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**PROGRAMME AND BUDGETS, 2008-2009\***

Proposals of the Director-General

For reasons of economy, this document has been printed in a limited number. Delegates are kindly requested to bring their copies of documents to meetings.

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\* The present document has not been edited.





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### Abbreviations

APCI	African Productive Capacity Initiative
ASHI	after-service health insurance
BDS	business information and development service
BAT	best available technology
BET	best environmental practice
BMS	Buildings Management Services
BPP	business partnership programme
CAMI	Conference of African Ministers of Industry
CCA	Common Country Assessment
CDM	Clean Development Mechanism
CE	Conformité Européenne (as in CE marking)
CP	cleaner production
CSF	country service framework
CSO	civil society organization
CSR	corporate social responsibility
CTBTO	Preparatory Commission for the Comprehensive Nuclear Test-Ban Treaty Organization
DDA	Doha Development Agenda
EAE	environment and energy
EST	environmentally-sound technology
FAO	Food and Agriculture Organization of the United Nations
FDI	foreign direct investment
FPCS	Financial Performance Control System
G-77	Group of 77
GBF	Global Biotechnology Forum
GEF	Global Environment Facility
GHG	greenhouse gas
GS	General Service
HQ	Headquarters
IAEA	International Atomic Energy Agency
ICHET	International Centre for Hydrogen Energy Technologies
ICSC	International Civil Service Commission
ICT	information and communication technology
IDSB	industrial demand-supply balance
INDSTAT	industrial statistics
IP	integrated programme
IPSAS	International Public Sector Accounting Standards
IPR	intellectual property rights
ISO	International Organization for Standardization
IT	information technology
ITC	International Trade Centre (UNCTAD/WTO)
ITPO	Investment and Technology Promotion Office
JI	Joint Implementation
JIU	Joint Inspection Unit
LDC	least developed country
LDC III	Third United Nations Conference on the Least Developed Countries
MDG	Millennium Development Goal
MEA	multilateral environmental agreement
MOD	miscellaneous obligation document
MOU	memorandum of understanding
MRRF	Common Fund for Major Repairs and Replacements
MSME	micro, small and medium enterprise
MTPF	medium-term programme framework

MVA	manufacturing value added
NCPC	National Cleaner Production Centre
NEPAD	New Partnership for Africa's Development
NGO	non-governmental organization
NIP	national implementation plan
NIS/RIS	National and regional innovation systems
NSB	National Standards Body
OB	operational budget
ODS	ozone-depleting substance
PAC	Project Approval Committee
PC	personal computer
POP	persistent organic pollutant
PRSP	Poverty Reduction Strategy Paper
PTS	persistent toxic substance
QAG	Quality Advisory Group
R and D	research and development
RB	regular budget
RBB	results-based budgeting
RBM	results-based management
RPTC	Regular Programme of Technical Cooperation
SAICM	Strategic Approach to International Chemicals Management
SIRM	sustainable industrial resource management
SME	small or medium enterprise
SMTQ	standards, metrology, testing and quality
SPS	sanitary and phyto-sanitary standard
SPX	subcontracting and partnership exchange
SRA	Special Resources for Africa
SSS	service summary sheet
TBT	technical barrier to trade
TC	technical cooperation
TCB	trade capacity-building
TRIPS	trade-related intellectual property rights
UD	UNIDO Desk
UNCTAD	United Nations Conference on Trade and Development
UNDAF	United Nations Development Assistance Framework
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention for Climate Change
UNJSPF	United Nations Joint Staff Pension Fund
UNOV	United Nations Office at Vienna
VBO	VIC-based organization
VIC	Vienna International Centre
WSSD	World Summit on Sustainable Development
WTO	World Trade Organization





## EXECUTIVE SUMMARY

1. In accordance with Article 14 of the Constitution and Financial Regulations 3.1 and 3.4, the Director-General is pleased to submit to the Board, through the Programme and Budget Committee, the proposed programme and budgets for the biennium 2008-2009.
2. After careful consideration, the Director-General has decided to submit the Programme and Budgets 2008-2009 within a resource scenario of zero-real growth for the regular budget, excluding one-time expenses (paragraph 52). It must be pointed out, however, that this imposes severe financial constraints on the Organization. UNIDO risks losing out on significant growth potentials for its technical cooperation programmes due to severely constrained capacities available to develop and implement programmes increasingly demanded by its Member States and for which extrabudgetary resources would be available. For UNIDO to play a more meaningful role in implementing its mandate and delivering on the ever-growing demands placed upon it, further investments in the Organization's core capacities under the regular budget will be needed in the future.
3. Overall, the proposed programme and budgets for the biennium 2008-2009 reflects the importance attached by the Organization to maintaining programmatic continuity, while introducing innovations and improvements in the way it carries out its mandate to better serve its Member States:
  - (a) Resources allocated to implementing programmes and projects under the thematic priorities have been increased as a share of the overall budget. Shifts in resource allocation among the various thematic priorities are geared towards increasing the capacity of the Organization to provide critical services in poverty reduction through productive activities and in energy and environment;
  - (b) Given the importance attached by Member States to UNIDO's field representation and its capacity to integrate its activities at the country level in line with calls for improved system-wide coherence and coordination, additional resources are being redeployed to field offices;
  - (c) The application of results-based management (RBM) principles and practices is being further refined and harmonized with those of other United Nations system organizations. An important part of the Organization's approach to RBM is the development of systems for the effective monitoring of and reporting on the results achieved by its programmes and activities;
  - (d) To ensure that the Organization remains responsive to the rapidly evolving environment of multilateral development cooperation, a programme of continuous renewal will be put in place. This will involve, among others, the introduction of an innovative Young Professionals Programme and the recruitment of highly qualified experts to replace retiring staff;
  - (e) The Organization will initiate a renewed drive to raise its visibility through improved advocacy and ensure its strategic positioning within the United Nations system through active engagement in major inter-governmental and inter-agency processes;
  - (f) Along with other organizations in the United Nations system, UNIDO will also be adopting IPSAS as a significant step in improving the quality, consistency and comparability of its financial reporting;
  - (g) Resources for research and analysis are more sharply focused on supporting technical cooperation programmes;
  - (h) At the same time, UNIDO will continue to build and strengthen its strategic partnerships with other United Nations entities and development actors to achieve synergies and enhance its development impact.

## I. FORMAT AND PRESENTATION

4. The present document follows the thematic format introduced in the programme and budget document 2006-2007 resulting from intensified efforts over the past decade to move closer towards the formulation of a fully programmatic budget and present the programmes in a thematic manner. In addition, the results-based budgeting (RBB) approach initiated in the programme and budgets for 2004-2005 and substantially enhanced in the programme and budget document 2006-2007, has been further developed and refined in the current document.

### Structure of major programmes

5. The programmatic structure of this document is broadly similar to that of the corresponding document for 2006-2007. The document consequently features eight major programmes:

Major Programme A	Policy-making Organs
Major Programme B	Executive Direction and Strategic Management
Major Programme C	Poverty Reduction through Productive Activities
Major Programme D	Trade Capacity-Building
Major Programme E	Energy and Environment
Major Programme F	Cross-Cutting Programmes and Country-Level Coherence
Major Programme G	Support Services and General Management
Major Programme H	Buildings Management
Major Programme I	Indirect Costs

6. Major Programmes A and B continue to serve the requirements of the policy-making organs and of the executive management of UNIDO. Major Programmes C to F cover the substantive services provided by UNIDO to its beneficiary countries as well as regional and country-level coherence. Major Programme G relates to the various support services needed to ensure the effective implementation of the Organization's substantive activities, while Major Programme H relates to the management of the Vienna International Centre (VIC) complex. Major Programme I identifies and shows separately all indirect costs and joint services in which UNIDO participates.

7. Of Major Programmes C to F, the first three cover specific areas of emphasis in accordance with UNIDO's mandate, and in particular with the Strategic Long-Term Vision Statement approved by the Member States at the eleventh session of the General Conference in resolution GC.11/Res.4. That resolution formalized "poverty reduction through productive activities", "trade capacity-building" and "energy and environment" as the three principal thematic areas of focus for UNIDO. Major Programme F, meanwhile, relates to a range of cross-cutting activities such as research and statistics, and special programmes to complement and support the various services offered in the preceding three Major Programmes, and to ensure the coherence of UNIDO's activities at the country level.

8. The substantive services provided for in Major Programmes C to F also correspond to the development priorities of the global community, as presented in the Millennium Development Goals (MDGs), the Doha Development Agenda (DDA), the International Conference on Financing for Development, the World Summit on Sustainable Development (WSSD) and various multilateral environmental agreements (MEAs). Since UNIDO's programmes are presented thematically, they often cover services provided by several organizational entities. This has necessitated the allocation of the operational and management costs of these programmes between them. In the present document, a further step has been taken towards strengthening the thematic budgeting approach by including the new programme components C.1, D.1 and E.1, in Major Programmes C to E respectively, which are intended to design and promote thematic strategies for the respective priority areas covered by these Major Programmes, and to ensure that they meet appropriate RBM and quality criteria.

## **Programme structure**

9. The structure of the individual programmes and programme components within the major programmes builds on the structure applied in the programme and budgets 2006-2007, but also incorporates a number of innovations and refinements. While relatively little change has been introduced to Major Programmes A, G, H, and I, the coverage of Major Programme B and Major Programmes C to F has been significantly improved from that provided in the programme and budgets 2006-2007. These improvements have been introduced in the interest of providing more relevant and focused services to its Member States. A summary of the programmes and programme components covered in these various categories of Major Programmes is given below.

10. Of the Major Programmes that have been subject to modest or no change, Major Programme A retains its two traditional programmes related to the organization of meetings of the policy-making organs and providing a Secretariat for them.

11. Major Programme B contains an expanded number of programmes, with the intention of consolidating all the principal functions of executive direction and strategic management under one major programme. Thus, the oversight and evaluation services, which had previously been included in a single programme within the (former) Office of the Comptroller-General, have now been assigned their own separate programmes. Moreover, the programme for legal services has been moved from Major Programme G in 2006-2007 to Major Programme B. In addition, two new programmes have been established: Strategic Planning and United Nations System Coordination, and Public Advocacy. The former reflects the growing importance being given to system-wide coherence within the United Nations following the establishment of the High-Level Panel on that subject in February 2006 and the initiation of system-wide measures to promote the "Delivering as One" approach recommended in the final report issued by the Panel in November of that year. The latter is a direct response to the decision taken by Member States at the thirty-first session of the Industrial Development Board to enhance the visibility of UNIDO (IDB.31/Dec.2).

12. The three substantive major programmes, C to E, continue to be treated as thematic programmes providing specialized services in the fields of poverty reduction through productive activities, trade capacity-building, and energy and environment. The reason for this treatment given in the programme and budgets 2006-2007, that these thematic programmes need to be treated in an integrated manner in order to maximize the synergies of the component services provided by various organizational units of UNIDO, remains as valid today as it was then. As indicated above, moreover, the costs of direction and management associated with these substantive major programmes have been allocated between them, as have the resources required for the further strategic development of the three thematic focus areas and their implementation in accordance with appropriate RBM and quality standards.

13. The approach adopted in the programme and budgets 2006-2007 with regard to the structure of the four substantive major programmes C to F has been maintained in the current document. Thus, a subsidiary programme structure has only been retained for Major Programme F, since it covers a range of cross-cutting initiatives. These comprise:

- (a) A programme related to industrial research and statistics;
- (b) Special programmes (LDC and South-South cooperation, human security and post-crisis rehabilitation, and UNIDO partnerships with organizations of the private sector and civil society);
- (c) A programme to ensure the coherence of UNIDO services provided at the country and regional level (through separate programme components covering the five regions served by UNIDO);

- (d) A programme to provide the required support for UNIDO's field operations.

14. Major Programme G continues to include programmes providing the full range of support services required by UNIDO. The programme covering legal services has been moved from Major Programme G to Major Programme B, however, reflecting the specific function of these services to support the effective management of the Organization. In addition, a new programme, G.6, has been added to facilitate a smooth transition to the adoption of IPSAS by UNIDO, in accordance with resolution 60/283 (IV) adopted by the sixtieth session of the United Nations General Assembly in July 2006. Major Programme H continues to incorporate two programmes, common buildings management and joint buildings management, which are largely distinguished by their source of funding, with the former being funded jointly by all VIC-based Organizations and the latter only by UNOV, UNIDO and CTBTO. Major Programme I, finally, includes only one programme related to UNIDO's contribution to shared services and other indirect costs.

## II. PROGRAMME FRAMEWORK

### **The UNIDO mandate and strategy**

15. UNIDO derives its mandate for supporting the industrial development of developing countries and countries with economies in transition from its Constitution and a number of key policy documents approved by the policy-making organs of the Organization. These include the Business Plan on the Future Role and Functions of UNIDO endorsed by the General Conference in resolution GC.7/Res.1 and the Strategic Guidelines "Towards improved UNIDO programme delivery" adopted by the twenty-sixth session of the Industrial Development Board in November 2002, as well as the Strategic Long-term Vision Statement approved by the eleventh session of the General Conference in December 2005. Based on the guidance given in these documents, UNIDO formulates a rolling four-year medium-term programme framework, which identifies a number of areas of emphasis and priority services. The formulation of the programme and budgets for 2008-2009 has been guided by the mandate derived from these documents.

### **International development targets**

16. In preparing the programme and budgets for 2008-2009, great care has been taken to align the programmatic framework with the developmental goals and targets established by the international community. The MDGs emanating from the United Nations Millennium Declaration remain the most important of these, and UNIDO will continue to focus its programmatic activities during the biennium 2008-2009 towards supporting the achievement of the goals falling within its mandate and competence. These include, in particular, MDG 1 (eradicating extreme poverty and hunger) and MDG 7 (ensuring environmental sustainability), and to a more circumscribed degree MDG 3 (promoting gender equality and empowering women) and MDG 8 (developing a global partnership for development).

17. While the MDGs will continue to guide UNIDO's programmatic framework in 2008-2009, the Organization's activities will also draw on other internationally agreed development goals, including those emanating from a number of major global conferences held in the early years of the present decade, such as the Third United Nations Conference on Least Developed Countries (LDC III) held in May 2001 in Brussels, the Fourth WTO Ministerial Conference held in November 2001 in Doha, the International Conference on Financing for Development held in March 2002 in Monterrey, and, the World Summit on Sustainable Development held in August-September 2002 in Johannesburg. In addition, UNIDO's activities related to energy and the environment are fully in accordance with the objectives of the Global Environmental Facility (GEF), and several derive their mandate from such international agreements as the Montreal Protocol, the Stockholm Convention on Persistent Organic Pollutants, and the United Nations Framework Convention on Climate Change.

## **Resource constraints**

18. The UNIDO programmes to support the international development agenda proposed in the programme and budgets for 2008-2009 will have to be undertaken within the limited resources at the disposal of the Organization. The programme and budgets for 2008-2009 are thus presented under a no-growth scenario, in real terms, for the regular budget (apart from the additional resources required for IPSAS implementation), and a 6.9 per cent growth scenario for the operational budget, based on the expectation of continued steady growth in the delivery of UNIDO's technical cooperation services and an associated increase in support cost income. Under these circumstances the Organization will continue to provide its services in a focused, prioritized and integrated manner in order to maximize value for money.

19. In this context, it is important to consider the relationship between the regular budget, operational budget and technical cooperation delivery/expenditure.

20. The regular budget is funded primarily from assessed contributions, with only some 3.2 per cent being provided from such other sources as interest income, sales publications and government contributions to the UNIDO regional and field offices. The Constitution of UNIDO provides for 6 per cent of the net regular budget to be used for the Regular Programme of Technical Cooperation (RPTC).

21. The operational budget is financed mainly from support cost income earned from the implementation of technical cooperation activities financed from voluntary contributions. This support cost income is a charge to donors to partially compensate UNIDO for the services rendered by it. These resources are used for supporting technical cooperation activities.

22. Although UNIDO's future technical cooperation delivery is expected to follow the accelerated growth trajectory of recent years, the Organization's support cost income is expected to increase at a slower rate as a result of increasing donor demands for reductions in the support costs to be paid to the Organization for its services.

23. While the regular budget is kept at zero real growth for recurring expenses, voluntary contributions will have to increase substantially if UNIDO is to continue meeting the ever-growing demands of Member States for its services.

## **Delivery mechanisms and United Nations coherence**

24. The approach evolved since the late 1990s to combine individual technical cooperation interventions from a varied set of service modules into an integrated programme of services at country level will remain the principal instrument by which UNIDO will address the needs of the recipient countries and link the demands of those countries with donor priorities. These integrated programmes are intended to ensure cross-organizational cooperation and the highest possible degree of synergy within UNIDO while responding to the needs of the beneficiary countries in a holistic manner.

25. UNIDO is closely monitoring, and making substantive contributions to, the debate currently unfolding with regard to the implementation of the "Delivering as One" recommendations contained in the report of the High-Level Panel on United Nations System-wide Coherence submitted to the Secretary-General in November 2006. This provides for all development-oriented agencies of the system to adopt a "One-UN" approach in the delivery of their services at country level, involving "one programme, one budget, one leader and one office". This approach is currently being tested in eight pilot countries, and the most appropriate modalities for its implementation are being identified through these pilot cases. Depending upon the outcome of these tests and the approaches finally adopted with regard to the formulation and implementation of the one common United Nations programme in any particular country, UNIDO may have to adjust its own delivery mechanisms accordingly.

## **Field representation**

26. UNIDO's capacity to participate in the formulation process of the Common Country Assessment/United Nations Development Assistance Framework (CCA/UNDAF) and Poverty Reduction Strategy Paper (PRSP) documents, and thereby to promote the inclusion of its services in them, has been greatly facilitated by efforts undertaken in 2006-2007 to strengthen the Organization's field operations. These have included the adoption of a new field mobility policy, which has established clear policies and systems for field assignments and rotation, corrected a number of asymmetries in the treatment of headquarters and field staff, and resulted in applications from a large number of the Organization's core staff for field assignments. The fact that a significant proportion of the staff members applying for field assignments have been technical specialists rather than generalists has resulted in strengthened capacities of UNIDO's technical expertise in its field offices. This is particularly true of the situation in the regional offices, which are generally headed by high-ranking staff at director level, supported by a further international professional staff member as well as one or more national programme officers.

27. The placement of UNIDO Desks in UNDP country offices, staffed by national professional officers known as the Heads of UNIDO Operations in the countries of their assignment, will be further strengthened and scaled up. Taking into account the results of the joint assessment of the UNIDO-UNDP cooperation agreement, the programme and budgets 2008-2009 continues to provide for the full coverage of both salary and operational costs for 20 UNIDO Desks. At the same time, it is anticipated, that it will be possible to establish up to 10 additional UNIDO Desks with extrabudgetary sources of funding.

28. As a result of the above measures, the overall share of budgetary resources allocated to the field representation has increased by 1.3 per cent to a level of 16 per cent of the total. This increase represents a 12 per cent increase in net requirements if compared to the 2006-2007 budgetary provisions.

## **Strategic partnerships**

29. Since the late 1990s UNIDO has been focusing its programme delivery on the areas of its core competencies, and in which it has a comparative advantage. Its service modules, the building blocks of its programmatic activities, are designed to avoid duplication and overlap with other agencies. At the same time, however, UNIDO has become increasingly conscious of the fact that to be effective, developmental interventions need to be holistic, and address specific developmental challenges from several directions by agencies with complementary mandates. It has therefore been actively promoting coordination, cooperation and partnership with other agencies offering such complementarities. Such partnerships have already been established with a wide range of multilateral and bilateral organizations, as well as the private sector, including civil society organizations. Examples include partnerships with the World Trade Organization (WTO) in the area of trade capacity-building, United Nations Environment Programme (UNEP) in cleaner production, United Nations Development Programme (UNDP) in private sector development, Food and Agriculture Organization of the United Nations (FAO) in agro-processing and bioenergies as well as the core agencies of the United Nations Global Compact in corporate social responsibility.

30. This process of forging strategic partnerships is expected to continue in the 2008-2009 biennium, and will be intensified as the moves to implement the "Delivering as One" recommendations gather momentum. This will also lead to an increased participation of UNIDO in the formulation of the CCA/UNDAF being undertaken at the country level, which will form the basis of the "One Programme" to be implemented jointly by United Nations organizations.

## **Staff rejuvenation**

31. With a large number of senior staff members of UNIDO approaching retirement or opting to take field assignments, efforts are underway to ensure that the Organization remains responsive to the evolving environment and the changing requirements of Member States. The aim is to ensure that UNIDO is equipped with the expertise of technically competent core staff with up-to-date knowledge in their chosen fields of expertise.

32. A further measure being introduced to rejuvenate the Organization is an innovative Young Professionals Programme (YPP). This programme will seek to infuse a steady flow of talented and motivated young professionals into the Organization, who will be given an opportunity to launch a challenging and rewarding professional career in an international development organization. The young professionals—for whom 10 junior Professional posts at P-1 level have been earmarked in the 2008-2009 programme and budgets—will be recruited straight from universities to provide state-of-the-art expertise to UNIDO while being trained on the job on technical cooperation functions. With a view to sharpening the young professionals' expertise and broadening their understanding of the work of UNIDO, the programme is designed around two main assignments: two years at Headquarters and one year in one of the field offices of the Organization. A mentor, selected from among senior staff, will advise and support the efforts of the young professional during the period of his/her orientation and appointment.

## **RBM and quality assurance**

33. The presentation of the various programmes and programme components in the programme and budgets 2008-2009 continues to apply the RBM format pioneered in the programme and budgets 2006-2007. Thus, each programme and programme component has been given a clear and succinct objective, and a list of projected outcomes with associated performance indicators. The outputs produced by UNIDO to achieve these outcomes are also clearly described. In a further refinement of the use of the RBM methodology, sources of verification for the indicators used have been identified and explicitly stated. Moreover, the use of the RBM framework has now also been extended to the section dealing with the RPTC. By adopting this measured and gradual approach to widening and deepening the use of RBM principles and practices in the framing of its programme and budgets, UNIDO will ensure that the development of the monitoring and reporting infrastructure required to apply the RBM methodology effectively, keeps pace with the demands placed upon it.

