the SDGs. Beyond their potential as a financing source, they are drivers of innovation and transformation. In recognition of this, UNIDO establishes and maintains public-private partnership platforms to facilitate financing and the exchange of knowledge, best practices and know-how. The role of UNIDO in this regard was reinforced by the Abu Dhabi Declaration in 2019.



Strengthening knowledge and institutions are central to the UNIDO theory of change and IRPF: enhancing knowledge, capacities and skills enables transformative change towards ISID.



Capacity-building is at the core of UNIDO interventions and has great potential to trigger increased sustainability, competitiveness, efficiency and productivity, as well as improving work environments and business practices. This often leads to replication and mainstreaming, as in the Energy Management System approach used in the Industrial Energy Efficiency Programme (IEEP). According to a recent evaluation of an IEEP project in Colombia, 71 per cent of entrepreneurs surveyed see a medium to high probability of replicating and scaling up the approach. Strengthening the normative ecosystem and capacities within institutions, as well as sharing knowledge through such initiatives, are essential enablers for safeguarding the environment and creating shared prosperity and economic advancement.

TRIGGERING BEHAVIOURAL CHANGE TO ENABLE AND SCALE UP ISID

The UNIDO contribution to ISID and the SDGs is based on an integrated service approach, combining technical cooperation, analytical services, advisory services, normative functions and convening functions. This approach generates beneficial changes in practices and behaviours, primarily through strengthening knowledge and institutions, in the following areas:

- Improvements in business practices by firms, including the adoption of best practices and standards, but also the development of new products or establishment of start-ups
- Development of new technologies, and the transfer and adoption of technologies, both at firm and at country level
- Changes in public and private investment flows, through the development of investment proposals and leveraging of financing for businesses and projects
- Development, adoption and implementation by policymakers of ISID-relevant policies and standards
- Changes in governance, through strengthened institutional settings and improved coordination mechanisms

Experience shows that the systematic combination of such changes is a common precondition for successful replication and scale-up, leading to a lasting and transformational change towards ISID and the achievement of the 2030 Agenda.

The UNIDO sustainable energy initiative for industries is a good example of how capacity-building can lead to the desired behavioural change. This integrated and holistic approach seeks to promote the

adoption of clean energy practices and technologies through a combination of demonstration projects with high replication and scale-up potential, and policy interventions in institutional, banking and other relevant areas to establish an enabling market environment.

Government support, through financial and appropriate legal and policy measures, plays a crucial role by helping to leverage private investments and ensure the effectiveness of these interventions.

The growing demand for the PCP reflects the success of such an integrated approach, which triggers considerable public and private investment, improves coordination and strengthens partnerships. The *Independent Terminal Evaluation of the PCP in Ethiopia (2015–2019)*, for instance, indicates the allocation of \$520 million by the Government to the four pilot regions for the construction of the integrated agro-industrial parks. This significant amount

allocated for the agro-processing sector constitutes approximately 40 per cent of the total PCP financial volume of \$1.3 billion and demonstrates the strong government ownership of the PCP. The high-level interministerial coordination mechanism is greatly appreciated by stakeholders and creates ownership across several ministries and development partners. The agro-industrial parks of the PCP also have a particularly strong inclusiveness dimension, as they are designed not only to generate thousands of jobs in rural areas for young inhabitants, and in particular young women, but also to link the agro-industry with tens of thousands of smallholder farmers.

In keeping with the management principles and new planning tools of the MTPF 2018–2021 and the recently updated IRPF, UNIDO continues to emphasize the strengthening of knowledge and institutions, the integration of its core functions, and the scaling up of its operations for greater impact.

Programme for Country Partnership (PCP)



KEY FEATURES



NATIONAL OWNERSHIP



MULTI-STAKEHOLDER PARTNERSHIP



PRIORITY INDUSTRIAL SECTORS AND AREAS



FACILITATION OF PUBLIC AND PRIVATE INVESTMENT



ANALYTICAL FRAMEWORK



PROGRAMME-LEVEL IMPACT

The PCP was first introduced in 2014. The pilot phase comprised Cambodia, Ethiopia, Kyrgyzstan, Morocco, Peru and Senegal. In 2019, UNIDO initiated the formulation of new PCPs for Côte d'Ivoire, Egypt, Rwanda and Zambia. In 2020, the PCP for the United Republic of Tanzania became the newest PCP approved for development. Going forward, the programme will gradually expand to additional countries.



STATUS IN 2020

IMPLEMENTATION



CAMBODIA

Focus: Agro value chain development, including linkages to the tourism sector • Industrial diversification, innovation and development of special economic zones



ETHIOPIA

Focus: Agro-food processing • Textiles and apparel • Leather and leather products



MOROCCO

Focus: Industrial zones • Agro-industry • Energy • Circular economy • Industry 4.0 • E-commerce



PERU

Focus: Quality and innovation • Value chain and enterprise development • Sustainable industrial parks and zones



SENEGAL

Focus: Industrial policy development • Agro-poles • Integrated industrial platforms • Regional mining hub • Special economic zones and incentive package reform

PROGRAMMING



CÔTE D'IVOIRE

Tentative focus: Human capital and gender • Investment and finance • Competitive, innovative and sustainable industry, through industrial policy and industrial zones • Value chain development • Circular economy, clean production processes and sustainable energy • Regional value chain development



EGYPT

Focus: Industrial policy and governance • Investment promotion • Green industry • Smart cities and sustainable industrial parks • Value chains • Mainstreaming Industry 4.0



KYRGYZSTAN

Focus: Energy • Agro-processing • Construction materials • Textiles and apparel • Tourism



RWANDA

Tentative focus: Agro-food processing: Integrated agro-industrial parks • Livestock value chain development • Garments • Industry 4.0



UNITED REPUBLIC OF TANZANIA

Focus sectors and areas are being formulated in line with the national development plan, under the leadership of the Government and in consultation with development partners



ZAMBIA

Focus: Improving the policy environment • Industrial skills development • Fostering manufacturing industries and value addition to primary commodities



As tailored and integrated approaches anchored in partnerships, PCPs continued to provide technical assistance, analytical, advisory and convening services in Cambodia, Côte d'Ivoire, Egypt, Ethiopia, Kyrgyzstan, Morocco, Peru, Rwanda, Senegal, and Zambia. In October 2020, the PCP for the United Republic of Tanzania became the newest PCP, expanding the portfolio to 11 countries.

PCPs are supporting countries to prepare for, respond to and recover from COVID-19. Contingency plans were developed to advance implementation and programming in line with national response plans and emerging priorities. Working with national counterparts and development partners, UNIDO analytical and technical support is helping mitigate the impacts of the crisis and reboot the economy.

In 2020, the first independent evaluation of a PCP was completed in Ethiopia. Results highlight the strong government ownership and its success in bringing partners, expertise and resources together, especially for the development of agro-industries and related flagship industrial projects. The PCP has also played a key role in strengthening interministerial coordination for ISID.

To build on lessons learned, the Organization streamlined its internal processes through a revision of the PCP Guidelines and took measures to enhance the role of field offices throughout the PCP cycle.





3

CREATING SHARED PROSPERITY

The majority of the world's poor continue to live in rural areas, lacking basic infrastructure and gainful employment. Women, youth and displaced people are more likely to be occupied in poorly paid informal activities, or unable to access productive work. UNIDO promotes inclusive and sustainable growth by facilitating a more equal sharing of the benefits of prosperity. Many developing countries rely heavily on agriculture as a mainstay of their economies, so the Organization helps countries advance agro-industry and value chain development, with a particular focus on SMEs and on vulnerable groups. Poverty also lowers the resilience of vulnerable communities to human-made and natural disasters, so UNIDO aids recovery efforts in post-crisis communities by restoring and rebuilding productive capacities.

AGRIBUSINESS AND RURAL DEVELOPMENT



TOP UNITED NATIONS IMPLEMENTING PARTNERS:



Farmers face the challenge of doubling the global food supply by 2050 to meet the growing demand, yet many smallholders are themselves food insecure. Once harvested, produce may perish or go to waste, particularly in rural communities where producers lack the machinery, knowledge, and linkages needed to preserve food, add value, and extend market reach. To help farmers, artisans and small manufacturers, UNIDO trains community members in sustainability, productivity, and food safety. Those trainees, in turn, teach others. The Organization also brings tools and training to non-food agribusinesses so that products can meet regional and international standards and thereby compete in larger markets.

Expanding Tunisian crafts to stabilize incomes and provide new jobs

Stability in the handicraft sector is indispensable to sustaining the livelihoods of artisans in rural Tunisia. Most people work informally, and 8 in 10 are women. They depend on sales to tourists, who all but disappeared with the advent of the pandemic. Moreover, because most practitioners are older, Tunisia risks losing their cultural knowledge if the sector does not attract more young people.

The Creative Tunisia project, funded by the European Union and Italy, is revitalizing the artisan community by bringing together craftspeople with government and other institutions, providing support and expertise. It also connects artisans with business advisers, marketers and designers. To design this year’s product line, the project gathered 12 Tunisian designers, two international design consultants, and students in fine arts schools. They seek a balance between preserving Tunisia’s cultural heritage and modernizing products to attract sophisticated global buyers.

Seven clusters, each with its own craft, comprise over 400 artisans or artisan groups. Their work includes pottery, halfa grass products, copper tableware, woven vegetal fibres, traditional textiles, wool kilims, and streetwear. In fashion and textiles, at least half the artisans are younger than 35.



Creative Tunisia has helped to improve product quality and link clusters with vocational training centres, universities, and business associations. In the remaining years of implementation, the project will establish creative hubs to provide workshop space, fabrication labs, and libraries.

Improving efficiency in Mongolia to increase the quality of wool, leather and meat products

Animal husbandry is at the heart of Mongolian agriculture, yet herders tend to be poor. Due to inefficient wool and leather processing methods, the raw materials they produce are underused. Improving wool and leather quality could increase their incomes.

A project funded by the European Union and implemented jointly with FAO has introduced herders to power shears. In a pilot project, UNIDO trained more than 60 women and men. With new power shears, trainees cut shearing time from 15 to 20 minutes with traditional scissors to under two minutes per sheep. They reduced waste, and fleeces were cleaner, more uniform and as much as 50 per cent heavier. Moreover, the sheep remained calmer during shearing. The Ministry of Food, Agriculture and Light Industry has adopted the technology and plans to scale it up by training another 1,500 shearers in the summer of 2021. Those trained will serve herder cooperatives in 300 villages nationwide.

Mongolia has also improved the quality of its leather by improving methods of slaughtering cattle and cleaning skins, making the leather more marketable for buyers that produce shoes and bags. UNIDO is also coaching companies to obtain environmental stewardship certification, which will increase the value of their leather in global supply chains.

Another aim of the project is to phase out slaughtering in the field and replace it with a sustainable industrial system that ensures food safety, reduces the demands on labourers, and complies with national and international standards, further enabling the exportation of meat products. For long-term sustainability, the technologies used are affordable, scalable, and locally available.



WOMEN AND YOUTH IN PRODUCTIVE ACTIVITIES



TOP UNITED NATIONS IMPLEMENTING PARTNERS:



Many women and young people work in small businesses or in the informal sector, and lack mentors, networks and investors that would allow them to prosper. They may have energy, drive, and ideas, but societies often overlook their contributions. With generally limited experience, young entrepreneurs often appear less attractive to investors. UNIDO helps create an enabling environment, provide policy advice in sectors with high growth and job creation potential, obtain access to finance and investment opportunities, and acquire technical, vocational and entrepreneurial skills that will help women and youth enter and advance within the workforce.



Increasing agricultural opportunities in Egypt

Half the rural residents of Upper Egypt live in poverty, along with a third of city dwellers. Manufacturing is limited, and youth see little connection between schooling and job opportunities. UNIDO addressed these issues with initiatives that improved quality in farming and small manufacturing, which also sparked creativity among youth.

A three-year project, funded by Switzerland, motivated farmers, artisans, small-scale producers and agricultural students to introduce efficient agricultural practices in animal farming and horticulture. Nearly 2,300 farmers were trained in new practices that led to greater productivity and higher incomes. More than 2,500 students in vocational and technical training programmes attended classes that incorporated lessons fostering an entrepreneurial mentality.

The project also encouraged beneficiaries to diversify activities along horticultural value chains and helped vulnerable women strengthen agricultural micro-enterprises. Some participants learned to graft seedlings for nurseries that provide local farmers with tomato, cucumber and watermelon plants. Loofah growers doubled their profits by improving product quality. Two loofah-processing workshops acquired new machines to slice gourds into value-added bath products, which were sold to both local customers and bulk traders. Eight hundred women learned how to improve backyard poultry businesses, which enabled flock owners to cut costs by 40 per cent and increase profits. With the help of a research station, a local onion variety is being registered with the Ministry of Agriculture under the name GIZA Sabanee. Acquiring this new official name will provide an advantage in marketing the onion.

Nearly **5,000** people reached, of which **43%** were women and **39%** youth.



The project also promoted environmentally friendly practices. Three hundred women learned how to reduce pesticide exposure, protecting children and avoiding food contamination. With local partners, UNIDO trained 100 pesticide applicators, who are now qualified to work anywhere in Egypt.

Reducing toxic waste improves safety and incomes in the Philippines

In Caloocan City, in the Philippines, impoverished children risked illness and injury as they scavenged the local dump for electronics. They tossed toxic cathode ray tubes from televisions into the creek because they could not sell them. Each tube contains 2 to 3 kilograms of lead. Their parents, in turn, picked apart discarded television sets, mobile phones, and computers, without safety training or protective gear.

With its partners, and funded by the Global Environment Facility (GEF), UNIDO has formalized this work, improving safety, stabilizing income and combating child labour. The Organization opened an e-waste collection and disassembly centre in a former material recovery facility donated by the local government. Now workers wear protective clothing and are licensed to dismantle electronics. An established e-waste company provided training, and buys recyclable materials. A national telecom company is offering free health insurance.



The new centre provides a point of sale for the informal sector. E-waste disposers prevent disposal of cathode ray tubes on the roads and creeks within the project site. The workers are processing 50,000 tubes, keeping them out of the natural ecosystem. In the year to come, UNIDO plans to establish another e-waste facility with local partners.

HUMAN SECURITY AND POST-CRISIS REHABILITATION



TOP UNITED NATIONS IMPLEMENTING PARTNERS:



Economic deprivation is often at the core of crisis situations. In the wake of war, political upheaval, disease or natural disaster, poverty and economic marginalization lead to violence and despair, wasting human capital. In recent years, concerns about human security have further increased, as millions of people have left their homes to escape conflict, violence, economic and political instabilities, and climate change-related disasters. Addressing challenges to the livelihoods and dignity of people, UNIDO builds resilience to crises and helps people affected by such disruptions to develop skills that will allow them to be productive and regain stability.

Supporting small businesses in Somalia to thrive despite COVID-19

More than two decades of conflict in Somalia have undermined the economic infrastructure. Most urban dwellers depend on subsistence trading and micro-enterprises. To support industry and business, UNIDO has established four enterprise development units with funding from Italy and the COVID-19 MPTF for Somalia. Their 30 experts include entrepreneurship development trainers, business counsellors,

investment promotion experts, and skills trainers. In 2020, the project supported approximately 200 enterprises in Somalia, with guidance and support provided on topics ranging from inventory management to access to finance and modern machinery.

To make borrowing money easier, the project partnered with the International Bank of Somalia to fund a \$1.2 million credit facility. It offers micro-enterprise loans of \$500 to \$5,000 and industrial investment loans up to \$100,000. The project is a testament to the efforts of Somalia to move from being a recipient of relief and humanitarian aid to resuming its economic growth and development.

In 2020, the World Bank, the International Finance Corporation (IFC) and UNIDO worked together on a number of activities, including surveys in August and December, which measured the impact of COVID-19 on SMEs across Somalia. The trusted relationship of UNIDO with government partners has been considered critical. The World Bank and IFC technical teams appreciated the role of UNIDO in collecting information from 550 Somali beneficiaries otherwise not accessible to them.

Carpentry training helps Liberia provide employment to young men and women

Despite 13 years of civil war and the losses and disruptions stemming from the Ebola epidemic, Liberia has begun to find its footing. Notably, it has transitioned from one democratic government to another. However, international extractive industries that dominate the economy leave few employment opportunities, particularly among young people, for unskilled and semi-skilled workers who live outside corporate concession zones.

With funding from Japan, UNIDO is helping to stabilize communities through advanced training for seasoned carpenters. Those carpenters then teach basic carpentry, along with useful mathematics, to young people recommended by the carpentry union and village leaders. Despite the prevalent view that carpentry is for men, the project managed to achieve 23 per cent female participation.



The project uses farmed rubberwood, a subproduct of rubber production. Using rubberwood indirectly protects the rainforest, where illegal loggers cut mahogany trees for furniture. The project raised awareness of the need for a national policy promoting this sustainable wood.

One trainee specializing in the repair of doors has provided work to other women as well.

“ She is one of our great hopes to demystify the idea that women should not do carpentry, that carpentry is a man’s job”, said Eduardo Moreira, the technical adviser for the project.

STRATEGY FOR POST-CONFLICT/-CRISIS SITUATIONS

Conflicts and crises, including natural disasters, often result in substantial reductions in industrial development and employment. Over the past two decades, UNIDO has been devoting significant attention to such situations of fragility and to unexpected opportunities arising out of disruptions to introduce green policy reforms and new technologies early in the reconstruction, rehabilitation and transition process.

In 2020, UNIDO developed a new strategy to strengthen and integrate support to Member States. This was initiated from recommendations of an independent evaluation in 2015, and further shaped

during the COVID-19 pandemic. The approach covers the three phases of preparedness, response and recovery in post-crisis situations, and two phases of early recovery and reconstruction in post-conflict situations. It prioritizes the stabilization of livelihoods and resilience-building, coordination with United Nations partners, analytical support on supply chains, and the preparation of position papers and guidance to Governments on policies, investments and planning processes. It focuses on the most vulnerable geographical areas and groups, such as internally displaced persons and refugees, women and youth, as well as MSMEs.

DEMAND-ORIENTED INDUSTRIAL SKILLS IN EMERGING ECONOMIES



LKDF PPDP for women's empowerment in the commercial transportation sector in Ethiopia

Roughly a third of the world's 1.8 billion young people in developing economies have no job. This widespread unemployment stems in part from a growing mismatch between the skills of jobseekers and the skills that industrial employers need. Vocational and technical training programmes face difficulties in preparing their students for working life when they are underfunded, or when they do not keep pace with an industrial ecosystem that is swiftly changing.

The Learning and Knowledge Development Facility (LKDF) has been working to bridge the industrial skills gap since its founding in 2012. Established by UNIDO and the Swedish International Development Cooperation Agency, the Facility cooperates with business partners to establish or improve local industrial training academies and centres that prepare young people to fill the jobs available in enterprises locally.

The LKDF offers training through joint investments from the public and private sectors to support the skills trainers. Projects have ranged from a course for excavator operators in Liberia with the support of Komatsu, to teaching water management to professionals in Morocco with support from Festo Didactic and EON Reality.

Although there are many public-private partnerships, UNIDO has added a "D" for development and calls these collaborations public-private development partnerships (PPDP). The investment, risks, responsibilities and rewards are shared between the public sector, the private sector and a development partner. All of them benefit. Development agencies and training institutions learn about new forms of collaboration, while companies gain access to a trained local workforce with up-to-date skills. Young people find employment and make a living. The approach reflects a wide-angle understanding of poverty that not only recognizes it as lack of income and education, but also as an absence of opportunities for productive employment.

The LKDF has worked in eight countries on three continents. Current projects are under way in six countries, with another six countries in the pipeline. Most are in Africa. Women constitute 35 per cent of participants. A course for brush cutters in South Africa admitted only single mothers who head their households. A four-year programme in Morocco that began in 2018 is training 500 bus and truck drivers, including women. Partners are the Government of Morocco, the United States Agency for International Development, and the Volvo Group.

The LKDF website provides videos, reports, and online training. It offers a future industrial skills curriculum that includes self-study classes, such as an introduction to creating 3D models for virtual reality.

The LKDF Forum 2020

In 2020, unemployment worsened as the COVID-19 pandemic took hold. Worldwide, one in six women and men aged 18 to 29 had left the workforce since the pandemic struck, according to the International Labour Organization (ILO). UNIDO recognized that the disruption had also opened up new possibilities: if the world embraces sustainable development, energy sector employment will expand by 18 million jobs in the next decade. On the other hand, if training and the needs of industry continue to diverge, the green skills gap will affect 1.3 billion workers.

UNIDO thus organized the LKDF Forum 2020 on the theme “Green Skills for a Sustainable Future” to rethink technical education in a post-pandemic world. The 500 participants of the three-day virtual event addressed employment of environmental experts, how educational systems can foster skills development, and aspects of digitization that will support the greening of industry.

The UNIDO Director General outlined the challenges as he opened the Forum:

“ More than one in five young people globally are neither in employment nor in education and training, and two out of three are young women. In a world of work that is rapidly transforming digitally, 65 per cent of children at primary school are estimated to fill jobs that do not yet exist.”

Recognizing these gaps, he said, UNIDO will draw on the LKDF PPDP model. It will develop the necessary green industrial skills and encourage investments in training and lifelong learning, aligned to the 2030 Agenda.

Lively discussions centred on how the industrial sector coped with the COVID-19 crisis and on possible recommendations for a sustainable future. A global survey by the LKDF and the European Training Foundation provided relevant information from industrial sectors. The Forum generated consensus on green and digital reskilling and upskilling programmes for better employment, through stronger collaboration, global standards for informal education, and a results-oriented approach.



Industrial vocational and technical training activities to accelerate the re-establishment of sustainable livelihoods in the Syrian Arab Republic

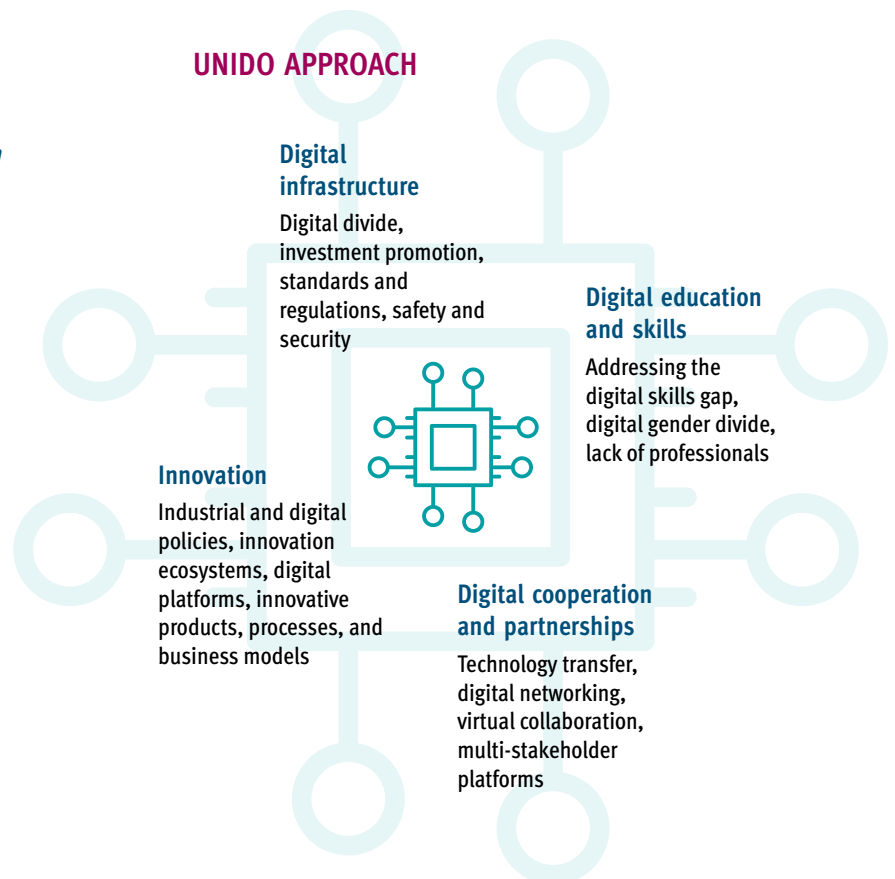
The Fourth Industrial Revolution

The Fourth Industrial Revolution holds an immense transformative potential for achieving ISID. Artificial intelligence, machine learning, advanced robotics, additive manufacturing (3D printing), the Internet of things, blockchain technology and quantum computers, among others, are revolutionizing our world and the industrial landscape.

“The world’s reliance on manufactured products can be seen clearly with the shortage of critical supplies and disruptions in global value chains. Yet, we have also witnessed a leap in digitalization in learning, working, and connecting with others. Indeed, technology has the potential to restore business, improve industrial efficiency and safety, and fortify critical infrastructure. It can also help safeguard the environment and move to a cleaner and more resilient world”

António Guterres,
Secretary-General of the United Nations

UNIDO APPROACH



Industrial Development Report 2020

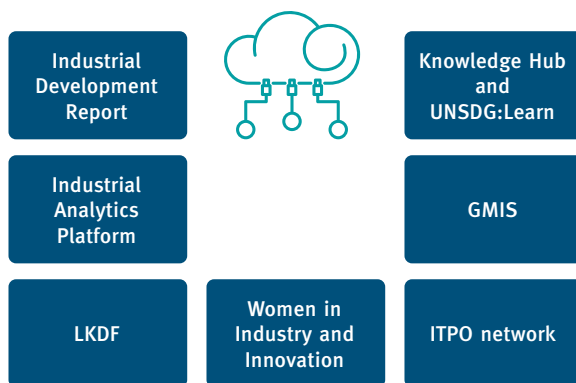
One of many findings of the 2020 edition of the UNIDO flagship report is that industrialization remains the principal path for successful development, and indispensable to build the capabilities needed to succeed in the Fourth Industrial Revolution. Another finding is that just 10 economies account for over 90 per cent of global patents and approximately 70 per cent of exports of advanced digital production technologies. If developing and middle-income countries (MICs) are to seize the opportunities and minimize the disruptive potentials of the Fourth Industrial Revolution, a proactive approach towards digitalization and advanced industrialization is needed. New case studies and briefs published in 2020 cover various aspects of industrializing in the digital age.

Making the Fourth Industrial Revolution work for all

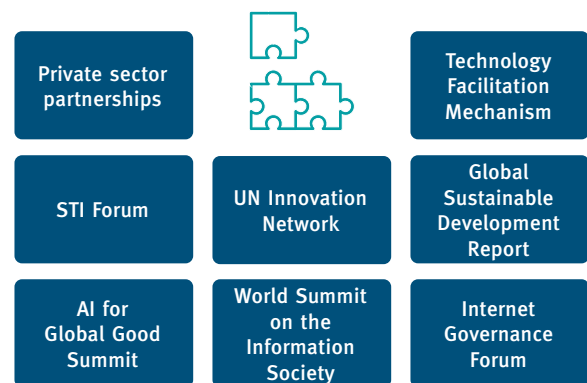
The Abu Dhabi Declaration of November 2019 gave important guidance to UNIDO. In October 2020, following the establishment of the Directorate of Digitalization, Technology and Agri-Business, the Organization introduced a new approach, “Making the Fourth Industrial Revolution work for all”, to Member States. The approach rests on four pillars: innovation, digital infrastructure, digital skills, and digital cooperation and partnerships.

UNIDO works to help Member States seize opportunities to advance inclusive economic growth, reduce inequalities, contribute to sustainable development, and to minimize risks such as a widening technology gap, and threats to industrial safety and security. UNIDO is driving towards mainstreaming a digital, gender-responsive, sustainable transformation and upscaling of digital capabilities in developing countries. It adopts a multi-stakeholder partnership approach.

UNIDO RESOURCES



DIGITAL COOPERATION



Global Manufacturing and Industrialisation Summit

The third Global Manufacturing and Industrialisation Summit (GMIS) was held virtually in 2020, breaking new records of attendance with 10,000 participants from 140 countries. At the top of the agenda was digital restoration and how the technologies of the Fourth Industrial Revolution can restore the global economy and overcome the unprecedented challenges of the COVID-19 crisis.

UNIDO and the Ministry of Industry and Advanced Technology of the United Arab Emirates co-chaired this event. High-profile policymakers, thought-leaders and business pioneers exchanged policy knowledge and best practices, showcased cutting-edge research, networked and shared innovative ideas and prototypes, and learned of financing opportunities.

Digital technologies are particularly relevant for countries vulnerable to reshoring of industrial capital. Women face unique challenges too, given that sectors which typically employ women are disproportionately vulnerable to labour automation. Even in developed countries there is a need for mass-upskilling and retraining, given the expected division of labour in the future.

During the 2020 GMIS, working groups were established on the future of industrial safety, gender inclusivity, youth leadership and an index for ISID. The new Green Chain initiative, designed in cooperation with German counterparts, is focusing on building new renewable energy global value chains and developing a certification scheme for green hydrogen.

Website:
GMIS



4

ADVANCING ECONOMIC COMPETITIVENESS

Inequalities among and within countries present great challenges. Addressing them needs to be at the heart of the global development agenda for the 2030 Agenda to succeed. Technological change needs to be seized to create new opportunities and to reduce the digital divide. UNIDO promotes innovation, enhances capacities to engage in trade, increases productivity and facilitates the transfer of technologies. The Organization helps build business skills and fosters a more entrepreneur-friendly environment. UNIDO also assists in meeting compliance with standards to increase competitiveness, while deploying its power as a convener to share best practices, encourage innovation and attract investors.

INVESTMENT, TECHNOLOGY AND SME DEVELOPMENT



TOP UNITED NATIONS IMPLEMENTING PARTNERS:



The COVID-19 pandemic has profoundly affected industry and global value chains. The World Bank estimates that the global economy contracted by over 4.3 per cent in 2020. Particularly during the first half of 2020, manufacturing output dropped sharply and global foreign direct investment fell by about 50 per cent. While global trade collapsed due to closures of businesses, factories and borders, as well as supply disruptions, it recovered later in the year.

UNIDO quickly reoriented its support to help countries and enterprises adopt digitalization and innovative technologies of the Fourth Industrial Revolution. This included providing readiness assessments and analysis at the country level, online skills and training programmes, investment and technology matchmaking forums to finance enterprise adaptations and retooling, and assistance for MSMEs to access global value chains with their new products.

The Organization developed the CIRP to support the restructuring of industrial sectors, and published *Responding to the COVID-19 Crisis – Pathway to Business Continuity & Recovery* and *Short Food Supply Chains for Promoting Local Food on Local Markets* to guide MSMEs through this period.

The network of Investment and Technology Promotion Offices (ITPOs) covers nine offices in eight countries, namely Bahrain, China, Germany, Italy, Japan, Nigeria, the Republic of Korea, and the Russian Federation. ITPOs located in industrialized countries promote investments and technologies from suppliers in their host countries to potential partners in developing countries, while ITPOs in industrializing countries also promote inward transfers. The ITPOs sustained their activities despite the limitations imposed by the pandemic. For example, the ongoing Enterprise Development and Investment Promotion Programme of ITPO Bahrain switched to virtual sessions, where 19 potential Bahraini entrepreneurs (70 per cent of them women) met online to develop their ideas for new enterprises with guidance from business counsellors, successful entrepreneurs, and government and banking representatives. Since the programme’s inception in the year 2000, participants from Bahrain have established 2,000 new enterprises, creating 16,000 jobs and generating an estimated investment of \$1.6 billion. In 2020, ITPO Bahrain facilitated new investments by entrepreneurs and investors of \$122 million, including for a solar panel production plant and a marketplace for entrepreneurs from around the globe.

Global Call for innovative ideas and technologies

ITPO Italy saw an opportunity to help developing countries address the effects of the pandemic by identifying readily deployable technologies, and launched a global competition to this end. Organized as an initiative of the ITPO network, within one month the Global Call drew 1,100 entries from 108 countries on five continents. A third of the entries came from start-ups. The five winners are receiving advice and mentoring through the network



and will showcase their solutions at international events, such as Expo 2020 Dubai.

WINNING PROPOSALS OF THE GLOBAL CALL

EcoWorth Tech, Singapore, for a system to transform **wastewater** into **clean water** using carbon-fibre aerogel



ColdHubs, Nigeria, for a modular **solar-powered walk-in cold room** that provides off-grid storage

ECO4CO, Italy, for a system that uses geo-information technology to provide **rapid spatial insights** about events that may affect the COVID-19 outbreak



Indoor air and object-surface disinfection, China, for a water-based technology that **safely and quickly disinfects** even crowded **buildings**

Plasticpreneur, Austria, which creates new products from **plastic waste** using small, cost-efficient **recycling** machines



UNIDO supports first robot-assisted medical ward for COVID-19 care

As the novel coronavirus spread in Wuhan, China, hospitals were inundated with patients. Officials soon locked down the city. During the first weeks of the lockdown, ITPO Shanghai worked with the Beijing-based company CloudMinds to set up China's first robot-assisted medical ward. At a sports centre turned field hospital for patients with mild symptoms, 12 robots monitored heart rates, temperatures and blood oxygen levels. The robots also served food and drinks, delivered medicine and cleaned floors. Patients wore bracelets and rings synchronized with an artificial intelligence platform, which helped clinical staff keep track of health information from outside the patient area. The project proved that robots offer new possibilities for safeguarding health care providers.

UNIDO and Japan tackle COVID-19 impact by transferring Japanese technologies

To help developing countries get technical support from the international community, Japan funded the

Sustainable Technology Promotion Platform (STePP) of ITPO Tokyo, which currently showcases 110 available Japanese technologies in energy, environment, agribusiness, and health. Thirteen technologies were selected for transfer to partners in 12 countries in Asia and Africa, to help mitigate the impact of COVID-19. These technologies include disinfectant, antibacterial coating and medical waste incinerators. Companies that adopt these technologies are also expected to replicate them, broadening their impact.

One item is a mobile inspection system equipped with solar panels for polymerase chain reaction (PCR) tests in off-grid areas. Another is a photocatalytic coating that ensures an antibacterial environment. For places without clean water for drinking or washing hands, a small-scale water treatment and supply system purifies water from existing water resources, such as groundwater, into drinking water.

COMPETITIVE TRADE CAPACITIES AND CORPORATE RESPONSIBILITY



TOP UNITED NATIONS IMPLEMENTING PARTNERS:



Enterprises seeking access and success in regional and international markets need to manufacture high-quality products that meet regional or international requirements for quality and safety. To help companies achieve this, UNIDO builds national and regional quality infrastructure systems and strengthens the capacities of SMEs in developing countries to meet market requirements. Training and support are provided in policy, governance, productivity, value creation and capture, and standards compliance. Changing their business processes allows companies to access new markets, create products with higher added value, and increase



export potential by meeting international standards and practices.

Among the newest technologies, blockchain can provide and trace back proof of integrity and quality along the value chain. As part of the Global Quality and Standards project funded by Switzerland in Ghana, UNIDO is piloting the readiness to implement blockchain in the cocoa value chain. European retailers and chocolate producers in industrialized countries are looking for sustainable sources, and Ghanaian businesses are ready to export cocoa. Expanding their market provides smallholder farmers and their communities with a better income.

UNIDO focuses on tools and support that are replicable so they can spread within the sector and beyond. While the global pandemic complicated these

endeavours in 2020, a regional approach led by UNIDO helped enterprises adapt and broaden their trade potential.

New standards developed and adopted for masks and hydro-alcoholic hand products

Better value chain integration, including into the newly established African Continental Free Trade Area (AfCFTA), helps strengthen West African economies. To establish a harmonized regional system for meeting market requirements, UNIDO and the International Trade Centre (ITC) started the West Africa Competitiveness and Quality Infrastructure programme, funded by the European Union, in 2018. It is part of a long-term UNIDO programme that has already harmonized 15 national quality policies in the region since 2001.

When the COVID-19 pandemic arrived in West Africa, the need for face masks and hand sanitizer escalated. The project thus quickly expanded its focus to harmonizing national quality standards for those two products. One hundred participants, working online in English and French, developed harmonized regional standards. The Economic Community of West African States (ECOWAS) adopted these in May 2020 as the benchmark for all 15 of its member countries as well as for Mauritania.

Ghanaian companies shift services due to COVID-19 and increase opportunities

In the spring of 2020, the Ghana component of the West Africa Competitiveness Programme was in its first year of strengthening value chains for cassava, fruit and cosmetics. The arrival of the coronavirus suddenly intensified demand for hand sanitizer, prompting UNIDO to help 38 cosmetics manufacturers switch production, implement standard operating procedures, and meet regional quality standards and official registration. As stores were shuttered, UNIDO ran a workshop on how to reach customers via social media and how to sell merchandise online. One business owner saw her income rise by 40 per cent in one month.

Unemployment rose to 19 per cent, with youth unemployment already at 40 per cent. UNIDO responded to this challenge by engaging with Armenia’s textile and garment sector to swiftly repurpose production lines.

Around 1,000 workers shifted to producing medical gowns, face masks, overalls and bed linen. Factories complied with international quality requirements and supplied the Ministry of Health with most of the COVID-related textiles it required. Establishing these new product lines provided workers with new skills and maintained their incomes.

The earlier phase of the programme helped 25 enterprises to establish the fashion brand 5900BC. Overall, sales in the sector have increased by 159 per cent, exports by 264 per cent, and employment by 146 per cent. A new Light Industry Training Centre recently opened by UNIDO in Yerevan provides enterprises with high-quality technical support, including access to a pool of experts in technology transfer, business improvement, pricing, marketing, and design. Instruction in industrial design, fashion illustration, pattern-making, and the preparation of collections and samples has helped increase job opportunities, particularly for women. By early 2020, light industry employed more than 8,000 workers, 90 per cent of them women.

Teaching entrepreneurship from a young age in Afghanistan

Young people growing up in subsistence economies or in post-conflict countries have few opportunities to observe and absorb entrepreneurial attitudes. Exposing young people to entrepreneurial ways of thinking helps them envision new possibilities for earning their livelihoods and creating economic, social or cultural value for themselves, their families and communities. This change in perspective can be particularly powerful where options for formal employment are few.

Through its Entrepreneurship Curriculum Programme (ECP), UNIDO has, for the past 15 years, assisted ministries of education to foster entrepreneurial culture and skills among millions of



Midterm exam for 10th grade students in Nangarhar

students in secondary and vocational-technical schools. In the programme, students spend more than half their time learning from local entrepreneurs, identifying business opportunities in their communities and assessing resources for starting businesses. UNIDO also assists education authorities in developing their own curricula.

Afghanistan has joined the growing number of countries that recognize the development of entrepreneurial skills as a key competence for their secondary school students. With funding from Austria, UNIDO worked with the Ministry of Education to develop a three-year entrepreneurship curriculum. Five schools in Kabul and Nangarhar Province have started entrepreneurship classes for some 750 students, of which 40 per cent were girls. The results are positive. As a teacher from Nangarhar said, “The subject is really interesting. It empowers students to use their brains and create something new and be a productive person in their society”. As part of school activities, some students started small business projects. Girls excel. Tenth grader Marwa Rahmani, a student in

Nangarhar, interviewed a local businessman. “The most surprising part was that he started his enterprise with only 600 Afghani [less than \$7]”, said Marwa. “It was amazing to me, because he is rich now.” She and her classmates learned to work in teams, creating mind maps as they planned how to open a hypothetical business.

Another student, Sohaila, recognized that she could find more clients for her mother’s tailoring business. She conducted market research by mapping ready-made clothing shops and asking their proprietors what customers wanted. When Sohaila showed her designs to teachers at nearby girls’ schools, she got more than 75 orders, providing jobs for Sohaila’s mother and her three sisters.

“*I dream of peace for my city and my country, where one day I could open my own tailoring showroom, and where I could sell my dress designs under my own branding*”, said Sohaila.

UNIDO IN GENEVA

Geneva has a high concentration of United Nations and other international organizations. It is a major venue for intergovernmental meetings, and an operational hub to implement the 2030 Agenda. The UNIDO Liaison Office in Geneva therefore plays a crucial role in strengthening the strategic positioning of the Organization in this multilateral hub, maintaining close contacts with the Permanent Missions to UNIDO based there and promoting cooperation with other Geneva-based international organizations.

In October 2020, the Friends of Industry and Innovation was launched in the presence of the Director General and the Deputy Secretary-General of the United Nations Conference on Trade and

Development (UNCTAD). The group includes like-minded Ambassadors in Geneva who are committed to the Decade of Action and SDG 9 to build resilient infrastructure, promote sustainable industrialization and foster innovation.

The UNIDO Office also continued to promote IDDA III through partnerships with Geneva-based sister agencies and United Nations organizations and by working closely with the Permanent Missions of African countries in Geneva. A joint initiative on cotton has been agreed upon with the ITC and will possibly be extended to other partners. In this context, the Office co-organized a high-level event on World Cotton Day 2020.

UNIDO HELPS THE COLOMBIAN AUTOMOTIVE INDUSTRY IMPROVE EFFICIENCY AND CONNECT TO LARGER VALUE CHAINS

Colombia is known beyond its borders for coffee, roses and fruits. It is less known for its dynamic automobile industry, which supplies large manufacturers including General Motors, Hino, Renault, Suzuki, and Yamaha. More than 350 Colombian enterprises produce everything from automotive screws to race cars, from scissor jacks to bullet-proof glass. As the sector represents 6.2 per cent of industrial GDP, any decline in efficiency is significant for the country. Automotive companies directly employ 25,000 Colombians, and indirectly provide jobs for 100,000 more.

UNIDO has helped firms improve efficiency and connect to larger value chains by offering coaching, training, technical advice, and matchmaking with investors and with other enterprises in the supply chain.

Through a four-year project initiated in late 2016 and funded by the Korean International Cooperation Agency, the Organization has helped 60 firms comply with quality standards for their products, while 31 companies reduced their rate of product defects by a combined 75 per cent. Total benefits accrued to participating companies are estimated at \$1.1 million. The project co-produced an industrial capacities catalogue and an investors' guide for the Colombian auto industry in support of ProColombia, the national agency that promotes investment and exports, helping raise exports by 16 per cent from 2017 to 2019.

COVID-19 lockdowns halted 80 per cent of vehicle production in North America. Anticipating re-openings, the project developed *Industry Guidelines on Production Reactivation*, which has become a reference for other industries, and was publicly acknowledged by Colombia's Minister of Commerce, Industry and Tourism.



Metalworking company increases production and exports

INALTRA, a metalworking company near Bogotá, employs 110 workers who manufacture truck chassis and fuel tanks for motorcycles and trucks. With advice from UNIDO, company managers learned value-stream mapping to identify bottlenecks and no-value-added activities in the production system. Their analyses helped grow production by 50 per cent and cut product defects by a third. The company increased exports from 40 per cent of sales in 2019 to 60 per cent in 2020, despite the trade disruptions this year.

Managers also learned to use "5S", a method from Japan for organizing and standardizing tasks in the office and on the factory floor, which reduced both accidents and employee turnover. Company president Oscar Betancur said the biggest gains for INALTRA have been better practices and working conditions, and higher quality products.



Despite the COVID-19 crisis, **employment** in supported companies remained **stable**.



In 2020, **26** companies were supported in completing **223 registrations** on supplier portals.



Export promotion resulted in **18** North American companies declaring interest.

60 supported firms comply with standards and buyer requirements



ISO 9001 compliance increased to **79%**



Product defects reduced by **75%**



Motorcycle parts manufacturer cuts costs and increases opportunities for women

In Colombia's coffee-growing triangle, Solomoflex makes parts for motorcycle manufacturers, including Suzuki and Yamaha. When he founded the company in 1985, Yesid Romero based business decisions on trial and error. The UNIDO project taught him how to rationalize decisions using lean manufacturing tools and approaches, such as 5S, and introduced employees to the culture of teamwork that has helped his Japanese customers thrive. Solomoflex cut product defects and costs by bringing together teams of co-workers, adopting another Japanese management strategy called "Kaizen".

When the firm considered buying equipment for in-house metal heat treatments, it used the UNIDO Computer Model for Feasibility Analysis and Reporting (COMFAR) to appraise and confirm its value. Another influence was the Organization's emphasis on gender equality and women's empowerment. Solomoflex employed no women at the start of the project and now there are 27 among its 180 employees. Romero said the project provided management tools and gender-responsive practices that "helped us move out of our comfort zone to optimize our processes".

Plastic components company improves processes and lands a new customer

IPROCUM manufactures plastic components for automobiles, motorcycles and small motors, and it also makes arepa skillets. It employs 135 people at its plant near Medellin, including 35 women, two of them in management. With help from UNIDO, the firm standardized processes, cutting production time by 30 per cent, and increased efficiency by accelerating the cooling of metal castings.

“ We learned to do things right, from the beginning, and that helped us to be more profitable”,

said President and founder Juan Gomez.

The firm participated in the UNIDO-sponsored 2019 automotive matchmaking event and gained a new customer,



Auteco. During the pandemic, UNIDO supported the company in diversifying to produce plastic face shields.

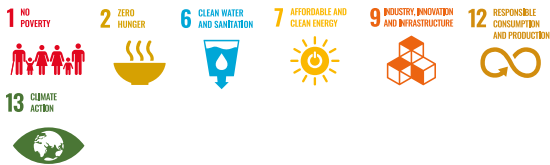
An aerial photograph of a glacier, showing a vast expanse of blue and white ice with numerous cracks and crevasses. A white circle containing the number '5' is positioned in the lower right quadrant of the image.

5

SAFEGUARDING THE ENVIRONMENT

Accelerating climate change and resource depletion continue to alter habitats and threaten livelihoods. Extreme events such as hurricanes, floods and wildfires are a growing threat for humanity. UNIDO is working to build a sustainable system that allows growth while protecting the environment and enhancing inclusiveness. It helps developing and emerging economies build integrated resource-efficient and cleaner production systems, reducing the environmental impact of industrialization while creating pathways to a circular economy. It does this by providing technical and policy advice to Governments and businesses on how to switch to cleaner, more efficient energy systems in a gender-responsive manner. With expertise built up over decades, the Organization also plays a pivotal role in helping Governments meet the requirements of international agreements to phase out ozone-depleting chemicals and other toxic pollutants.

RESOURCE-EFFICIENT AND LOW-CARBON INDUSTRIAL PRODUCTION

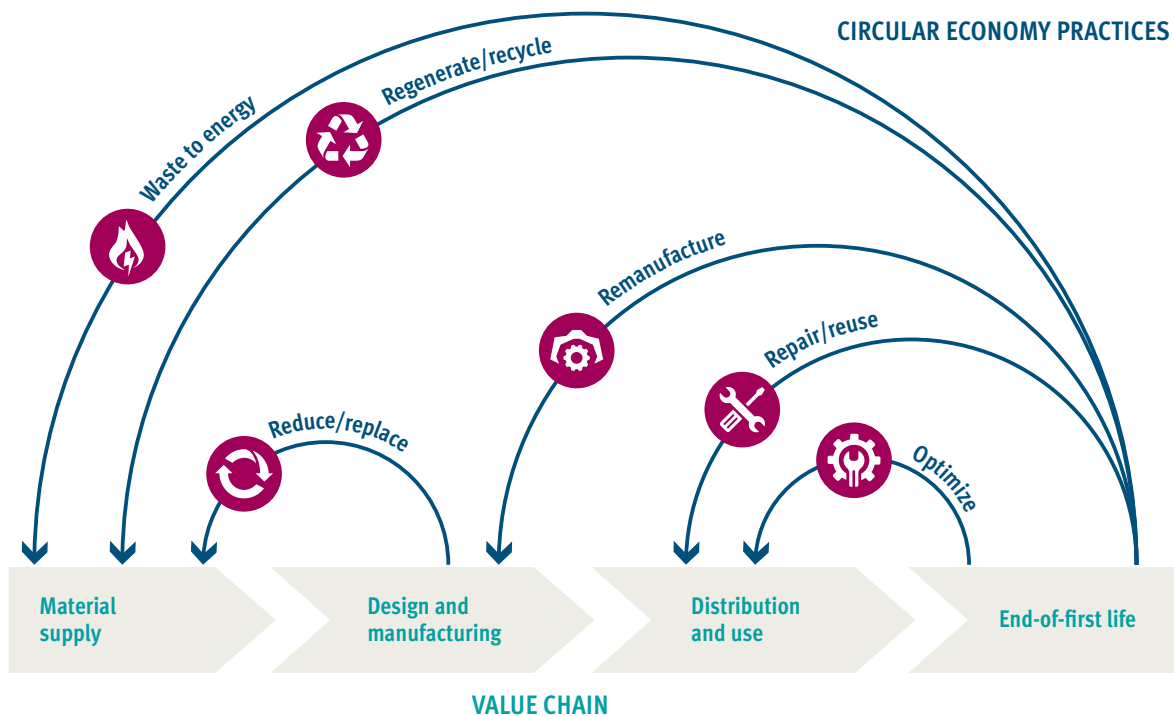


Widespread factory shutdowns combined with other containment measures and job losses resulting from the COVID-19 pandemic slowed both production and consumption in many parts of the world during 2020. The positive effect of reduced transport, power generation and industrial activities on air pollution

and greenhouse gas (GHG) emissions gave traction to the idea of a green recovery from the pandemic.