34. While continuing to refine its own approaches towards the further adoption of RBM principles and practices in all operational areas, UNIDO will also contribute to the recently initiated efforts to achieve a system-wide harmonization in the application of RBM among the various agencies of the United Nations.<sup>1</sup>

## **International Public Sector Accounting Standards**

35. The Programme for implementation of IPSAS follows a decision by the Board providing in principle agreement to adopt IPSAS at UNIDO by 1 January 2010. The Standards represent international best practice for public sector and not-for-profit organizations accounting. Adoption of IPSAS is a significant step forward to improving the quality, transparency, consistency and comparability of financial reporting within the United Nations system. In fact, the Panel of External Auditors of the United Nations, the Specialized Agencies and IAEA considers the adoption of IPSAS as a significant step forward to improving the quality, consistency and comparability of financial reporting within the United Nations system.

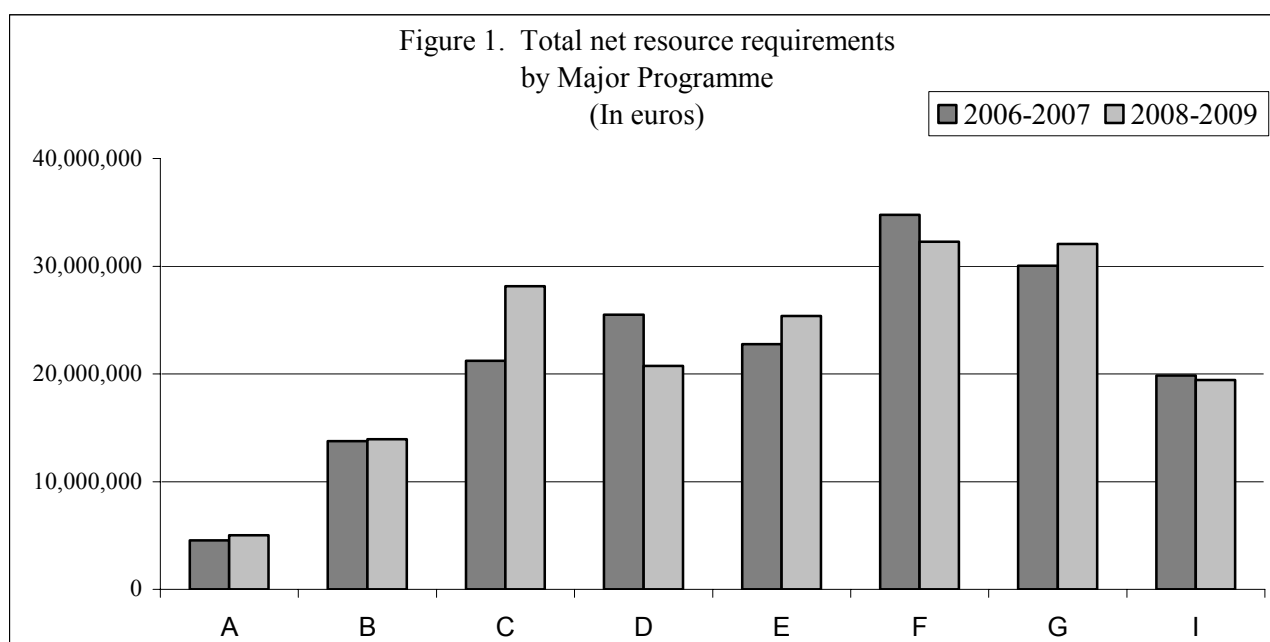
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<sup>1</sup> United Nations Joint Inspection Unit, Results-based management in the United Nations in the context of the reform process, report No. JIU/REP/2006/6, Geneva, 2006.

36. The Programme includes a wide range of activities described in a separate programme G.6 under Major Programme G: Support Services and General Management. The resources required for the Programme amounting to €1,150,800 have been presented separately in the biennium 2008-2009 to monitor and control the transition to IPSAS within the RBM framework with self-contained outcomes and performance indicators.

### Comparison with the previous biennium by Major Programme

37. The comparison between the current biennium and the estimated requirements for the biennium 2008-2009 is based on 2006-2007 cost levels, as explained below. Most Major Programmes show a small increase in absolute terms due to the higher operational budget. The particulars of each major programme are presented in the following analysis:



#### Major Programme A

38. The resource level of Major Programme A (Policy-making Organs) shows an overall increase from 2.6 percent to 2.8 percent of total net resources. The increase is mainly contributable to a higher volume in translation costs as compared to 2006-2007.

#### Major Programme B

39. The proportion of total resources devoted to the six programmes of Major Programme B in the programme and budgets for 2008-2009 is expected to experience a slight decline to 7.7 percent, from 7.9 per cent for the corresponding programmes in the programme and budgets 2006-2007. The principle cause for this modest decline in overall terms has been a downward readjustment in the resources devoted to programme B.3 on evaluation, from 1 per cent of the total budgetary resources to 0.8 per cent, and programme B.6 on internal oversight, from 0.9 percent to 0.8 per cent. This responds to the findings and recommendations of a report issued in early 2006 by the Joint Inspection Unit (JIU) of the United Nations System, which suggested that resources allocated to these functions by UNIDO exceeded the range recommended by the JIU.<sup>2</sup> Programmes B.2 and B.4 are new, and as explained above have been established in accordance with the need for increased strategic involvement in the

<sup>2</sup> United Nations Joint Inspection Unit, Oversight Lacunae in the United Nations System, Report No. JIU/REP/2006/2, Geneva, 2006.



reform process for the system and the call by Member States for UNIDO to increase its public advocacy activities. The resources given to Programme B.5, Legal Services, are broadly in line with those given to the programme in 2006-2007, when it was attached to Major Programme G.

### ***Major Programmes C, D, and E***

40. At 41.5 per cent, the combined share of resources devoted to these three major programmes in the programme and budget 2008-2009 significantly exceeds the allocation of resources to the three corresponding major programmes in the programme and budgets 2006-2007, which amounted to 40.1 per cent. Shifts in the resource levels of individual Major Programmes within this set, which show increased shares for the major programmes dealing with poverty reduction through productive activities as well as energy and environment, and a decline in the resources allocated to the Major Programme dealing with trade capacity-building reflect primarily a restructuring of the programme components of these various Major Programmes.

### ***Major Programme F***

41. The share of resources allocated to Major Programme F has been reduced between the programme and budgets for 2006-2007 and 2008-2009, from 20.7 per cent to 18.9 per cent. This is largely due to a reduction in the share of resources allocated for Programme F.1, Industrial Research and Statistics, and in particular for the sub-component F.1.1, Strategic Research. This reflects an effort to mainstream part of the research function into the programme components carried out under Major Programmes C to E, in order to provide the required analytical and conceptual underpinnings for developing technical cooperation programmes with greater impact. As a result, only upstream strategic research activities have been retained under Major Programme F. The share of resources devoted to programme F.2, Special Programmes, has also declined to 3.7 per cent from 4.8 per cent in the programme and budgets 2006-2007, as the implementation of these activities has similarly been mainstreamed into the technical cooperation activities carried out under Major Programmes C to E, with only the tasks of conceptualizing and coordinating programme development retained in programme F.2. By contrast, the share of resources devoted to Programmes F.3 and F.4, which are related to managing and supporting the field network, has increased in line with the expansion of the field network itself.

### ***Major Programme G***

42. The resources earmarked for Major Programme G have remained almost unchanged, with the exception of additional resources requested for Programme G.6 related to preparations for the introduction of IPSAS.

### ***Major Programme H***

43. The gross expenditure budget for Buildings Management Services shows a reduction by some €5.1 million; this is on account of lesser activities financed exclusively by one Organization or by contributors other than the VIC-based Organizations. The cost-shared expenses remained at the same level as during 2006-2007. The contribution of UNIDO to the normally cost-shared activities of Buildings Management is decreased by 11 per cent or €876,700.

### ***Major Programme I***

44. Indirect costs show a reduction by €0.4 million. This became mostly possible through a reduced contribution level to the Security and Safety Service as well as reduced costs under Joint Communication Services.

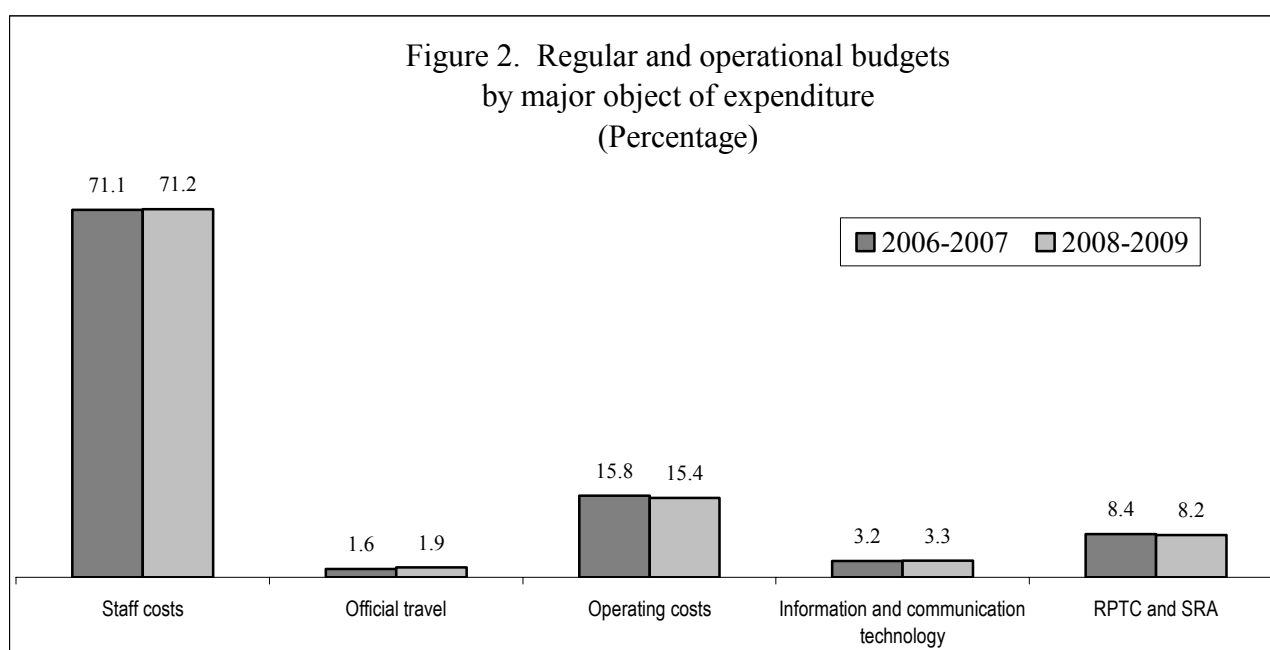
### **Others**

#### **Regular Programme for Technical Cooperation and Special Resources for Africa**

45. As in the biennium 2006-2007, the entire volume of the funds dedicated to the RPTC will be freely programmable in 2008-2009. In accordance with the priority accorded to Africa by the international development agenda and by UNIDO itself, however, it has been again decided to retain the Special Resources for Africa (SRA) as a separate budget line to fund programme activities in Africa. This will be funded at the same level as in the 2006-2007 biennium. Programmatic details are provided in a separate chapter entitled “Special Resources for Africa” towards the end of the present document.

#### **Changes by major object of expenditure**

46. The composition of the budgets remains almost the same as far as the relative share of the various major objects of expenditure is concerned.



#### **Changes in the post structure**

47. The total number of posts has been increased by 22.25. Details of the composition of posts are presented in table 5 and annex C.

48. There has been a net increase of five posts at the Director-level. This figure results from the upgrading of four P-5 posts in the field representation, the creation of two new posts at Headquarters and the abolition of one D-1 post. The total increase of Director-level and PS (P-2/P-3) posts is offset by a reduction of 9 posts in the P-4 and P-5 level. The increase in the total number of Professional posts of 17 is due to ten newly created YP (Young Professional) posts at Headquarters and seven National Programme Officer posts in the field.

49. The increase of posts in the General Service category of 5.25 results from the creation of new posts and the conversion of partial posts (0.5 or 0.75) to full-time.

## **Operating costs**

50. Owing to the separate major programme for indirect costs, the resource requirements of the various programmes do not show a large component under “operating costs”. Those remaining elements, such as printing, public information services, or translation that have a direct impact on the relevant programmes have been tabulated as operating costs.

## **III. BUDGET FRAMEWORK**

### **Financing of the regular budget**

51. The following analysis is presented at 2008-2009 costs, i.e. including the elements of revaluation and recosting.

52. The net requirements under the regular budget, which are financed by assessed contributions payable by Member States, have been budgeted at the level of zero-real growth and the one-time cost of the adoption of the International Public Sector Accounting Standards. Total gross expenditures (€162,280,475) are reduced by an anticipated income (€5,015,000), and the resulting amount of €157,265,475 constitutes the net requirements.

53. Estimated income falls under two categories: (a) cost reimbursement for field offices and (b) miscellaneous income. The latter category includes income from sales publications, interest earned on surplus funds and other sundry items for which details are provided in a separate section. Projected income is at a higher level than in the previous biennium, since investment returns are predicted to be more favourable than in 2006-2007. Cost reimbursement for field offices has been calculated based on actual data for 2006 and expected collections during 2007.

### **Financing of the operational budget**

54. Total gross expenditures under the operational budget (€22,759,077) are similarly reduced by income (€619,200). The resulting net requirements (€22,139,877) are financed from the reimbursement of support costs pertaining to technical cooperation and other services. Details related to technical cooperation delivery and support cost income estimates are shown in tables 1 and 2(b). The 2006-2007 technical cooperation delivery estimates were originally calculated on the basis of US\$ 1 = €0.8103. Revalued to the exchange rate applied in the present document (US\$ 1 = €0.801), the 2006-2007 delivery estimates amount to €183 million. The projected level for 2008-2009 amounts to €204.9 million.

55. The estimated level of support cost income shows an increase when compared with estimates for the previous biennium. This increase is attributable to the higher projected technical cooperation delivery estimates.

56. Miscellaneous income earned under the operational budget falls under the same categories as that of the regular budget and is subject to the same considerations.

### **Estimated level of service delivery**

57. Similar to the practice introduced in the programme and budgets for the biennium 1998-1999 and followed ever since, technical cooperation estimates funded from extrabudgetary sources are presented at the relevant programme level. This methodology allows the presentation of total available resources for the delivery of the services.

58. The total estimated level of technical cooperation in the biennium 2008-2009 amounts to €204,915,000 (excluding RPTC). This represents an increase over the estimated level applied for the biennium 2006-2007 (€183,002,255 after revaluation at US\$ 1 = €0.801).

### **Development of budget estimates**

59. In accordance with financial regulation 3.3, the budgetary estimates for the regular and operational budgets are presented separately at all programme levels. Similar to previous bienniums, comparisons between the bienniums 2006-2007 and 2008-2009 are shown at the same cost levels as the biennial budget for 2006-2007. The budget estimates for the biennium 2008-2009 are then adjusted (recosted) to take into account the impact of inflation and other cost adjustments.

60. For the development of the budgetary estimates for the biennium 2008-2009, the following elements have been taken into consideration:

- (a) Approved budgets for 2006-2007;
- (b) Adjustments to the approved 2006-2007 budgets to allow comparison;
- (c) Resource requirements for 2008-2009 at 2006-2007 rates;
- (d) Inflation and other cost adjustments.

### **Approved budgets for 2006-2007 as the budget base**

61. The programme and budgets for the biennium 2006-2007, as contained in document GC.11/11 and approved by the General Conference in decision GC.11/Dec.18, paragraph (c), detailed the resource requirements to implement the programmes of the Organization for the biennium 2006-2007. In line with that document, the budgets for the biennium 2006-2007 represent, under the regular budget, a net amount of €150,785,600 and €19,859,720 under the operational budget.

62. The General Conference, in decision GC.11/Dec.18, paragraph (d), approved an amount of €150,785,600 as the level of assessed contributions for 2006-2007.

63. In order to allow comparison at both the programme and objects of expenditure levels, the resource levels, as presented and approved in document GC.11/11, have been used as the comparative base for the resource requirements for 2008-2009.

### **Adjustments to the budget base**

64. The budget base has been restated to reflect the changes in the programmatic structure as summarized earlier and hence it allows for a meaningful comparison of resource requirements for 2008-2009 with those of 2006-2007. The adjustments to the base were limited to re-coding the approved resources in accordance with the new programme structure.

### **Resource requirements for 2008-2009 at 2006-2007 rates**

65. The net regular budget estimates for the biennium 2008-2009 consist of the zero growth net amount of €150,785,600 and the one-time cost of the IPSAS adoption (€1,219,800, including the constitutional 6 per cent RPTC component), in a total amount of €152,005,400.

66. The net operational budget estimates of €21,230,277 represent an increase of €1,370,557 or 6.9 per cent in real terms, i.e. at 2006-2007 cost levels. The increase in the overall support cost reimbursement level results from the increased delivery expected as mentioned earlier.

67. The vacancy factors assumed in the budgets for the biennium 2008-2009 remained the same as in the budgets for 2006-2007, i.e. 5 per cent for Professional-level and 3 per cent for General Service-level posts. These assumptions reflect the reduced financial requirements of a post due to a period of vacancy during the recruitment process.

### **Inflation and other cost adjustments**

68. The application of inflation and other cost adjustments to the 2008-2009 estimates (expressed at 2006-2007 rates) results in a recosting of these estimates to 2008-2009 rates.

69. This process consists of two steps. First, the resource requirements expressed at 2006-2007 rates are recosted to reflect the actual cost structures of 2006-2007. In the second step, the requirements are further adjusted in line with expected cost increases for 2008 and 2009.

70. The increase in financial requirements for 2008-2009 is attributable to anticipated changes in the consumer price and wage index levels in Austria and field locations, and also to expected statutory changes in salary and common staff costs for staff on established posts, which the Organization is obliged to implement in full.

71. Projections have been made to standard salary costs for the biennium 2008-2009 as per the category of duty stations reflecting the following anticipated cost increases.

72. In Vienna, for Professional-level salaries, the outcome of the last place-to-place cost-of-living survey, conducted by the International Civil Service Commission (ICSC, a body reporting to the United Nations General Assembly) in October 2005, has been taken into account with an implementation date of 1 April 2006. The impact of the resulting revision of the post adjustment factor for Vienna, which takes place once in every five years, amounted to some 3.6 per cent in 2006 and is reflected in the revaluation of the standard rates used in the costing of posts in the 2006-2007 approved budget estimates. Furthermore, based on information received from the ICSC, an increase of 1.6 per cent in the post adjustment index together with step increments of 0.7 per cent and merit promotions of 0.2 per cent are assumed for 2007 and are also reflected in the revaluation of 2007 standard rates. In 2008, increases in the post adjustment index of 1.2 per cent and step increments of 0.7 per cent are expected. In 2009, increases in the post adjustment index of 1.3 per cent, step increments of 0.7 per cent and merit promotions of 0.2 per cent are assumed. In other duty stations, estimates for salary increases have been calculated on the basis of post adjustment indices projected by the ICSC and expected step increments.

73. For General Service staff in Vienna, the salary increase is projected, based on published official index forecasts, at a level of 2.8 per cent per annum, comprising an average increase of 2.2 per cent per annum as a result of average consumer price and wage index increases and 0.6 per cent due to in-grade increments and merit promotions. Estimates for salary increases in other duty stations have been calculated on the basis of projected average consumer price and wage indices increases together with step increments.

74. The level of common staff costs has been estimated at an average 55.5 per cent (56.5 per cent in 2006-2007) of net Professional salaries and 30.5 per cent (32.3 per cent in 2006-2007) of General Service salaries for 2008-2009.

75. The inflation rate for various non-staff objects of expenditure such as utilities, maintenance and supplies is based on forecasts of price index movements by the Austrian Institute for Economic Research, or on assumed inflation trends at the locations of field offices.

76. The average rate for net cost increases in the biennium 2008-2009 is 1.89 per cent per annum. Under the regular budget, the net amount required for recosting is €5,260,075, which compares favourably with the requirements of €5,893,056 included in the 2006-2007 regular budget.

#### **Budgeting for non-euro expenditures**

77. The Organization prepares and presents its budget in one currency only, i.e. the euro. However, some 10 to 15 per cent of expenditures remain in other currencies, mainly in United States dollars. In order to estimate the required budgetary amounts in euros, the January to December 2006 average United Nations euro/dollar exchange rate, i.e. €1 = US\$ 0.801, has been applied to those items. The same rate will be used to determine the transfers to or from the special reserve for exchange rate gains and losses.