To help countries fulfil their ambition to build back better, UNIDO supports resource-efficient and low-carbon industrial production, including circular economy practices, as one pathway to optimize the use of resources with a lifecycle perspective.

For example, in partnership with the Swiss Agency for Development and Cooperation, the Organization is helping agro-industrial enterprises in Egypt transition to circular food systems that reduce waste and pollution and return valuable resources to the economy. The Organization also addressed pollution along the 4,200 kilometres of the Niger River in West Africa in partnership with the United Nations Development Programme (UNDP). The effort began by advising the Niger Basin Authority on harmonizing industrial pollution regulation in nine riparian countries. UNIDO is facilitating the transfer of environmentally sound technologies to help enterprises in the basin reduce water and energy



Linear versus circular economy practices along a supply chain



consumption, and pollution from mines, tanneries, and food and textile producers.

The UNIDO Global Eco-Industrial Parks Programme funded by Switzerland helps industrial parks scale up using resource-efficient circular practices. This allows them to operate with lower impact on the environment while improving their competitiveness. In 2020, Indonesia and South Africa joined five other countries already transforming their industrial zones into eco-industrial parks with UNIDO assistance: Colombia, Egypt, Peru, Ukraine, and Viet Nam. Producers are adopting low-carbon technologies, minimizing GHG emissions and pollutants, using water more efficiently and managing chemicals safely.

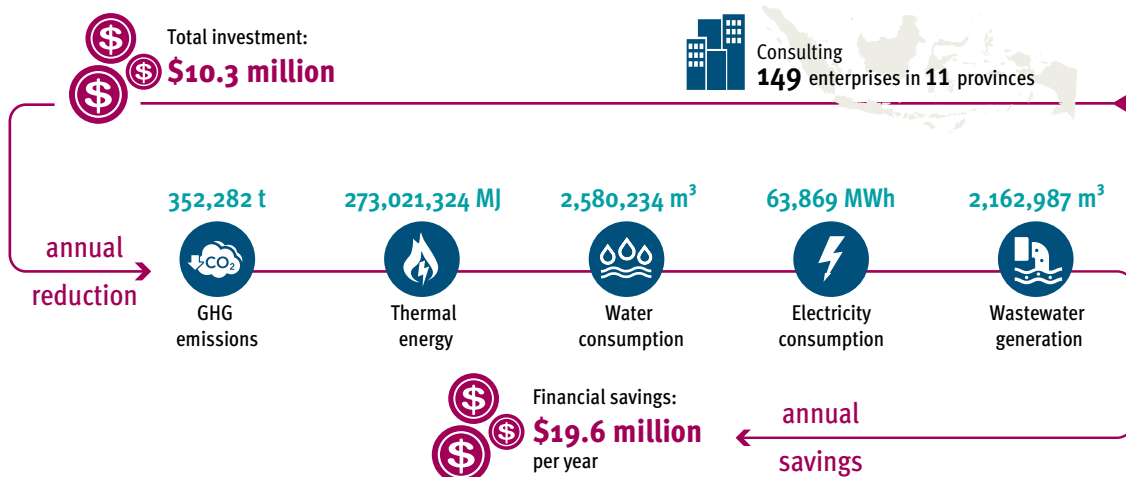
Cutting greenhouse gases saves \$19.6 million in Indonesia

International best practices can help SMEs scale up resource efficiency and cleaner production, while improving profitability and market access. The UNIDO Resource-efficient and Cleaner Production (RECP) approach is helping firms maximize their use of resources and reduce their environmental impact.

Through the RECP project in Indonesia funded by Switzerland, UNIDO developed the capacities of the Indonesia Cleaner Production Centre, which then deployed RECP consultants to 149 enterprises in 11 provinces. The collaboration with company managers resulted in the reduction of GHG emissions by 350,000 tons CO₂-equivalent and cut wastewater generation by more than 2 million cubic metres annually. A total investment of \$10.3 million yielded annual savings of \$19.6 million for the enterprises.

Some of those gains were made at PT Leetex Garment Indonesia in Majalengka, West Java, which knits up to 15 million sweaters each year. One of the 77 national experts trained by UNIDO guided the company’s RECP team as it collected and analysed baseline data on plant functions. The team prioritized actions that would conserve energy.

Even before completing all planned modifications, Leetex Garment cut electricity consumption by 10 per cent, coal by 32 per cent, and wastewater volume and load by 43 per cent. GHG emissions fell by 13 per cent. Changes included replacing fluorescent





lights with LEDs, adding skylights, and replacing inefficient motors. The company's \$74,000 investment is expected to save \$204,000 each year, with a payback period of under five months.

To multiply the effects of improvements in target firms, the programme has brought together RECP clubs. Small groups from companies or a geographical area meet regularly to share knowledge in the tourism, rice mills and textile sectors.



Protecting South African waste pickers keeps recycling industry strong

South Africa depends on 60,000 waste pickers to handle most recycling in the country. This labour keeps recyclables in value chains and reduces the leakage of plastics into the ocean. Yet waste pickers work informally, without protection from the toxins in their workplaces. The risks have intensified with the COVID-19 pandemic, as waste can be infectious.

In July 2020, UNIDO provided uniforms, gloves, boots, and masks to waste pickers in the Free State, KwaZulu-Natal and the Western Cape, allowing them to work more safely. Sixty per cent of reclaimers at those sites are women. The project also gave them a four-ton truck so they can go further to pick up materials.

The UNIDO project also supports the transition from conventional plastics to more environmentally sustainable alternatives, such as water-soluble plastics. The Government of Japan is funding a three-year initiative to support the G20's Blue Ocean Vision, which aims to end the flow of plastic into oceans by 2050.

The UNIDO project joined the COVID-19 waste management group in 2020 as part of a \$135 million flash appeal launched by the United Nations in South Africa in April. The coordinated action raised awareness of the importance of these integrated activities and demonstrated ways to reduce waste and improve water quality.

The initiative can serve as a model for good safety practices that can be adopted by other countries in southern Africa. It also brings waste pickers closer to formal employment. Those workers are key to keeping recycling rates high in South Africa, despite the lack of government mandates.

“The provision of personal protective equipment to reclaimers makes an important difference. Reclaimers are the reason why we have these fantastic recycling rates comparable to Europe”,

said Melanie Samson, a senior lecturer at the University of Witwatersrand, which is a partner in the project.

ACCESS TO CLEAN ENERGY FOR PRODUCTIVE USE



TOP UNITED NATIONS IMPLEMENTING PARTNERS:



Hundreds of millions of people worldwide have only sporadic or limited access to electricity, while 789 million people have none at all. In sub-Saharan Africa, 72 per cent of health facilities cannot count on reliable electricity. As COVID-19 vaccines need refrigeration, lack of electricity for cold chains raises life-and-death issues of equity.

Clean energy systems, such as renewable energy-based mini-grids and small hydropower, can supply better quality electricity less expensively than those based on carbon technologies, and could create 40 million jobs by 2050. To support this transition, UNIDO is advising 59 Governments on policies, regulations and guidelines, and is building capacity in SMEs.

In 2020, the *Small Hydropower Technical Guidelines* assisted Member States in designing and implementing plants with a capacity of up to 30 MW and served as a reference for the International Workshop Agreement IWA 33 developed by the

International Organization for Standardization. Sixteen countries and eight international organizations agreed to apply the technical guidelines in their respective countries and organizations. The 2019 *World Small Hydropower Development Report* provided essential planning data and 166 country-specific chapters and 18 case studies. In addition, UNIDO has published numerous technical guides on developing mini-grids for rural industrialization and other technologies.

UNIDO successfully demonstrated technologies that reduced GHG emissions, and scaled up programmes through training in the Gambia, Guinea-Bissau, Mozambique, and Sierra Leone. With funding from Japan, an internet of things platform is enhancing the efficiency of geothermal energy production in Kenya, while sensors developed for power generators and turbines are improving the efficiency of geothermal electricity production in the Great Rift Valley. In Morocco, a new utility scale vanadium flow-battery storage system enhances the performance of a solar power plant.

The Climate Technology Centre and Network (CTCN), jointly hosted by the United Nations Environment Programme (UNEP) and UNIDO, connects countries to climate technologies. The network launched a \$10 million small grants programme for projects to foster climate change adaptation in developing countries. It also held its annual Venture Day, where more than 250 companies have pitched their projects since 2006 and brought in as much as €600 million in investments.

The UNIDO Global Cleantech Innovation Programme (GCIP) fosters creativity and the formation of entrepreneurship ecosystems, allowing SMEs to develop and commercialize their ideas, with GEF funding. The programme advised the Governments of Armenia, India, Malaysia, Morocco, Pakistan, South Africa, Thailand, Turkey, and Ukraine. It is continuing its expansion into Cambodia, Indonesia, Kazakhstan, Nigeria, the Republic of Moldova, Senegal, Sierra Leone, and Uruguay. UNIDO also provided technical assistance to the new BLOOM Sustainable Energy and Clean Technology Cluster in Barbados. These activities capture opportunities for green entrepreneurship in the post-pandemic recovery.

Governments alone cannot provide enough capital for the clean energy transition at the speed and scale needed to meet global climate and energy challenges. To build alliances with the private sector, UNIDO hosts the Private Financing Advisory Network (PFAN), a multilateral public-private partnership that promotes investment in low-carbon, climate-resilient projects in 122 countries across five regions. The network attracts investors by screening and fostering bankable proposals, and through its technical assistance has provided \$2 billion in investments to 750 projects.

Renewable energy in Guinea-Bissau serves as model for West Africa

When UNIDO began this partnership with Guinea-Bissau in 2014, the country's energy situation was dire. Nationwide, only 5.3 per cent of the population had access to electricity, and just 2 per cent in rural areas. This put pressure on forest resources, and smoke from biomass used for cooking caused health problems among women and children. The Government had no funds to develop renewable energy that could wean the country from oil.

Prior to a GEF-funded UNIDO project, which set Guinea-Bissau on the path for sustainable low-carbon development, there were no renewable energy projects in the country apart from a few solar home systems, and no strategies or funding for them. The project changed the situation by equipping the Government with a policy framework and an investment plan. It also attracted \$8 million in investments for renewable energy technologies.

It built confidence in renewable technology by installing a 312-kilowatt photovoltaic system in Bambadinca, a village outside Bissau. Most of its 780 households now have electricity 24 hours a day. Batteries store energy, and diesel generators only provide back-up. A non-profit organization has trained local people to handle accounting and maintenance, and the community manages the system. The project will reduce GHG emissions by 8,180 tons of CO₂-equivalent over its 20-year lifetime.

Domingos Iamta, a delegate to the regional energy directorate, noted that the power plant in nearby Bafatá had shut down for lack of fuel. Solar power is more dependable, said Iamta:

“All the time we have sun, you will have energy. No one will buy the sun, as we buy diesel to put in generators.”

Families and businesses involved in agriculture and the processing of cashew, cassava, and fruits have benefited particularly from the cooling and irrigation that electricity makes possible. While watching technicians install the 1,248 solar panels required, Lurdes Gomes, a resident of Bambadinca, rejoiced that her children would no longer need to study by candlelight, the household would have a refrigerator, and they could run a fan at night to keep mosquitos away.

Guinea-Bissau's National Renewable Energy Investment Plan has developed a project pipeline of \$30 million. The country aims to generate 50 per cent renewable energy at peak demand by 2030. The project can serve as a model for ECOWAS and will facilitate South-South knowledge transfer.





Electric vehicles in China, Malaysia and South Africa reduce CO₂ emissions

A quarter of human-generated CO₂ emissions come from the transportation sector, mostly from cars, trucks, buses, and two-wheelers. UNIDO is helping to promote electric vehicles, which provide a low-carbon solution if powered by renewable energy.

Electric vehicles now constitute two per cent of vehicle sales worldwide. To meet targets to decarbonize the global economy, sales must reach 30 per cent by 2030, and 80 per cent by 2050. To guide countries in this transition, UNIDO published *Best practices in electric mobility*, which recommends incentives for customers such as rebates and low-interest loans, and advocates for roadside charging systems with interoperable technologies that give drivers access to a uniform network. Funding comes from Austria, Norway, Spain, and GEF.

In Malaysia, UNIDO is supporting the development of the *Low Carbon Mobility Blueprint and Action Plan* for land transportation, created in consultation with

multiple stakeholders, including domestic car manufacturers. Creating a network of charging stations powered by renewable energy sources will put Malaysia in the global chain of battery producers and increase demand for semiconductors and solar photovoltaic equipment manufactured domestically.

In South Africa, UNIDO is promoting electric vehicles, developing infrastructure, and increasing investment. Durban and Johannesburg now have electric buses and have installed solar-powered charging stations. The project has helped to generate a competitive local industry, as four domestic manufacturers now produce all-electric vehicles.

China is the world's largest market for e-vehicles in volume of sales. While electric vehicles remove tailpipe emissions, pollution has shifted to the power generation process. To remedy this, UNIDO is promoting charging stations that use renewable energy. Shanghai has 15 new smart charging stations and has scaled up car-sharing, with 7,771 electric cars in its network.

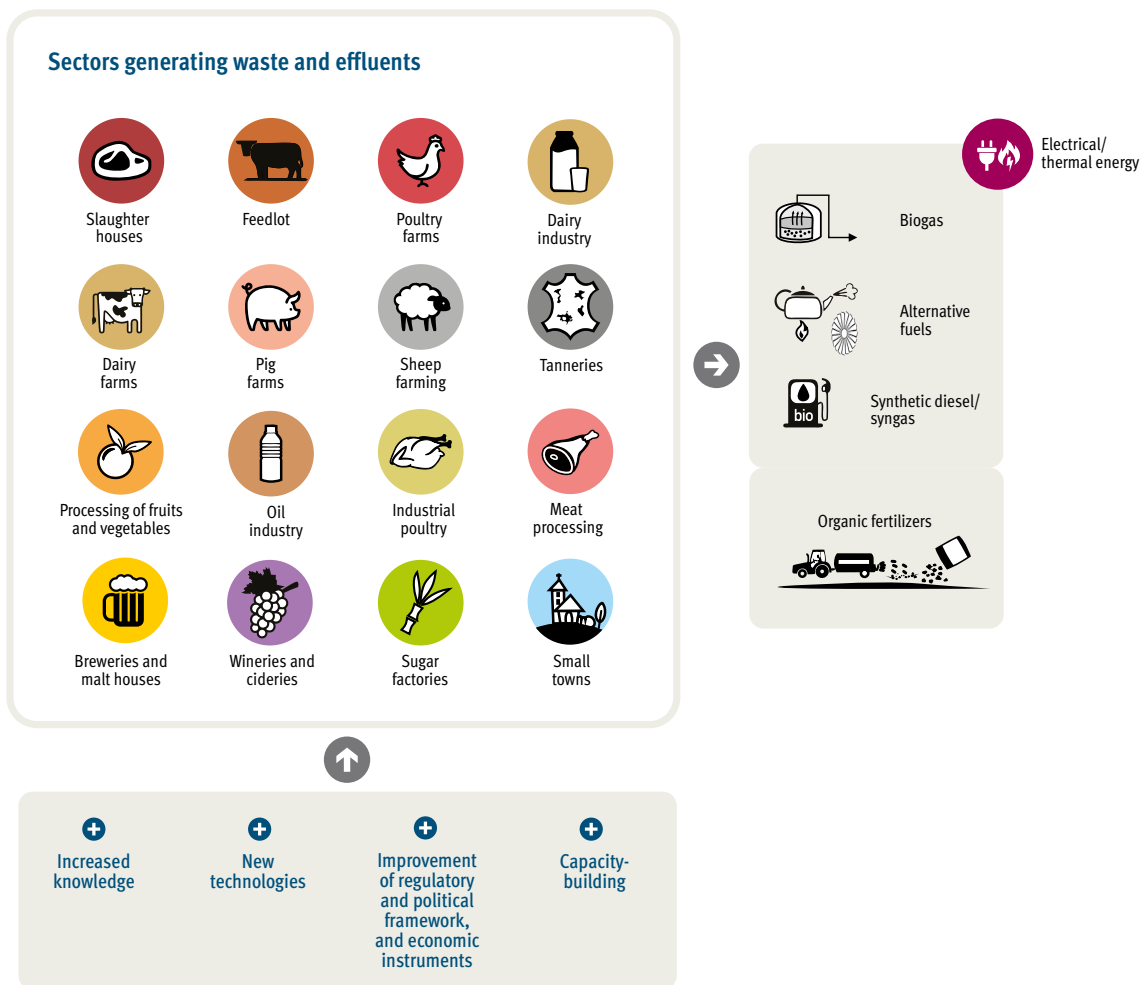
Demonstrating the value of using waste to produce energy in Uruguay

The Uruguayan economy is primarily agro-industrial, producing large amounts of milk and meat for export. However, the value of waste products, such as manure, remained largely unrecognized. Using circular economy principles, UNIDO and government partners have introduced new approaches to adding value to agro-industrial waste.

A five-year project funded by the GEF sponsored nine pilot projects that introduce these principles, providing an alternative to the take-make-dispose model. The project has put the circular economy on the Government’s development agenda.

A recent Chatham House-UNIDO publication benefited from the experiences of UNIDO in Chile and Uruguay and identified circular economy opportunities for building resilience in Latin America and the Caribbean.

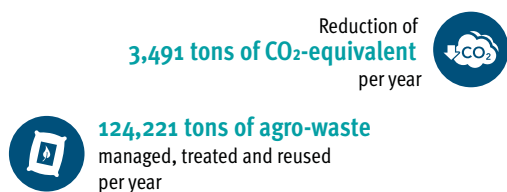
One pilot project produces electricity from manure at a 500-head dairy farm in Canelones Department in Uruguay. The farm sweeps the manure from the platform where the cows are fed, removes solids, and pours the liquid waste into a pool. By covering the pool with a soft plastic cover, the farmer forms an anaerobic digester. It requires 40 days for the digester to generate methane gas that can be burned to make electricity. The farm uses that



electricity on-site, for example to run milking machines, or sells it to a utility company. The residue is compost that returns nutrients to the soil.

With support from UNIDO, an enterprise in Montevideo Department produces compost, using waste from breweries, poultry farms and urban tree pruning. The operation spreads the organic material on fields and monitors temperature, acidity and mineral content as microorganisms transform it into organic compost. The compost is packaged for sale in 50-litre bags and used for growing food, flowers and fruit.

These models for valorizing waste and sustainably producing energy can be applied in many sectors, including livestock, energy production, fisheries, agriculture, and manufacturing.



Rural Mozambique communities connect to digital schools through diesel and solar power

Mozambique has a rural electrification rate of only 27 per cent, and the extension of electricity grids has been stymied by the fact that people live in sparsely settled, remote areas. Many rural residents have no opportunity to watch television or connect to the Internet. By supporting the Community Tablet project, UNIDO has taken a step towards greater digital inclusivity.

In rural Mozambique, 10 Community Tablets funded by GEF serve as first digital schools. A Community Tablet arrives at a settlement in a container that can be pulled by a truck, van or even a donkey. The tablet runs on four to six large LCD screens.

These touch screens can be linked with cameras and a large screen to allow outdoor video conferencing for groups. Community members gather around to watch programmes on financial education, contraception and HIV, women's empowerment, vaccinations and health, including the spread and prevention of the novel coronavirus.



Presentations use games that increase engagement while measuring how well audiences understand messages.

In early 2020, UNIDO provided the project with 10 solar kits, enabling the initiative to begin converting the tablets from diesel to solar power. Since its start in 2015, Community Tablet has helped educate more than one million Mozambicans across 90 communities and has provided an example of how sustainable energy can be used for education.

IMPLEMENTATION OF MULTILATERAL ENVIRONMENTAL AGREEMENTS



TOP UNITED NATIONS IMPLEMENTING PARTNERS:



UNIDO assists developing countries and economies in transition to meet global agreements to reduce human-made environmental degradation. These countries are home to most of the world's industrial production, and the Organization helps them expand industry while still meeting their obligations under multilateral environmental pacts, including the Montreal Protocol, the Stockholm Convention on Persistent Organic Pollutants and the Minamata Convention on Mercury. Governments receive assistance in aligning national legislation to these



Phasing out HCFCs and promoting HFC-free air-conditioning

conventions while complying with regulations in international supply chains.

As a major implementing agency of the Multilateral Fund for the implementation of the Montreal Protocol (MLF), UNIDO assists industries in switching to processes, products and substances that have no impact on the ozone layer. After the completed phase-out of chlorofluorocarbons (CFCs), hydrochlorofluorocarbons (HCFCs) are now targeted, and the reduced use of hydrofluorocarbons (HFCs) is demanded in the Kigali Amendment of 2016. UNIDO is implementing HCFC phase-out plans in 68 countries, preparing 29 countries for ratification of the Kigali Amendment, and building institutional capacity in 13 countries. Due to travel restrictions in 2020, many activities were conducted through webinars and online training sessions. Cumulative emission reductions from UNIDO Montreal Protocol activities amounted to 71.8 million tons CO₂-equivalent in 2020.

Under the Stockholm Convention, UNIDO is working with China to eliminate hexabromocyclododecane (HBCD). This persistent organic pollutant (POP) serves as a flame retardant in rigid foam building insulation. It is highly toxic to aquatic life, and animal testing has suggested potential threats to human health. The project is exploring alternative flame retardants for insulating foam. It is also

exploring disposal options, which, once developed, will be available to other countries whose construction waste contains HBCD.

Under the Minamata Convention, UNIDO has supported the establishment of coordination mechanisms on mercury-related issues in 30 countries. It promotes eliminating mercury from small-scale gold mining. An estimated 100 million people operate artisanal gold mines, and many use mercury to isolate ore, even though mercury-free mining is safer and more productive. UNIDO supported Burkina Faso, Ecuador, Ghana, and Nigeria to complete their national action plans, a Convention obligation. The Organization also supports seven Member States to access financing for technology transfer, supporting both miners and financial institutions.

The Minamata Convention further addresses mercury in factories, calling for the reduction by half of mercury contained in the production of vinyl chloride monomer, a substance used to produce the polyvinyl chloride (PVC) found in everyday objects such as water pipes, bottles and clothing. In China, where half the global mercury usage for the monomer occurs, UNIDO is working closely with the Government to develop innovative solutions that use less mercury or none at all.

India develops model to reduce pollutants from medical waste

Medical waste can contain POPs. Burning it releases the pollutants into the air. When the Government of India sought to reduce emissions of these hazardous chemicals, UNIDO embarked on a nine-year project to help India improve management of medical waste. With GEF funding, UNIDO set up models for best practices in the states of Gujarat, Karnataka, Maharashtra, Odisha, and Punjab.

UNIDO experts and state health officials began by measuring emissions at 40 per cent of shared biomedical waste facilities nationwide. They tracked two chemicals, that are colloquially called dioxins, and calculated that better management of hospital waste would allow India to cut dioxin emissions nearly in half.

The project monitored 171 health-care facilities and reduced emissions by upgrading five shared



incinerators. Through private-public partnerships, facilities in the project improved segregation of waste and investigated non-burn technologies. So far, the project has cut emissions of the dioxins in those facilities by 20 per cent.

During the COVID-19 pandemic, the volume of medical waste in India grew 12 per cent. The project prepared guidelines for managing that waste and provided 20 large hospitals with microwave units to disinfect discarded plastics before sending them to recyclers. UNIDO also published a handbook for managing biomedical waste.

The project is the first of its kind in India to introduce best practices and techniques to reduce and ultimately eliminate the release of these unintentionally produced pollutants from medical waste. The effort is part of a wider programme on medical waste management in India, and a model for other emission reduction projects.

Latin America and the Caribbean commit to reducing global electronic waste

Consumers worldwide are buying electronic products at an escalating pace. Once discarded, electronics constitute a fast-growing waste stream containing persistent organic chemicals that threaten health, pollute drinking water and disrupt ecosystems. It is estimated that people worldwide threw away 50 million tons of electronic products in 2019, an amount that will likely balloon to 75 million in the coming decade.

UNIDO is promoting effective e-waste management in 13 countries in Latin America and the Caribbean, a region that generates seven per cent of global e-waste. The project is raising awareness of resulting health hazards and environmental threats while showing countries how to capitalize on opportunities for e-waste recycling industries. The countries have drafted or reviewed national policies on e-waste, and are building data management systems and an online platform to enable regional exchange of information.

The project trained nearly 600 people to manage e-waste effectively, and 15 universities are developing associated curricula or research programmes. Chile created a guide for the media on e-waste. Participating countries include Argentina, the Plurinational State of Bolivia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Peru, Uruguay, and the Bolivarian Republic of Venezuela.

PROMOTING CIRCULAR VALUE CHAINS FOR A GREENER AND MORE COMPETITIVE TEXTILE INDUSTRY

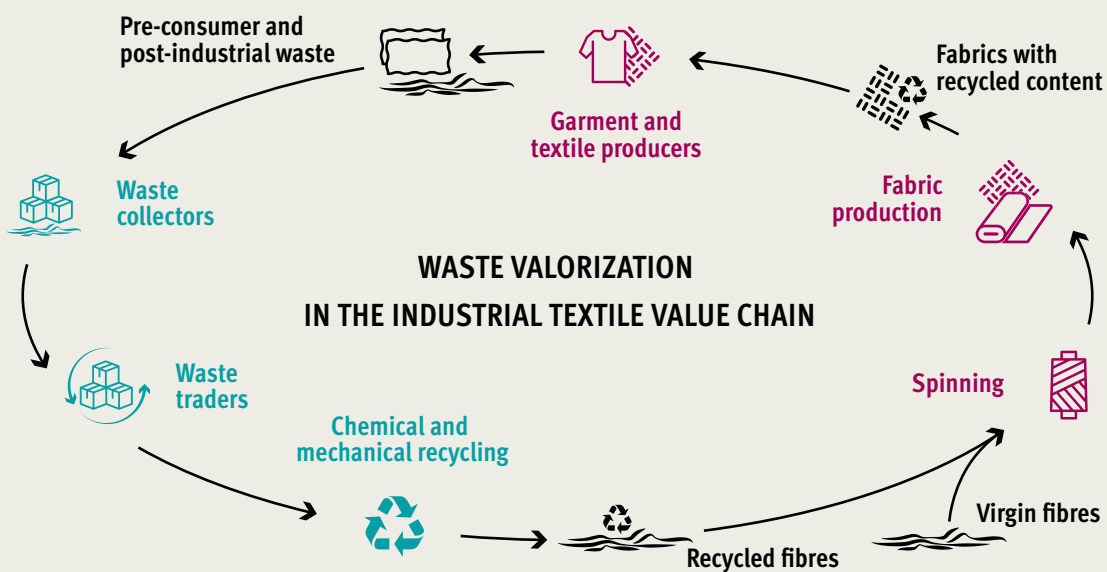
The fashion industry constitutes one of the largest consumer goods markets in the world, with highly sophisticated value chains. In OECD countries, fashion is the second largest market for consumer goods, only exceeded by food and beverages. The industry plays a central role in creating jobs, employing more than 60 million people worldwide.

The industry is, however, one of the most polluting in the world. The fashion industry uses 93 billion cubic metres of water annually and emits more CO₂ than all international flights and maritime shipping combined. This burden derives partly from fast fashion, a trend in which consumers choose low-cost clothing and replace it whenever styles change.

In response to sustainability challenges, and spurred by growing consumer awareness of the impact of garment production, global fashion brands are seeking better alternatives. These alternatives include using renewable and recycled fibres, instituting cleaner production processes and adopting circular business models.

The UNIDO SwitchMed Programme engages national stakeholders, international fashion brands and key expert organizations in pursuing these alternatives. Egypt, Morocco and Tunisia are establishing circular economy practices in their textile supply chains with funding from the European Union, Italy and Spain. They are accelerating the adoption of safe chemicals and water pollution controls in the finishing processes that fix colours and give fabrics the right texture.

UNIDO is addressing the large amount of waste that results from clothing production: fabric and garment factories discard more than 25 per cent of materials, and sometimes as much as 47 per cent. The Organization is exploring possibilities for recycling more of this waste into yarns, fabrics and fibres for textiles and non-woven applications.



The SwitchMed project has signed collaboration agreements with local suppliers of partnering brands in Egypt, Morocco and Tunisia. Partners include leading global fashion companies, such as Benetton, Hallotex, Hugo Boss, Inditex, Nudie Jeans, OTB (Diesel), and the PVH Corporation.

In collaboration with these international firms and expert organizations, UNIDO will continue to engage national stakeholders in training and will pilot demonstrations and studies on how to develop local capacities to collect, sort and recycle textile waste.

These tasks are best done locally. Although the international trade of rags is convenient, exporting textile waste for recycling abroad is unsustainable due to transportation costs and associated CO₂ emissions. Using exports also undercuts the opportunity for developing local economies and closing the loop for materials in the textile producing countries. The harm is more pronounced in countries where recycling value chains are currently inefficient, poorly organized and confined to the informal economy.

This initiative is part of the second phase of SwitchMed, which also serves Algeria, Israel, Lebanon, and the State of Palestine. The first phase had identified 1,830 resource efficiency measures with an investment of €87.6 million that have saved water, energy and raw materials worth €41.7 million annually.

SwitchMed has laid out five strategies for this transformation in *Circular business opportunities in the South Mediterranean: How can businesses lead the way to sustainable fashion?* The publication provides case studies of textile plants using environmentally sound practices in 11 countries, ranging from Morocco to Sweden to Viet Nam.

Consumers are increasingly demanding clothing that lasts and that minimizes or eliminates waste and pollution throughout its life cycle. Diesel licensing director Andrea Rosso says, “Consumers now want to be reassured that the products they buy are made responsibly throughout every step of the process, from the raw materials down to the final product”. Like their peers in many parts of the world, young people in the Mediterranean region have voiced growing awareness of environmental issues.



Higher levels of circularity along local value chains can create new jobs, add value to the local economy and prepare local industries to meet future global market requirements for sustainably produced fashion products. Actions that support more circular production methods can therefore help producers in the fashion industry strengthen their role in the supply chain and improve strategic partnerships with global brands.

A satellite image of the Pacific Ocean, showing swirling patterns of blue and green water. A large white circle containing the number 6 is positioned in the upper right quadrant of the image.

6

REGIONAL PERSPECTIVES

UNIDO carries out its mandate at the country, regional and international levels. It supports greater cooperation between regions as a vital component in boosting investment, growth and prosperity, and tackling a wide range of global challenges. Member States are connected and supported according to their individual needs to strengthen industrial competitiveness and trade, enhance private sector development, and tackle environmental sustainability and climate change. As an active member of the United Nations development system, UNIDO offers analysis, advice, capacity-building, and other support in close cooperation with Governments, development partners, the private sector, and other institutions.



- UNIDO Member States **45**
- 29** LDCs **6** SIDS **22** MICs
- UNIDO local presence in **19** countries incl. regional hubs and a regional office in **Ethiopia, Nigeria, South Africa**
- 9** Country programmes (2020)
- PCP in **Côte d'Ivoire, Ethiopia, Rwanda, Senegal, the United Republic of Tanzania, and Zambia**
- Technical cooperation contributions (2020) **\$36.2 million**

9.99	15.24	5.34	0.74	4.88
Member States	EU	GEF	MLF	Others

- Current UNSDCF signed (total): **31**
- New UNSDCF signed in 2020: **Angola** (2020–2022), **Ethiopia** (2020–2025), and **Uganda** (2021–2025)

AFRICA

At the beginning of 2020, the prospects for the continent were promising, as Africa was progressing with economic expansion and poverty reduction. Technology and innovation were increasingly embraced. The entry into force of the AfCFTA promised a strong boost in intra-African trade. Still, Africa continued to face important challenges to achieve the goals of the 2030 Agenda and Agenda 2063. The socioeconomic effects of the COVID-19 pandemic exacerbated these challenges. In sub-Saharan Africa, the steady increase in manufacturing production since 1986 was reversed and dropped below the 1.3 per cent recorded in 2019, while many companies transitioned to producing essential medical supplies to make up for the lower levels of international demand for other products.

The effects of climate change continue to impact the continent, causing droughts and food insecurity among the 70 million people in the Sahel, further threatened by locust infestations. In southern Africa, growth was slowed by cyclones Idai and Kenneth and the devastation of infrastructure and agriculture in Malawi, Mozambique, and Zambia.

UNIDO addresses the region’s main challenge of poverty by giving people the tools, skills, education, and infrastructure to create sustainable livelihoods. Capacity-building activities target MSMEs and

vulnerable population groups such as women and youth. About half of UNIDO projects in the region support safeguarding the environment. Other work adds value to agricultural commodities, linking input providers, farmers, traders, processors, distributors, and retailers, and supports post-crisis countries in their economic recovery.

UNIDO at work in Africa

Economic transformation is critical to keep IDDA III moving forward. UNIDO is the lead implementing organization, and provides technical assistance through its country programmes (CPs), PCPs and projects to build and leverage synergies with ongoing government and partner interventions relevant to industrial development.

In 2020, UNIDO worked closely with its United Nations partners to support country and regional responses to COVID-19. Contributions to socioeconomic impact assessments were made, among others, in Botswana, Cabo Verde, Cameroon, Guinea-Bissau, Madagascar, Mali, and Zambia. In Guinea, Madagascar, Nigeria, Senegal, and Zimbabwe, UNIDO chaired committees or helped develop socioeconomic recovery plans.

In line with its COVID-19 response framework, UNIDO helped African countries and enterprises prepare, respond and recover to regain industrial capacity, adapted to the new worldwide conditions.

To prepare and contain, UNIDO supported projects across the continent to develop innovations like an automatic gel dispenser with an infrared sensor, and to help companies reorganize or enhance local production of PPE. UNIDO collaborated with the Industrial Association of Mozambique to advocate for extraordinary measures supporting the manufacturing sector. In South Africa, training on safety and security for health-care waste management was expanded.

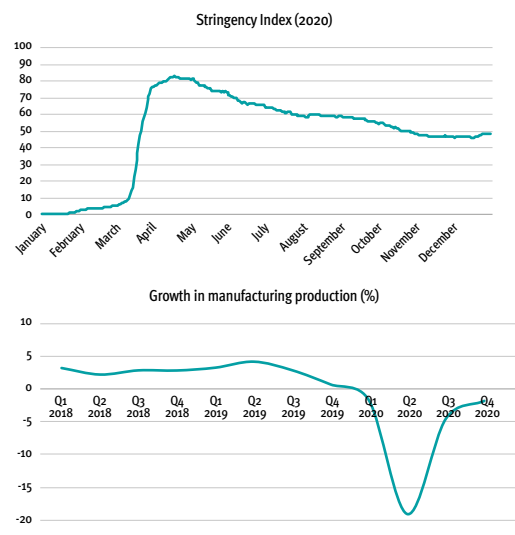
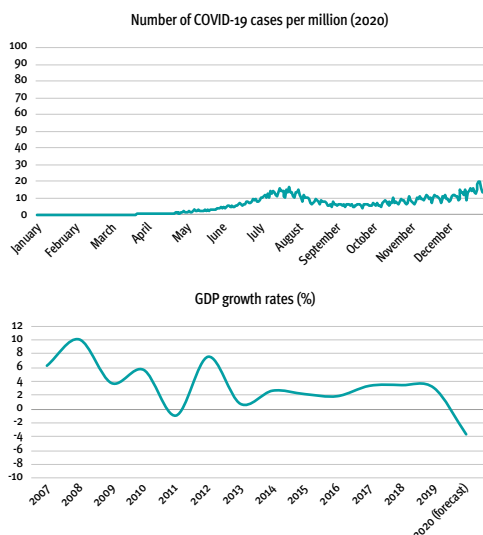
To respond and adapt, UNIDO provided technical support to help pharmaceutical and biomedical companies in Burkina Faso increase their capacity. In Madagascar, where 98 per cent of health commodities and medicines are imported, UNIDO began a collaboration with WHO and the United Nations Population Fund (UNFPA) to initiate local pharmaceutical production. Training helped textile and leather companies convert to sewing face masks.

To recover and transform, UNIDO launched the CIRP, which provides targeted support to least developed, low- and lower MICs restructuring their industrial sector to better meet the changing regional and international needs. Working with the African Development Bank (AfDB), an analysis of the impact is guiding Governments

in designing economic growth recovery programmes. Nine countries were selected for this initiative: Côte d'Ivoire, the Democratic Republic of the Congo, Kenya, Mauritius, Rwanda, Senegal, South Africa, Tunisia, and Zambia.

The PCPs in the Africa region progressed at different stages. A continuation of PCP Ethiopia, reaching completion, has been recommended until 2025. PCP Senegal continued to contribute to enhanced governance and policymaking in industrial development. Programming advanced in Côte d'Ivoire, Rwanda and Zambia, while a new PCP was approved in October 2020 for the United Republic of Tanzania. In 2020, nine CPs were being implemented in the region, with 11 new ones under formulation. In support of the development of new UNSDCFs, UNIDO provided expertise in the CCAs of Botswana, Cabo Verde, Cameroon, Guinea-Bissau, Madagascar, Mali, and Zambia.

The impact of COVID-19 on Africa*





UNIDO Member States **20**

4 LDCs 1 SIDS 10 MICs

UNIDO local presence in **8** countries, incl. an ITPO and a regional hub in **Egypt**

1 Country programme (2020)

PCP in **Egypt** and **Morocco**

Technical cooperation contributions (2020) **\$14.6 million**

Member States	EU	GEF	MLF	Others
7.24	0.01	0.10	1.25	5.99

Current UNSDCFs signed (total): **12**
 New UNSDCFs signed in 2020:
Bahrain (2020–2022), **Somalia** (2021–2025),
 and **Tunisia** (2021–2025)

ARAB REGION

The decline in oil prices and COVID-19-related disruptions in trade and tourism increased social and economic instability across the Arab region. The lockdown measures are likely to cost Arab countries around 3.7 per cent of their collective GDP, the equivalent of \$42 billion. Despite the significant differences between Arab countries in terms of their health systems and resources, no country was spared the effects of the pandemic. SMEs, informal sector workers and vulnerable groups like women were the most affected, resulting in heavy job losses.

While focusing on the specific needs of countries, UNIDO puts emphasis on restoring and improving the livelihoods of conflict-affected individuals, groups or communities in the region, together with creating adequate conditions for improving economic productivity. Additional focus areas are increasing manufacturing output, agribusiness and agro-industry, and addressing unemployment and the scarcity of skilled labour.

UNIDO substantially increased its role within the United Nations system to mitigate the impact of the pandemic and support the socioeconomic recovery. While intensifying its service delivery in its principal areas of focus, the Organization sought to provide targeted and coordinated assistance to strengthen the

resilience of the productive sectors and enable them to meet the new challenges.

UNIDO at work in the Arab region

The UNIDO regional approach for Arab States 2020–2021 was finalized to ensure a coherent and effective response to regional and national priorities.

Together with the United Nations Economic and Social Commission for West Asia, UNIDO led an issues-based coalition on macroeconomic management to investigate the risks to economic stability and analysed how to enhance expenditures and expand financing. As Co-Chair of the United Nations working group on economic development in Somalia, UNIDO helped formulate the 2021–2025 UNSDCF Somalia and worked closely with UNDP and FAO to strengthen productive sectors and enterprises. In Algeria, UNIDO leads the COVID-19 Economic Impact Task Force and is helping prepare the 2022–2026 UNSDCF. In Jordan, UNIDO joined forces with UNDP and UN Women to accelerate action on climate change, gender equality and women's economic empowerment, as well as business competitiveness.

Through the COVID-19 MPTF, UNIDO and the ILO help prevent front-line workers in Morocco from

spreading the COVID-19 infection in workplaces. The programme is focused on strengthening the capacity of industries and services critical to economic resilience, with a particular focus on youth and women working in SMEs. To ensure continuity of essential primary health-care and hospital services for the most vulnerable, the UNIDO field office in Morocco collaborates with UNFPA and WHO. With funding from the European Union and Italy, UNIDO helped set up a new centre in Tunisia, equipped with 3D printers that produce PPE for hospital workers.

PCP Morocco, which started in 2020, conducted an assessment of the COVID-19 impact on the agro-food industry and proposed a recovery plan. As part of its e-commerce component, the PCP also developed a guide for the digitalization of SMEs.

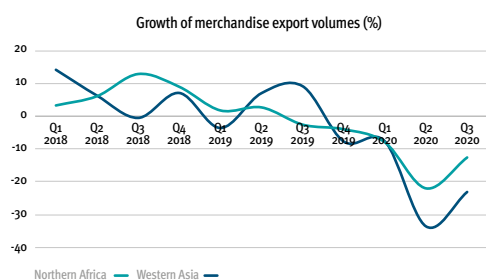
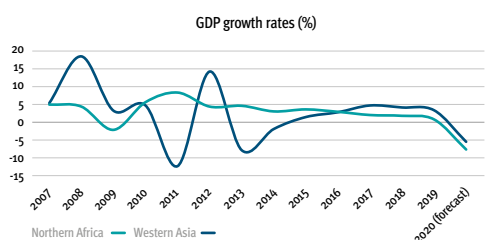
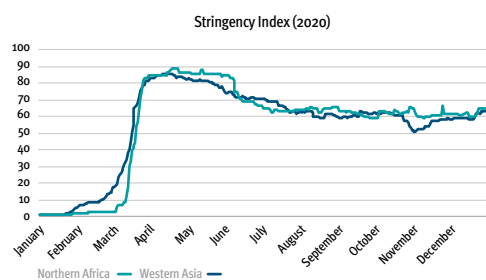
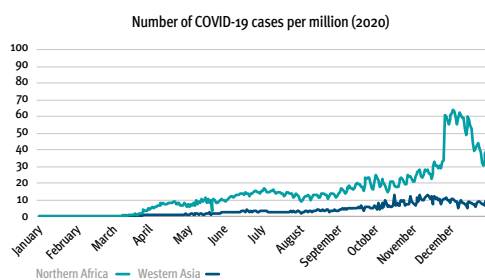
The second PCP in the Arab region, in Egypt, was officially established by a decree of the Prime Minister. The High-Level National Steering Committee is chaired by the Ministry of Trade and Industry and reports to the Prime Minister. A national road map for ISID (2020–2024), building on the country diagnostic, includes policy measures to support economic recovery from COVID-19 and is driving the development of new projects.

In the context of the CP Lebanon, UNIDO assisted the country in recovering from a devastating explosion at

the port of Beirut in August 2020, and contributed to the Reform, Recovery and Reconstruction Framework (3RF), which will feed into the next UNSDCF. UNIDO was also one of the lead agencies for the COVID-19 socioeconomic impact assessment.

In support of the Kuwait National Development Plan 2035, UNIDO is assisting the preparation of a new national industrial strategy to diversify the economy.

The impact of COVID-19 on Northern Africa and Western Asia*





- UNIDO Member States **32**
- 11** LDCs **11** SIDS **27** MICs
- UNIDO local presence in **14** countries incl. ITPOs, as well as a regional hub and regional offices in **China, India, and Thailand**
- 10** Country programmes (2020)
- PCP in **Cambodia**
- Technical cooperation contributions (2020) **\$26 million**

7.85	1.10	4.70	11.43	0.97
Member States	EU	GEF	MLF	Others

- Current UNSDCFs signed (total): **19**
- New UNSDCFs signed in 2020: **China** (2021–2025), **Indonesia** (2021–2025), and **Timor-Leste** (2021–2025)

ASIA AND THE PACIFIC

Despite steady economic growth in the past five years and a strong industrial manufacturing base, manufacturing output in countries of the region dropped significantly due to the COVID-19 crisis and plummeting trade with China, Europe and the United States. Lockdowns reduced working hours across the region, with an additional 20 million people expected to fall into poverty. Heavily reliant on tourism, many small island developing States (SIDS) are experiencing a contraction as high as 25 per cent of GDP. The socioeconomic impact of the pandemic adds to the existing challenges to long-term prosperity, such as natural resource depletion, environmental degradation and climate change, with 5 of the global top-10 GHG emitters located in the region.

UNIDO directs more than half of its projects in the region towards the priorities of safeguarding the environment, energy efficiency, renewable energy and management of toxic chemicals and pollutants. The Organization further emphasizes partnerships to improve the quality of work, trade competitiveness, infrastructure in cities, and sustainable consumption and production. UNIDO contributes to intra- and subregional economic governance mechanisms, as it sees the increasing presence of MICs and emerging donors in the region providing an opportunity for

South-South and triangular cooperation (STC) and knowledge transfer.

UNIDO at work in Asia and the Pacific

UNIDO works closely within the United Nations system to ensure ISID is embedded in UNSDCFs. In 2020, the Organization helped United Nations Country Teams assess the impact of the pandemic on the industrial sector and evaluate the effectiveness of stimulus packages, in particular on MSMEs, the backbone of many Asian economies. More than 1,000 firms were surveyed for country-level reports.

Using this information, the Organization partnered with local stakeholders to restart, recover and revitalize these businesses. A guide for MSMEs in China, later developed into a global edition, helped comply with safety measures and lay out viable business recovery plans. A new technology transfer centre in China trained around 50,000 people on all aspects of medical waste management, improving collection and storage and reducing infection risk.

In India, a microwave-technology thermal disinfection unit is now being used for the treatment of COVID-19 waste. In the Islamic Republic of Iran, two hospitals made medical waste disposal safer, and an emergency

response plan within the framework of the South-South Cooperation Assistance Fund is under way.

UNIDO is helping cities address the challenges posed by the effects of global environmental degradation. To increase energy efficiency and reduce pollution, a pilot in India with UN-Habitat is integrating sustainable and clean development options in four major cities. In Malaysia, improved national urban frameworks are being introduced and climate risks are integrated into urban planning and management. At the China International Import Expo, UNIDO organized a side event on how impact investment could help mitigate the COVID-19 crisis.

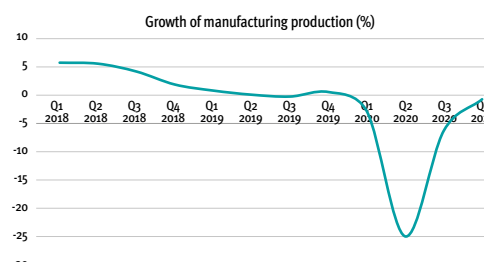
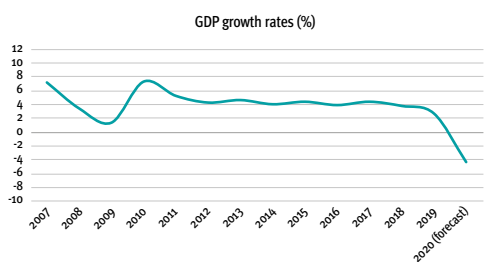
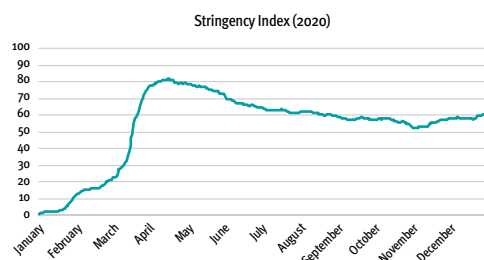
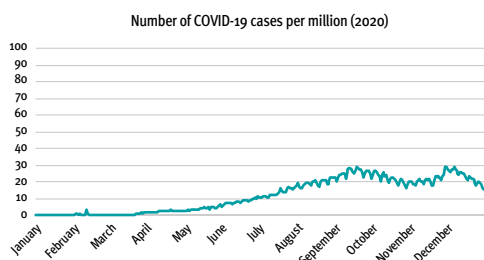
UNIDO builds government capacities in statistics and research to develop harmonized policies, which are particularly relevant for MICs so they can access regional and global value chains. For example, PCP Cambodia supported a midterm review of the country’s 2015–2025 industrial policy. After an extensive review, the PCP was refocused on agricultural value chain development and industrial diversification, innovation and the development of special economic zones. In Viet Nam, the Government is preparing an industrial strategy and implementation policy with UNIDO assistance.

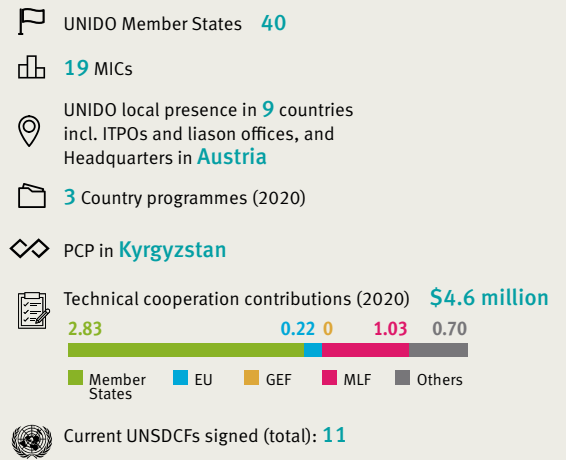
Among the 10 CPs being implemented in the region, the Governments of Afghanistan, Bangladesh, Myanmar,

and Vanuatu extended the duration of their CP to ensure alignment with UNSDCF cycles in the future.