Table 1

Summary of budget estimates by Major Programme for 2008-2009  
for total operations

(In euros, at 2008-2009 costs)

Major Programme	Regular budget (net)	Operational budget (net)	Technical cooperation (extrabudgetary)	Total net estimates	Percent of total estimates
A. Policy-making Organs	5,242,810			5,242,810	1.4%
B. Executive Direction and Strategic Management	13,928,850	273,800		14,202,650	3.7%
C. Poverty Reduction through Productive Activities	24,744,613	4,199,520	45,818,000	74,762,133	19.3%
D. Trade Capacity-building	17,317,644	4,076,470	37,905,000	59,299,114	15.3%
E. Energy and Environment	21,809,472	4,247,055	111,450,000	137,506,527	35.4%
F. Cross-cutting Programmes & Country-level Coherence	28,029,196	5,443,632	9,742,000	43,214,828	11.1%
G. Support Services and General Management	28,645,600	4,518,600		33,164,200	8.5%
H. Buildings Management					0.0%
I. Indirect Costs	20,657,390			20,657,390	5.3%
Miscellaneous Income	(3,110,100)	(619,200)		(3,729,300)	
<b>Total net requirements</b>	<b>157,265,475</b>	<b>22,139,877</b>	<b>204,915,000</b>	<b>384,320,352</b>	<b>100.0%</b>

Total volume of operations in 2008-2009  
by Major Programme  
(including technical cooperation)

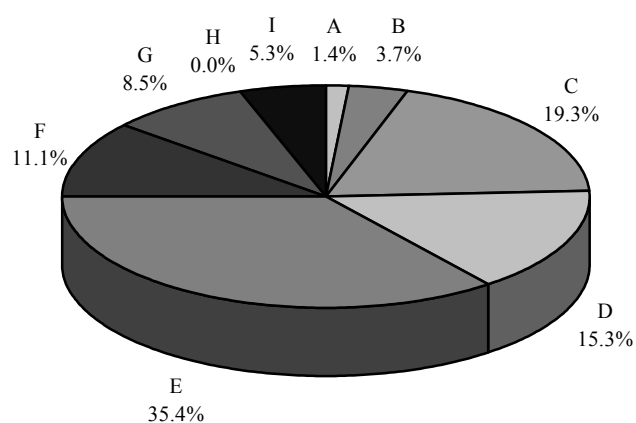


Table 2(a)

**Summary of regular and operational budgets**  
(Excluding Major Programme H, Buildings Management)  
(In euros)

	2006-2007 approved budget a/ 1	2008-2009 resource growth at 2006-2007 rates 2	2008-2009 resource requirements at 2006-2007 rates 3	Recosting to 2008-2009 rates 4	2008-2009 resource requirements at 2008-2009 rates 5
<b>Regular budget</b>					
Expenditures	154,009,900	2,817,400	156,827,300	5,453,175	162,280,475
Income	(3,224,300)	(1,597,600)	(4,821,900)	(193,100)	(5,015,000)
Net requirements	150,785,600	1,219,800	152,005,400	5,260,075	157,265,475
<b>Operational budget</b>					
Expenditures	20,174,920	1,674,557	21,849,477	909,600	22,759,077
Income	(315,200)	(304,000)	(619,200)		(619,200)
Net requirements	19,859,720	1,370,557	21,230,277	909,600	22,139,877
<b>Total regular and operational budgets</b>	<b>170,645,320</b>	<b>2,590,357</b>	<b>173,235,677</b>	<b>6,169,675</b>	<b>179,405,352</b>
<b>Rate of real growth (net)</b>					
Regular budget		0.8%			
Operational budget		6.9%			
Combined		1.5%			

a/ Reflects budget adjustments to the base.

Table 2(b)

**Technical cooperation delivery and support cost income estimates**  
(Excluding Regular Programme activities)  
(In euros)

	2006-2007 Delivery	Support cost income	2006-2007 Delivery (revalued a/)	2008-2009 b/ Delivery	Support cost income
UNDP - Main programme	8,973,000	897,300	8,870,015	2,003,000	200,250
Industrial Development Fund	25,110,000	3,264,300	24,821,807	30,663,000	3,988,179
Montreal Protocol	49,590,000	6,398,100	49,020,844	43,134,000	5,961,443
Global Environment Facility	42,490,000	3,186,700	42,002,332	39,684,000	3,171,960
Trust funds and others	58,964,000	5,588,000	58,287,257	89,431,000	8,320,868
Technical Services		525,120			497,300
<b>Total</b>	<b>185,127,000</b>	<b>19,859,520</b>	<b>183,002,255</b>	<b>204,915,000</b>	<b>22,140,000</b>

a/ Original estimate revalued with US\$ 1 = €0.801, the January to December 2006 average United Nations exchange rate.

b/ Calculated with US\$ 1 = €0.801, the January to December 2006 average United Nations exchange rate.



Table 3

Proposed expenditure and income  
by Major Programme for 2008-2009 with comparative data for 2006-2007  
(In euros)

Major Programme	2006-2007 approved budget a/ 1	2008-2009 resource growth at 2006-2007 rates 2	2008-2009 resource requirements at 2006-2007 rates 3	Recosting to 2008-2009 rates 4	2008-2009 resource requirements at 2008-2009 rates 5
<b><u>I. Regular and operational budgets</u></b>					
A. Policy-making Organs	4,554,090	475,520	5,029,610	213,200	5,242,810
Net requirements	4,554,090	475,520	5,029,610	213,200	5,242,810
B. Executive Direction and Strategic Management	13,771,030	163,120	13,934,150	268,500	14,202,650
C. Poverty Reduction through Productive Activities	21,273,415	6,928,963	28,202,378	798,955	29,001,333
Income	(57,900)	6,400	(51,500)	(5,700)	(57,200)
Net requirements	21,215,515	6,935,363	28,150,878	793,255	28,944,133
D. Trade Capacity-building	25,622,493	(4,786,339)	20,836,154	677,160	21,513,314
Income	(114,700)	7,500	(107,200)	(12,000)	(119,200)
Net requirements	25,507,793	(4,778,839)	20,728,954	665,160	21,394,114
E. Energy and Environment	22,925,363	2,607,009	25,532,372	701,205	26,233,577
Income	(152,900)	(6,250)	(159,150)	(17,900)	(177,050)
Net requirements	22,772,463	2,600,759	25,373,222	683,305	26,056,527
F. Cross-cutting Progs & Country-Level Coherence	36,123,958	(2,468,585)	33,655,373	1,368,905	35,024,278
Income	(1,360,400)	(33,550)	(1,393,950)	(157,500)	(1,551,450)
Net requirements	34,763,558	(2,502,135)	32,261,423	1,211,405	33,472,828
G. Support Services and General Management	30,049,600	2,013,650	32,063,250	1,100,950	33,164,200
H. Buildings Management	57,163,720	(5,122,250)	52,041,470	4,886,400	56,927,870
Income	(57,163,720)	5,122,250	(52,041,470)	(4,886,400)	(56,927,870)
Net requirements					
I. Indirect Costs	19,864,871	(441,381)	19,423,490	1,233,900	20,657,390
Miscellaneous Income	(1,853,600)	(1,875,700)	(3,729,300)		(3,729,300)
<b>Total regular and operational budgets</b>	<b>170,645,320</b>	<b>2,590,357</b>	<b>173,235,677</b>	<b>6,169,675</b>	<b>179,405,352</b>

(Continued next page)

Table 3 (continued)  
Proposed expenditure and income  
by Major Programme for 2008-2009 with comparative data for 2006-2007  
(In euros)

Major Programme	2006-2007 approved budget a/ 1	2008-2009 resource growth at 2006-2007 rates 2	2008-2009 resource requirements at 2006-2007 rates 3	Recosting to 2008-2009 rates 4	2008-2009 resource requirements at 2008-2009 rates 5
<b>2. Regular budget</b>					
A. Policy-making Organs	4,554,090	475,520	5,029,610	213,200	5,242,810
Net requirements	4,554,090	475,520	5,029,610	213,200	5,242,810
B. Executive Direction and Strategic Management	13,502,030	163,120	13,665,150	263,700	13,928,850
C. Poverty Reduction through Productive Activities	18,634,990	5,586,703	24,221,693	580,120	24,801,813
Income	(57,900)	6,400	(51,500)	(5,700)	(57,200)
Net requirements	18,577,090	5,593,103	24,170,193	574,420	24,744,613
D. Trade Capacity-building	20,980,818	(4,055,154)	16,925,664	511,180	17,436,844
Income	(114,700)	7,500	(107,200)	(12,000)	(119,200)
Net requirements	20,866,118	(4,047,654)	16,818,464	499,180	17,317,644
E. Energy and Environment	19,835,953	1,615,834	21,451,787	534,735	21,986,522
Income	(152,900)	(6,250)	(159,150)	(17,900)	(177,050)
Net requirements	19,683,053	1,609,584	21,292,637	516,835	21,809,472
F. Cross-cutting Progs & Country-level Coherence	30,904,148	(2,495,992)	28,408,156	1,172,490	29,580,646
Income	(1,360,400)	(33,550)	(1,393,950)	(157,500)	(1,551,450)
Net requirements	29,543,748	(2,529,542)	27,014,206	1,014,990	28,029,196
G. Support Services and General Management	25,733,000	1,968,750	27,701,750	943,850	28,645,600
H. Buildings Management	57,163,720	(5,122,250)	52,041,470	4,886,400	56,927,870
Income	(57,163,720)	5,122,250	(52,041,470)	(4,886,400)	(56,927,870)
Net requirements					
I. Indirect Costs	19,864,871	(441,381)	19,423,490	1,233,900	20,657,390
Miscellaneous Income	(1,538,400)	(1,571,700)	(3,110,100)		(3,110,100)
<b>Total regular budget</b>	<b>150,785,600</b>	<b>1,219,800</b>	<b>152,005,400</b>	<b>5,260,075</b>	<b>157,265,475</b>
<b>3. Operational budget</b>					
Net requirements					
B. Executive Direction and Strategic Management	269,000		269,000	4,800	273,800
C. Poverty Reduction through Productive Activities	2,638,425	1,342,260	3,980,685	218,835	4,199,520
Net requirements	2,638,425	1,342,260	3,980,685	218,835	4,199,520
D. Trade Capacity-building	4,641,675	(731,185)	3,910,490	165,980	4,076,470
Net requirements	4,641,675	(731,185)	3,910,490	165,980	4,076,470
E. Energy and Environment	3,089,410	991,175	4,080,585	166,470	4,247,055
Net requirements	3,089,410	991,175	4,080,585	166,470	4,247,055
F. Cross-cutting Progs & Country-level Coherence	5,219,810	27,407	5,247,217	196,415	5,443,632
Net requirements	5,219,810	27,407	5,247,217	196,415	5,443,632
G. Support Services and General Management	4,316,600	44,900	4,361,500	157,100	4,518,600
Net requirements					
Miscellaneous Income	(315,200)	(304,000)	(619,200)		(619,200)
<b>Total operational budget</b>	<b>19,859,720</b>	<b>1,370,557</b>	<b>21,230,277</b>	<b>909,600</b>	<b>22,139,877</b>

a/ Reflects budget adjustments to the base.

Table 4

Proposed expenditure and income  
by major object of expenditure for 2008-2009 with comparative data for 2006-2007  
(Excluding Major Programme H, Buildings Management)  
(In euros)

Major Programme	2006-2007 approved budget a/ 1	2008-2009 resource growth at 2006-2007 rates 2	2008-2009 resource requirements at 2006-2007 rates 3	Recosting to 2008-2009 rates 4	2008-2009 resource requirements at 2008-2009 rates 5
<b>1. Regular and operational budgets</b>					
1 Staff costs	123,691,620	3,725,535	127,417,155	3,569,375	130,986,530
2 Official travel	2,847,750	482,470	3,330,220	195,700	3,525,920
3 Operating costs	27,465,471	(546)	27,464,925	2,064,000	29,528,925
4 Information and communication technology	5,600,150	215,450	5,815,600	214,700	6,030,300
5 RPTC and Special Resources for Africa	14,579,829	69,048	14,648,877	319,000	14,967,877
Income	(3,539,500)	(1,901,600)	(5,441,100)	(193,100)	(5,634,200)
<b>Total net regular and operational budgets</b>	<b>170,645,320</b>	<b>2,590,357</b>	<b>173,235,677</b>	<b>6,169,675</b>	<b>179,405,352</b>
<b>2. Regular budget</b>					
1 Staff costs	104,050,120	2,006,935	106,057,055	2,694,875	108,751,930
2 Official travel	2,847,750	482,470	3,330,220	195,700	3,525,920
3 Operating costs	26,932,051	43,497	26,975,548	2,028,900	29,004,448
4 Information and communication technology	5,600,150	215,450	5,815,600	214,700	6,030,300
5 RPTC and Special Resources for Africa	14,579,829	69,048	14,648,877	319,000	14,967,877
Income	(3,224,300)	(1,597,600)	(4,821,900)	(193,100)	(5,015,000)
<b>Total net regular budget</b>	<b>150,785,600</b>	<b>1,219,800</b>	<b>152,005,400</b>	<b>5,260,075</b>	<b>157,265,475</b>
<b>3. Operational budget</b>					
1 Staff costs	19,641,500	1,718,600	21,360,100	874,500	22,234,600
3 Operating costs	533,420	(44,043)	489,377	35,100	524,477
Income	(315,200)	(304,000)	(619,200)		(619,200)
<b>Total net operational budget</b>	<b>19,859,720</b>	<b>1,370,557</b>	<b>21,230,277</b>	<b>909,600</b>	<b>22,139,877</b>

a/ Reflects budget adjustments to the base.

Table 5

Posts established under the regular and operational budgets  
2006-2007 and 2008-2009  
(Excluding Major Programme H, Buildings Management)

**A. Total UNIDO**

	2006-2007			2008-2009			Increase/ decrease
	RB	OB	Total	RB	OB	Total	
<u>Professional and above</u>							
Director-General	1.0	-	1.0	1.0	-	1.0	-
Director	31.0	4.0	35.0	33.0	7.0	40.0	5.0
P-5	67.0	13.0	80.0	59.0	13.0	72.0	-8.0
P-4	68.0	9.0	77.0	68.0	8.0	76.0	-1.0
PS (P-2/P-3)	71.0	9.0	80.0	74.0	10.0	84.0	4.0
YP (P-1)	-	-	-	6.0	4.0	10.0	10.0
NP (National Programme Officer)	4.0	21.0	25.0	10.0	22.0	32.0	7.0
<b>Subtotal</b>	<b>242.0</b>	<b>56.0</b>	<b>298.0</b>	<b>251.0</b>	<b>64.0</b>	<b>315.0</b>	<b>17.0</b>
General Service	235.50	70.00	305.50	241.75	69.00	310.75	5.25
<b>GRAND TOTAL</b>	<b>477.50</b>	<b>126.00</b>	<b>603.50</b>	<b>492.75</b>	<b>133.00</b>	<b>625.75</b>	<b>22.25</b>

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

	2006-2007			2008-2009			Increase/ decrease
	RB	OB	Total	RB	OB	Total	
<u>Professional and above</u>							
Director-General	1.0	-	1.0	1.0	-	1.0	-
Director	24.0	1.0	25.0	25.0	1.0	26.0	1.0
P-5	54.0	7.0	61.0	47.0	8.0	55.0	-6.0
P-4	64.0	8.0	72.0	62.0	7.0	69.0	-3.0
PS (P-2/P-3)	70.0	8.0	78.0	72.0	9.0	81.0	3.0
YP (P-1)	-	-	-	6.0	4.0	10.0	10.0
NP (National Programme Officer)	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>213.0</b>	<b>24.0</b>	<b>237.0</b>	<b>213.0</b>	<b>29.0</b>	<b>242.0</b>	<b>5.0</b>
General Service	193.50	52.00	245.50	197.75	52.00	249.75	4.25
<b>GRAND TOTAL</b>	<b>406.50</b>	<b>76.00</b>	<b>482.50</b>	<b>410.75</b>	<b>81.00</b>	<b>491.75</b>	<b>9.25</b>

**C. Field Offices**

	2006-2007			2008-2009			Increase/ decrease
	RB	OB	Total	RB	OB	Total	
<u>Professional and above</u>							
Director	7.0	3.0	10.0	8.0	6.0	14.0	4.0
P-5	13.0	6.0	19.0	12.0	5.0	17.0	-2.0
P-4	4.0	1.0	5.0	6.0	1.0	7.0	2.0
PS (P-2/P-3)	1.0	1.0	2.0	2.0	1.0	3.0	1.0
YP (P-1)	-	-	-	-	-	-	-
NP (National Programme Officer)	4.0	21.0	25.0	10.0	22.0	32.0	7.0
<b>Subtotal</b>	<b>29.0</b>	<b>32.0</b>	<b>61.0</b>	<b>38.0</b>	<b>35.0</b>	<b>73.0</b>	<b>12.0</b>
General Service	42.0	18.0	60.0	44.0	17.0	61.0	1.0
<b>GRAND TOTAL</b>	<b>71.0</b>	<b>50.0</b>	<b>121.0</b>	<b>82.0</b>	<b>52.0</b>	<b>134.0</b>	<b>13.0</b>

## MAJOR PROGRAMME A: POLICY-MAKING ORGANS

### General description

A.1. The Major Programme comprises two programmes: A.1 Meetings of the Policy-making Organs, and A.2 Policy-making Organs Secretariat and Member Relations. The Member States are the main constituency of the Major Programme. Recent years have been characterized by special events preceding regular sessions and side events held in parallel with sessions, and by the presence of Heads of State and other dignitaries. These and other trends have enhanced the participatory process and encourage Member States at a very high level to share their views concerning the context within which UNIDO offers its services.

### Overall objective

A.2 The objective of the Major Programme is to provide the framework for determining the guiding principles, policies, priorities and budgetary resources of the Organization, and to ensure close and well-coordinated contacts and consultations with Governments.

### Resources

#### Resource estimates (in euros)

Posts			2008-2009 estimates (after recosting)		
Professional	General Service	Total	Regular budget	Operational budget	Total
<b>4.00</b>	<b>4.00</b>	<b>8.00</b>	Staff costs	1,665,500	1,665,500
			Consultants	20,800	20,800
			Official travel	10,100	10,100
			Operating costs	3,546,410	3,546,410
			<b>Total gross expenditure</b>	<b>5,242,810</b>	<b>5,242,810</b>
			<b>Total net resources</b>	<b>5,242,810</b>	<b>5,242,810</b>

### By programme

	Posts		Regular and operational budgets	Technical cooperation (extrabudgetary)	TOTAL
	P	GS			
A.1. Meetings of the Policy-Making organs			3,610,680		3,610,680
A.2. PMO Secretariat and Member relations	4.00	4.00	1,632,130		1,632,130
<b>A. Total major programme</b>	<b>4.00</b>	<b>4.00</b>	<b>5,242,810</b>		<b>5,242,810</b>

## Programme A.1: Meetings of the Policy-making Organs

### General description

A.3 The Programme serves the policy-making organs of the Organization. As provided for in Chapter II of the Constitution, these policy-making organs comprise:

- (a) The General Conference, the supreme policy-making organ of UNIDO under Article 7.1 of the Constitution, which determines the guiding principles and policies of the Organization;
- (b) The Industrial Development Board, which oversees and reviews the activities of the Organization between sessions of the General Conference in accordance with Article 9 of the Constitution, and reports to the General Conference on its work;
- (c) The Programme and Budget Committee, which is required by Article 7.2 of the Constitution to assist the Industrial Development Board in the preparation and examination of the Organization's programme of work, its regular and operational budgets, and other financial matters pertaining to the Organization, as indicated in Article 10.4 of the Constitution.

A.4 The Programme responds to the mandate as spelled out in the Constitution and the rules of procedure of the policy-making organs. It provides and arranges for the necessary infrastructure for the meetings of the principal and subsidiary bodies of UNIDO's policy-making organs intended to develop guidelines and policy directives for the Secretariat on the functions and activities of the Organization as set out under Article 2 of the Constitution, thereby discharging constitutional responsibilities. It assures that meetings are conducted in a timely, orderly and procedurally correct manner through authoritative advice and thorough preparations of the Secretariat.

### Objective

A.5. The objective of the Programme is to provide and arrange for the necessary infrastructure for the policy-making organs (General Conference, Industrial Development Board, Programme and Budget Committee), including regular and special sessions and a range of intersessional meetings.

### Resources

#### Resource estimates (in euros)

Posts			2008-2009 estimates (after recosting)		
Professional	General Service	Total	Regular budget	Operational budget	Total
<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	Staff costs	85,700	85,700
			Consultants	20,800	20,800
			Official travel	10,100	10,100
			Operating costs	3,494,080	3,494,080
			<b>Total gross expenditure</b>	<b>3,610,680</b>	<b>3,610,680</b>
			<b>Total net resources</b>	<b>3,610,680</b>	<b>3,610,680</b>

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Smooth and successful sessions of the policy-making organs: One session of the General Conference, three sessions of the Board, two sessions of the Programme and Budget Committee	<ul style="list-style-type: none"> <li>Resolutions, decisions and conclusions adopted by consensus</li> </ul>	<ul style="list-style-type: none"> <li>Reports of the sessions of the policy-making organs</li> <li>Analysing reports of the sessions of the policy-making organs</li> </ul>
Correct interaction among the respective policy-making organs	<ul style="list-style-type: none"> <li>Adoption by the Board of appropriate Programme and Budget Committee recommendations, and of appropriate Board recommendations by the General Conference</li> </ul>	

## Outputs

- Provision of the necessary infrastructure and services (translation, printing, conference facilities, interpretation) for the sessions of the policy-making organs.

### **Programme A.2: Policy-making Organs Secretariat and Member Relations**

#### **General description**

A.6. The policy-making organs are provided for in Chapter III of the Constitution, and the Secretariat of the Policy-making Organs ensures and coordinates the framework for their sessions. The Programme:

- Provides substantive, technical and logistical support to the policy-making organs (General Conference, Industrial Development Board, Programme and Budget Committee), and to other subsidiary bodies and working groups established by those organs;
- Provides advisory services to elected officers, including scenarios for presiding officers, and regional group chairpersons and to senior management regarding the steering of complex policy matters prior to and during sessions, including follow-up work, to ensure legislatively correct action;
- Reviews and edits pre-/in- and post-session documents issued to the sessions, ensuring adherence to standards and mandates, and maintains relevant material on the website.

A.7. As a focal point for liaison with Member and non-Member States, and intergovernmental and non-governmental organizations (IGOs and NGOs), the Programme establishes, maintains and monitors these official Secretariat contacts, also with regional groups and their chairpersons. In this context, it:

- Liases with Member States on all matters related to the policy-making organs;
- Conducts consultations with non-Member States to facilitate the process of becoming members of UNIDO, and with other entities eligible for participation in the governing bodies;
- Acts as focal point for IGOs requesting the establishment of relationship agreements with the Organization, as well as for NGOs requesting consultative status;

- (d) Provides a full range of support services to the Vienna Chapter of G-77 and China;
- (e) Reviews official correspondence from the Director-General and Managing Directors to high-level dignitaries and government officials, ensuring adherence to protocol and United Nations editorial standards.