In the long term, UNIDO is working to support MICs to self-fund their projects and become donors to help other countries raise their industrial capacity. UNIDO also increases knowledge transfer and builds institutional capacity by organizing global forums, such as the annual “Bridge for Cities” and the biannual “Green Industry Conference”.

The impact of COVID-19 on Asia and the Pacific*





EUROPE AND CENTRAL ASIA

Whereas most Member States in the region are MICs, their geographic, economic and development backgrounds vary. While digitalization, migration, depopulation and brain drain, and ageing populations are typical challenges in some of them, the COVID-19 crisis shifted the priorities to ensuring job security and MSME recovery in the context of digitalization. The need to diversify economies became even more evident during the pandemic, particularly in countries dependent on tourism, fossil fuels or other volatile sources of incomes.

UNIDO is helping the region recover from the pandemic by creating new jobs, particularly for vulnerable groups, including women and youth, and supporting the integration of SMEs into regional, country and global value chains. The Organization helps modernize industrial processes, replacing uncompetitive technologies, upskilling, and strengthening institutional capacities in response to the growing demand for innovative solutions, including those related to the Fourth Industrial Revolution and circular economy. In the long term, UNIDO is helping countries upgrade their industries and move into the high-income or upper-middle-income category, while balancing economic growth and environmental sustainability.

UNIDO at work in Europe and Central Asia

UNIDO helped the region respond and adapt to the pandemic in diverse ways. In close cooperation with its United Nations partners, UNIDO supported the development of joint project proposals under the COVID-19 MPTF and contributed to SERPs in Armenia, Georgia, Kyrgyzstan, Montenegro, the Republic of Moldova and Turkey. One example is an approved joint project in Armenia with UNICEF, UNDP and UN Women to help vulnerable women and girls receive targeted business, digital and science, technology, engineering and mathematics (STEM) skills.

During the pandemic, the Organization helped manufacturers maintain jobs by reorienting production towards PPE, such as masks and gowns. For example, a knitting factory in Armenia converted to producing face masks for health-care workers and vulnerable citizens.

In the context of the CP for the Republic of Moldova, a UNIDO study identified solutions in nanotechnologies, software, creative industries, engineering, prototyping, and testing that can accelerate digitalization and make business systems more efficient. The study helps the country address barriers to innovation and promote the national STEM ecosystem. With the GEF-funded GCIP, UNIDO supports the acceleration

and commercialization of, and investments in, cleantech innovations and businesses. Synergies are sought with the EU4Environment project in the Republic of Moldova, which applies the RECP approach.

In Ukraine, five regional pilot cleantech accelerators are being assessed for feasibility, while universities in the Regional Cleantech Accelerator programme received online training on how to create accelerators, enhance entrepreneurship and access the markets of Japan, South and South-East Asia.

The most recent CP in the region was signed in March 2020 for Albania with a focus on industrial competitiveness, productive employment, entrepreneurship development, and sustainable energy and environmental management. Project proposals were reviewed in light of the needs emerging from the COVID-19 pandemic. New CPs, being developed in Armenia and Georgia, are expected to be launched in 2021 in full alignment with the respective UNSDCFs.

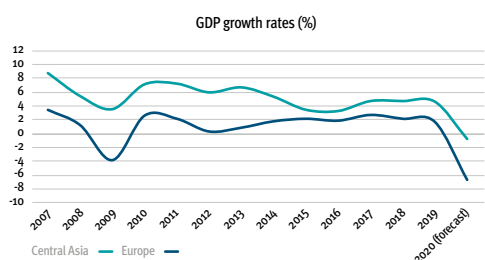
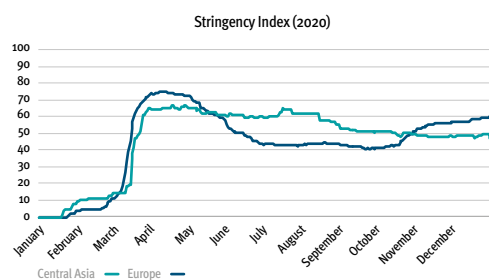
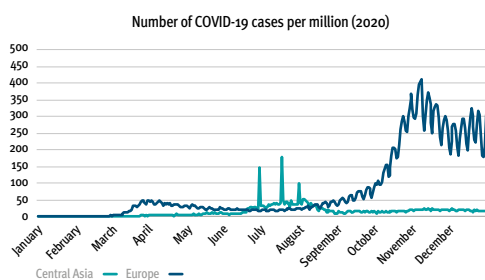
A two-year project in Georgia was launched in 2020 to improve international compliance in fruit and vegetable exports. The work includes increasing capacity for testing laboratories to meet the broader market requirements. In Ukraine, an in-depth analysis of the wood sector and consultations with private- and

public-sector stakeholders provided the foundation for building the value chain.

UNIDO capitalized on virtual training modalities as lockdowns limited physical access. Promoting women’s economic empowerment and entrepreneurship, UNIDO is developing an online course for women to upgrade entrepreneurial and management skills related to digitalization and innovation. It will be available free of charge in English and Russian through the UNIDO e-learning platform.

In 2020, UNIDO provided substantive inputs to 10 new UNSDCFs in the region. The signing of some of them was delayed until 2021. In countries with field presence, UNIDO also contributed by chairing thematic results groups, while in others UNIDO will serve as a custodian agency for data collection and monitoring.

The impact of COVID-19 on Europe and Central Asia*





-  UNIDO Member States **33**
-  **1** LDC **16** SIDS **22** MICs
-  UNIDO local presence in **7** countries, incl. a regional hub and a regional office in **Mexico** and **Uruguay**
-  **4** Country programmes (2020)
-  PCP in **Peru**
-  Technical cooperation contributions (2020) **\$11.1 million**

7.39	0	1.43	1.52	0.95
Member States	EU	GEF	MLF	Others

-  Current UNSDCFs signed (total): **15**
- New UNSDCFs signed in 2020: **Argentina** (2021–2025), **Colombia** (2020–2023), **Cuba** (2020–2024), **Guatemala** (2020–2025), **Mexico** (2020–2025) and **Paraguay** (2020–2024)

LATIN AMERICA AND THE CARIBBEAN

Even though most of the region’s countries are classified as MICs, Latin America and the Caribbean have the greatest levels of inequality in the world, with high informal employment and poverty rates. The specialization in low-technology sectors, requiring either high levels of natural resources or low-skilled labour, and the dependency on primary commodities constrain growth and intraregional trade. The region is also highly vulnerable to natural disasters caused or aggravated by climate change, particularly in the Caribbean.

As parts of the region have become hotspots of the pandemic, COVID-19 has had devastating health and socioeconomic effects, exacerbated by weak social protection, fragmented health-care systems and inequalities. Five of the 10 emerging market and developing economies with the highest COVID-19 deaths per capita are in the region, despite stringent mitigation measures in place for much of 2020. Tourism practically stopped, particularly affecting the Caribbean region. Manufacturing slowed in the region’s most competitive economies. The reduction in migrant remittance inflows increased poverty risks.

For UNIDO, the region’s natural endowments and rich biodiversity remain an opportunity for the development of a bioeconomy and circular economy

where innovative business ideas are based on sustainability and inclusiveness. Traditionally, the focus of activities has been on environmental sustainability. The Organization also promotes SSTC and strengthens regional complementarities and value chain opportunities. UNIDO supports MSMEs, the most common company size in the region, to mitigate the negative impacts of the pandemic and increase business sustainability and economic competitiveness.

UNIDO at work in Latin America and the Caribbean

UNIDO immediately addressed the challenges of the pandemic by developing and distributing key resources, such as guidelines in Spanish on business continuity and recovery. In Colombia, UNIDO worked with the Government to create biosafety protocols and guidelines for the chemical and automotive sector to reactivate safely. In Brazil, UNIDO partnered with a local non-governmental organization (NGO) to offer small entrepreneurs a free online platform for selling products and services to offset sales in closed stores.

In consultation with the Group of Latin American and Caribbean countries, UNIDO formulated a regional

approach for 2020–2021 to strengthen cooperation and partnership. Reports by the United Nations Economic Commission for Latin America and the Caribbean (ECLAC) and the Secretary-General identified regional integration and SDG 9 as critical components for the post-pandemic recovery of the region. In 2020, UNIDO therefore launched two new projects towards these efforts: a new platform for regional networking, partnership building and knowledge exchange, and a regional project on fisheries value chains and employment generation in aquaculture.

UNIDO works closely within the United Nations system to increase the economic and social capacity in the region and contributed to 14 SERPs.

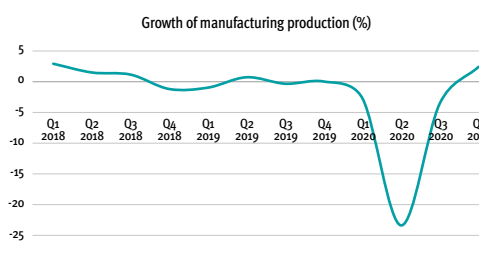
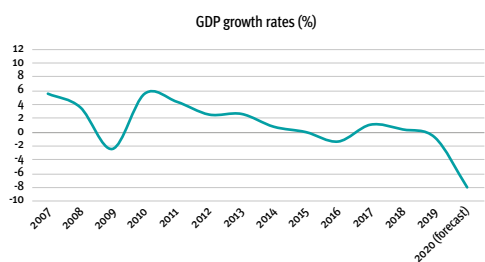
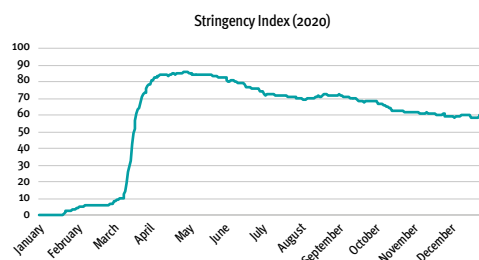
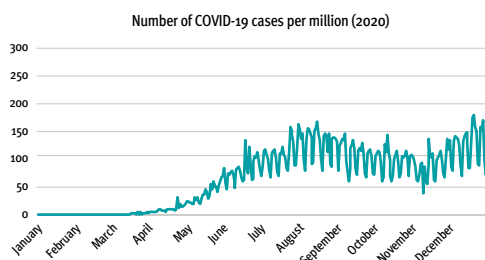
In Uruguay, UNIDO led the development of a joint programme of the SDG Fund to support the country’s second energy transition, making the renewable energy sector a driver of inclusion across the economy. Programmes on agro-industry are being developed in Mexico in collaboration with FAO, and in Suriname with FAO, ILO and UNFPA. In Colombia, UNIDO is supporting the National Institute of Health with UNDP and WHO to improve COVID-19 testing processes.

Projects on safeguarding the environment include renewable energy and energy efficiency, quality infrastructure, agro-industries and the circular economy, with financial support from the GEF and the MLF.

Four CPs are under implementation in the Plurinational State of Bolivia, Cuba, El Salvador, and the Bolivarian Republic of Venezuela. In El Salvador, UNIDO held a webinar on how MSMEs could use circular economy approaches for recovery from the pandemic. In Cuba, UNIDO finalized two projects designed to boost the country’s competitiveness.

In Peru, the national Roadmap for Circular Economy, developed as part of PCP Peru, was launched in 2020. A new eco-industrial park project was also launched. It is designed to address climate change by enhancing biodiversity for food security and biobusinesses. UNIDO also supported the Government to formulate a new industrial policy to accelerate the country’s industrialization and competitiveness.

The impact of COVID-19 on Latin America and the Caribbean*



MIDDLE-INCOME COUNTRIES

Diverse in size, income and population, MICs are home to five billion people, including 73 per cent of the world's poor. MICs also account for a third of global GDP, making them essential engines of growth. Industry plays a key role in the complex transitions into and out of middle-income status. UNIDO contributes to successful transitions, where markets gradually take advantage of automation to produce goods and services more cost-effectively, and the manufacturing share of value added in GDP tends to stabilize. SMEs play an important role, supporting economy-wide productivity growth.

According to the World Bank, 106 countries are MICs, 103 of which are UNIDO Member States. This is why UNIDO developed a workplan proposal for partnering with MICs. The proposal identifies effective ways of working with relevant stakeholders and leverages UNIDO flagship programmes through a portfolio of projects focused on improving productivity, incorporating new technologies, and increasing the needed skills. The workplan will be finalized in 2021 in consultation with UNIDO Member States.

* Sources for the statistical information on the impact of COVID-19 on the regions:

- Number of COVID-19 cases per million from January to December 2020: UNIDO elaboration based on WHO data.
- Stringency index (2020): based on the Oxford COVID-19 Government response tracker, Blavatnik School of Government, a composite measure of nine containment measures.
- Annual GDP growth rates (2007 to 2020): UNIDO Statistics.
- Growth of manufacturing production (2018 to 2020): year-on-year growth of manufacturing output, UNIDO Statistics.
- Growth rates of merchandise export volumes (Arab region): UNCTAD.

Country groups are calculated according to the standard country or area codes for statistical use (M49) of the Statistics Division of the United Nations. Growth rates compare to the same period of the previous year.



7

CROSS-CUTTING PRIORITIES

UNIDO provides a variety of services that cut across the Organization's thematic priorities of creating shared prosperity, advancing economic competitiveness, safeguarding the environment, and strengthening knowledge and institutions. Partnerships among Governments, the private sector, civil society, and development finance institutions bring fresh knowledge and know-how, helping to innovate, mobilize resources and strengthen the Organization's ability to deliver on the ground. Another area which touches all aspects of the Organization, and which is vital for promoting inclusiveness, is gender equality and women's empowerment. UNIDO implements a gender mainstreaming strategy across all its programmes, policies and projects, supported by a dedicated office and focal points.

GENDER EQUALITY AND WOMEN'S EMPOWERMENT

The UNIDO vision is for women and men to equally lead, participate in, and benefit from ISID. To achieve this, UNIDO implements programmes and policies that help transform social norms and power relations, prioritizing the participation and leadership of women. At the organizational level, UNIDO is committed to promoting an enabling and inclusive work environment.

The year 2020 marked 25 years since the adoption of the Beijing Declaration and Platform for Action, 20 years since the Security Council resolution 1325 on Women, Peace and Security and 10 years since the establishment of UN Women. However, these anniversaries were overshadowed by the COVID-19 pandemic and its disproportionate impact on women and girls.

To respond to this unprecedented situation, UNIDO provided its personnel with guidance on how to adapt project activities and gender-equitable policies and practices for a gender-responsive industrial recovery. An opinion piece by UNIDO published on the Industrial Analytics Platform called for recovery plans that assist women's re-entry into employment and involve them at leadership levels to design and implement these measures.

The 2020 Vienna Discussion Forum, organized with the United Nations Office on Drugs and Crime (UNODC) and the Governments of Finland, Norway and Sweden, recommended the inclusion of gender considerations in national and international crisis management plans and risk analyses before the next crisis hits.

Despite the disruptions of the pandemic, UNIDO was on track in the first year of its 2020–2023 Gender Strategy. It also adopted a policy on panel parity, requiring events organized by or under the auspices of UNIDO to have equal representation of men and women speakers. A guidance document and an internal database of women experts will assist organizers.

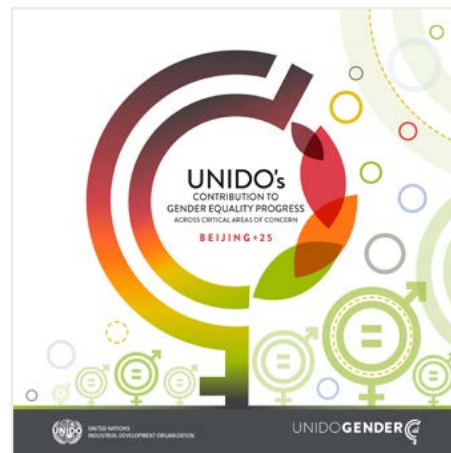


Building on this, UNIDO organized the 2020 Enabling Environment Week with six other Vienna-based organizations to sustain progress on fostering diversity and inclusion, in line with the Secretary-General's System-wide Strategy on Gender Parity.

Together with United Nations entities and Permanent Missions in Vienna, UNIDO created an impact group as part of the International Gender Champions initiative. An artificial intelligence-based machine learning software will be piloted in Vienna-based assemblies to analyse the share of speaking time of men and women, as an indicator of the level and influence of women's voices.

At the UNIDO orientation seminar 2020 for new diplomatic staff, representatives were trained on gender equality and the empowerment of women, and how to address bias. With the UN Women Online Training Centre, a publicly available UNIDO course on gender equality and ISID was updated and translated into French and Spanish.

At numerous global events throughout the year, UNIDO continued to promote and educate on methods to achieve gender equality. For International Women’s Day, the Director General launched the #WeMustDoBetter campaign with the heads of other Vienna-based organizations. The UNIDO virtual conference on Women in Innovation and Industry included presentations by several Heads of State and United Nations principals, as well as round tables to explore digitalization, circular economy and value chains from the gender perspective. UNIDO launched the working group “Gender and the Fourth Industrial Revolution” during GMIS, and organized an event on investing with a gender lens.



UNIDO publication on its contribution to the Beijing Declaration and Platform for Action

PARTNERSHIPS AND SOUTH-SOUTH COOPERATION

Partnerships are central to the work of UNIDO, including the COVID-19 response framework and economic recovery. In 2020, the collaboration with partners expanded in many areas.

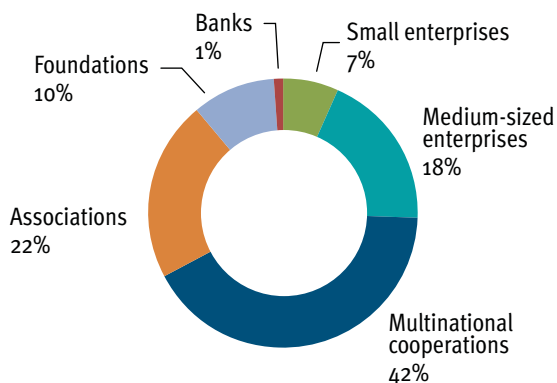
 Companies and industry as **main stakeholders** in 600+ projects globally

Strategic and formalized **business partnerships** with 100+ entities in 55+ countries



 Yearly **procurement** from 6,500+ companies globally

Types of business partnerships:



UNIDO joined hands with the United Nations Global Compact through several virtual multi-stakeholder events, worked together to leverage corporate participation in infrastructure projects of the Belt and Road Initiative, and jointly supported Chinese and Ethiopian textile industries on responsible business practices.

UNIDO also initiated new multi-stakeholder platforms in the context of COVID-19. This includes the Global Call for innovative ideas and technologies for socioeconomic recovery, and the #LKDF4Industry Initiative that promotes the sharing of knowledge and best practices among industrial actors coping with the COVID-19 crisis.

The Organization scaled up its engagement with international financial institutions (IFIs) by assisting Member States in their efforts to formulate and implement IFI-financed development investment operations across various industrial sectors and countries. To help boost economic recovery and growth, UNIDO supported Governments in implementing IFI-financed COVID-19 emergency operations, namely from the World Bank, the IFC and the AfDB.

UNIDO submitted 16 concepts to the GEF for funding and support for 20 countries in areas of green chemistry innovation, sound waste management, e-mobility, and sustainable practices in gold mining and the textile and garment sectors. Cooperation with the Green Climate Fund (GCF) reached a major milestone, as UNIDO became an accredited entity in

August 2020. Likewise, the process of accrediting UNIDO as a multilateral implementing entity of the Adaptation Fund was completed in December 2020.

UNIDO contributes to efforts of the United Nations system to strengthen South-South cooperation, including the preparation of the system-wide strategy for South-South cooperation and the dissemination of knowledge and best practices. UNIDO prepared a new

Publication:
South-South
and Triangular
Industrial
Cooperation

publication, highlighting projects benefiting from South-South and triangular industrial cooperation, as part of its wider efforts to enhance the visibility of such activities. UNIDO is also developing an online platform to promote knowledge-sharing, tools and international best practices for the establishment and management of sustainable industrial parks. The “Bridge for Cities 2020” event in October focused on urban innovation as an SDG accelerator in times of the COVID-19 crisis.

DRIVING SUSTAINABLE INDUSTRIALIZATION IN AFRICA

UNIDO, together with the African Union Commission (AUC), New Partnership for Africa's Development (NEPAD) and UNECA, is charged with developing, operationalizing and leading the implementation of IDDA III, the international framework to advance sustainable industrialization on the continent by 2025. UNIDO continued its work with the IDDA III focal points from 28 institutions, including the AUC, regional economic communities, United Nations organizations, development finance institutions, and business sector partners.

In September, the joint road map for IDDA III implementation with its monitoring and evaluation framework was validated to guide the development of joint programmes in the future. Numerous initiatives are under way, including a collaboration with the ITC to build local capacities and competitiveness of cotton products for trade, and with the FAO to create more jobs and opportunities for African youth through youth employment in agriculture and agribusiness. Planned initiatives include the African Union Digital Transformation Strategy and support to building and enhancing pharmaceutical value chains.

At the African Union Heads of States Summit in February 2020, the AUC was called upon to organize the first African Union Summit on Industrialization and Economic Diversification together with UNIDO, UNECA, and the AfroChampions Initiative. This is set to take place in November 2021, in the Niger. The Summit provides a platform to discuss concrete actions to boost Africa's industrial development and take advantage of the AfCFTA, which started on 1 January 2021.



During the Africa Industrialization Week in November 2020, UNIDO co-organized events with the AUC, UNECA, African Union Development Agency (AUDA-NEPAD), and AfroChampions Initiative under the theme “Inclusive and Sustainable Industrialization in the AfCFTA era”. A major outcome was a declaration that will be presented to the African Union Heads of States Summit in January 2021, and will form part of the process leading to the Summit in November 2021. A series of pre-events will be held throughout the year to build interest and participation.

In May 2020, UNIDO also began a comprehensive overview of Africa-centred programmes and projects being implemented by international stakeholders, which will be unveiled at the 2021 Summit. The review was designed to identify industrial development gaps and new joint opportunities, providing a comprehensive database and associated information system for all stakeholders.

Website:
IDDA III



8

MANAGING UNIDO SERVICES

A wide range of managerial and administrative services provide critical support to the effective functioning of the Organization. These include human and financial resources, evaluation and oversight, procurement, buildings management, legal advice, and technology support. UNIDO conducts regular reviews and assessments of these services for further improvement and to ensure that they provide the best possible support. Even with the challenges of the COVID-19 crisis, UNIDO continued to deliver its services efficiently and effectively. The continued demand for UNIDO technical services is a testament to the quality, efficiency and effectiveness of the broad range of managerial services that underpin its operations.

FUNDING AND FINANCIAL CONTRIBUTIONS

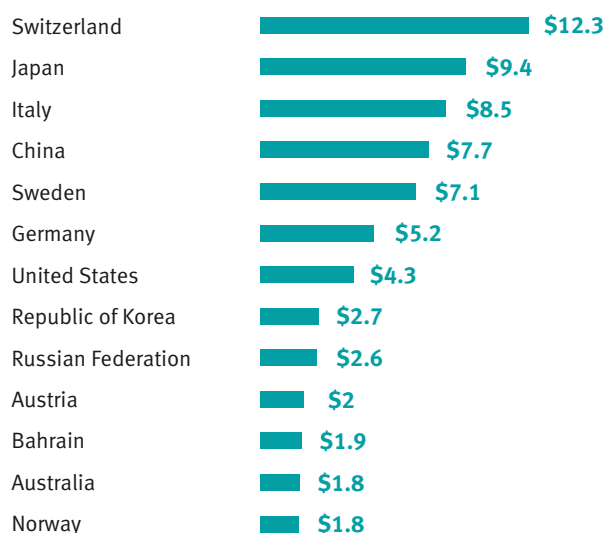
Funding for technical cooperation activities

Notwithstanding the significant disruptions caused by the COVID-19 pandemic, UNIDO's delivery of technical assistance services to its Member States in 2020 remained high at \$177.7 million, which represents a decrease of only 5.4 per cent compared to the average of the preceding five-year period 2015–2019. This is a strong testament to the agility of the Organization, its Member States and partners.

The continued support of funding partners and the significant demand from Member States has allowed UNIDO to maintain a substantial portfolio of projects and programmes for future implementation of \$559.8 million, of which \$211.2 million represent future instalments under concluded funding agreements. The cyclical decrease of funding from the GEF experienced in 2019 continued into 2020, and led to a drop in overall voluntary contributions, net of programme support cost, to \$143 million. Funds mobilized during the reporting period amounted to \$148.4 million.

Voluntary contributions from Governments and institutions, including the European Union, reached an unprecedented level of \$111 million. Of these, \$63.7 million were contributed by Member States and \$30.3 by the European Union. Their support and increased readiness to achieve greater synergies, scale and impact, notably by pooling resources, remain essential for the effective and efficient discharge of UNIDO's mandate and its impact on the ground. Thirteen governmental donors provided contributions exceeding \$1 million net of programme support costs, as detailed in the figure on this page. Also of great relevance for the work of the Organization was the continued support of China, Finland, Germany, Italy, Kuwait, and Japan towards the UNIDO Junior Professional Programme.

In terms of thematic focus of funding partners, safeguarding the environment attracted the main



Governmental donors with contributions exceeding \$1 million net of programme support costs (in millions)

share of overall funding with \$64.8 million, followed by advancing economic competitiveness with \$34.6 million, and creating shared prosperity and cross-cutting services with \$31.2 million and \$12.3 million respectively.

Geographically, voluntary contributions from funding partners were primarily allocated to global and interregional initiatives with \$50.6 million, followed by \$36.2 million to programmes and projects in Africa, and \$26 million in Asia and the Pacific. These were followed by \$14.6 million for the Arab region, \$11 million for Latin America and the Caribbean, and \$4.6 million for Europe and Central Asia.

Contributions from global funds: Global Environment Facility, Multilateral Fund for the implementation of the Montreal Protocol and Green Climate Fund

The partnership with the GEF remained very productive throughout this challenging year. UNIDO deployed significant efforts to maintain a very high level of services to its Member States, with a total delivery amounting to \$56 million. Whereas new GEF approvals remained at a comparatively low level of \$11.8 million

in 2020, the portfolio of ongoing multi-annual GEF projects remains considerable, as are the ongoing programming efforts. The portfolio of GEF-endorsed concept proposals amounts to an estimated \$135 million, which is expected to materialize into technical cooperation interventions during the period 2021 to 2023.

This new portfolio will address key environmental challenges, including green chemistry innovation, sound waste management, and sustainable practices in artisanal and small-scale gold mining, in the textile and garment sectors, and in e-mobility.

UNIDO also expanded its cooperation with GCF under its portfolio of readiness projects. As per the GCF Board decision taken on 20 August 2020, UNIDO is now also an accredited entity to the GCF. The Organization also achieved accreditation with the Adaptation Fund in December 2020, further diversifying the cooperation opportunities towards the delivery of services towards safeguarding the environment.

As a major implementing agency of the MLF, UNIDO is currently implementing projects in 74 countries to phase out HCFCs and phase down HFCs. In 2020 alone, UNIDO activities avoided the potential emission of 71.8 million tons of CO₂-equivalent. The volume of projects approved by the MLF for 2020 amounted to \$15.9 million. Complementing the UNIDO MLF portfolio, funding from the GEF will enable UNIDO to support non-Article 5 parties under the Montreal Protocol. UNIDO further pursued its cooperation with the Kigali Cooling Efficiency Programme and Sustainable Energy for All on linking circular economy approaches and energy efficiency initiatives to provide sustainable cooling solutions.

Funding from the United Nations, multi-partner trust funds and UNIDO-managed trust funds

UNIDO pursued its strong commitment to inter-agency cooperation and its engagement in system-wide initiatives, notably in the context of the United Nations COVID-19 response. Contributions from United Nations agencies and multi-partner trust funds for UNIDO services increased to \$7.1 million. The

UNIDO IN BRUSSELS

The UNIDO Liaison Office in Brussels provides strategic advisory services and policy advocacy to reinforce the vision and objectives of UNIDO at institutions of the European Union, the Organisation of the African, Caribbean and Pacific States (OACPS) and partners in Belgium.

In 2020, the Office enhanced its engagement with the new European Commission and new European Parliament, all within the European Union Multiannual Financial Framework for the next seven years (2021–2027). In July, the Director General met the new OACPS Secretary General (2020–2025) to reaffirm commitment to SDG 9 for African, Caribbean and Pacific (ACP) Countries.

Under the exceptional circumstances of COVID-19, the Office organized several dialogues to enhance responsiveness in a holistic manner. Ten internal virtual briefings covered European Union External Action, EU-Africa, EU Programming and the European Green Deal. Advancing IDDA III, virtual conferences were held on Quality and Standards during the Africa Industrialization Week, and on youth employment in Africa. The Brussels Office also became an official member of the Sahel Alliance donors coordination mechanism.

As engaging as One UN is a priority, the Office led the UN Brussels Task Team on Digital and is a member of the Task Team on the Green Deal. All these actions, in addition to the high volume of technical cooperation conducted in more than 100 countries, have provided significant value to the European Union, which remains the largest UNIDO donor of voluntary contributions from governmental sources.

Organization's unique mandate and expertise in addressing the economic dimension of the COVID-19 crisis is likely to further increase the relevance of inter-agency funding mechanisms for UNIDO, despite their difficulties to attract adequate funding.



UNIDO Director General addressing a virtual meeting with staff

Contributions to thematic trust funds of UNIDO in 2020 remained marginal. Germany contributed \$0.1 million to the Trust Fund for Trade Capacity-Building. In 2020, a total of \$2.3 million were allocated from such trust funds. \$1.9 million from previous years' contributions of China to the Partnership Trust Funds and \$0.6 million from the Trust Fund for Latin America and the Caribbean. Freely programmable and soft-earmarked contributions remain essential for the Organization's capacity to respond swiftly to demands for its assistance, and Member States are strongly encouraged to renew their support towards these funding instruments.

STAFFING

The year was dominated at all levels by the COVID-19 response. Staff development and recruitment efforts continued, while new ways for learning and onboarding were explored. In 2020, 140 vacancy

announcements were advertised and new colleagues were allowed to work from their current location until they could travel to their respective duty station. UNIDO hosted 149 interns, 11 Junior Professional Officers and two Partner Experts. The Organization signed three partnership agreements on the internship programme with academic institutions.

The administrative response to the pandemic resulted in the establishment of special working arrangements and the continuous digitalization of processes. Efforts at creating an enabling working environment continued through enhancing human resource policies on gender parity on panels and in committees, and on ensuring confidentiality and avoiding conflict of interest in recruitment processes. Additionally, the development of Organization-wide policies such as the Business Continuity Plan, policy on financial disclosure and declaration of interest and a revised terms of references for UNIDO field offices bolstered these efforts. Concurrently, the Organization

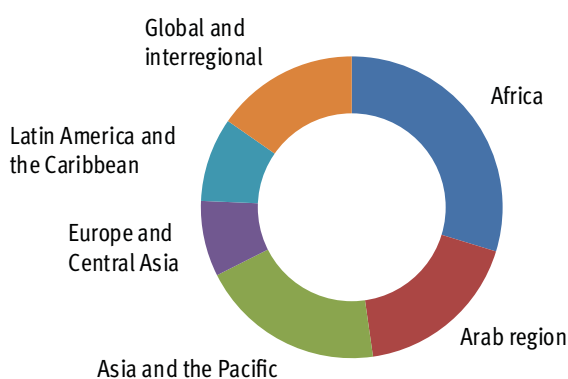
continued to harmonize and align its rules and regulations with the latest resolutions of the General Assembly and decisions of the International Civil Service Commission.

QUALITY MONITORING AND PROGRAMME APPROVAL

Quality monitoring is a continuous, evidence-based, objective function. It supports operationalizing and monitoring the UNIDO Quality Assurance Framework (QAF). The QAF streamlines the understanding and application of requirements for results orientation and quality management of all UNIDO products, services and processes in alignment with the IRPF.

The quality monitoring function provides tools and advice to ensure adherence to the quality requirements specified in the QAF, such as results-based management (RBM) principles. Through the systematic analyses of data on the quality of UNIDO technical cooperation initiatives before their entry into portfolio, the function informs strategic decision-making.

In 2020, the function reinforced the ongoing RBM reforms, aligned with the IRPF by strengthening the requirements for “Effectiveness and RBM”, “Scale-up potential” and “ERP data entry”. This resulted in more stringent assessments in these areas and is expected to lead to enhanced data presentation on the Open Data Platform.



Regional distribution of newly approved programmes and projects

The Quality Monitoring Division also provides secretariat support to the UNIDO Executive Board for the approval of technical cooperation initiatives. In 2020, a total of 186 submissions were processed for internal review and approval, of which the Executive Board approved 111 new programmes and projects. The overall approval rate was 100 per cent with 78 per cent subject to conditions resulting in improved strategic alignment, integration, adherence to quality requirements and RBM.

EVALUATION AND INTERNAL OVERSIGHT

The Office of Evaluation and Internal Oversight (EIO) provides assurance and fosters accountability and learning through its core functions of independent evaluation, internal audit and investigation. Against the backdrop of the COVID-19 pandemic, the Office adapted its way of working while implementing its new 2020–2024 strategy. As a major milestone in strengthening governance and oversight at UNIDO, the revised EIO Charter and new terms of reference of the Independent Oversight and Advisory Committee with an enlarged mandate covering all three EIO functions, were approved in 2020.

In 2020, the evaluation function prepared, implemented and issued 16 project evaluations. In addition, it conducted two strategic evaluations, one of PCP Ethiopia (2015–2019) and another of the UNIDO formulation, appraisal and approval function. It also launched evaluations of the ITPO network and the UNIDO Gender Policy and 2016–2019 Gender Strategy, as well as a desk review of renewable energy projects.

The audit function promptly adapted its activities to support management in the immediate handling of the COVID-19 crisis by contributing to the revision of the Business Continuity Plan and Enterprise Risk Management Policy, and by developing an assurance map to help management assess risks to and gaps in the management response to COVID-19. Audit reports on the field offices in Cambodia and Senegal, donor reporting and information technology security were completed and issued.

LEGAL SERVICES

The Office of Legal Affairs helps ensure that all UNIDO activities and programmes comply with the legal framework of the Organization. The Office advises all major UNIDO programmes and organs, defends the Organization's rights, positions and interests in disputes and litigation matters, and plays a proactive role in protecting the legal status and the privileges and immunities of UNIDO. The Office also maintains the legal archives of the Organization.

In 2020, the Office responded to numerous requests for assistance and advice, and reviewed and cleared drafts of numerous legal instruments, administrative issuances and other documents, including various agreements and arrangements for the delivery of technical cooperation and other functions. The Office also provided legal assistance to the policymaking organs and the Independent Audit Advisory Committee. Appendix G to this report contains a consolidated list of agreements and arrangements concluded on behalf of UNIDO in 2020 and filed with the Office of Legal Affairs.

INFORMATION TECHNOLOGY SERVICES

The Information Technology Services (ITS) Division provides secure, reliable, effective, and efficient services to UNIDO. The COVID-19 pandemic was a formidable challenge, requiring users across the Organization to shift to telework. ITS leveraged recent data centre investments to support this increased capacity with novel solutions.

To mitigate increased cybersecurity risks as users worked outside corporate network controls, ITS improved security systems and continued regular awareness campaigns, training, and the online fraud prevention workshop. Increased engagement with UNIDO programmes that use digital technologies and with the United Nations system improved the UNIDO security profiles, both internal and public. To facilitate cooperation with United Nations partners, UNIDO joined the new phonebook app Jambo! that allows colleagues from different organizations to find and contact each other.

Despite the challenges, ITS also introduced improvements and new systems on budget planning, vendor invoice management, digitization of several paper-based processes, and a new cloud-based service portal. Work continued to review and apply the Principles for Digital Development, guidance that helps development programmes implement digital technologies.

The enterprise resource planning system was enhanced for critical initiatives, including resource optimization in technical cooperation (ROTC), full cost recovery, results-based budgeting, the new organizational structure and the new IRPF.

PROCUREMENT

Overall procurement volume reached \$156 million with over 5,700 purchase orders, despite challenges posed by the COVID-19 pandemic. The Procurement Services Division played a pivotal role in supporting a comprehensive UNIDO response to the pandemic by procuring PPE, training services on management of COVID-19 medical waste, and state-of-the-art technologies to treat these wastes, as well as by facilitating the donation of medical facemasks for health-care workers and vulnerable citizens. Outreach activities and business seminars for awareness building were continued in 2020 through digital platforms and events. The Procurement Services Division was instrumental to UNIDO signing the mutual recognition statement, demonstrating the Organization's proactive involvement in the ongoing reform of the United Nations development system, and played a prominent role in various in-house initiatives, including the ROTC.

BUILDINGS MANAGEMENT

The Buildings Management Services Division is responsible for the smooth, reliable and safe operation of all technical facilities and installations at the Vienna International Centre (VIC). It continues to explore new approaches and techniques to improve cost-effectiveness and promote a sustainable reduction of the building's environmental footprint of the VIC.

For the fifth consecutive year, UNIDO received the United Nations Framework Convention on Climate Change certificate of climate neutrality for the VIC in 2020.

After 40 years of operation, the security building at Gate 2 was replaced to fulfil the latest technical requirements for ballistic protection and security. To meet new standards for people with physical challenges, 14 conference room tables were adapted to ensure proper wheelchair accessibility, all main entrances from Memorial Plaza to Buildings A, B, C, and D were completely renewed, and elevators are being refurbished.

The main drinking water pipes of Buildings D and E were renewed. The low-voltage distribution system and controller unit for the emergency power generator in Building A, as well as the high-voltage distribution system of Building M were replaced. State-of-the-art technology replaced the headquarters telephone system, improving personnel interaction and productivity.

Renovation of the terraces on the south side of Buildings F and G eliminated water leakages, and allowed for the establishment of new gardens that provide a more welcoming and healthier working environment.



ANNEX.
**Integrated results
and performance
framework**

The IRPF was revamped in 2019 and adopted as the Organization's model for RBM. It complements the organizational theory of change introduced in the MTPF 2018–2021 with specific results areas and indicators, based on an actor-based, behavioural change model. The contribution of UNIDO to ISID and the SDGs is grounded in the Organization's hands-on support to key actors, including individuals, firms, institutions, Governments, and global stakeholders. UNIDO interventions, enabled by efficient operations and impact-driven management, combine technical cooperation, policy advisory, normative support, and convening functions to transform the knowledge, skills and behaviours that are central to ISID.

This section of the Annual Report uses the IRPF to present a structured set of evidence of the Organization's efficiency, effectiveness, and contribution to country and global results towards achieving ISID and the SDGs. This evidence is presented through a combination of data and narratives describing the extent of the transformation triggered by UNIDO.

In 2020, the operationalization of the IRPF at UNIDO has progressed steadily, and the changes in systems, processes and organizational culture required by the IRPF will be absorbed progressively. In addition, the application of the framework to the already existing portfolio occasionally leads to gaps in data coverage. A new reporting interface based on the IRPF was introduced in January 2021, shortly before the production of this Annual Report. The IRPF presentation in this report is therefore still characterized by partial data coverage and occasional limitations in organization-wide baselines and targets. This will improve in time as the updated IRPF is applied to all new interventions of the Organization. These limitations notwithstanding, this Annual Report represents a tangible step forward in meeting the expectation for improved UNIDO results reporting shared by Member States, stakeholders and UNIDO. The ultimate objective remains to increase and sustain results and impact on the ground to accelerate progress towards ISID and the SDGs.

LEVEL 1. GLOBAL INDUSTRIAL DEVELOPMENT CONTEXT

Strategic priority: Advancing economic competitiveness

SDG Indicator 9.2.1: Manufacturing value added as a proportion of GDP and per capita

Growth in world manufacturing was already decelerating in 2019 due to trade tensions between the world's largest economies, and the uncertainty surrounding Brexit, among other global factors. The outbreak of COVID-19 impacted manufacturing by disrupting global value chains and restricting the movement of people and goods, resulting in a notable drop of 8.4 per cent in manufacturing production in 2020. The global share of manufacturing value added (MVA) in total GDP fell sharply from 16.5 per cent in 2019 to 15.9 per cent in 2020.

Despite the expanding MVA share in least developed countries (LDCs), large disparities in manufacturing productivity remained in 2020 between LDCs at \$135 manufacturing value added per capita and industrialized economies at \$4,800. LDCs face severe industrialization challenges which, together with the expected global decline in manufacturing production due to COVID-19, jeopardize the achievement of SDG target 9.2 by 2030.

SDG Indicator 9.b.1: Proportion of medium- and high-technology industry value added in total value added

The structural transition within manufacturing is best reflected in the shift by industries towards more technologically complex products. Medium- and high-technology products continue to dominate manufacturing production in industrialized economies. However, developing and emerging industrial economies (DEIEs) are catching up quickly, led by China. In 2018, the share of medium and high-technology manufacturing was 50.7 per cent in industrialized economies and 38.4 per cent in DEIEs, compared to only 8.8 per cent in LDCs.

The COVID-19 pandemic hit different industries unequally. Medium and high-technology industries, such as pharmaceuticals, computers, electronics or motor vehicles, have recovered faster from the crisis than industries with lower technological intensity.

Strategic priority: Creating shared prosperity

SDG Indicator 9.2.2: Manufacturing employment as a proportion of total employment

The global share of manufacturing employment in total employment decreased from 15 per cent in 2000 to 13.9 per cent in 2019. The majority of global manufacturing employment is concentrated in DEIEs, especially in China. Although manufacturing employment in LDCs doubled since 2000 in absolute terms, this was only slightly more dynamic than in other sectors, so that the share of manufacturing employment in total employment increased only marginally from 6.9 per cent in 2010 to 7.2 per cent in 2019.

The COVID-19 pandemic has hit the manufacturing sector hard, as workers stay at home, factories close, and global supply chains grind to a halt. Quarantine measures, closure of retail stores, cancelled orders and salary reductions are suppressing demand in key industries such as automobiles, textiles and apparel. These industries are particularly crucial in providing employment opportunities for women.

SDG Indicator 9.3.1: Proportion of small-scale industries in total industry value added

SDG Indicator 9.3.2: Proportion of small-scale industries with a loan or line of credit

Small-scale industrial enterprises are major sources of employment in DEIEs. They are central to income generation and poverty eradication and will play a crucial role in the recovery of the global economy post-COVID-19. However, they are vulnerable due to their small size and limited resources. They do not have the capacity to deal with unexpected shocks, such as the current crisis, without support from Governments.

Access to credit is particularly important to small-scale firms for increasing their competitiveness and enabling them to integrate into local and global value chains. In DEIEs, 27.9 per cent of small-scale manufacturers benefit from loans or lines of credit.

However, only 16.9 per cent of small-scale industries in sub-Saharan Africa received loans or lines of credit, compared to almost half in Latin America and the Caribbean. Providing fiscal stimulus and access to financial services in support of SMEs is essential to enabling them to survive and thrive during and after the crisis.

**Strategic priority:
Safeguarding the environment**

SDG Indicator 9.4.1: CO₂ emissions per unit of value added

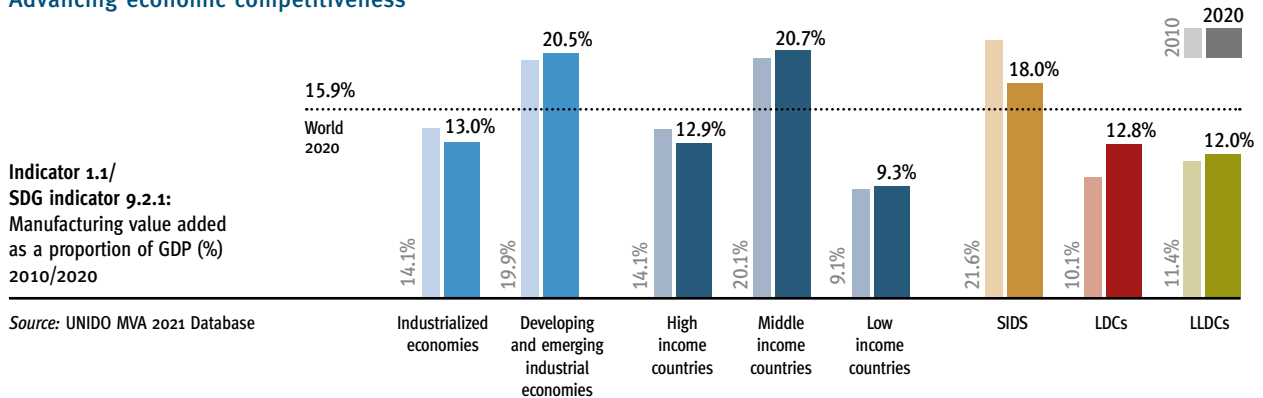
In 2018, global CO₂ emissions from fuel combustion accounted for 33.5 billion tons, which is a historical high driven by a robust growth in population and

economic activity. However, a slight decline was registered in 2019, mainly due to changes in power sources in advanced economies and milder weather conditions across continents. CO₂ emissions from manufacturing per unit of MVA continued to decline from 0.57 kg CO₂ per dollar in 2010 to 0.43 kg CO₂ per dollar in 2018.

Although the world experienced a historical drop in CO₂ emissions due to national lockdowns and travel restrictions in 2020, most economies resumed their usual levels of CO₂ emissions as soon as lockdown measures were lifted.