## Objective

A.8. The objective of the Programme is to facilitate deliberations and decision-making of the policy-making organs and to maintain general external relations with Member States, Permanent Missions accredited to UNIDO, non-Member States, IGOs and NGOs, and regional groups.

## Resources

### Resource estimates (in euros)

Posts			2008-2009 estimates (after recosting)		
Professional	General Service	Total	Regular budget	Operational budget	Total
4.00	4.00	8.00			
			Staff costs	1,579,800	1,579,800
			Operating costs	52,330	52,330
			<b>Total gross expenditure</b>	<b>1,632,130</b>	<b>1,632,130</b>
			<b>Total net resources</b>	<b>1,632,130</b>	<b>1,632,130</b>

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Effective conduct of meetings of the policy-making organs through the provision of timely and high-quality support and authoritative advice	<ul style="list-style-type: none"> <li>Extent of satisfaction expressed by Member States with conduct of sessions and quality of advisory services rendered in that context</li> <li>Increased percentage of documents issued within mandated deadlines<sup>3</sup></li> </ul>	<ul style="list-style-type: none"> <li>Statements issued at the sessions of the policy-making organs</li> <li>Statistics on documents production</li> <li>Statements made by Member States at sessions of the policy-making organs or on other occasions</li> </ul>
Member States expressing satisfaction regarding quality of information and services provided	<ul style="list-style-type: none"> <li>Extent of satisfaction expressed by Member States with regard to quality of information and services provided</li> </ul>	

## Outputs

- Provision of advisory services to officers of the General Conference (one session), Industrial Development Board (three sessions), Programme and Budget Committee (two sessions), intersessional working groups and consultations with Member States;
- Issuance of notifications and documents for the above-mentioned sessions;

<sup>3</sup> Subject to timely submission of parliamentary documentation by the authors.



- Provision of protocol services to Member States, including accreditation of members of Permanent Missions to UNIDO;
- Provision of information and communication services (official correspondence with Member States and maintenance of policy-making organs material on UNIDO website).

## MAJOR PROGRAMME B: EXECUTIVE DIRECTION AND STRATEGIC MANAGEMENT

### General description

B.1. Within the scope of the constitutional objectives of UNIDO and pursuant to the decisions of the policy-making organs, the Major Programme provides effective strategic guidance as well as efficient operational and financial management of the Organization based on a process of continuous improvement through organizational learning. The Major Programme is further responsible for enhancing support for UNIDO among a wide range of the Organization's constituents through the dissemination of relevant knowledge and information. Specifically, the Major Programme serves to:

- (a) Provide overall strategic and policy direction for the activities of UNIDO;
- (b) Ensure the effective strategic positioning of UNIDO within the international development system by responding proactively to changes in the development agenda, and by maintaining close ties with Governments, inter-governmental organizations and United Nations system agencies, both at Headquarters and through offices in New York, Geneva and Brussels;
- (c) Enhance the efficiency and effectiveness of UNIDO's operations through the consistent application of results-based management (RBM) principles and of lessons learned from regular monitoring and evaluation of these operations;
- (d) Promote an awareness and understanding of UNIDO's role and relevance in the field of international development cooperation to sustain public support for the Organization;
- (e) Ensure that internal control mechanisms work efficiently and effectively through continuous and monitoring of all operations to ensure the optimal use of the available resources;
- (f) Further ensure that all operations of the Organization are conducted in accordance with its legal framework as provided for in its constitution and by its policy-making organs, as well as by rules and instructions of the Director-General.

### Overall objective

B.2. To ensure that efficient and effective strategies, policies and operational systems are well established, properly observed, continuously evaluated and improved, and successfully communicated to Member States, staff, United Nations system agencies and other constituencies and partners of UNIDO.

### Resources

#### Resource estimates (in euros)

Posts			2008-2009 estimates (after recosting)			
Professional	General Service	Total	Regular budget	Operational budget	Total	
<b>25.80</b>	<b>22.50</b>	<b>48.30</b>	Staff costs	11,622,970	273,800	11,896,770
			Consultants	278,640		278,640
			Meetings	190,600		190,600
			Official travel	798,140		798,140
			Operating costs	954,000		954,000
			Information and comm. techn.	84,500		84,500
			<b>Total gross expenditure</b>	<b>13,928,850</b>	<b>273,800</b>	<b>14,202,650</b>
			<b>Total net resources</b>	<b>13,928,850</b>	<b>273,800</b>	<b>14,202,650</b>

**By programme**

	Posts		Regular and operational budgets	Technical cooperation (extrabudgetary)	TOTAL
	P	GS			
B.1. Executive Direction	8.20	11.20	5,538,430		5,538,430
B.2. Strategic Planning & UN System Coordination	4.25	2.10	3,035,130		3,035,130
B.3. Evaluation	4.00	2.00	1,507,300		1,507,300
B.4. Public Advocacy	2.30	3.20	1,585,880		1,585,880
B.5. Legal Services	3.05	2.00	1,134,230		1,134,230
B.6. Internal Oversight	4.00	2.00	1,401,680		1,401,680
<b>B. Total major programme</b>	<b>25.80</b>	<b>22.50</b>	<b>14,202,650</b>		<b>14,202,650</b>

**Programme B.1: Executive Direction**

**General description**

B.3. In line with the constitutional objectives of UNIDO and the decisions of UNIDO's policy-making organs, the Programme provides the overall strategic and policy direction for the activities of UNIDO. It guides and coordinates the implementation of technical cooperation and global forum activities as well as administrative and financial processes and procedures.

B.4. The objective of the Programme is to carry out a number of interrelated management functions, specifically serving to:

- (a) Determine long-term organizational programme policies, priorities and strategies based on global trend analyses and coordinate the preparation of the Organization's medium-term programme framework and biennial programme and budgets;
- (b) Set organization policy and strategy on issues related to UNIDO's mandate and the coordination and integration of the Organization's response to those issues;
- (c) Continuously review the overall direction of the Organization in response to changes in its global environment and facilitate the establishment of effective and coordinated management systems to enable the Organization to adjust its operations accordingly;
- (d) Present UNIDO's vision and activities in policy debates particularly relevant to economic and social development;
- (e) Generate support from Member States for UNIDO activities through direct communication and dialogue;
- (f) Increase international understanding and appreciation of UNIDO and foster debate on UNIDO's activities;
- (g) Monitor service demand and organizational responses and especially with respect to integrated programmes; propose corrective action when required; take actions to overcome bottlenecks in the development of coherent management in the Organization;
- (h) Provide guidance and coordination for UNIDO's technical cooperation services and its global forum function, in particular its research and information activities, and ensure effective linkages between them.

## Objective

B.5. To ensure effective and efficient implementation of the above activities.

## Resources

### Resource estimates (in euros)

Posts			2008-2009 estimates (after recosting)		
Professional	General Service	Total	Regular budget	Operational budget	Total
<b>8.20</b>	<b>11.20</b>	<b>19.40</b>			
			Staff costs	4,663,730	4,663,730
			Consultants	119,600	119,600
			Meetings	169,400	169,400
			Official travel	561,200	561,200
			Operating costs	20,300	20,300
			Information and comm. techn.	4,200	4,200
			<b>Total gross expenditure</b>	<b>5,538,430</b>	<b>5,538,430</b>
			<b>Total net resources</b>	<b>5,538,430</b>	<b>5,538,430</b>

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Improved strategic direction, management and coordination of UNIDO's technical cooperation and global forum activities responding more clearly to the needs of Member States and the international development priorities	<ul style="list-style-type: none"> <li>Increased expression of recognition</li> <li>Increased funding of UNIDO activities</li> <li>Enhanced implementation rates</li> </ul>	<ul style="list-style-type: none"> <li>Legislative documents issued to PMOs, incl. annual report</li> <li>United Nations documents and reports</li> <li>UNIDO programme/project statistics showing joint activities</li> <li>Statements at IDB, PBC and GC</li> <li>Media reports in Member States</li> <li>Website hits</li> </ul>
Increased recognition of UNIDO activities and improved positioning of UNIDO in the United Nations system-wide policy debate, particularly in the context of the economic development function of the United Nations	<ul style="list-style-type: none"> <li>Increased number of references to UNIDO activities in United Nations documentation and resolutions</li> </ul>	
Enhanced visibility and positioning of UNIDO in international or multi-agency initiatives	<ul style="list-style-type: none"> <li>Increased number of joint activities with United Nations system agencies and other entities</li> </ul>	
Increased support from Member States for UNIDO's policies and activities	<ul style="list-style-type: none"> <li>Increased number of Member States expressing satisfaction with the services provided by UNIDO</li> </ul>	
Increased awareness of UNIDO activities by Member States through improved presentation of information about UNIDO activities	<ul style="list-style-type: none"> <li>References to UNIDO activities in speeches, papers, etc.</li> <li>Downloads from UNIDO's website</li> </ul>	

## Outputs

- Director-General's bulletins and administrative institutions;
- Medium-term programme framework;
- Programme and budget documents;
- Thematic publications;
- *Annual Report*;
- *Industrial Development Report*;
- RBM implementation report;
- Executive Board decisions.

## Programme B.2: Strategic Planning and United Nations System Coordination

### General description

B.6. In accordance with the constitutional mandate of UNIDO and the decisions of its policy-making organs, the Programme is responsible for developing and providing guidance on and support for the strategies, policies and priorities of the Organization and on the strategic positioning of UNIDO in the multilateral context and in the United Nations system.

B.7. The Programme also coordinates UNIDO participation and involvement in inter-governmental and inter-agency meetings and activities and provides operational guidance to the UNIDO Liaison Offices in New York, Geneva and Brussels, where activities are an integral element of this Programme.

### Objective

B.8. To develop and provide guidance on and support for the strategies, policies and priorities of the Organization and on the strategic positioning of UNIDO in the multilateral context and in the United Nations system.

### Resources

#### Resource estimates (in euros)

Posts			2008-2009 estimates (after recosting)		
Professional	General Service	Total	Regular budget	Operational budget	Total
4.25	2.10	6.35			
			Staff costs	2,368,930	2,368,930
			Consultants	60,200	60,200
			Meetings	21,200	21,200
			Official travel	116,400	116,400
			Operating costs	392,400	392,400
			Information and comm. techn.	76,000	76,000
			<b>Total gross expenditure</b>	<b>3,035,130</b>	<b>3,035,130</b>
			<b>Total net resources</b>	<b>3,035,130</b>	<b>3,035,130</b>

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
UNIDO is seen as a relevant and responsive organization providing valuable services to Member States	<ul style="list-style-type: none"> <li>• Alignment of organizational priorities and strategies to internationally agreed development goals and priorities of Member States</li> <li>• Contributions to intergovernmental and inter-agency discussions on issues of system-wide significance</li> <li>• Harmonization of administrative/management policies and practices with system</li> <li>• Communicating UNIDO activities</li> </ul>	<ul style="list-style-type: none"> <li>• Substantive content of UNIDO medium-term programme framework</li> <li>• Programme definition of UNIDO thematic priorities</li> <li>• Outcomes of and statements at IDB, PBC and GC</li> <li>• Outcomes of and statements at UNGA, ECOSOC and its subsidiary bodies and other intergovernmental events</li> <li>• Conclusions of inter-agency bodies, i.e., CEB and its High-level Committees and UNDG</li> </ul>
UNIDO is strategically positioned and seen as an important player in the multilateral context and in the United Nations system on issues relating to its core mandates	<ul style="list-style-type: none"> <li>• Strategic partnerships with system entities</li> <li>• Contributions to United Nations reform and system-wide coherence</li> <li>• Major initiatives and activities in its thematic priorities</li> <li>• Inputs to system-wide reports to intergovernmental bodies</li> </ul>	<ul style="list-style-type: none"> <li>• Comparison of UNIDO administrative/management policies and practices with the system</li> <li>• References to UNIDO activities in substantive reports and publications</li> <li>• Assessment and progress reports on results of partnerships with other United Nations entities</li> <li>• UNIDO-hosted and supported intergovernmental and inter-agency events</li> <li>• UNIDO participation in initiatives and meetings of other system organizations</li> <li>• References to UNIDO activities in intergovernmental documentation and decisions/resolutions</li> <li>• References to UNIDO activities in substantive reports and publications</li> </ul>

## Outputs

- Analyses of the changing global economic and industrial landscape and its implications on the United Nations system and UNIDO-related development activities;
- Strategic planning sessions and seminars, including strategic futures work, on international development priorities and organizational scenarios;
- Strategy papers, documents and related policies that focus on needs of Member States and international development priorities;

- Joint activities and focused initiatives with United Nations system agencies and other intergovernmental organizations;
- Endorsement of UNIDO’s activities, its mandate and relevance at intergovernmental bodies, in particular in the United Nations General Assembly, the General Conference and the Industrial Development Board;
- Collaboration and cooperation towards greater system coherence with all relevant United Nations agencies;
- Participation and involvement in all relevant United Nations and other multilateral and international meetings, events, initiatives, roundtables, and multilateral mechanisms.

### Programme B.3: Evaluation

#### General description

B.9. This Programme encompasses evaluation and RBM as mutually supportive elements. Evaluation ensures accountability, management support and learning. Evaluations provide recommendations to project managers, team leaders and UNIDO management, in technical branches and country offices, at Headquarters and in the field, as well as to UNIDO counterparts and donors. Thematic evaluations draw general lessons as an input into strategic management and in order to drive organizational learning and innovation at all levels of the Organization. Accountability is ensured through reporting to the governing bodies of UNIDO, to partner governments, to donors and to other stakeholders of UNIDO. The evaluation function also supports the introduction and further development of RBM methods and systems in UNIDO.

#### Objective

B.10. To improve the design, implementation and strategic orientation of UNIDO activities.

#### Resources

##### Resource estimates (in euros)

Posts			2008-2009 estimates (after recosting)		
Professional	General Service	Total	Regular budget	Operational budget	Total
<b>4.00</b>	<b>2.00</b>	<b>6.00</b>	Staff costs	1,439,200	1,439,200
			Consultants	34,300	34,300
			Official travel	27,600	27,600
			Operating costs	6,200	6,200
			<b>Total gross expenditure</b>	<b>1,507,300</b>	<b>1,507,300</b>
			<b>Total net resources</b>	<b>1,507,300</b>	<b>1,507,300</b>

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Recommendations accepted and implemented	<ul style="list-style-type: none"> <li>• Acceptance and implementation rate</li> </ul>	<ul style="list-style-type: none"> <li>• Follow-up of management response sheets</li> <li>• Bi-annual status report on lessons learned</li> <li>• QAG/PAC records</li> <li>• Records of RBM tracking tool</li> <li>• Records of General Conference and Board</li> </ul>
Lessons learned taken into account	<ul style="list-style-type: none"> <li>• Feed back from UNIDO management</li> </ul>	
UNIDO staff able to apply RBM and logframe methods	<ul style="list-style-type: none"> <li>• Design quality of projects/programmes</li> <li>• Projects designed applying RBM</li> </ul>	
UNIDO policy-making organs, recipient Governments and donors trust in UNIDO transparency and accountability	<ul style="list-style-type: none"> <li>• Declarations of support for the UNIDO evaluation function</li> </ul>	

## Outputs

- Independent evaluations of integrated programmes and stand-alone projects, as well as thematic evaluations carried out;
- A user-friendly database for management response sheets and lessons learned provided on the UNIDO intranet;
- Advice provided to PAC and QAG;
- Reports prepared for UNIDO policy-making organs (contributions to annual reports; bi-annual reports on evaluation to the Board);
- Training and advice provided to UNIDO staff on RBM and log-frame;
- UNIDO evaluation methodologies and tools continuously updated and improved in line with international standards.

## Programme B.4: Public Advocacy

### General description

B.11. This Programme aims to increase the visibility of UNIDO's contribution to development, including the achievement of the MDGs. The activities under this Programme will be aimed at increasing the awareness of key stakeholders and the general public with regard to the importance of sustainable industrial development, and of the role of UNIDO in its promotion. This will be achieved through disseminating high quality print, audio-visual and electronic material to the media and other counterparts, which communicate a coherent message about the mandate, priorities and activities of UNIDO, and project a positive and consistent corporate image. Particular efforts will be made to ensure that the key messages of the Organization are effectively targeted at specific audiences both in developed and developing countries. The component also covers activities related to maintaining the relevance and quality of UNIDO's public website, [www.unido.org](http://www.unido.org).

### Objective

B.12. To increase visibility for the role and achievements of UNIDO in promoting sustainable industrial development.



## Resources

### Resource estimates (in euros)

Posts			2008-2009 estimates (after recosting)		
Professional	General Service	Total	Regular budget	Operational budget	Total
2.30	3.20	5.50	Staff costs	998,980	998,980
			Consultants	20,800	20,800
			Official travel	42,400	42,400
			Operating costs	523,700	523,700
			<b>Total gross expenditure</b>	<b>1,585,880</b>	<b>1,585,880</b>
			<b>Total net resources</b>	<b>1,585,880</b>	<b>1,585,880</b>

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Increased visibility of UNIDO's contribution to sustainable industrial development	<ul style="list-style-type: none"> <li>• Number of positive references to UNIDO in the media</li> <li>• Increase in number of enquiries on the role of UNIDO coming through the official mailbox</li> <li>• Increased demand for UNIDO publications</li> <li>• Number of "hits" on UNIDO website from different regions</li> </ul>	<ul style="list-style-type: none"> <li>• Media articles</li> <li>• Enquiries recorded on the role of UNIDO</li> <li>• Requests for UNIDO publications</li> <li>• Analysis of website data</li> </ul>

## Outputs

- Production of at least five short videos on aspects of sustainable industrial development during the biennium;
- Production of high-quality advocacy material (such as posters and leaflets) for key events during the biennium;
- Annual strategic plan produced for the production of key publications;
- High-quality up-to-date information on UNIDO activities provided on UNIDO's external website.

### Programme B.5: Legal Services

#### General description

B.13. UNIDO is a specialized agency of the United Nations composed of Member States pursuant to an international treaty: its Constitution. As a subject of international law and in accordance with its Constitution, UNIDO enjoys certain privileges and immunities, rights and obligations, which define and regulate its external relations. Internally, like other members of the United Nations common system of organizations, UNIDO is required to act in accordance with its internal law. The internal law of UNIDO is defined by its Constitution and, subsidiarily, by the regulations and directives emanating

from its governing bodies and the rules and instructions issued by or under the authority of UNIDO's Director-General.

B.14. The Programme is designed to assist the Organization in achieving its goals by ensuring that all its activities and programmes are in accordance with the external and internal aspects of the Organization's legal framework as summarized above. The Programme's core function consists in the provision of sound and impartial legal advice and expert legal assistance in order to promote and develop the rule of law in all aspects of the Organization's activities, as well as to defend UNIDO's rights, positions and interests in contractual or litigation matters.

B.15. More specifically, the Programme:

- (a) Provides legal advisory services to the Director-General;
- (b) Provides legal advice and expert assistance to the Secretariat with respect to international agreements, contracts and technical cooperation projects, and in connection with decisions, resolutions and other documents of the governing bodies;
- (c) Provides legal advice, upon request, to governing bodies and representatives, and communicates with Permanent Missions and government offices in respect of specific legal issues involving the Organization;
- (d) Reviews and drafts rules of procedure, Headquarters agreements and conference agreements with host governments, and participates in the negotiation of these texts as necessary;
- (e) Represents the Director-General in cases brought before the Administrative Tribunals of the International Labour Organization and the United Nations and in other claims against UNIDO;
- (f) Works with all offices of the Organization, both at Headquarters and in the field, by providing legal services in respect of legal issues that arise in the course of their activities; and
- (g) Interacts with the legal offices of the United Nations and other agencies in connection with legal matters of mutual interest, including the development of international law and the harmonization or coordination of rules, procedures and policies in the United Nations common system.

### **Objective**

B.16. The objective of the Programme is to ensure the proper conduct of the affairs of the Organization by promoting the rule of law both within the Organization and in its relations with Governments, organizations, enterprises and individuals, and by safeguarding and defending the legal positions, rights and interests of the Organization.

## Resources

### Resource estimates (in euros)

Posts			2008-2009 estimates (after recosting)			
Professional	General Service	Total	Regular budget	Operational budget	Total	
<b>3.05</b>	<b>2.00</b>	<b>5.05</b>	Staff costs	820,830	273,800	1,094,630
			Consultants	22,800		22,800
			Official travel	10,600		10,600
			Operating costs	6,200		6,200
			<b>Total gross expenditure</b>	<b>860,430</b>	<b>273,800</b>	<b>1,134,230</b>
			<b>Total net resources</b>	<b>860,430</b>	<b>273,800</b>	<b>1,134,230</b>

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Implementation of UNIDO activities, including technical cooperation projects, on the basis of legally sound agreements and in accordance with the internal law of the Organization and international law	<ul style="list-style-type: none"> <li>Absence of disputes arising from ambiguous or poorly drafted legal documents</li> <li>Reduction in instances in which the legal rights of the Organization are not protected</li> <li>Absence of challenges to clarity or accuracy of legal advice</li> <li>Liabilities of the Organization and Member States are minimized</li> </ul>	<ul style="list-style-type: none"> <li>Log book and/or files of the Office of Legal Affairs</li> <li>Log book and/or files of the Office of Legal Affairs</li> </ul>
Maximization of the protection of the legal interests of the Organization	<ul style="list-style-type: none"> <li>Total liabilities are minimized compared with total claims made against the Organization</li> <li>Absence of instances where the status, privileges and immunities of the Organization and its officials are challenged and not maintained</li> </ul>	

## Outputs

- Legal review, negotiation, drafting and interpretation of contracts, international agreements and other instruments, and legal advice concerning projects financed from trust funds and IDF special-purpose contribution agreements, intellectual property rights and claims by or against the Organization;
- Legal advice to the governing bodies of UNIDO in respect of, inter alia, the conduct of their meetings and draft resolutions and decisions;

- Legal advice to the Director-General and all organizational units of UNIDO's Secretariat and field offices in respect of the Organization's internal law, including its staff and financial regulations and rules, as well as relevant directives issued by or under the authority of the Director-General and the governing bodies;
- Representation of the Director-General before the Administrative Tribunals of the International Labour Organization and the United Nations and other fora, including the preparation of court submissions and other litigation-related documents;
- Registration, filing and recording of international treaties and agreements as required by Article 102 of the United Nations Charter and relevant regulations.