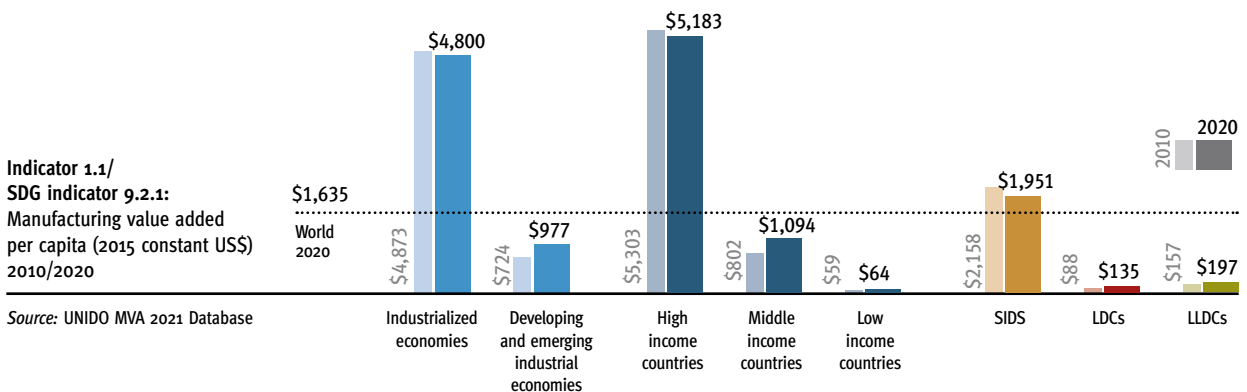
**Strategic priority:
Advancing economic competitiveness**

**Indicator 1.1/
SDG indicator 9.2.1:
Manufacturing value added as a proportion of GDP (%)
2010/2020**

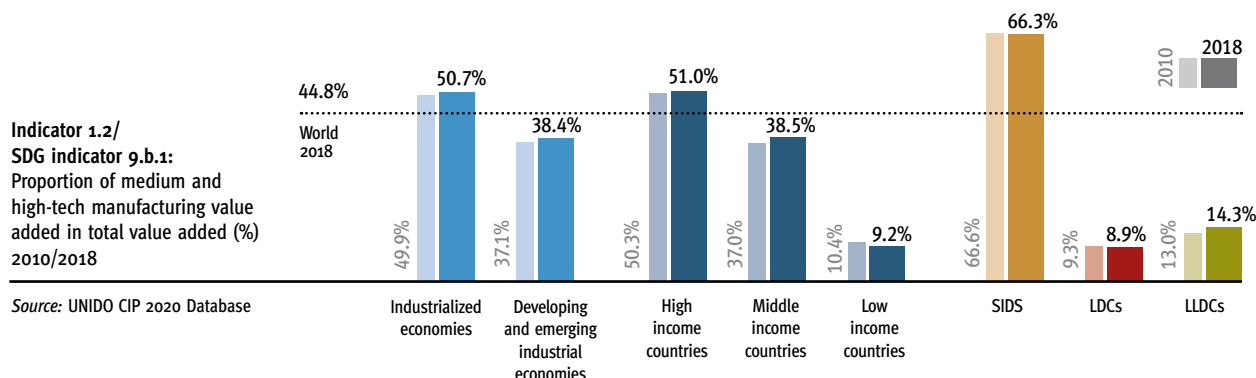


Source: UNIDO MVA 2021 Database

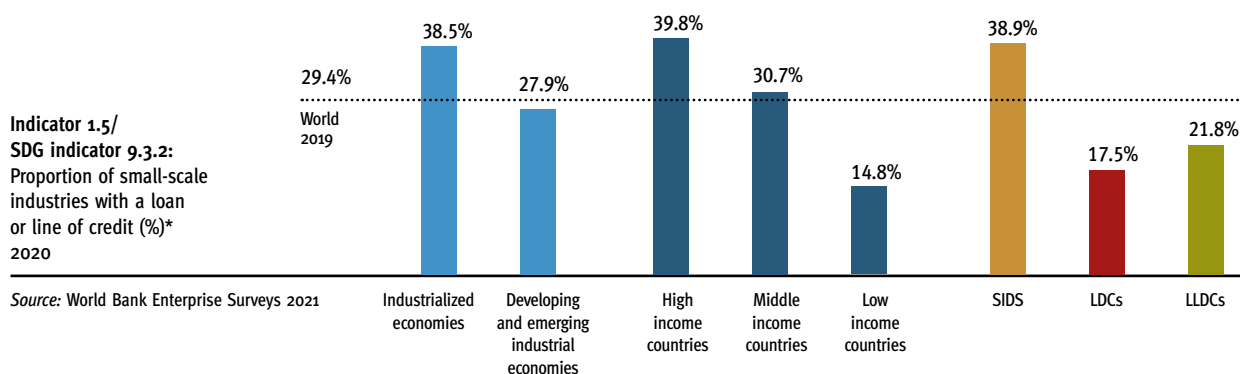
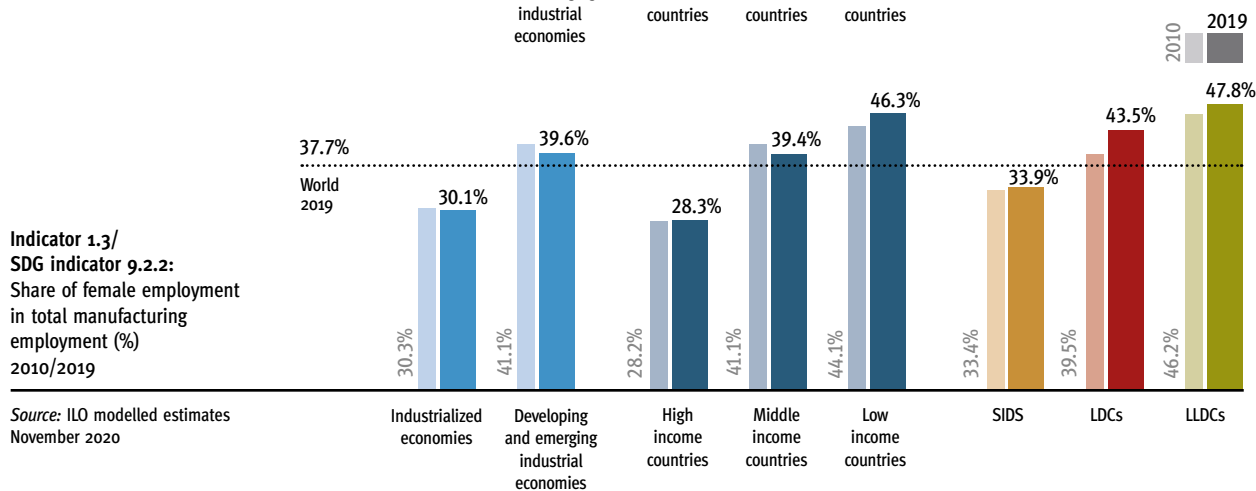
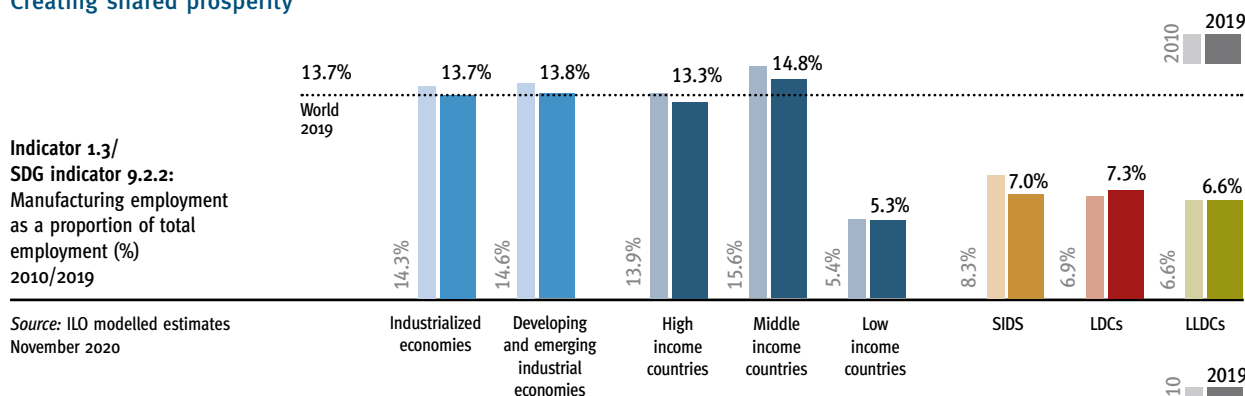
**Indicator 1.1/
SDG indicator 9.2.1:
Manufacturing value added per capita (2015 constant US\$)
2010/2020**



Source: UNIDO MVA 2021 Database



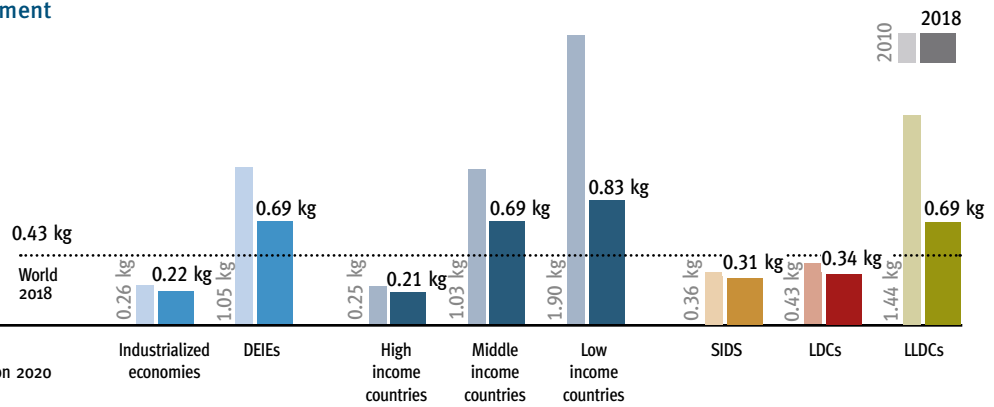
**Strategic priority:
Creating shared prosperity**



*Aggregates are computed by taking a simple average of country-level point estimates. For each economy, only the latest available year of survey data is used in this computation.

**Strategic priority:
Safeguarding the environment**

**Indicator 1.6/
SDG indicator 9.4.1:**
CO₂ emissions from
manufacturing industries
per unit of manufacturing
value added (kg CO₂-equivalent
per 2015 constant US\$)
2010/2018



Source: UNIDO MVA 2021 Database.
IEA CO₂ Emissions from Fuel Combustion 2020

LEVEL 2. COUNTRY AND GLOBAL RESULTS WITH UNIDO SUPPORT

Level 2 captures the contribution of UNIDO to transformational outcomes and development impact advancing ISID. Programmatic activities make integrated use of the Organization’s four core functions, further described in Level 3, to provide holistic support to Member States in achieving ISID. At this level, the responsibility for the achievement of expected outcomes is shared between UNIDO, Member States and all development partners involved. While data for 2020 in this section capture approximately 50 per cent of the UNIDO portfolio, its coverage and quality are expected to improve as the Organization continues strengthening systems for RBM.

ISID impact

With the support of UNIDO, countries are able to progress in their inclusive and sustainable industrialization pathways, bringing about transformational change towards the SDGs. IRPF impact areas reflect the three integrated dimensions of ISID: creating shared prosperity, advancing economic competitiveness and safeguarding the environment.

As a result of UNIDO interventions, firms, including SMEs, responded to the COVID-19 pandemic, improved their competitiveness, gained access to

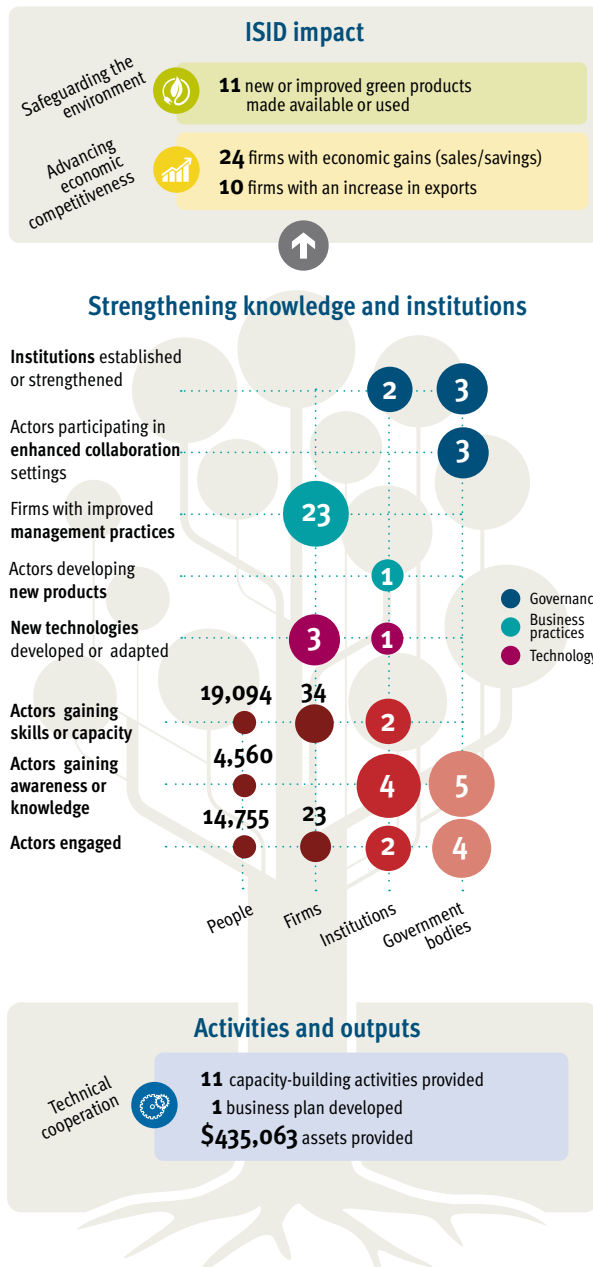
value chains, reduced their environmental and climate footprint, and created decent jobs. The partial data from the UNIDO portfolio show that over 1,000 firms realized economic gains in 2020, valued at more than \$126 million (**ECO.1**). Over 900 SMEs increased their inclusion in value chains (**SOC.2**), while over 7,500 jobs were created or retained (**SOC.1**), more than 4,500 of which for women. In addition, there is evidence that GHG emissions were reduced by 77 million tons (**ENV.1**) and almost 90,000 tons of pollutants were phased out (**ENV.2**). More than 90 GWh of energy were saved (**ENV.3**) and almost 650 new or improved green products were made available in the market (**ENV.5**).

Outcomes

The approach of UNIDO is centred around strengthening knowledge and institutions. The Organization works closely with the entire spectrum of stakeholders engaged in the industrialization process to strengthen their awareness, knowledge and skills, thereby transforming behaviours in key areas such as business practices, technology, investment, policies and standards, and governance.

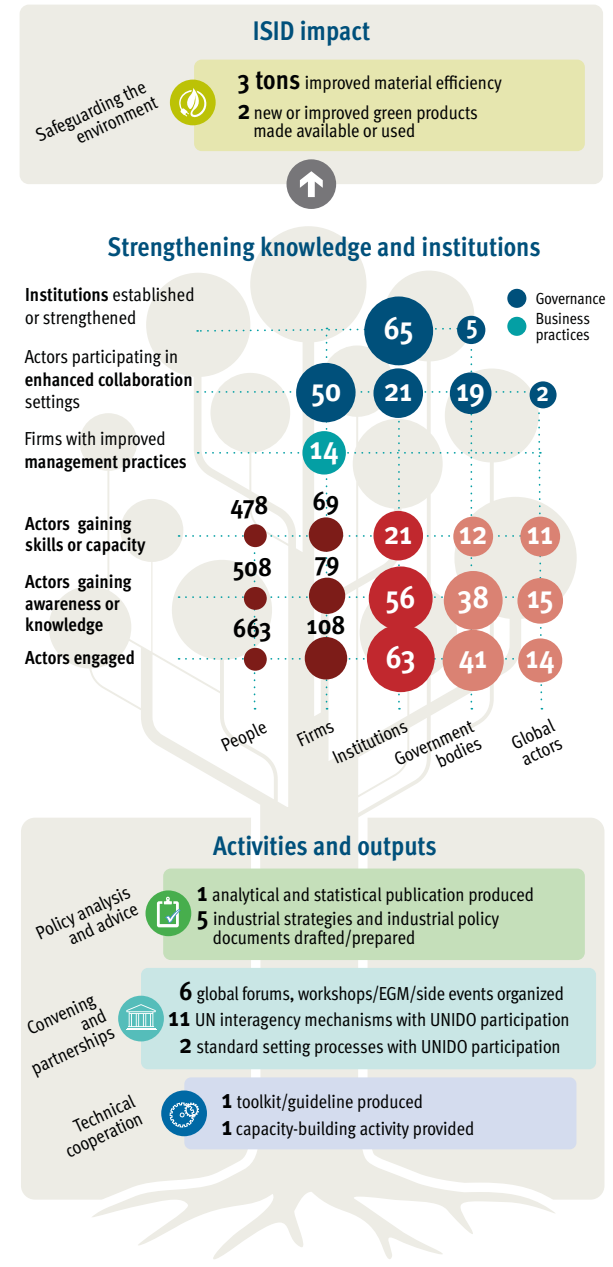
For example, UNIDO’s convening of private and public partnerships for value chain development in Ethiopia enhanced the sustainability and inclusiveness of the national coffee production system. The project engaged institutions, government bodies and firms, and increased awareness and skills of the population, leading to improved business practices, the development of new products and technologies, and enhanced institutional settings. These interventions ultimately strengthened this major sector’s value chain. (Figure 1)

Figure 1: Improving the sustainability and inclusiveness of the Ethiopian coffee value chain through private and public partnership



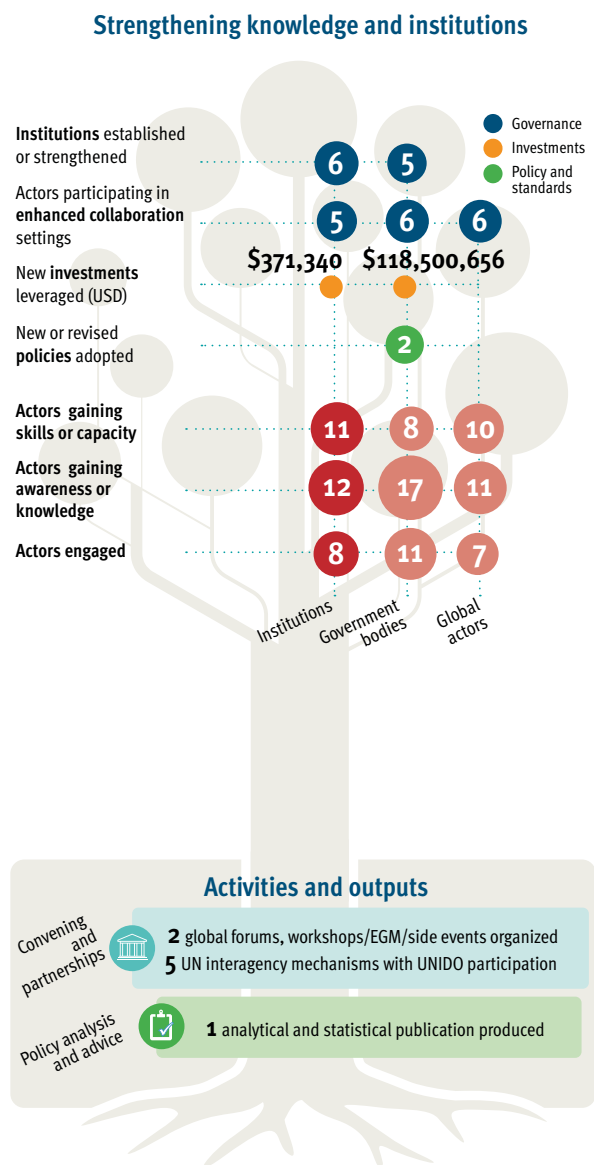
Through the Partnership for Action on Green Economy (PAGE), UNIDO partnered with global actors to support Members States’ transformation towards environmental sustainability, job creation, reduced poverty, and improved social equity. PAGE resulted in new inter-agency green economy mechanisms and strategies and strengthened national capacities to finance and implement them, while simultaneously improving firm-level practices. (Figure 2)

Figure 2: Partnership for Action on Green Economy (PAGE) — supporting change for the future we want



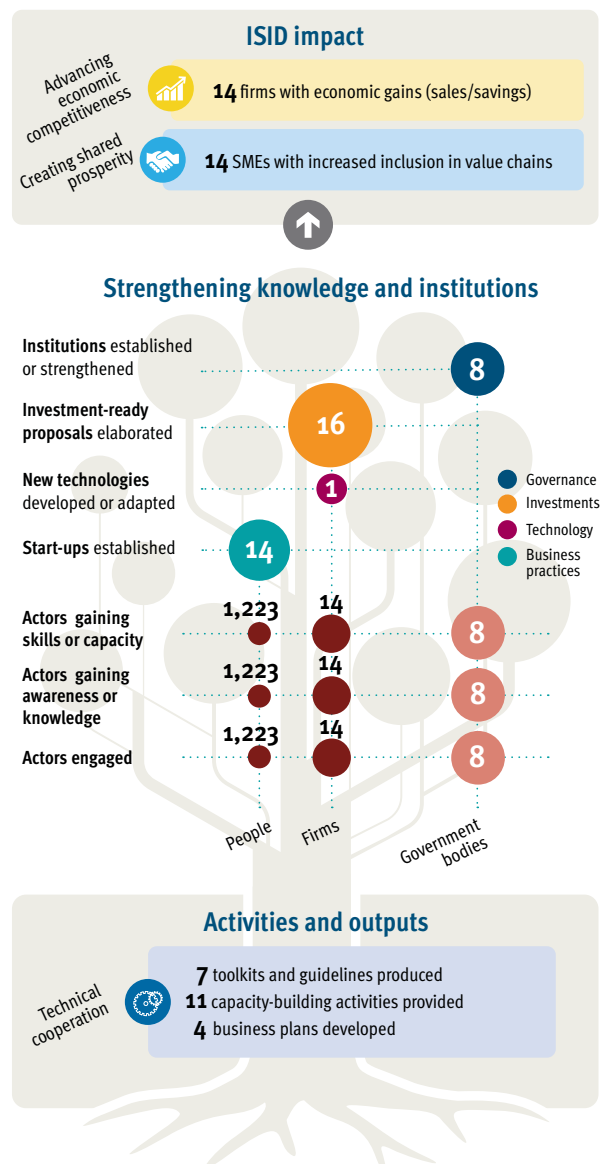
The growing demand for UNIDO flagship PCP services reflects the success of this integrated approach. In PCP Peru, upstream measures and multi-stakeholder partnerships resulted in the adoption of stronger industrial policies, the strengthening of institutional collaboration, and the leveraging of over \$120 million in investments. (Figure 3)

Figure 3: PCP Peru — fostering productive diversification (2020 results)



The GEF-funded UNIDO Cleantech Programme for SMEs in Thailand adopts a cross-sectoral and multi-stakeholder approach to building sustainable innovation ecosystems for SMEs and start-ups. It does so by creating an enabling policy environment, institutional capacity, and entrepreneurial skills. Its results also include the adoption of new technologies, new start-ups, the engagement with impact investors, and mechanisms to support the commercialization and market-based scale-up of innovative cleantech solutions. (Figure 4)

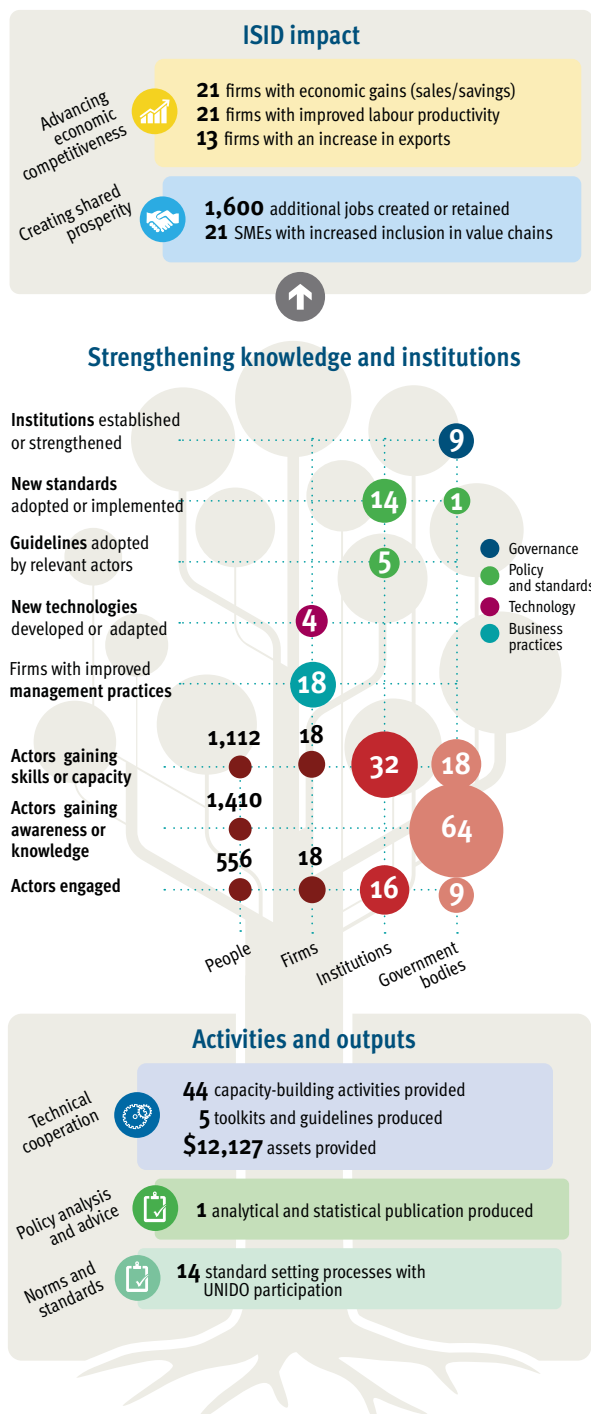
Figure 4: GEF UNIDO Cleantech Programme for SMEs in Thailand



UNIDO supports competitiveness by addressing the nexus between private sector development, trade and job creation. The project Support to Employment Creation in Mongolia, in collaboration with FAO, strengthens value chains to generate productive employment prospects and reduce social imbalances.

It does so through skills and capacity-building activities, also targeting women. Working closely with the Government, firms and institutions, the project strengthened the institutional infrastructure, improved business practices, and supported the adoption of standards and technologies, leading to increased productivity. (Figure 5)

Figure 5: Support to Employment Creation in Mongolia Component 2



LEVEL 3. PROGRAMMATIC OFFER AND PROGRAMME MANAGEMENT EFFECTIVENESS

Level 3 measures the outputs of the programmatic interventions of UNIDO, as well as the quality and effectiveness of portfolio and programme management. Outputs delivered by UNIDO span the Organization's four core functions. Effective programming and programme management, grounded in quality and RBM principles, are fundamental to enabling sustainability and the upscaling of development results. Outputs and programmatic interventions by UNIDO captured by Level 3 fall within the sphere of control of UNIDO. They trigger the higher-level results described in Level 2.

Output indicators

Due to the current limitations and incomplete data coverage indicated above, the data available for 2020 represent approximately 50 per cent of the UNIDO portfolio. Available figures confirm that technical cooperation activities remain a strength of the Organization's value proposition. Approximately 2,200 capacity-building activities were carried out by UNIDO in 2020 (TCO.1). Equipment, technologies, and other assets with a value of over \$12.2 million were provided to target groups (TCO.2), despite the challenges posed by the COVID-19 pandemic to operations worldwide. More than 316 toolkits, guidelines, platforms, curricula, and similar material were delivered by UNIDO (TCO.3) and over 990 actionable business plans were produced (TCO.4) in support of key target groups.