### Programme B.6: Internal Oversight

#### General description

B.17. The Programme provides independent and objective assessment of the rationale, adequacy, efficiency and effectiveness of all of UNIDO's operations at and away from Headquarters. It fosters a culture of transparency and accountability, as well as striving to improve the performance of UNIDO's activities.

#### Objective

B.18. To add value to and improve UNIDO's operations in terms of effectiveness, efficiency, compliance and relevance by examining and assessing the Organization's activities in an independent and objective manner, fostering transparency, accountability and searching for improved performance within the resources available to the Programme.

#### Resource

##### Resource estimates (in euros)

Posts			2008-2009 estimates (after recosting)		
Professional	General Service	Total	Regular budget	Operational budget	Total
<b>4.00</b>	<b>2.00</b>	<b>6.00</b>	Staff costs	1,331,300	1,331,300
			Consultants	20,940	20,940
			Official travel	39,940	39,940
			Operating costs	5,200	5,200
			Information and comm. techn.	4,300	4,300
			<b>Total gross expenditure</b>	<b>1,401,680</b>	<b>1,401,680</b>
			<b>Total net resources</b>	<b>1,401,680</b>	<b>1,401,680</b>

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
More efficient, effective, relevant and compliant UNIDO operations (i.e. organizational entities and projects, processes and management control systems, including policies and procedures, regulations and rules)	<ul style="list-style-type: none"> <li>• Implementation rate of critical and non-critical recommendations</li> <li>• Monetary value of recommendations implemented (if applicable)</li> </ul>	<ul style="list-style-type: none"> <li>• Activity report of Internal Oversight Services</li> </ul>
Improved integrity of the Organization, by addressing issues of suspected fraudulent activities within UNIDO	<ul style="list-style-type: none"> <li>• Number of issues received/treated during the given biennium</li> </ul>	

### **Outputs**

- Proportion of planned vs. unplanned work undertaken;
- Proportion of operations reviewed in the course of the biennium (i.e. organizational entities and projects, processes and management control systems, including policies and procedures, regulations and rules), compared to work plan;
- Recommendations issued (critical/non-critical).

## **MAJOR PROGRAMME C: POVERTY REDUCTION THROUGH PRODUCTIVE ACTIVITIES**

### **General description**

C.1. The international community is committed to achieving the MDGs and in particular the target of halving by 2015 the proportion of the world's poor whose income is less than one dollar a day. This Major Programme supports the efforts of developing countries in addressing this challenge. It also addresses the closely related MDG of promoting gender equality and empowering women as effective ways to combat poverty, hunger and disease.

C.2. As the primary driver of economic growth and employment creation, the private sector has a central role in poverty reduction and the achievement of the MDGs. Private sector led industrial development plays a significant role in bringing about the much needed structural changes that can set the economies of poor countries on a path of sustained economic growth. Industry provides a seedbed for entrepreneurship, promotes business investment, fosters technological upgrading and dynamism, improves human skills and creates skilled jobs, and through intersectoral linkages establishes the foundation for both agriculture and services to expand. All these factors contribute to sustained productivity improvements that can ensure pro-poor outcomes and contribute to increased living standards in poor countries.

C.3. Governments have a strong interest and a key role in regulating and facilitating the development of the private sector. At the same time, governments have a key role in ensuring that economic growth provides opportunities for the poor to engage in productive activities. In this context, the public sector has a crucial role to promote a policy and institutional environment that enables the private sector to flourish and become an effective driver of sustainable and inclusive growth. To increase the impact of private sector development on poverty reduction UNIDO will support the efforts of developing countries to improve the business environment and lay the policy and institutional foundations for the development of a vibrant private sector, it will promote domestic entrepreneurship and in particular development of the entrepreneurial skills of disadvantaged groups, it will link domestic enterprises to international investment and technology flows, and it will facilitate access to resources and support services that small and medium enterprises (SMEs) require to become more competitive. Innovation, entrepreneurship and competition are important sources of productivity growth that, with appropriate policy and incentive structures, can bring about pro-poor market outcomes in the form of more sustainable jobs and incomes as well as affordable goods and services.

C.4 In developing countries local SMEs are responsible for most of the economic activities that support productivity enhancement and poverty reduction. This is particularly the case of the agriculture-based economies in Africa and the LDCs, where the development of agro-based enterprises contributes to poverty reduction while at the same time enhancing productivity. In this context, building up and strengthening productive capacities through development of SMEs in competitive sectors takes a central role. The provision of affordable energy for productive use and income generation as well as the promotion of sustainable production in poor communities are essential elements of any sustainable economic development.

C.5. These overall considerations will give rise to the following more focused regional priorities:

### ***Sub-Saharan Africa***

(a) There is an increasing realization that industrialization has a critical role to play in helping Africa to deal effectively with current and emerging development challenges, accelerate economic development and reduce poverty. However, given that the industrial base is still weak, there is an urgent need to support the region in improving its productivity and competitiveness. In this connection, the UNIDO-sponsored African Productive Capacity Initiative (APCI), which was adopted by the African Union in July 2004 as the industrial component of the New Partnership for Africa's Development (NEPAD), sets out specific objectives including market access, value addition based on local resources, diversification,

technology diffusion, industrial upgrading, poverty reduction through job creation and regional integration. These are the areas in which UNIDO, through its country-level integrated programmes as well as its subregional and regional programmes, will contribute to building the productivity, managerial capability and skills of the region. In addition, emphasis will be placed on entrepreneurship development, quality improvements, the application of appropriate technology and diversification into higher value-added activities.

### ***Arab Countries***

(a) Poverty reduction is a major challenge of the North African subregion and the Arab LDCs, which depend heavily on the creation of employment opportunities. In most of these countries, unemployment represents a severe problem, especially among the youth. Emphasis will be placed on entrepreneurship development (with special focus on rural and women's entrepreneurship), the development of horizontal and vertical SME networks for ensuring job creation and income generation, and the strengthening of agro-based and agro-related industries;

(b) A key part of the development process in the Eastern Mediterranean subregion will be played by SMEs. The vast majority of manufacturing businesses in this subregion fall into this category and they are the major source of private sector employment and economic growth. UNIDO will support governments and the private sector to help business close the performance gap with their international competitors. UNIDO's involvement will be oriented towards increasing productive capacities in the manufacturing sector, supporting traditional agro-industries to stimulate productivity and efficiency gains, and increase their integration into value chains, promoting the diversity of sustainable rural livelihoods, private sector development with emphasis on SME cluster/network development, and rural and women's entrepreneurship.

### ***Asia and the Pacific***

(a) Although rapid economic growth in the past decades has helped reduce the overall incidence of poverty in the region, the Asia and the Pacific region is still home to about 65 per cent of all the world's poor. Moreover, the disparity in income distribution remains high, with 14 least developed countries in the region. Rural poverty remains a significant problem, especially in the LDCs and the South Asian subregion, where the number of the rural poor approaches 500 million. Against this background, private sector enterprise development is crucial. As most of the economies in the region are rural and agriculture-based, promotion of an efficient and competitive agro-based industrial sector can promote growth and create income generation opportunities for the poor and help alleviate many social problems. In this context, UNIDO will promote programmes such as the development of an SME enabling framework and institutional support, cluster development, rural and women's entrepreneurship development, food-safety infrastructure for agro-industries, skills development and capacity-building in the use of new technologies for available agro-resources, and support to traditional agro-industries for enhancement of productivity.

### ***Latin America and the Caribbean***

(a) While the SME cluster/network development component is expected to continue to play a central role throughout the region, specific attention will be given to the development of productive value chains, in particular in agro-industry. The rural and women's entrepreneurship development programme will continue to be applied to the poorer countries, and in some depressed areas of the more developed ones.

### ***Europe and the NIS***

(a) The region has a significant potential for developing the agro-industrial sector, such as food-processing, leather and textiles. While making the products of the food-processing

industries competitive in the world market through various measures to increase the productivity and management effectiveness, UNIDO will provide assistance in upgrading the quality of products and food safety through specifically designed projects targeting the deficiencies of individual food industry sub-sectors;

(b) In order to tackle the high unemployment rate prevailing in the region, UNIDO will also promote entrepreneurship programmes for the development of SMEs, with special emphasis being given to women and youth. It will also promote technical cooperation oriented towards business partnerships and the relevance of corporate social responsibility (CSR) for small and medium scale business.

### Overall objective

C.6. The overall objective of the Major Programme is to increase economic growth, create employment, generate income and reduce economic and social disparities by fostering pro-poor private sector development and promoting entrepreneurship.

### Resources

#### Resource estimates (in euros)

Posts			2008-2009 estimates (after recosting)			
General			Regular	Operationa l		
Professional	Service	Total	budget	budget	Total	
<b>65.05</b>	<b>31.55</b>	<b>96.60</b>	Staff costs	17,051,450	4,199,520	21,250,970
			Consultants	170,300		170,300
			Meetings	239,000		239,000
			Official travel	396,100		396,100
			Operating costs	281,060		281,060
			RPTC/SRA	6,663,903		6,663,903
			<b>Total gross expenditure</b>	<b>24,801,813</b>	<b>4,199,520</b>	<b>29,001,333</b>
Technical cooperation (extrabudgetary)			Income	(57,200)		(57,200)
	<b>45,818,000</b>		<b>Total net resources</b>	<b>24,744,613</b>	<b>4,199,520</b>	<b>28,944,133</b>
			<b>Total resources (including extrabudgetary TC)</b>			<b>74,762,133</b>

### Programme Component C.1: Thematic Strategies, RBM and Quality Assurance

#### General description

C.7. The programme component:

- (a) Develops major thematic strategies for the further programmatic development of Major Programme C;
- (b) Communicates and promotes the activities of Major Programme C within UNIDO, the United Nations system and the public at large;
- (c) Initiates and facilitates in-house and, as far as appropriate, inter-agency cooperation for an efficient and effective implementation of Major Programme C;
- (d) Assists in the overall implementation of RBM-based strategic planning for programme components of Major Programme C.



**Objective**

C.8. Major Programme C is successfully managed towards the achievement of the objectives and outcomes defined at programme and project levels.

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Major Programme C is continuously monitored and adjusted in line with thematic trends within UNIDO's mandate	<ul style="list-style-type: none"> <li>• Consolidated project-based bottom-up monitoring and reporting scheme in place</li> <li>• New themes identified and existing themes updated with a pro-poor perspective on a regular basis</li> </ul>	<ul style="list-style-type: none"> <li>• Major Programme C monitoring reports</li> <li>• Thematic trend reports</li> <li>• Strategic documents</li> <li>• Programme and project documents</li> </ul>
Stakeholders are informed about Major Programme C priorities, implementation status and results on a regular basis	<ul style="list-style-type: none"> <li>• Parties concerned informed on regular basis using appropriate communication tools</li> </ul>	
UNIDO staff adheres to clearly defined and agreed upon quality standards regarding project identification, formulation and implementation (based on RBM)	<ul style="list-style-type: none"> <li>• Quality of project and programme documents</li> <li>• Positive response from stakeholders on UNIDO programmes and projects</li> <li>• Positive staff feedback concerning clear understanding of quality standards</li> <li>• Learning from evaluations institutionalized</li> <li>• Systematic training to keep staff up-to-date with state of the art methodologies</li> </ul>	
UNIDO internal cooperation (HQ and field structure) and external cooperation with other UN-organizations, donors, etc. is efficiently and effectively organized	<ul style="list-style-type: none"> <li>• In-house information exchange institutionalized</li> <li>• Lessons learned communicated</li> </ul>	

**Outputs**

- Relevant thematic trends are identified on a regular basis;
- Programme revision is based on up to date monitoring information;
- Development of major thematic strategies is in harmony/coordinated with regional priorities;
- Information for stakeholders made available and disseminated in user-friendly form/formats;
- In-house processes/procedures for the application of RBM defined and implemented;
- Staff qualified to use RBM and related planning/management tools professionally;

- Transparent quality-oriented incentive schemes are introduced;
- Responsibilities for quality assurance with regard to project planning and management defined;
- In-house cooperation culture based on teamwork, interdisciplinary cooperation and mutual learning.

## **Programme Component C.2: Industrial Policy, Business Environment and Institutional Support**

### **General description**

C.9. The extent of poverty-reducing employment and income typically associated with a thriving industrial sector is contingent upon sound policies, an enabling business environment, and effective institutional support capacities that translate industrial development objectives into practice.

C.10. This programme component seeks to assist both governments and private sector agents in the design of industrial development strategies, policies, and support measures that enhance industrial productivity and competitiveness in a private sector-led development context. While the focus and scope of the assistance will be tailored to the specific needs of the individual case, policy support typically involves the stages of diagnosis, formulation, implementation and monitoring.

C.11. Given the overriding importance attributed specifically to SMEs for poverty reduction, the component places particular emphasis on devising policies, programmes and regulatory frameworks that result in a business environment free from biases against SMEs and conducive to private sector development overall. Assistance in building capacities for the design and establishment of national and local institutional infrastructures that effectively spur SME development is a further distinctive feature of the programme component, as is the facilitation of access to market-based business and information development services (BDS).

C.12. Advocating – and helping to institutionalize – partnerships and a structured close dialogue between public and private sector stakeholders in the formulation and continuous adaptation of industrial and, particularly, SME development policies and related business environment improvements will complement UNIDO’s capacity-building support throughout this programme component.

### **Objective**

C.13. Industrial development strategies, policies and institutions that foster pro-poor growth are introduced.

<i><b>Outcomes</b></i>	<i><b>Performance indicators</b></i>	<i><b>Sources of verification</b></i>
Public and private sector institutions involved in the formulation, implementation and monitoring of industrial strategies, policies and programmes apply analytical and diagnostic tools	<ul style="list-style-type: none"> <li>• Number of institutions in number of target countries that apply UNIDO tools</li> <li>• Number of countries, institutions or other stakeholders using UNIDO-recommended methodology of industrial competitiveness</li> </ul>	<ul style="list-style-type: none"> <li>• Statistics of relevant Government institutions</li> <li>• Project progress reports</li> <li>• Surveys organized by UNIDO and partners</li> <li>• Evaluation reports</li> </ul>

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Public and private sector institutions develop and implement SME development strategies, policies and support programmes	<ul style="list-style-type: none"> <li>• Number of client institutions implementing strategies, policies and programmes devised with UNIDO support</li> <li>• Number of effective national and local policies, strategies and programmes to promote SME development</li> </ul>	
Sustainable BDS, information services and ICT support offered by private and public institutions	<ul style="list-style-type: none"> <li>• Number of institutions and support providers effectively servicing SMEs</li> </ul>	
Improved effectiveness of public-private consultative mechanisms	<ul style="list-style-type: none"> <li>• Number of target country governments interacting with the private sector in the formulation, implementation and monitoring of industrial and SME development strategies, policies and programmes</li> </ul>	

## Outputs

- Staff of public and private sector institutions qualified to use industrial performance assessment tools, institutional diagnosis tools, policy/legal and regulatory analysis;
- Capacity of government entities to formulate, monitor and implement policies and strategies that further industrial competitiveness strengthened;
- Proposals for adjusting existing legal/regulatory frameworks governing business entry and operations drafted;
- Staff of public and private sector institutions capable of designing and implementing SME policies and support programmes;
- Public-private dialogue strengthened;
- Best practices with regard to industrial policy formulation, business environment reform and effective institutional infrastructure for SME development published and disseminated.

## Programme Component C.3: Rural and Women's Entrepreneurship Development

### General description

C.14. Two billion of the world's poor live in rural areas and 60 per cent of the poor are women and girls. They need to diversify their sources of household income to non-agricultural economic activities with higher returns in order to climb out of poverty. Eighty-five per cent of the more than one billion young people live in developing countries and 45 per cent of the global unemployed, or nearly 86 million, are youths. In order to address poverty, youth unemployment, and women's participation in

private sector activities, an entrepreneurial culture needs to spread particularly in the agrarian environment. This programme component will provide assistance to foster the growth of the SME sector by developing competitive entrepreneurial capabilities and improving the performance of administrative institutions that encourage entrepreneurial initiatives.

**Objective**

C.15. Poor populations, particularly women, youth and rural people, benefit from new or expanded businesses.

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Institutions offering training and support services for people in rural areas to build entrepreneurial capabilities on sustainable basis	<ul style="list-style-type: none"> <li>• Number of institutions in number of countries that implement training programmes accessible to the poor, youth and women on a regular basis</li> <li>• Number of trainees who successfully participated in training of trainers on human resource development programmes</li> </ul>	<ul style="list-style-type: none"> <li>• Statistics of relevant government institutions</li> <li>• Project progress reports</li> <li>• Statistics of participating training centres</li> <li>• Surveys organized by UNIDO and partners</li> </ul>
Administrative institutions supportive of entrepreneurial initiatives, particularly of the youth and women	<ul style="list-style-type: none"> <li>• Number of entrepreneurial initiatives facilitated by government and civil society institutions, resulting in pro-poor economic growth</li> </ul>	
Methodologies and best practices to promote rural, women and youth entrepreneurship development used by human resource development and support institutions	<ul style="list-style-type: none"> <li>• Number of institutions and programmes using training materials, curricula, etc. for entrepreneurship training introduced by UNIDO</li> </ul>	

**Outputs**

- Curricula developed and disseminated among human resource development institutions;
- Institutions and training centres that have acquired capabilities to operate entrepreneurial trainings;
- Trainers and personnel with capabilities to operate entrepreneurship training programmes are available;
- Improved capability of administrative institutions that facilitate entrepreneurial initiatives, particularly of women and the youth;
- EGM and manuals for promoting rural, women and youth entrepreneurship are available and disseminated.

## Programme Component C.4: SME Cluster and Network Development

### General description

C.16. SMEs are a crucial element of a balanced economic system and a major source of basic goods, productive employment and income for the poor. SMEs in developing countries, however, suffer from numerous obstacles to growth due to their isolation. A cluster and networking strategy can help SMEs overcome these obstacles and provide them with competitive advantages unattainable by individual enterprises. This programme component provides assistance in designing such cluster and networking strategies, and in implementing cluster and network development initiatives aimed at promoting local economic systems where firms can network, complement their capabilities, and increase their access to resources and markets, within a conducive institutional environment.

C.17. Given the high demand from Member States, this programme component will focus on increasing outreach by diffusing its tools and methodologies through specialized training programmes offered at the global and regional levels. This will enable policy makers and cluster and network practitioners to acquire the skills to formulate and monitor cluster and network development projects. In parallel, the cluster and network development approach will be further elaborated by linking it up to the concepts of innovation systems and value chains. Additional delivery modalities will be made available, such as an on-line knowledge-sharing facility that supports policy makers and practitioners in their efforts to develop and implement support programmes for cluster and network development.

### Objective

C.18. Strengthened clusters and networks of SMEs contribute to pro-poor growth.

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Government and private institutions (support bodies) implement cluster and networking development initiatives	<ul style="list-style-type: none"> <li>Number of clusters assisted</li> <li>Number of support bodies/institutions offering regular services on a economically viable basis</li> </ul>	<ul style="list-style-type: none"> <li>Statistics and records of relevant government institutions</li> <li>Records, reports of participating institutions and enterprises</li> <li>Surveys organized by UNIDO</li> <li>Pro-poor cluster development strategies</li> </ul>
Joint initiatives undertaken within clusters	<ul style="list-style-type: none"> <li>Number of joint initiatives</li> <li>Number of stakeholders involved and breadth of the implemented initiatives within the overall joint action plan</li> </ul>	
Institutions and enterprises that support clusters use UNIDO methodologies and/or tools for pro-poor economic development	<ul style="list-style-type: none"> <li>Number of countries, institutions, professionals applying the UNIDO methodologies and/or tools on cluster and network</li> </ul>	
Improved competitiveness of SMEs in supported clusters and networks	<ul style="list-style-type: none"> <li>Enterprise-level indicators, such as productivity, employment and investments</li> </ul>	

### Outputs

- Institutions (support bodies) identified and qualified to implement cluster and networking development programmes;

- Institutions and enterprises within clusters have a shared development vision, joint action plans and ongoing joint activities;
- Methodologies and/or tools for cluster, networking and value chain development designed and introduced;
- Methodologies for cluster development with a strong pro-poor focus are developed and disseminated.

### **Programme Component C.5: Agro-processing and Value Chain Development**

#### **General description**

C.19. This programme component offers technical cooperation and advice combined with direct interventions to build institutional support infrastructures for agro-based industries with the main purpose of improving their competitiveness, flexibility and productivity, particularly in rural areas. The interventions build on commodities and the related secondary agro-processing industries with emphasis on food (e.g. fish, meat, dairy, fruits/vegetables, vegetable oils) and certain non-food products (wood and non-wood forest products, textiles and garments, hides and skins and derived products). Techno-economic support to pilot rural agro-enterprises will be provided, which will result in smoother production flows, improved product quality, waste minimization and by-product utilization, and improved packaging.

C.20. Through the establishment of regional centres of excellence in food processing, safety/quality control, packaging, labelling, testing standards, agro-machinery, by-products utilization, etc., support services to industries will be improved in quantity and quality, which will lead to higher productivity and efficiency, improvement in product quality with lower reject rates, higher levels of resource utilization and value addition, and reductions in post-harvest losses. As a cross-cutting service, technical cooperation is provided for developing the agricultural machinery manufacturing sector by establishing rural technology centres for technology transfer and appropriate repair and maintenance of basic agricultural tools and agro-processing equipment in rural areas. Thus, this programme component impacts not only urban agro-industries, but has a strong outreach to poor and marginalized rural population groups.