UNIDO generated extensive analytical and policy insights to help individual countries and the global community at large respond to the crisis and shape strategies for an inclusive and sustainable socioeconomic recovery. The Organization produced at least 85 industrial policy and strategy documents (PAO.1), and published over 150 analytical and statistical products to advance knowledge on industrial development (PAO.2), including flagship reports, articles, research papers and policy briefs. In addition, UNIDO participated in 48 standard-setting

processes at the national, regional and international level (NOO.1).

In 2020, UNIDO also convened over 380 events such as global forums, side events, expert group meetings and other events (CPO.1). The Organization participated in at least 44 United Nations inter-agency bodies and coordination mechanisms (CPO.2) and played a leading role in at least 17 different networks and platforms (CPO.3). Partnerships with both public and private sector actors remain a key approach for UNIDO to scale up development results. The number of joint programmes with other United Nations system entities increased to 104 in 2020 (CPO.4), as the enhanced reporting methodology also includes 70 Montreal Protocol projects. A total of 104 projects and programmes were implemented in partnership with non-United Nations entities (CPO.5), including 73 initiatives with business sector entities and 31 with financial institutions.

Portfolio management indicators

Efforts to develop new programmes and projects by the Organization continued in 2020, despite the challenges posed by the COVID-19 pandemic to both Member States and UNIDO. Overall, 111 new projects and programmes were approved (POR.1), in addition to new Montreal Protocol projects.

With the full operationalization of the QAF (DGB/2019/11), the Organization introduced more stringent quality requirements for programme and project design, thereby sustaining its commitment to strengthening RBM systems (POR.2). Criteria for effectiveness and RBM, scale-up potential and other formal requirements were reinforced or introduced. For this reason, a substantial share of projects is recognized as approaching requirements under these criteria. Most submissions continue to fully meet quality requirements in areas such as relevance (97 per cent), technical design (100 per cent), efficiency (82 per cent) and implementation arrangements (84 per cent).

At the end of 2020, the UNIDO project portfolio comprised 728 projects (**POR.3**), with a yearly expenditure of \$177.7 million. A total of 27 CPs are ongoing and 11 PCPs are at different stages of programming or implementation.

The quality of UNIDO interventions is also monitored thoroughly at completion (**POR.4**). As was already the case in the Annual Report 2019, the evidence presented here refers to the latest Synthesis of UNIDO Independent Evaluations 2015–2018. Efforts to ensure progress in identified areas for improvement, such as likelihood of sustainability, efficiency, and monitoring and evaluation are continuing, and developments will be captured in the report for 2019–2022.

Mainstreaming gender equality and empowerment of women (GEEW) in the programmatic work remained a priority for UNIDO in 2020. The gender marker criteria were satisfied by 98 per cent of projects approved in 2020, and GEEW is either the principal focus or a significant focal area of almost 35 per cent of projects (**POR.5**), reflecting a major advance over 2019. **POR.6** confirms that transparency activities of UNIDO show positive results according to the standards of the International Aid Transparency Initiative (IATI). Finally, UNIDO sustains its engagement in the United Nations development system at the country level, participating in 83 United Nations Country Teams (**POR.7**).

Level 3. Programmatic offer and programme management effectiveness

INDICATOR		2020
Output indicators		
TCO.1. Number of capacity-building activities provided	Provision of training, workshops, lectures and similar activities delivered by UNIDO with the aim of building capacity	2,194*
TCO.2. Value of assets provided	Value in USD of assets (e.g. equipment, technologies) procured for beneficiaries during implementation of UNIDO projects/programmes	12,222,645*
TCO.3. Number of toolkits and guidelines produced	Production of guidelines, training material, checklists, toolkits, software, curricula, platforms, databases and similar material	396*
TCO.4. Number of business plans developed	Development of new business plans by or for project beneficiaries through UNIDO interventions	993*
PAO.1. Number of industrial strategies and industrial policy documents drafted/prepared	Preparation of policy and strategy documents by or with UNIDO for submission to policymakers	85*
PAO.2. Number of analytical and statistical publications produced	Production of documents to advance knowledge on industrial development such as articles, research and statistics papers, policy and/or statistical briefs, analytical reports and flagship reports	152*
NOO.1. Number of standard-setting processes with UNIDO participation	Participation of UNIDO in and contribution to standard-setting processes at national, regional or international level	48*
CPO.1. Number of global forums, workshops/EGM/side events organized	Organization of events such as expert group meetings, seminars, side events, global forums, conferences and summits	383*
CPO.2. Number of United Nations interagency mechanisms with UNIDO participation	Active participation of UNIDO in United Nations inter-agency bodies and coordination mechanisms	44*
CPO.3. Number of international networks and platforms for which UNIDO is providing secretariat functions (CTCN, PFAN, RECP, etc.)	Participation of UNIDO in global networks and platforms, and provision of secretariat functions	17*
CPO.4. Number of interventions or joint programmes with United Nations System entities	Joint programming (development and/or implementation) between UNIDO and other United Nations System entities	104
CPO.5. Number of interventions (projects/programmes) in partnership with non-United Nations institutions	Implementation of projects and programmes in partnership with business sector entities and financial institutions	104

*Partial figures representing approximately half of UNIDO's portfolio in 2020

Level 3. Programmatic offer and programme management effectiveness (continued)

INDICATOR		2020					
Portfolio management indicators							
POR.1. Number of projects, CPs and PCPs approved by the Executive Board (disaggregated by region)		Total number of projects, programmes, Country Programme Frameworks and Programmes for Country Partnerships approved by the Executive Board per region, excluding Montreal Protocol projects					
a. Number of project documents approved by the Executive Board	Africa						32
	Arab region						19
	Asia and the Pacific						21
	Europe and Central Asia						8
	Global and Interregional						17
	Latin America and the Caribbean						10
	Total						107
b. Number of Country Programmes and Programmes for Country Partnerships approved by the Executive Board	Africa						1
	Arab region						1
	Asia and the Pacific						1
	Europe and Central Asia						1
	Global and Interregional						0
	Latin America and the Caribbean						0
Total						4	
POR.2. Breakdown of new programme/project documents approaching or meeting quality requirements at appraisal (%)		Percentage of new programmes/projects whose design was assessed, at appraisal, either approaching or meeting quality requirements as per UNIDO Quality Assurance Framework (QAF). Those approaching quality requirements are commonly approved with conditions to ensure they meet quality requirements at the beginning of implementation.					
				approaches requirements	meets requirements		
a. Overall design quality					84%	16%	
b. Relevance					3%	97%	
c. Technical design					0%	100%	
d. Effectiveness and RBM					75%	25%	
e. Scale-up potential*					52%	44%	
f. Sustainability likelihood					31%	68%	
g. Efficiency					18%	82%	
h. Implementation arrangements					16%	84%	
i. Gender equality and women's empowerment					35%	58%	
j. Formal requirements**					76%	24%	
		*new criteria as of 2020 **incl. ERP data entry					
POR.3. Number and volume of ongoing projects, CPs and PCPs (by thematic focus area; by region)		Total number and volume of active projects, number of ongoing Country Programme Frameworks and Programme for Country Partnerships					
a. Number of projects/programmes by theme and region		Creating shared prosperity	Advancing economic competitiveness	Safeguarding the environment	Cross-cutting	Others	Total
	Africa	54	29	102	10		195
	Arab region	37	11	57	4		109
	Asia and the Pacific	16	25	83	10		134
	Europe and Central Asia	2	11	46	7	1	67
	Global	10	27	38	32	18	125
	Interregional	4	4	7	1	1	17
	Latin America and the Caribbean	4	16	60	5		85
	Total*	125	123	392	69	19	728

*Due to some projects being executed in multiple locations, the total may not correspond with the sum of the separate figures.

Level 3. Programmatic offer and programme management effectiveness (continued)

INDICATOR		2020					
POR.3. Number and volume of ongoing projects, CPs and PCPs (by thematic focus area; by region) (continued)		Total number and volume of active projects, number of ongoing Country Programme Frameworks and Programme for Country Partnerships					
		Creating shared prosperity	Advancing economic competitiveness	Safeguarding the environment	Cross-cutting	Others	Total
b. Volume of technical cooperation by theme and region (2020 expenditure in US\$; adjusted values, rounded to the nearest hundred)	Africa	15,987,800	7,675,600	13,536,800	528,500	600	37,729,200
	Arab region	10,941,500	2,560,500	7,540,800	376,400	1,056,600	22,475,900
	Asia and the Pacific	4,468,100	3,447,900	43,108,800	470,100	1,915,000	53,409,700
	Europe and Central Asia	151,700	1,273,000	11,219,800	235,700	53,500	12,933,800
	Global	737,000	8,787,200	12,769,900	2,190,300	1,029,500	25,513,900
	Interregional	340,500	858,700	6,368,400	100	-4,600	7,563,100
	Latin America and the Caribbean	1,867,200	3,486,100	12,460,800	240,200		18,054,300
	Total	34,493,800	28,089,000	107,005,300	4,041,300	4,050,600	177,679,900
Source for POR.3.a and POR.3.b: SAP extraction of 4 Feb 2020, corrected/adjusted values, to nearest 100							
c. Number of ongoing Country Programmes by region	Africa						9
	Arab region						1
	Asia and the Pacific						10
	Europe and Central Asia						3
	Latin America and the Caribbean						4
	Total						27
d. Number of ongoing Programmes for Country Partnerships by region	Africa						6
	Arab region						2
	Asia and the Pacific						1
	Europe and Central Asia						1
	Latin America and the Caribbean						1
	Total						11
POR.4. Percentage of programmes/projects whose quality was evaluated as satisfactory at completion		Percentage of projects assessed as highly satisfactory, satisfactory or moderately satisfactory under each quality criteria in the Synthesis of UNIDO Independent Evaluation 2015-2018 (latest available)					
a. Relevance							100%
b. Effectiveness							98%
c. Scale-up							NA
d. Efficiency							77%
e. Likelihood of sustainability							82%
f. Programme/project management							91%
g. M and E design							95%
h. M and E implementation							84%
POR.5. Percentage of overall number of UNIDO programme/projects per gender marker category		2B	2A	1	0	Not evaluated	
a. Approved in this calendar year; % of project cleared by gender office in 2020 under each gender marker category	6.4%	28.2%	62.7%	0.9%	2%		
b. Ongoing (entire portfolio); % of ongoing projects in 2020 under each gender marker category	1.3%	24.2%	66.3%	3.1%	5.1%		
c. Percentage of programmes/projects with gender-informed design; % of total budget of ongoing projects allocated under each gender marker category	1.2%	27.7%	67%	2.7%	1.4%		
d. Compliance with UN SWAP; % of the 17 UN SWAP 2.0 indicators met or exceeded (UN SWAP 2.0 2019 results, latest available)	76%						

Level 3. Programmatic offer and programme management effectiveness *(continued)*

INDICATOR	2020
POR.6. Transparency (as per IATI standards)	<i>UNIDO score under each IATI dimension and overall</i>
a. Timeliness	88%
b. Comprehensiveness	70%
c. Forward-looking	0%
Score	53%
POR.7. Number of United Nations country teams with UNIDO participation	83

LEVEL 4. ORGANIZATIONAL RESOURCES AND EFFICIENCY

Level 4 measures the performance of the Organization's internal operations and corporate services. In 2020, UNIDO maintained business continuity and operational stability despite the challenges posed by the COVID-19 crisis and continued its efforts to increase efficiency and effectiveness. Timely and coordinated efforts were made to adjust work procedures as part of the Organization's emergency response. The IRPF Level 4 indicators underline the Organization's resilience to the unprecedented situation.

Regular financial resources amounted to €90.6 million (**FIN.1**), and additional voluntary contributions of \$143 million were approved (**FIN.2**) in 2020. In addition, the roll-out of full cost recovery mechanisms continued, leading to a total of €19.15 million recovered (**FIN.3**). Technical cooperation delivery (**EXP.2**) reached \$177.7 million, only a minor (7 per cent) decrease compared to 2019 levels.

In 2020, the number of United Nations System-wide Action Plan (UN-SWAP 2.0) indicators for which UNIDO exceeds requirements increased further, highlighting the Organization's strong performance overall and when compared with the United Nations system at large. Human-resources indicators (**HR.1**) show that

progress is being made towards equal gender representation in the workforce of UNIDO, in line with the UNIDO Strategy for Gender Equality and the Empowerment of Women 2020–2023. Further efforts are required to close the gender gap, particularly at senior levels. On the other hand, balanced representation was achieved for General Service staff, and the representation of women at the P-4 level reached 45 per cent. Geographical diversity of core staff reached 58.8 per cent, while for the total workforce it was 75.8 per cent.

The efficiency of operational management remained high. **OPM.1** shows that 59.6 per cent of centralized procurement contracts were finalized within 110 days, in range with previous years despite the disruptions caused by the pandemic. In 87 per cent of the cases, UNIDO projects began implementation within six months from the start of the trust fund agreement (**OPM.2**), a 9 per cent increase from 2019 values and exceeding the target by 17 per cent. A new indicator (**OPM.3**) was introduced in June 2020 to measure the efficiency of information systems operations, showing that 93.4 per cent of IT standard requests were completed in three working days or less.

Level 4. Organizational resources and efficiency

INDICATOR		2020
Corporate service efficiency		
OPM.1. Procurement timeline	Percentage of procurements for open competition under centralized procurement that are finalized within 110 days from the date a requisition is approved	59.6%
OPM.2. TC start-up rate	Percentage of technical cooperation projects that launched implementation (incurred expenditure of 5% of project budget or more) within the first 6 months from the trust fund agreement start date. Target: 70%	87%
OPM.3. ICT Operational Efficiency	Percentage of standard IT requests that are fulfilled in three working days or less. Target: 90%	93.4%
Input and resources		
FIN.1. Regular financial resources	UNIDO regular financial resources consisting of gross regular and operational budgets, miscellaneous income and voluntary contributions to the Special Account for Core Activities (SAVCCA) approved by the General Conference	million
(1) Total approved gross budgets in EUR (million), including figures for:	Regular budget*	€71.24
	Operational budget	€19.26
	SAVCCA	€0.10
	Total regular financial resources income approved	€90.60
(2) Total income received against approved budgets in EUR (million) including:	Assessed contributions*	€60.09
	Full cost recovery**	€19.15
	Miscellaneous income against regular and operational budgets	€0.59
	Voluntary contributions against SAVCCA	€0.07
Total regular financial resources income received	€79.89	
FIN.2. Voluntary contributions	Voluntary contributions mobilized based on the amount of trust fund agreements signed and recognized as income	
(1) Net approvals in US\$ (million)*		\$143
(2) Percentage increase/decrease from previous year		-6.0%
FIN.3. Programme support costs recovered	Programme support costs incurred by UNIDO in support of the preparation and implementation of programmes/projects funded from extra-budgetary resources that are recovered	
(1) Programme support costs charged as income to the operational budget in EUR (million)		€17.7
(2) Average percentage of costs recovered based on PSC, technical and operational services and direct service costs		12.4%
EXP.1. Regular financial resources budget implementation	Total expenditure in EUR (million) against approved regular financial resources*	€79.71
EXP.2. Technical cooperation delivery		
(1) Expenditure in US\$ (million) against voluntary contributions in a given calendar year		\$177.7
(2) Percentage increase/decrease from previous year		-7.0%

* including regular programme of technical cooperation (RPTC) and special resources for Africa (SRA)

** including programme support costs, direct service costs, and technical and operational services

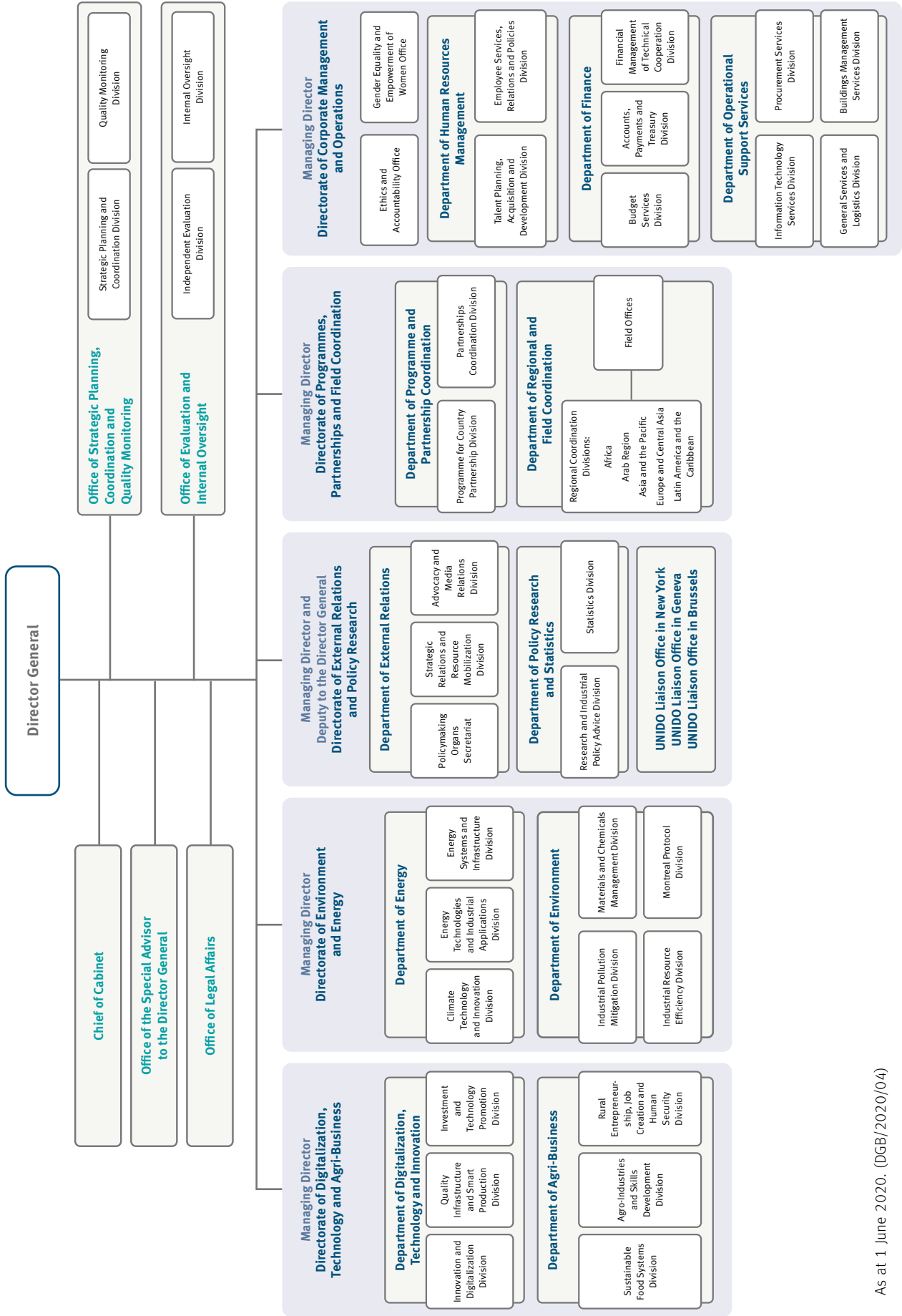
Level 4. Organizational resources and efficiency (continued)

INDICATOR		2020	
HR.1. UNIDO workforce: composition and diversity	<i>UNIDO workforce is composed of core staff, namely individuals serving on regular fixed-term appointments under 100-series of Staff Rules, and non-core personnel, namely temporary personnel recruited as ISA holders, interns, partner experts, goodwill ambassadors, 200-series (L) staff and monthly short-term staff.</i>		
UNIDO workforce composition			
a. Core staff composition by category (P, D, NO, GS)	Total	597	
	Male/female	346/251	
Subtotal professional (P-2 and above)	Total	210	
	Male/female	138/72	
Subtotal NO: national officers	Total	48	
	Male/female	32/16	
Subtotal GS: general service staff	Total	339	
	Male/female	176/163	
b. Core staff composition by office/location	Headquarters	Total	438
		Male/female	254/184
	Field	Total	138
		Male/female	83/55
	Offices away from headquarters	Total	7
		Male/female	4/3
	ITPO offices	Total	14
		Male/female	5/9
c. Core staff index	<i>Percentage of core staff in the UNIDO total workforce</i>		
d. Core staff ratios	G/P – ratio	1.61	
	P/D – ratio	8.5	
	P ₁ +P ₂ /P ₃ +P ₄ +P ₅ – ratio	0.038	
e. Non-core personnel index	<i>Percentage of non-core personnel in the UNIDO total workforce</i>		
f. Total workforce composition by office/location	Headquarters	Total	802
		Male/female	397/405
	Field	Total	1370
		Male/female	851/519
	Offices away from headquarters	Total	12
		Male/female	4/8
	ITPO offices	Total	42
		Male/female	22/20
UNIDO workforce geographical diversity			
a. Core staff geographical diversity index	<i>Percentage of Member States whose nationals are active core staff members</i>		
b. UNIDO workforce geographical diversity index	<i>Percentage of Member States whose nationals are active members of the UNIDO workforce</i>		


ABBREVIATIONS

AfCFTA	African Continental Free Trade Area
AfDB	African Development Bank
AUC	African Union Commission
CCA	common country assessment
CIRP	COVID-19 Industrial Recovery Programme
COVID-19 MPTF	COVID-19 Response and Recovery Multi-Partner Trust Fund
CP	country programme
DEIE	developing and emerging industrial economy
ECOWAS	Economic Community of West African States
FAO	Food and Agriculture Organization of the United Nations
GCF	Green Climate Fund
GCIP	Global Cleantech Innovation Programme
GDP	gross domestic product
GEF	Global Environment Facility
GHG	greenhouse gas
GMIS	Global Manufacturing and Industrialisation Summit
HFC	hydrofluorocarbon
HCFC	hydrochlorofluorocarbon
HLPF	high-level political forum on sustainable development
IDDA III	Third Industrial Development Decade for Africa
IFC	International Finance Corporation
ILO	International Labour Organization
IRPF	integrated results and performance framework
ISID	inclusive and sustainable industrial development
ITC	International Trade Centre
ITPO	Investment and Technology Promotion Office
LDC	least developed country
LKDF	Learning and Knowledge Development Facility
LLDC	landlocked developing country
MIC	middle-income country
MLF	Multilateral Fund for the Implementation of the Montreal Protocol
MSME	micro, small and medium-sized enterprise
MTPF	medium-term programme framework
PAGE	Partnership for Action on Green Economy
PCP	Programme for Country Partnership
POP	persistent organic pollutant
PPE	personal protective equipment
QAF	Quality Assurance Framework of UNIDO
RBM	results-based management
RECP	Resource-efficient and Cleaner Production
SDG	Sustainable Development Goal
SERP	United Nations Socioeconomic Response Plan
SME	small and medium-sized enterprise
SIDS	small island developing State
SSTC	South-South and triangular cooperation
STI	science, technology and innovation
UN	United Nations
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
UNFPA	United Nations Population Fund
UNICEF	United Nations International Children's Emergency Fund
UNSDCF	United Nations Sustainable Development Cooperation Framework
WHO	World Health Organization

UNIDO ORGANIZATIONAL STRUCTURE



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“Climate change, poverty, unemployment, inequalities and the digital divide were among the global challenges that we faced well before the COVID-19 pandemic hit us. They have all become more serious. Inclusive and sustainable industrial development plays a critical role both in addressing the immediate socioeconomic impact of the pandemic and in building back stronger and more resilient. As with climate change and other global challenges, the recovery from the COVID-19 crisis is best addressed by effective multilateral institutions and close cooperation with partners, such as the private sector. I thank you for your commitment to the United Nations and its Industrial Development Organization.”

[António Guterres, Secretary-General of the United Nations, on the occasion of the forty-eighth session of the Industrial Development Board](#)

“The COVID-19 pandemic has disrupted health systems and global supply chains, bringing massive damages to our economies. Both the pandemic and the AfCFTA create the imperative need for Africa to change, adapt, recover, grow and institute resilience. The Fourth Industrial Revolution offers the best opportunity for Africa to boost sustainable development. As the young population is attracted to the emerging digital economy, we need to create the right employment environment for youth-driven start-ups and innovation.”

[Albert M. Muchanga, Commissioner for Trade and Industry African Union Commission, on the occasion of Africa Industrialization Day 2020](#)

“Achieving the Sustainable Development Goals, and building back better from the pandemic, requires a whole of society approach with different sectors and actors working together in an integrated manner by pooling resources, knowledge and expertise. The UNIDO PCP is an embodiment of this partnership and an innovative mechanism for accelerating inclusive and sustainable industrial development. The PCP can enable the United Nations in Cambodia at large to successfully implement the socioeconomic response framework to mitigate the impacts of the pandemic.”

[Pauline Tamesis, United Nations Resident Coordinator in Cambodia](#)



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