#### **Objective**

C.21. Agro-related SMEs generate income opportunities for the poor.

<b><i>Outcomes</i></b>	<b><i>Performance indicators</i></b>	<b><i>Sources of verification</i></b>
Support bodies (technology centres, extension services, private consulting firms, etc.) offer services on sustainable and demand basis	<ul style="list-style-type: none"> <li>• Increased demand from SMEs for support services (trainings, consultancies, etc.)</li> <li>• Number of centres that offer services regularly</li> </ul>	<ul style="list-style-type: none"> <li>• Records and statistics of technology centres</li> <li>• Company based records</li> <li>• UNIDO sample surveys on performance of companies and employment</li> <li>• Statistics/records (population/income) of municipalities where support is provided</li> </ul>
SMEs apply improved agro-processing technologies and offer improved products for accessing markets	<ul style="list-style-type: none"> <li>• Number of enterprises with new/improved capacity</li> </ul>	
Agro-value chain efficiency enhanced	<ul style="list-style-type: none"> <li>• Number of cases where agriculture-industry-market linkages have been improved</li> </ul>	

## **Outputs**

- Effective and demand-oriented support bodies supported;
- Staff in support bodies qualified for training and consultancy services;
- SMEs are aware of services of centres;
- Client SMEs are upgraded;
- Dissemination strategy for technologies is made available.

## **Programme Component C.6: Rural Energy for Productive Use**

### **General description**

C.22. Lack of reliable and affordable energy services in rural areas is one of the key barriers hampering rural development in the developing countries, as energy is an important input to social, economic and industrial development. Although there is no MDG on energy, expanding access to modern energy services is fundamental to practically all aspects of human welfare. There is an urgent need to establish close linkages between reliable energy services and productive uses, to make the energy affordable through income generation activities. The few sustainable energy development choices before LDCs make it imperative that UNIDO along with other partners lays the groundwork for technology diffusion and enhancement of local capacities focused on the manufacturing sector and on income generating activities.

C.23. Keeping this in view, the Programme Component will provide technical cooperation and advice for technology transfer, capacity building, enhanced productivity, and targeted research through: (a) harnessing the potential of new and renewable sources of energy for rural electrification; (b) linking rural energy services with productive use activities that can generate local employment and raise income levels; and (c) demonstrating associated economic and social benefits of rural and renewable energy technologies. The main beneficiaries will be the rural poor who will gain access to affordable and reliable energy services both to meet their basic needs and for income generating activities.

### **Objective**

C.24. New income opportunities based on productive use of renewable energy in rural areas.

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Rural communities use energy services and renewable energy sources productively and sustainably	<ul style="list-style-type: none"> <li>• Fuel wood/charcoal used for basic energy needs replaced by renewable and/or more efficient energy sources</li> <li>• Number of communities/households that have access to modern energy services (i.e. electrification)</li> <li>• Number of new/enhanced productive use activities created</li> </ul>	<ul style="list-style-type: none"> <li>• Record of financial and technical service providers</li> <li>• UNIDO sample surveys on productive use of renewable energy and employment generation</li> <li>• Records of government institutions and municipalities</li> <li>• Records of other donors</li> </ul>
Support structure (bodies) for modern energy services introduced and operational	<ul style="list-style-type: none"> <li>• Number of service providers that provide energy services in rural areas using UNIDO recommendations/inputs</li> </ul>	
Utilization of modern energy services enhanced in the rural areas of developing countries	<ul style="list-style-type: none"> <li>• Number of services provided (number of clients, income of service providers, etc.) increased</li> </ul>	
Innovative financial schemes provide access to rural energy on an affordable basis in a given country or region within a country	<ul style="list-style-type: none"> <li>• Number of innovative financial schemes set up</li> <li>• Number of participating poor households that use financial services</li> </ul>	
Enterprises working with projects use renewable energy sources	<ul style="list-style-type: none"> <li>• Number of enterprises set up in the rural areas due to availability of energy</li> <li>• Number of enterprises using renewable energy due to new services</li> </ul>	

## Outputs

- Rural communities equipped with reliable energy services for e.g. water pumping for irrigation, grain grinding and handicrafts activities;
- Rural community schools connected to the rural energy mini-grids based on renewable energy technologies; community ICT equipment and household lighting systems installed;
- Information materials, books, reports, brochures, web pages are published; advisory services provided and training programmes implemented;
- Innovative financial schemes set up to support rural energy mini-grids and linked income generation activities;
- Enterprises assisted in the use of renewable energy sources for energy needs.



## Programme Component C.7: Sustainable Production in Poor Communities

### General description

C.25. Poor communities often bear the brunt of environmental degradation. Contamination of surface and ground water renders their traditional sources of drinking water unsafe; they are exposed to waste which is illegally dumped in their communities and which often contains hazardous and toxic materials – exposure that is exacerbated by their attempting to earn a living through waste scavenging; they are often exposed to higher levels of air pollution, both indoor and outdoor; they undertake activities that expose them to hazardous and toxic substances. The health-related consequences of these environmental impacts create further barriers to the ability of poor communities to enjoy sustainable income generating activities, thus making it harder for them to escape the poverty trap.

C.26. In response, this programme component works with governments and other relevant stakeholders to lessen these environmental impacts. A major effort will be made in the area of drinking water. Roughly a third of the world’s rural population is without safe drinking water sources. Increasing access to clean water supply, together with sanitation, must be considered as integral to broader poverty reduction efforts. The rural poor generally do not pay for water with cash but with time and energy spent fetching water, especially by women and children. Thus, along with other measures, improving the accessibility of safe drinking water can contribute to boosting rural welfare and incomes.

### Objective

C.27. Working and living conditions of poor workers and their communities improved through reduced environmental pollution.

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Filtering equipment is used at household and community level	<ul style="list-style-type: none"> <li>Number of households using filtering equipment</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>Survey among target beneficiaries</li> <li>Reports of environmental and safety control bodies</li> </ul>
Cleaner and safer technologies adopted in poor communities	<ul style="list-style-type: none"> <li>Number of poor communities that use cleaner technologies</li> <li>Reduced use of mercury by small-scale gold miners and more sustainable use of remaining amounts</li> </ul>	
Environmental and safety control mechanisms reinforced	<ul style="list-style-type: none"> <li>Environmental and safety control bodies report improvements</li> </ul>	

### Outputs

- Community/household wells are equipped with filters;
- Poor communities trained and equipped with technologies to reduce health and environmental exposure;
- Capacity-building of environmental and safety control bodies.

### Programme Component C.8: Technology Diffusion

#### General description

C.28. Technology is a key global resource for job and wealth creation, with a recognized impact on economic growth and development even at the level of SMEs and even micro-enterprises. This impact results from a complex process involving the interaction of SMEs with both national and international actors, including support bodies, governments, businesses, academia and international institutions. Appropriate support bodies and international arrangements can facilitate an effective access for SMEs to information on technology and the transfer and diffusion of such technology.

C.29. Access to information on technology and the diffusion of such technology is particularly important for pro-poor growth. The adoption of new technology improves competitiveness in the traditional manufacturing sectors, which are the mainstay of many developing country economies. This programme component emphasizes enabling institutional and private sector actors to become key facilitators in the process of accessing information on technology and adopting technology on a sustainable basis.

#### Objective

C.30. SMEs apply improved technologies and offer improved products.

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Support bodies (e.g. technology centres, extension services) offer technology services on a sustainable basis	<ul style="list-style-type: none"> <li>• Level of demand from MSMEs for support services (technology acquisition, training, etc.)</li> <li>• Number of support bodies that offer services regularly</li> </ul>	<ul style="list-style-type: none"> <li>• Records and statistics of support bodies</li> <li>• Reports/papers of experts</li> <li>• Project evaluation reports</li> <li>• Correspondence with government agencies</li> </ul>
Increased access to technology information and markets	<ul style="list-style-type: none"> <li>• Number of cooperation agreements arrived at with partner organizations</li> </ul>	

#### Outputs

- Staff in support bodies qualified to offer the required services;
- SMEs are aware of services of centres;
- Partner organizations aware of the support bodies' capability to enter into cooperation agreements;
- Contacts and network linkages related to access to technology information are enhanced;
- Technical manuals and information tools dedicated to foster technology upgrade are prepared.

### Programme Component C.9: Promotion of Domestic Investment, FDI and Alliances

#### General description

C.31. Investment is the key driver of productive capacity (capital formation) and competitiveness (productivity growth through technology). This programme component seeks to assist developing countries in identifying and targeting foreign investor groups that can have a positive impact on the

local economy and on positive spillovers of FDI, especially for reducing poverty through growth and employment.

C.32. Global forum activities establish information and monitoring platforms to facilitate informed policy and strategy formulation. These monitoring platforms consist of analysis and interactive databases (derived from regional enterprise surveys) and provide the means of measuring investor response to policy interventions and the provision of public goods. They also generate rankings, indices, benchmarks and other indicators for assisting both investor decisions and policy formulation. Technical cooperation activities develop national capacities to improve the investment climate through better policies and enforcement and provision of institutional services. Technical cooperation also supports the building of national Subcontracting Exchange (SPX) networks to facilitate outsourcing as well as supply chain development to generate viable investment opportunities and to integrate developing countries into the world economy. Investment projects so generated are linked to financing sources through cooperation with equity funds and other financial institutions. The ITPO network supports the mobilization of strategic partners and investment resources for the projects being generated. The ITPOs extend the global reach of developing countries' promotion efforts through specialized events and hosting of delegates.

**Objective**

C.33. Employment and income in sectors where investment promotion initiatives take place are increased.

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Government institutions adjust their initiatives and services to generate domestic and foreign investments to foster pro-poor growth	<ul style="list-style-type: none"> <li>• Number of government institutions that have adjusted/updated initiatives, etc.</li> <li>• Improvements in investors' overall assessment of investment climate</li> </ul>	<ul style="list-style-type: none"> <li>• Government reports</li> <li>• Surveys among domestic and foreign investors</li> </ul>
Investors make better investment decisions based on information provided by UNIDO supported initiatives	<ul style="list-style-type: none"> <li>• Number of companies that use information and establish supplier partnerships through UNIDO platforms</li> <li>• Analysis based on indicators and reports generated by UNIDO</li> </ul>	
Strategies for investment governance at national, regional and subregional level are implemented	<ul style="list-style-type: none"> <li>• Number of new strategies developed and existing strategies revised</li> <li>• New services and incentives appreciated by investors in countries where projects take place</li> </ul>	
Government institutions provide improved aftercare services to investors	<ul style="list-style-type: none"> <li>• Number of positive testimonials from investors. Increased reinvestment rate</li> <li>• Number of new investors increased</li> </ul>	

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Government institutions use investment promotion resources more intensively	<ul style="list-style-type: none"> <li>• More investment projects generated in partnership with equity funds or a strategic counterpart</li> <li>• More investment projects generated as a result of outsourcing, sub-contracting or supplier partnerships built through UNIDO networks</li> <li>• More countries interested in participating in UNIDO networks for inward and outward investment promotion</li> </ul>	

## Outputs

- Country/sector specific publications, benchmarks, country rankings, indices and other country specific indicators relevant for investment decisions are available;
- Interactive monitoring platform for customized report generation is operational;
- ITPO, outsourcing, sub-contracting and supply chain (SPX) networks expanded;
- Training packages on selected issues are available;
- Methodologies for assessing and calibrating investment climate parameters are developed;
- Institutional and personal capacities established to monitor investment related decisions and to measure impact on local economy;
- Effective policies, strategies and incentives developed that maximize positive impact of industrial investments on economic growth and income generation;
- Number of investment projects partnering with equity funds and/or strategic investors through ITPOs increased.

### **Programme Component C.10: Regional Priorities, Funds Mobilization and Partnerships**

#### **General description**

C.34. The various technical components of Major Programme C will be implemented to varying degrees and in varying combinations in all of the regions falling within the scope of UNIDO's technical cooperation activities. This programme component will serve to focus these activities in line with national needs and the coordinated responses agreed upon through the CCA/UNDAF and PRSP processes, optimize their impact through the provision of various field-level support services, and assist in funds mobilization and the facilitation of inter-agency partnerships and joint projects.

C.35. Advisory services will be provided aiming at continuous improvement of the technical cooperation programmes and projects formulated and implemented under Major Programme C. In particular, efforts will be made to improve the design of these programmes and projects, ensure

effective implementation modalities, incorporate adequate monitoring and reporting activities, and ensure that lessons learned from evaluation exercises are applied effectively. In addition, fund administration and fund coordination services will be provided which will improve the understanding of member states of the Organizations' activities.

C.36. During the biennium, funds mobilization efforts for Major Programme C will aim mainly at increasing the involvement and contributions of governmental donors to UNIDO. Special attention will be given, in close cooperation with the technical programme components, to improving the understanding of donors of the high potential contribution that industrial activities can make to the achievement of the MDGs. It is expected that the joint UNDP/UNIDO private sector development programmes, as well as joint programmes envisaged under the MOU with FAO will provide attractive funding opportunities, as well as for international funds like IFAD and the United Nations Trust Fund for Human Security.

C.37. LDCs are recognized by UNIDO as a specific group of countries, which is given priority in the provision of technical cooperation, and where the Organization can make a contribution with great impact. Efforts in funds mobilization for LDCs will be increased during the biennium.

**Objective**

C.38. Major Programme C is formulated, reviewed, implemented, funded and evaluated according to identified needs and in response to donor (traditional and non-traditional) priorities and to United Nations common activities.

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
UNIDO staff prepare and relevant committees (QAG, PAC) review and approve service summary sheets (SSS), programme documents for integrated programmes and project documents for stand-alone projects	<ul style="list-style-type: none"> <li>• Number of approved documents (SSS, project documents) compared to number submitted</li> </ul>	<ul style="list-style-type: none"> <li>• UNIDO programmatic documents</li> <li>• UNIDO reports</li> <li>• Survey among donors</li> <li>• Survey among country based stakeholders and partners</li> </ul>
Review and approval of SSS and project documents is transparent and based on clearly defined and commonly accepted quality (assessment) criteria	<ul style="list-style-type: none"> <li>• Increased share of projects funded and implemented by UNIDO that actually meet defined criteria for project approval</li> </ul>	<ul style="list-style-type: none"> <li>• Project documents</li> </ul>
Project formulation and funding procedures are closely linked to ensure efficient use of limited UNIDO manpower for project preparation	<ul style="list-style-type: none"> <li>• Increased share of project documents that receive adequate funding</li> </ul>	
Timely services to address emergent needs of the country including development of national partnerships and alliances to combat poverty in the poorest subregions	<ul style="list-style-type: none"> <li>• Number of proposals developed to tackle emergent needs of the country</li> <li>• Number of initiatives produced to tackle poverty issues</li> <li>• Positive feedback from recipients</li> </ul>	

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Promoting global forum activities with direct link to UNIDO priorities and to the potential increase of UNIDO portfolio in the region and worldwide	<ul style="list-style-type: none"> <li>• Number of concepts developed</li> <li>• Number of projects implemented</li> <li>• Evidence of the involvement of local partners</li> </ul>	

### **Outputs**

- Quality standards governing the project formulation, review and approval process are defined, communicated and enforced;
- Formulation and approval process is strictly adhered to with only a few justifiable exceptions;
- Close relations to stakeholders and donors to link formulation to funding are maintained;
- Interaction between field structure and headquarter is strengthened;
- Quality advice to the Government including support to national economic development activities and development plans is ensured;
- Concrete partnerships with regional and/or national development institutions where developed.

## **MAJOR PROGRAMME D: TRADE CAPACITY-BUILDING**

### **General description**

D.1. Enhancing the capacity of developing countries and countries with economies in transition to participate in global trade is becoming increasingly critical for the future economic growth of these countries. The ability of enterprises in these countries to trade internationally depends more and more on their ability to enter into global value chains that are established by transnational corporations (TNCs). On the one hand, this requires working on the supply side, enabling enterprises to manufacture products with high-export potential in the quantities and at the level of quality required by the markets. On the other hand, it requires evidence of market conformity, enabling these same enterprises to ensure that their products conform to the relevant international standards, in particular private buyer requirements, and technical requirements.

D.2. On the supply side, UNIDO will continue to support enterprises in their efforts to offer competitive, safe, reliable and cost-effective products in world markets. This requires (a) identifying sectors and products that have competitive potential and are suitable for local value addition (this is done in close coordination with Major Programme C: Poverty Reduction through Productive Activities); (b) analyzing and assessing trends in industrial performance at national, regional and global level, and formulating strategies and policies designed to improve industrial competitiveness and to overcome technical barriers to trade (TBT) and comply with sanitary and phyto-sanitary measures (SPS); (c) assisting in upgrading manufacturing processes in sectors with high-export potential to internationally acceptable levels; (d) assisting in the diffusion of modern and relevant technologies, through the UNIDO network of technology centres, support for technology management programmes, and road-mapping and foresight; (e) supporting the creation of export consortia, a specialized form of SME network; and, (f) designing and implementing national and regional commodity-based trade capacity-building programmes, in cooperation with international partner agencies such as WTO, ITC, FAO and CFC.

D.3. With respect to conformity, UNIDO will continue to help enterprises comply with international standards and market requirements, and will assist countries that have recently acceded to WTO, or are in the accession process, to develop the conformity infrastructure needed, in particular, to fulfil the requirements and obligations under the WTO TBT agreement and the agreement on the Application of SPS measures. It will do so by developing capacities in national standards bodies to perform internationally-recognized product testing and calibration based on analyses of infrastructural and service gaps in metrology, testing and inspection services, and by developing accreditation institutions to accredit laboratories, system certifiers and inspection bodies.

D.4. UNIDO will also provide assistance to address the growing significance of private sector requirements for enterprise systems and product standards. Of particular importance are the standards regarding food hygiene and food safety (ISO 22000), but there are also other important international systems standards such as quality management (ISO 9001), environmental management (ISO 14001), and social accountability (SA 8000). It will also support producers in performing self-declarations of conformity such as the CE markings and others. Corporate social responsibility (CSR) is also an area where international buyers are increasingly requiring exporter compliance, especially in light of the upcoming international standard on social responsibility (ISO 26000).

D.5. These overall considerations will give rise to the following more focused regional priorities:

#### **Sub-Saharan Africa**

(a) The evolution from protection to liberalization in the global trading system and the emphasis on development in the Doha Round offer opportunities for the advancement of trade and industry in Africa. But due to low productivity and lack of competitiveness, expanded

market access alone will not be enough to generate growth. African enterprises must strive to develop regional value chains and link with global supply chains to market their products internationally. UNIDO initiatives will, inter alia, help to build capabilities to increase supply capacity, quality, competitiveness and conformity with importer-mandated product standards. Through the regional programmes of the African Productive Capacity Initiative (APCI), UNIDO is promoting regional integration, harmonization and cooperation. The Programme will thus enhance integration of the regional economic communities for increased market access, remove barriers to trade and help the beneficiary countries to diversify their export base. The Major Programme will contribute to reducing trade impediments, promoting the harmonization of industrial, trade and technology policies and helping to ensure conformity and compliance with industrial standards and environmental norms.

### **Arab Countries**

(a) In the Eastern Mediterranean subregion UNIDO's interventions will be oriented towards activities related to capacity-building for production and export, business partnership programmes, SME export consortia, product innovation and diversification for enhanced market access. In addition, UNIDO will promote capacity building for market access and conformity assessment by providing services in the field of standards, metrology, testing, quality management, accreditation and certification;

(b) National policies and the international operations of local enterprises in the Gulf subregion need to play a key role in determining the pattern of globalization in this region. To this end, the Programme will focus on three broad categories of interventions: capacity-building in standards, metrology, testing and accreditation to overcome WTO constraints such as TBT/SPS; enhancing the competitiveness of Gulf enterprises through quality and productivity improvements, and supporting the development of mechanisms to assist them in accessing global supply chains and networks;

(c) The future orientation of UNIDO in the North Africa subregion will reflect the challenges posed by the gradual establishment of a Euro-Mediterranean free-trade area by 2010 to the local industrial sector. UNIDO's interventions will aim at the modernization/improvement of priority industrial sectors (textile, food, leather) through upgrading programmes and at strengthening the capabilities of local institutions to facilitate competitive trade expansion (establishment of export consortia, quality, metrology, standards and certification services).

### **Asia and the Pacific**

(a) Fuelled by industrialization and international trade, the region has enjoyed rapid economic growth over the past decades. As a result, the shares of the industrial and services sectors in the region's total GDP have increased significantly, while the share of the agricultural sector has declined;

(b) However, not all the countries have been able to reap the benefits of globalization and trade liberalization due mainly to lack of competitiveness of their export products in the world markets. These countries need programmes that could help to enhance their trade promotion capacity and the quality of their export products so that they may be able to participate meaningfully in world trade and gain access to global markets. Such programmes include the establishment/enhancement of a standards, metrology and certification infrastructure, supply chain management, information networking, and technology development.



### Latin America and the Caribbean

(a) Within this region, the components aimed at production and export capacity-building, above all in agro-industries, will be of particular relevance to the Andean countries and Central America. The same groups of countries will also benefit from technical services related to capacity for market access and conformity assessment through the application of the industrial competitiveness and trade service programme components. It is expected that such services will also be provided on a subregional basis, e.g. to the members of the Community of Andean Nations or the Caribbean subregion. Technology foresight programmes will be applied to selected industrial subsectors, mainly covering subregions.

### Europe and the NIS

(a) UNIDO will continue to expand the regional programme on technology foresight, which has become a service with high demand in the region, to support the formulation of technology policies and strategies that guide the development of the technological infrastructure, and to provide incentives and assistance to enterprises in technology management and technology transfer, leading to enhanced competitiveness;

(b) To enable enterprises in the region to participate in global value chains and export markets, UNIDO will proceed with the implementation of a regional programme to promote CSR as a business and management concept that improves not only profits, but also the environmental and social impact of enterprises.

### Overall objective

D.6. The overall objective of the Major Programme is to ensure that the competitive supply capacities of developing countries and countries in transition and their standards and conformity assessment infrastructure meet the requirements of global markets.

### Resources

#### Resource estimates (in euros)

Posts			2008-2009 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
52.15	23.75	75.90	Staff costs	12,930,995	4,076,470	17,007,465
			Consultants	235,900		235,900
			Meetings	194,300		194,300
			Official travel	251,280		251,280
			Operating costs	247,220		247,220
			Information and comm. techn.	51,600		51,600
			RPTC/SRA	3,525,549		3,525,549
			<b>Total gross expenditure</b>	<b>17,436,844</b>	<b>4,076,470</b>	<b>21,513,314</b>
			Income	(119,200)		(119,200)
Technical cooperation (extrabudgetary)		37,905,000	<b>Total net resources</b>	<b>17,317,644</b>	<b>4,076,470</b>	<b>21,394,114</b>
			<b>Total resources (including extrabudgetary TC)</b>			<b>59,299,114</b>

## Programme Component D.1: Thematic Strategies, RBM and Quality Assurance

### General description

D.7. The Programme component:

- (a) Develops major thematic strategies for the further programmatic development of the Major Programme D;
- (b) Communicates and promotes the activities of Major Programme D within UNIDO, the United Nations system and the public at large;
- (c) Initiates and facilitates in-house and, as far as appropriate, inter-agency cooperation for an efficient and effective implementation of Major Programme D;
- (d) Assists in the overall implementation of RBM-based strategic planning for Programme Components of Major Programme D.

### Objective

D.8. Major Programme D is successfully managed towards the achievement of the objectives and outcomes defined at programme and project levels.

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Major Programme D is continuously monitored and adjusted in line with thematic trends within UNIDO's mandate	<ul style="list-style-type: none"> <li>• Consolidated project-based bottom-up monitoring and reporting scheme in place</li> <li>• New themes identified and existing themes updated with a pro-poor perspective on a regular basis</li> </ul>	<ul style="list-style-type: none"> <li>• Major Programme D monitoring reports</li> <li>• Thematic trend reports</li> <li>• Strategic documents</li> <li>• Programme and project documents</li> </ul>
Stakeholders are informed about Major Programme D priorities, implementation status and results on a regular basis	<ul style="list-style-type: none"> <li>• Parties concerned informed on regular basis using appropriate communication tools</li> </ul>	
UNIDO staff adheres to clearly defined and agreed upon quality standards regarding project identification, formulation and implementation (based on RBM)	<ul style="list-style-type: none"> <li>• Quality of project and programme documents</li> <li>• Positive response from stakeholders on UNIDO programmes and projects</li> <li>• Positive staff feedback concerning clear understanding of quality standards</li> <li>• Learning from evaluations institutionalized</li> <li>• Systematic training to keep staff up-to-date with state-of-the-art methodologies</li> </ul>	

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
UNIDO internal cooperation (HQ and field structure) and external cooperation with other United Nations organizations, donors, etc. is efficiently and effectively organized	<ul style="list-style-type: none"> <li>• In-house information exchange institutionalized</li> <li>• Lessons learned communicated</li> </ul>	

## **Outputs**

- Relevant thematic trends are identified on a regular basis;
- Programme revision is based on up to date monitoring information;
- Development of major thematic strategies is in harmony/coordinated with regional priorities;
- Information for stakeholders made available and disseminated in user-friendly form/formats;
- In-house processes/procedures for the application of RBM defined and implemented;
- Staff qualified to use RBM and related planning/management tools professionally;
- Transparent quality-oriented incentive schemes are introduced;
- Responsibilities for quality assurance with regard to project planning and management defined;
- In-house cooperation culture based on teamwork, interdisciplinary cooperation and mutual learning.

## **Programme Component D.2: Competitiveness Analysis and Trade-related Policies**

### **General description**

D.9. This programme component concentrates on capacity-building in both the public and private sectors in the monitoring of industrial performance at national, regional and global levels; economic and statistical analysis; benchmarking competitive performance at sectoral and product levels; and the establishment of trade-related data bases such as inventories of technical barriers to trade (TBT).

D.10. The data and information assembled and analyzed then serves as a firm basis on which to formulate policies and strategies specifically designed to overcome TBT and to expand exports from the industrial sector.

### **Objective**

D.11. Private and public institutions and organizations formulate and implement industrial development policies aiming to strengthen export and trade that are based on an improved database and assessment of global trends.

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Monitoring and assessment of industrial performance and competitiveness at national, regional and global levels institutionalized	<ul style="list-style-type: none"> <li>Number of countries, and within each country, of public and private stakeholders using UNIDO's methodologies for competitiveness assessment</li> </ul>	<ul style="list-style-type: none"> <li>Legal texts</li> <li>National statistics</li> <li>Press releases</li> <li>Government policy documents</li> </ul>
Private and public stakeholders use improved diagnostic and analytical tools for product and sector analysis of competitiveness at sector and product level	<ul style="list-style-type: none"> <li>Number of countries, and within each country of public and private stakeholders, using UNIDO's methodologies for sector and product analysis</li> <li>Number of countries establishing and updating data base on TBTs and SPSs</li> </ul>	<ul style="list-style-type: none"> <li>Reports from pilot institutions (survey)</li> <li>Availability of national data base (website)</li> </ul>

### **Outputs**

- Establishment of regularly maintained and updated inventories of technical barriers to trade and SPS measures by public or private institutions;
- Competitiveness surveys.

### **Programme Component D.3: Enterprise Upgrading for Trade Enhancement**

#### **General description**

D.12. In order to offer competitive, safe, reliable and cost-efficient products, enterprises have to be restructured and upgraded, supported by investment and technology inflows for process upgrading, as well as by productivity and quality management improvement. Such upgrading enhances sectors and firm competitiveness, and translates into greater world market shares in tradable goods and services.

D.13. UNIDO provides technical support services in establishing regional and national productivity centres and enhancing enterprise productivity and export capacity. The activities are mainly targeted at strengthening the institutional capacity through expert knowledge, training programmes, study tours, equipment supply, development of tools and methodologies and undertaking pilot demonstration projects for replication.

#### **Objective**

D.14. Improved performance/competitiveness and export capacity of upgraded enterprises.

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Pilot enterprises institutionalize a quality culture using quality management systems for continuous improvement	<ul style="list-style-type: none"> <li>• Number of pilot enterprises certified towards quality, food safety, environment, etc.</li> <li>• Number of non-pilot enterprises that introduced certification systems or seeking assistance to do so</li> <li>• Number of enterprises that take part in quality award contests</li> </ul>	<ul style="list-style-type: none"> <li>• Surveys</li> <li>• Legal texts</li> <li>• National statistics</li> <li>• Publications from industry associations</li> <li>• Reports from pilot enterprises (survey)</li> <li>• Feedback from training participants</li> <li>• Websites</li> </ul>
Quality and productivity centres are established or deliver improved services to enterprises	<ul style="list-style-type: none"> <li>• Number of centres established and strengthened</li> <li>• Level of demand for centres' services</li> </ul>	
National upgrading schemes are operational and pilot enterprises are upgraded	<ul style="list-style-type: none"> <li>• Coordinating structure and funds for upgrading in place</li> <li>• Number of enterprises upgraded</li> <li>• Requests for upgrading from enterprises are fully satisfied by the upgrading office</li> </ul>	

## Outputs

- Human capacity built up at the company level to set up and coordinate a quality/environment/food safety management system;
- Pool of trained/qualified internal auditors and pool of private consultants qualified and available to provide services;
- Quality improvement and certification benefits promoted at national level;
- National/regional scheme for quality award set up or strengthened;
- UNIDO quality-related pilot experiences (success stories) disseminated, leading to awareness creation and adoption of certification systems by non-pilot companies;
- National communication strategy implemented to promote the benefits of quality;
- Institutional mechanisms for enterprises upgrading set up;
- Tools for enterprise upgrading disseminated and replicated at national and subregional levels.

## Programme Component D.4: Innovation Systems, Technology Management and Foresight

### General description

D.15. Global value chains require adapted development priorities, policies and related strategies. Technology management and foresight are instrumental to support decision-making regarding the

application of technology and innovation for sustainable and competitive economic and industrial policy, including technology dissemination, national innovation systems, and technology capacity-building. The asymmetric flows of technology can be corrected by devoting increased attention to the institutional basis for determining the direction and pace of technological development through linkages with production chains and networks. This Programme Component enables developing countries to improve the institutional infrastructure for technology in order to translate productive capacity into growth efficiently.

**Objective**

D.16. National and regional innovation systems (NIS/RIS) are supportive to innovative companies.

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Innovative companies have better access to support services for technology development and uptake of emerging technologies	<ul style="list-style-type: none"> <li>• Number of technology and innovation centres, technology parks and other support structures that offer services to different user groups on a sustainable basis</li> </ul>	<ul style="list-style-type: none"> <li>• Official statistics</li> <li>• UNIDO innovation surveys (country/sector)</li> <li>• Reports of supported organizations</li> <li>• Sample surveys among companies using support services</li> <li>• Statistics on use of service providers</li> </ul>
Technology diffusion is enhanced	<ul style="list-style-type: none"> <li>• Networks for technology diffusion operational</li> </ul>	
Public and private organizations apply technology management and foresight	<ul style="list-style-type: none"> <li>• Number of institutions applying technology foresight for policy making</li> <li>• Number of technology management programmes implemented</li> <li>• Number of investors that give positive feedback on relevance of technology management and foresight services</li> </ul>	
Government and public institutions adopt policies and strategies for strengthening national and regional innovation systems	<ul style="list-style-type: none"> <li>• NIS/RIS policy approaches adopted</li> </ul>	

**Outputs**

- Programmes strengthening institutional capacities for the uptake of emerging technologies implemented;
- Advisory services (needs assessment, institutional capability assessment, external and internal linkages, optimization of resources) for strengthening national innovation systems established;
- Analysis of economic factors, environmental impacts and public perception attitudes regarding emerging technologies carried out;
- Staff of public and private organizations qualified in technology management and technology impact assessment;

- Network groups at the regional/national level in relation to technology foresight established;
- Upgraded/developed tools and methodologies related to technology management, road-mapping and technology foresight are made available;
- People working in networks are qualified to apply methodologies and tools for technology management and technology foresight;
- Advisory services on science, technology and innovation policies and relevant action plans established.

### **Programme Component D.5: Modernization of Export-oriented Agro-industries**

#### **General description**

D.17. The services offered by this component comprise a range of technical cooperation interventions and know-how, which encompass:

- (a) Support and advice to official and private sector decision-making bodies on techno-economic development options for strengthening the agro-industrial sector (food, leather, textiles, wood and agro-machinery);
- (b) Capacity-building at the institutional and industry levels to enhance industrial productivity and marketing performance in the agro-industrial sector;
- (c) Support to traditional agro-industries to improve their productivity and increase their integration into global value chains;
- (d) Participation in the work of international organizations and normative bodies, the promotion of research on priority/novel commodities, the preparation of training manuals and tool kits for agro-processing/technologies, and the dissemination of agro-industrial information for decision making.

#### **Objective**

D.18. Export-oriented agro-industries adopt improved production technologies, enhance quality of products and access new markets.

<i><b>Outcomes</b></i>	<i><b>Performance indicators</b></i>	<i><b>Sources of verification</b></i>
Industry support organizations provide support services to export-oriented companies on a sustainable basis	<ul style="list-style-type: none"> <li>• Number of sustainable support organizations</li> </ul>	<ul style="list-style-type: none"> <li>• Record of service providers</li> <li>• UNIDO sample surveys in agro-industry</li> </ul>
Export-oriented agro-industries use good hygiene practices, hazard analysis and critical control point systems introduced by UNIDO supported service providers	<ul style="list-style-type: none"> <li>• Number of companies using good practices, etc.</li> </ul>	

## Outputs

- Industry support institutions and information centres are qualified to offer professional services to the industry;
- Capacity built in the area of food hygiene and safety in enterprises of the food industry;
- International best practices are disseminated in relevant countries.

### Programme Component D.6: SME Export Consortia

#### General description

D.19. Gaining access to export markets is crucial for increasing SME growth and productivity, especially in light of increased globalization. However SMEs are often deterred from exporting by the complexities of the export business and the high risks involved. Without significant knowledge and preparation, attempts to export are doomed to failure and may even jeopardize the financial stability of the enterprise as whole. One effective way of addressing these types of problems is through the development of export consortia, which are a specialized form of an SME network. By combining their knowledge, financial resources and contacts within an export consortium, SMEs can significantly improve their export potential and reduce the costs and risks involved in penetrating foreign markets.

#### Objective

D.20. SMEs have better access to export markets.

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Policy institutions adopt the export consortia approach to promote SMEs	<ul style="list-style-type: none"> <li>• Number of institutions/organizations using Export Consortia tools and training materials for SMEs provided by UNIDO</li> </ul>	<ul style="list-style-type: none"> <li>• UNIDO sample survey</li> <li>• Records of government and support institutions</li> </ul>
SMEs adopt the export consortia approach	<ul style="list-style-type: none"> <li>• Number of export consortia established</li> <li>• Number of SMEs participating in export consortia</li> <li>• Export performance of participating SMEs</li> </ul>	

#### Outputs

- Policy-makers and SME practitioners are qualified to design and implement export consortia programmes;
- Operation of export consortia is demonstrated on a pilot basis;
- Tools for use by support institutions and SMEs in establishing and operating export consortia are made available.



## Programme Component D.7: Corporate Social Responsibility for Market Integration

### General description

D.21. As trade within national, regional and global supply chains of large corporations becomes the predominant way of exchanging goods and services in a globalized economy, the business community in developing countries is confronted with an increasing number of national and international intergovernmental and private standards, which govern these supply chains. The standards require the adherence not only to technical concerns but also progressively more to environmental and social principles of corporate social responsibility (CSR). The need to adhere to these standards not only represents a compliance challenge for SMEs but, at the same time, a potential competitive advantage and a business opportunity if companies are provided with adequate support to monitor and implement these CSR principles so as to integrate successfully into global value chains.

### Objective

D.22. CSR standards in SMEs implemented.

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Institutions/service providers inform SMEs about CSR standards and their implementation at company level on a regular basis	<ul style="list-style-type: none"> <li>Number of assisted institutions using CSR tools and training materials for SMEs provided by UNIDO CSR and business partnership programmes</li> <li>Number of SMEs in CSR and business partnership programmes applying the produced tools and training materials</li> </ul>	<ul style="list-style-type: none"> <li>UNIDO sample survey</li> <li>Records of service providers</li> <li>Survey among SMEs</li> </ul>
SMEs assisted by UNIDO introduce corporate social responsibility standards	<ul style="list-style-type: none"> <li>Number of SMEs introducing CSR standards</li> </ul>	

### Outputs

- People qualified to provide expertise and know-how of CSR assistance to SME support institutions (public and private);
- Tools and training materials on CSR for use by support institutions (public and private) in advising SMEs on application of CSR practices are made available;
- Distribution system for wide outreach of CSR programme is developed;
- Publications and presentations to disseminate the lessons learned from individual projects and improve best practices in CSR and business partnerships are available and disseminated.

## Programme Component D.8: Standards, Metrology, Testing and Conformity

### General description

D.23. The capacity of developing countries to comply with standards needs to be enhanced. ISO 9001, ISO 14001 and ISO 22000 are some of the system standards that exporters need to comply with if they

want to enter many foreign markets. Product traceability to ensure information on the source of products is also becoming an important issue that producers have to comply with in order to be able to enter regional or international markets. Developing country manufacturers need to develop systems at enterprise level to comply with these new management standards, requiring significant assistance in related capacity-building. Global awareness building on the issue and dissemination of the necessary know-how is also an urgent need.

D.24. Moreover, products entering global markets have to be tested against international standards and conformity assessment requirements. However, the onus of providing proof of conformity with the standard is vested with the developing country producer accessing the market. This requires developing countries to have testing laboratories, which can test products and samples for compliance to international standards. Further, to enable precision manufacture and to comply with stringent quality requirements, developing countries and economies in transition require well-developed metrology infrastructure, having calibration facilities that can establish measurement and traceability chains to the international system of units. Providing the evidence of conformity dictates that developing countries should have the institutional and legal framework for standards, metrology, testing and quality.

**Objective**

D.25. Countries have the infrastructure enabling them to develop, disseminate and comply with international and local standards, and to assess the conformity of what they produce in an internationally recognized manner.

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Standards: National Standards Bodies (NSBs) enable enterprises to comply with WTO agreements, especially on TBT/SPS, and take into account private sector/exporter and consumer needs	<ul style="list-style-type: none"> <li>• Number of regional and/or international standards adopted/adapted by the NSB</li> <li>• Level of participation of NSBs, consumers and the private sector in international/regional/national standards-setting activities (share in technical and mirror committees)</li> <li>• Number of awareness/training sessions and quality courses performed by NSB</li> </ul>	<ul style="list-style-type: none"> <li>• Records of standard bodies</li> <li>• Records of international standard setting organization</li> <li>• Records and publications of consumer organizations</li> <li>• UNIDO project and evaluation reports</li> </ul>
Metrology/calibration and product testing: Effective local capacity, operating according to international best practices and standards, provides services to local testers and producers/exporters and for consumer protection	<ul style="list-style-type: none"> <li>• Number of laboratories operating according to international standards and good practices (international accreditation) or number of accredited parameters</li> <li>• Benchmarking of local testing capacities against international performance</li> <li>• Level of demand for laboratory testing services from foreign and local clients</li> </ul>	

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Accreditation: Local or regional accreditation schemes able to assess the performance of the local laboratory, inspection, certification body activities	<ul style="list-style-type: none"> <li>• Number of local/regional accreditation body operating according to international practices and recognized by the International Laboratory Accreditation Cooperation and the International Accreditation Forum</li> <li>• Schemes for registration of auditors and laboratory accreditation evaluators established</li> <li>• Level of demand for accreditation services from laboratories, inspection/certification bodies</li> </ul>	
Certification: Internationally recognized certification services, available for export and local enterprises for international and private buyer and retailer standards in areas such as quality, environment, social accountability, food safety, traceability, etc.	<ul style="list-style-type: none"> <li>• Certification bodies accredited according to international schemes</li> <li>• Number of products, services and enterprises certified by national certification bodies</li> <li>• Number of trained/qualified auditors; number of auditors registered in the country; number of auditors obtaining international registration</li> </ul>	
Consumer affairs: Consumer associations defend and promote consumer rights based on national policies in line with international best practices	<ul style="list-style-type: none"> <li>• Number of activities carried out by consumer associations, such as comparative product testing, organizing awareness-raising events, settling cooperation between associations, creating partnerships with enterprises, media, etc.</li> <li>• Number of and quality of communication tools available within consumer associations</li> <li>• Fora for public information exchange concerning product quality established</li> </ul>	

## Outputs

- NSBs operational and with the capacity to actively participate in international standards-setting activities;
- Standards-setting capacity strengthened with regards to safety and security for local products;

- National metrology institute and laboratory testing capacities are upgraded through provision of expertise, equipment and training;
- Pool of qualified laboratory assessors available to cover the priority needs of the main target markets;
- Local accreditation body upgraded towards international standards for accreditation of labs, inspection and certification bodies;
- Operational and trained certification bodies, providing services towards quality, environment, social accountability, food safety, etc.;
- Pool of trained and registered auditors for certification purposes is available;
- Capacity of consumer associations strengthened to promote consumer rights and particularly quality at country level.

### **Programme Component D.9: Regional Priorities, Funds Mobilization and Partnerships**

#### **General description**

D.26. The various technical components of Major Programme D will be implemented to varying degrees and in varying combinations in all of the regions falling within the scope of UNIDO's technical cooperation activities. This programme component will serve to focus these activities in line with national needs and the coordinated responses agreed upon through the CCA/UNDAF and PRSP processes, optimize their impact through the provision of various field-level support services, and assist in funds mobilization and the facilitation of inter-agency partnerships and joint projects.

D.27. Advisory services will be provided aiming at continuous improvement of the technical cooperation programmes and projects formulated and implemented under Major Programme D. In particular, efforts will be made to improve the design of those programmes and projects, ensure effective implementation modalities, incorporate adequate monitoring and reporting activities and ensure that lessons learned from evaluation exercises are applied effectively. In addition, funds administration and funds coordination services will be provided which will improve the understanding of Member States of the Organizations' activities.

D.28. During the biennium, funds mobilization efforts for Major Programme D will aim at strengthening the cooperation with a number of bilateral and regional donors supporting this priority, especially with the European Commission. The Economic Partnership Agreements being developed by the European Commission with their focus on trade and regional integration are expected to provide particularly good opportunities for providing UNIDO expertise in this area. Close cooperation with the other international organizations with complementary mandates like WTO, ITC and UNCTAD are expected to improve funding for all. The "Aid for Trade" initiative of Member States is also expected to provide strong opportunities for UNIDO's work in this area. Donors will further be approached for the UNIDO Trust Fund on Trade Capacity-building that has hitherto been instrumental in developing programmes as well as strengthening the involvement of international technical organizations in the areas of metrology, accreditation and standards in strengthening the capacities in developing countries in these areas.

D.29. LDCs are recognized by UNIDO as a specific group of countries, which is given priority in the provision of technical cooperation, and where the Organization can make a contribution with great impact. Efforts in funds mobilization for LDCs will be increased during the biennium.

## Objective

D.30. Major Programme is formulated, reviewed, implemented, funded and evaluated according to identified needs and in response to donor (traditional and non-traditional) priorities and to United Nations common activities.

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
UNIDO staff prepare and relevant committees (QAG, PAC) review and approve SSSs, programme documents for integrated programmes and project documents for stand-alone projects	<ul style="list-style-type: none"> <li>Number of approved documents (SSSs, project documents) compared to number submitted</li> </ul>	<ul style="list-style-type: none"> <li>UNIDO programmatic documents</li> <li>UNIDO reports</li> <li>Surveys among donors</li> <li>Surveys among country based stakeholders and partners</li> <li>Project documents</li> </ul>
Review and approval of SSSs and project documents is transparent and based on clearly defined and commonly accepted quality (assessment) criteria	<ul style="list-style-type: none"> <li>Increased share of projects funded and implemented by UNIDO that actually meet defined criteria for project approval</li> </ul>	
Project formulation and funding procedures are closely linked to ensure efficient use of limited UNIDO manpower for project preparation	<ul style="list-style-type: none"> <li>Increased share of project documents that receive adequate funding</li> </ul>	
Timely services to address emergent needs of the country including development of national partnerships and alliances to combat poverty in the poorest subregions	<ul style="list-style-type: none"> <li>Number of proposals developed to tackle emergent needs of the country</li> <li>Number of initiatives produced to tackle poverty issues</li> <li>Positive feedback from recipients</li> </ul>	
Promoting global forum activities with direct link to UNIDO priorities and to the potential increase of UNIDO portfolio in the region and worldwide	<ul style="list-style-type: none"> <li>Number of concepts developed</li> <li>Number of projects implemented</li> <li>Evidence of the involvement of local partners</li> </ul>	

## Outputs

- Quality standards governing the project formulation, review and approval process are defined, communicated and enforced;
- Formulation and approval process is strictly adhered to with only a few justifiable exceptions;
- Close relations to stakeholders and donors to link formulation to funding are maintained;
- Interaction between field structure and Headquarters is strengthened;

- Quality advice to the government including support to national economic development activities and development plans is ensured;
- Concrete partnerships with regional and/or national development institutions where developed.

## MAJOR PROGRAMME E: ENERGY AND ENVIRONMENT

### General description

E.1. In 2000, the United Nations General Assembly adopted the Millennium Declaration, in which Member States committed themselves to fundamental values essential to international relations in the twenty-first century. One of these is a respect for nature. The Member States asserted that “the current unsustainable patterns of production and consumption must be changed in the interest of our future welfare and that of our descendants.” These commitments were codified into Millennium Development Goal 7, which calls on the international community to ensure environmental sustainability and to reverse the loss of environmental resources. These concerns were reiterated at the Johannesburg World Summit on Sustainable Development (WSSD) of 2002, whose Plan of Implementation states that fundamental changes in the way societies produce and consume are indispensable for achieving global sustainable development. All countries should promote sustainable consumption and production patterns with programmes addressing the delinking of economic growth and environmental degradation through improved efficiency and sustainability in the use of resources and production processes, and reduction in resource degradation, pollution and waste.

E.2. UNIDO’s Strategic Long-term Vision Statement strongly reaffirms these calls by the United Nations General Assembly and WSSD. It states that in the long run the focus of UNIDO activities in the thematic programme “Energy and Environment” should be to bring about fundamental changes in both product design and technology, which provide for resource sustainability. As outlined in the Strategic Long-term Vision Statement, resource sustainability involves four steps: (a) continuing to reduce the usage of materials and energy through cleaner production processes to enhance production efficiency and reduce effluents of hazardous and toxic chemicals; (b) moving towards circular flows of materials by promoting more strongly their continued reuse and recycling; (c) shifting from non-renewable to renewable sources of energy; (d) changing the emphasis from selling products to supplying services.

E.3. These overall considerations will give rise to the following more focused regional priorities:

#### **Sub-Saharan Africa**

(a) Reliable modern energy services in general, and rural electrification in particular, can play a critical role in enhancing productivity and reducing poverty. However, Africa’s share of commercial energy use is currently very much below the desirable level, with its enormous energy resources remaining untapped. This situation has come about because the necessary infrastructure such as pipelines and electricity grids, are lacking, and because the region’s widespread poverty means that there is a lack of income to pay for the services. Obviously, sustainable industrial development will remain unattainable in the absence of reliable and affordable energy supplies. Against this background, the priorities of Major Programme E in Africa are as follows:

- (i) To assist in raising productivity by minimizing industrial waste generation and increasing recycling (which will also preserve Africa’s natural environment), and to introduce environmentally sound and appropriate technologies;
- (ii) Given the increasingly pressing problems with water, to develop programmes to minimize water consumption during industrial processing, and to continue the protection of large marine eco-systems such as the Gulf of Guinea;
- (iii) Given that urban waste disposal is a persistent problem in most cities, to promote increased recycling of urban waste, which will also provide job creation opportunities for the urban poor.

### **Arab countries**

(a) Reflecting the diversity of these countries, the services provided to them by UNIDO under Major Programme E will vary according to subregion. In the Eastern Mediterranean subregion, Governments need to incorporate into their economic development efforts the necessary energy-related and environmental concerns. UNIDO will focus on activities related to renewable energy, industrial energy efficiency, cleaner and sustainable production, water management, and the implementation of the Montreal Protocol and other international environmental protocols and agreements. In the Gulf countries, environmental management and control need to be improved. UNIDO will focus on promoting modern technologies and processes that are cleaner and more environmentally sustainable, both within and outside the framework of the multilateral environmental agreements (MEAs). Protecting water resources from contamination and excessive consumption will be a special area of focus. In North Africa, natural resource degradation and depletion, especially water, is an increasingly serious problem. UNIDO will focus on building national capacities to address industrial pollution. In the Arab LDCs, UNIDO will focus on promoting the use of renewable energy to support and secure sustainability of productive activities.

### **Asia and the Pacific**

(a) The region is facing severe environmental deterioration due to a combination of factors such as high population density and growth, rapid industrialization and urbanization, natural disasters and poverty. Other significant environmental problems include land degradation caused by deforestation and inappropriate agricultural practices, water loss, and mangrove clearance for aquaculture;

(b) UNIDO will continue to assist the more advanced countries of the region such as China, India, and some Association of Southeast Asian Nations countries in the successful implementation of the MEAs. These countries also need programmes in energy efficiency, capacity-building and cleaner production. On the other hand, the less developed countries will need assistance in modern technologies for renewable energy, water management with transfer of environmentally-sound technologies (ESTs), as well as capacity-building in cleaner and sustainable industrial production.

### **Latin America and the Caribbean**

(a) The mandate to work towards the establishment of a Latin American Observatory for Renewable Energy, given to UNIDO by the Ministerial Meeting on Renewable Energy in Montevideo in September 2006, will be pursued as part of a general drive towards the use of sustainable energy sources. The network of National Cleaner Production Centres (NCPCs) in the region, particularly in Central America, will continue to be consolidated. In the area of large marine eco-systems, attention will be given to the Humboldt Current and the Gulf of Mexico. As regards the Stockholm Convention on the Elimination of Persistent Organic Pollutants, implementation of national plans is expected to continue during the biennium.

### **Europe and the NIS**

(a) In this region, emphasis will be placed on development of renewable energy sources and energy efficiency. The latter problem is associated with high levels of energy consumption in the region and creates a particularly serious problem, with its roots in the highly subsidized energy prices of the planned economy era. Awareness-building in energy efficiency measures and the introduction of efficient industrial energy systems is therefore required;



(b) In the field of renewable sources of energy UNIDO will emphasize the development of TC projects and programmes oriented towards exploring the potential use of renewable sources of energy such as biofuels, wind, solar, biomass, small hydropower, etc. It is expected that the UNIDO International Centre for Hydrogen Technologies (ICHET) in Turkey will promote research and demonstration projects in the region;

(c) Cleaner and sustainable development will be further promoted and expanded through the establishment of new NCPCs, using the expertise of the centres developed by UNIDO in other countries of Central Europe, thereby promoting East-East cooperation in the region;

(d) Further cooperation will be provided in the area of water management and productivity, since industrial effluents are a major source of pollution to rivers. Therefore, the transfer of ESTs is required to improve the water quality of the large river systems in the region as well as the Black Sea and Mediterranean Sea;

(e) In the context of the Montreal Protocol, UNIDO will continue its technical cooperation projects in the field of ozone depleting substances. It is expected also that follow-up projects aimed at the elimination of stockpiles of POPs in the region will be formulated on the basis of national implementation plans (NIPs) developed through the enabling activities projects carried out by UNIDO within the framework of Stockholm Convention.

### Overall objective

E.4. To reduce environmental impacts through the increased use of renewable energies and the adoption of clean and environmentally sustainable processes and technologies.

### Resources

#### Resource estimates (in euros)

Posts			2008-2009 estimates (after recosting)			
Professional	General Service	Total	Regular budget	Operational budget	Total	
63.65	34.70	98.35				
			Staff costs	17,164,300	3,979,955	21,144,255
			Consultants	505,800		505,800
			Meetings	212,900		212,900
			Official travel	610,800		610,800
			Operating costs	88,320	267,100	355,420
			Information and comm. techn.	2,100		2,100
			RPTC/SRA	3,402,302		3,402,302
			<b>Total gross expenditure</b>	<b>21,986,522</b>	<b>4,247,055</b>	<b>26,233,577</b>
			Income	(177,050)		(177,050)
Technical cooperation (extrabudgetary)		111,450,000	<b>Total net resources</b>	<b>21,809,472</b>	<b>4,247,055</b>	<b>26,056,527</b>
			<b>Total resources (including extrabudgetary TC)</b>			<b>137,506,527</b>

### Programme Component E.1: Thematic Strategies, RBM and Quality Assurance

#### General description

E.5. The programme component:

(a) Develops major thematic strategies for the further programmatic development of Major Programme E;

- (b) Communicates and promotes the activities of Major Programme E within UNIDO, the United Nations system and the public at large;
- (c) Initiates and facilitates in-house and, as far as appropriate, inter-agency cooperation for an efficient and effective implementation of Major Programme E;
- (d) Assists in the overall implementation of RBM-based strategic planning for programme components of Major Programme E.

**Objective**

E.6. Major Programme E is successfully managed towards the achievement of the objectives and outcomes defined at programme and project levels.

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Major Programme E is continuously monitored and adjusted in line with thematic trends within UNIDO's mandate	<ul style="list-style-type: none"> <li>• Consolidated project-based bottom-up monitoring and reporting scheme in place.</li> <li>• New themes identified and existing themes updated with a pro-poor perspective on a regular basis</li> </ul>	<ul style="list-style-type: none"> <li>• Major Programme E monitoring reports</li> <li>• Thematic trend reports</li> <li>• Strategic documents</li> <li>• Programme and project documents</li> </ul>
Stakeholders are informed about Major Programme E priorities, implementation status and results on a regular basis	<ul style="list-style-type: none"> <li>• Parties concerned informed on regular basis using appropriate communication tools</li> </ul>	
UNIDO staff adheres to clearly defined and agreed upon quality standards regarding project identification, formulation and implementation (based on RBM)	<ul style="list-style-type: none"> <li>• Quality of project and programme documents</li> <li>• Positive response from stakeholders on UNIDO programmes and projects</li> <li>• Positive staff feedback concerning clear understanding of quality standards</li> <li>• Learning from evaluations institutionalized</li> <li>• Systematic training to keep staff up-to-date with state of the art methodologies</li> </ul>	
UNIDO internal cooperation (HQ and field structure) and external cooperation with other UN-organizations, donors, etc. is efficiently and effectively organized	<ul style="list-style-type: none"> <li>• In-house information exchange institutionalized</li> <li>• Number of lessons learned communicated</li> </ul>	

**Outcomes**

- Relevant thematic trends are identified on a regular basis;
- Programme revision is based on up to date monitoring information;

- Development of major thematic strategies is in harmony/coordinated with regional priorities;
- Information for stakeholders made available and disseminated in user-friendly form/formats;
- In-house processes/procedures for the application of RBM defined and implemented;
- Staff qualified to use RBM and related planning/management tools professionally;
- Transparent quality-oriented incentive schemes are introduced;
- Responsibilities for quality assurance with regard to project planning and management defined;
- In-house cooperation culture is based on teamwork, interdisciplinary cooperation and mutual learning.

## **Programme Component E.2: Renewable Energy**

### **General description**

E.7. Given the growing gap in demand and supply of energy, renewable energy has assumed a critical role in the energy supply chain in meeting the rising demand for energy, especially by industry in the developing countries. Several renewable energy technologies have emerged as economically viable and environment friendly options, which if suitably adopted, can meet growing energy needs of SMEs. UNIDO is promoting such renewable energy technologies in energy intensive manufacturing SMEs, which have requirements for motive power, and process heat for low or high temperature applications, like drying (direct and indirect), seasoning kilns, medium and high temperature applications in metallurgical furnaces, re-rolling applications, heat treatment, ceramic firing, reactors, etc. Currently, all these applications are generally met by SMEs through electricity or using liquid or gaseous petroleum fuel such furnace oil, kerosene, coal and fuel wood as well. However, rising costs of fossil fuels have made it an imperative for these SMEs to seriously explore at the renewable energy alternatives that can meet their needs in cost effective and efficient manner. Enhanced use of renewable energy technologies would not only help these SMEs to become more productive and competitive, but also would assist in abating green house emissions and improving the local environment. Using raw materials such as agricultural wastes to generate energy can add value to their products, and in turn can help to offset unreliable energy supplies from national grids.

E.8. The Programme will provide technical cooperation and advice for technology transfer, capacity-building, enhanced productivity, and targeted research through: (a) harnessing the potential of renewable sources of energy for industrial applications in selected energy intensive SMEs; (b) strengthening manufacturing capacities for renewable energy technology absorption, commercialization and replication by SMEs; and (c) demonstrating associated economic benefits of renewable energy technologies for industrial applications in developing countries. In particular, UNIDO will be focusing on small hydro power and bio-energy to assist developing countries and countries in transition in realizing their potential benefits for meeting their growing energy needs and enhancing to their energy security, and to help eliminating risks associated with greenhouse gas (GHG) emissions.

### ***Objective***

E.9. Manufacturing SMEs and other potential users use renewable energy technology for industrial applications.

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Planners and decision makers in relevant institutions consider renewable energy in development plans, etc. for industrial applications in energy intensive SMEs	<ul style="list-style-type: none"> <li>• Number of development plans, etc. that consider renewable energy for industrial applications in SMEs</li> <li>• Policy documents that promote renewable energy for industrial applications in selected SMEs</li> </ul>	<ul style="list-style-type: none"> <li>• SMEs records and statistics</li> <li>• Statistics of relevant government agencies</li> <li>• UNIDO sample surveys</li> <li>• Project documents</li> </ul>
Production and assembly capacity for use of renewable energy technology increased	<ul style="list-style-type: none"> <li>• Number of SMEs, etc. that have started to produce as well as use renewable energy technologies to replace fossil fuels</li> <li>• Overall sales of renewable energy producers/assemblers</li> </ul>	

### Outputs

- Pilot renewable energy projects demonstrate techno-economic viability of RE technologies to augment industrial applications in selected energy intensive SME clusters;
- Information materials, books, reports, brochures, web pages published on effectiveness of renewable energy technologies for industrial applications in SMEs;
- Capacity building for planners, experts and institutions through training, workshops, study tours and EGMs;
- Manufactures, assemblers, suppliers and maintenance agents of renewable energy technologies are qualified to provide services to SMEs and other potential users.

### Programme Component E.3: Industrial Energy Efficiency and Climate Change

#### General description

E.10. The programme component seeks to improve industrial energy efficiency by contributing to the transformation of markets for energy-efficient products and services. To this end, it promotes the use of energy management standards, accelerated investments by industries in energy system optimization measures, and the increased deployment of new energy-efficient industrial technologies through technical, financial and policy advisory services. Gains in industrial energy efficiency offer the following benefits:

- (a) Electricity savings mitigate the need for expensive and potentially polluting new power generating capacity, which would otherwise be needed to meet increasing power demand;
- (b) Efficient use of process heat and steam reduces industrial fuel consumption, resulting in productivity increases, lower energy bills and improved industrial competitiveness;
- (c) Controlling growth in the use of fuel and power by industries through increased energy end-use efficiency slows growth in the emissions of climate-damaging GHGs.

E.11. The climate change element of this programme component aims at supporting both the mitigation (reducing emissions at source) and adaptation (adapting to unavoidable levels of climate change) approaches. Support services for the former include the development of viable projects for carbon emission reductions in developing countries and economies in transition, providing sustainable development benefits at the national level in addition to contributing to global environmental efforts to mitigate climate change. Support services for the latter include assistance with the development of relevant programmes and projects, focusing on the adaptation priorities of the industrial sector in developing countries. The following three interrelated programmatic activities form the foundation of UNIDO activities in the area of climate change:

- (a) Support host country capacity- and institution-building to enable and maximize opportunities for technology transfer and carbon financing for investment in environmental projects in the industrial sector, through the Clean Development Mechanism (CDM) or Joint Implementation (JI);
- (b) Promote carbon projects and support the development of new and innovative partnerships between carbon market participants (e.g. buyers and sellers of emission reductions);
- (c) Maximize and promote carbon finance potential to support technology transfer and know-how in industrial energy efficiency and renewable energy.

**Objective**

E.12. Transfer of energy efficient and other climate friendly technologies, and inflow of new and additional investments.

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Governments promulgate national Energy Management Standards compatible with the ISO 9000/14000 process	<ul style="list-style-type: none"> <li>• Number of countries where national standards authorities have promulgated Energy Management standards</li> </ul>	<ul style="list-style-type: none"> <li>• Major Programme E monitoring reports</li> <li>• Thematic trend reports</li> <li>• Strategic documents</li> <li>• Programme and project documents</li> </ul>
Policy-driven market transformation initiated for energy efficient products and services within host countries	<ul style="list-style-type: none"> <li>• Number of countries of UNIDO interventions where policy has been adjusted to favour energy efficient production technology, products, etc.</li> </ul>	
Investments by firms in optimized industrial energy systems (steam, motor, pump, compressed air, fan systems)	<ul style="list-style-type: none"> <li>• Number of companies in countries of UNIDO interventions that have made investments in optimized energy systems</li> </ul>	

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
National CDM/JI programmes and projects established and supported through training and technical assistance	<ul style="list-style-type: none"> <li>• Number of training and global forum activities transferring knowledge on CDM/JI/Emission Trading</li> <li>• Number of CDM/JI projects developed and brought to market</li> <li>• Number of national adaptation plans assisted with adaptation technology identification for industry CDM and JI projects in industry developed and brought to market</li> </ul>	

### **Outputs**

- Core groups of individuals/entities trained in industrial energy system optimization;
- Pilot projects for cross-cutting energy-efficiency measures and technology transfer involving evaluation of plant energy systems and preparation of feasibility studies, investment proposals, loan packages and business plans;
- Capacity-building tools (training curricula, software, case studies, promotional materials) introduced with training providers;
- Publications on methodological issues and programmatic/sectoral approach in CDM/JI as well as on industrial energy efficiency available and disseminated;
- CDM/JI and Adaptation project proposals developed;
- Groups of national experts trained in development of project information notes and project design documents.

### **Programme Component E.4: Cleaner and Sustainable Production**

#### **General description**

E.13. Environmental protection in enterprises has been undergoing structural changes in recent years. The emphasis has shifted to preventive techniques that focus on the production processes themselves, avoiding the formation of waste or pollution in the first place or recycling it straight away to some productive purpose. Not only does this reduce the pollution load on the environment but it also saves enterprises money since waste and pollution are in effect wasted resources that the enterprise originally had to purchase. This programme component promotes this shift of focus through the establishment of National Cleaner Production Centers (NCPCs) and by implementing other cleaner production projects, stressing the cost effectiveness of cleaner production as well as its significant contribution to environmental protection. Particular emphasis is placed in this connection on the agro-processing sector in the developing countries, and especially on the leather, textile, wood and food industries. In the years to come, the programme component will focus increasingly on the sustainable management of chemicals through a commitment to the Strategic Approach to International Chemicals Management (SAICM), adopted in early 2006. Initially, it will do this through implementation of SAICM's Quick Start Programme. The Programme will also give more emphasis to promoting the

concept of eco-leasing, especially in the chemicals sector where the environmental benefits are significant.

**Objective**

E.14. Reduced resource consumption, emissions and industrial wastes demonstrated in companies or sectors working with projects as a model for further dissemination at the national level in participating countries.

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Pilot companies optimize manufacturing processes and products based on UNIDO recommendations	<ul style="list-style-type: none"> <li>• Number of companies that optimize manufacturing processes using UNIDO recommendations</li> </ul>	<ul style="list-style-type: none"> <li>• Company records, surveys and statistics</li> <li>• Statistics of relevant government agencies</li> <li>• UNIDO sample surveys</li> </ul>
Interagency cooperation improved	<ul style="list-style-type: none"> <li>• Institutions relevant for cleaner production policy framework coordinate policy decisions</li> <li>• Joint action plans for introduction of cleaner production available for relevant sectors in a number of countries</li> </ul>	
Support institutions offer services to the industry on a sustainable basis	<ul style="list-style-type: none"> <li>• Number of support organizations (consultancy firms, training institutes, etc.) that offer services to the industry relevant for cleaner production</li> </ul>	
Increased adoption of environmentally sound technologies and processes in the agro-industrial and other sectors	<ul style="list-style-type: none"> <li>• Number of enterprises that have introduced environmentally sound technologies and processes</li> <li>• Number of waste and pollutant treatment plants established/upgraded/made operational</li> <li>• Enhanced awareness of environmentally sound processes and technologies</li> </ul>	

**Outputs**

- Pilot companies are informed and qualified to introduce changes towards cleaner and sustainable production;
- Manufacturing processes in pilot companies optimized in terms of resource consumption, etc.;
- Products optimized in terms of product safety and quality;
- Agencies trained and informed about better coordination in order to strengthen cleaner and sustainable production at national level;
- Advisory services provided and awareness programmes conducted;

- Relevant industry support institutions qualified to provide services to companies.

### **Programme Component E.5: Water Management**

#### **General description**

E.15. As developing countries develop their industrial base, the levels of water consumption by the industrial sector will increase as will the amounts and toxicity of the effluents it discharges to water bodies. This will particularly critical in many developing countries, which are already suffering from shortages of water, shortages which might get worse with climate change. Therefore, in line with MDG 7 and the agreements at the World Summit on Sustainable Development of 2002, developing countries need assistance to (a) protect their water resources (both national and those they share with other countries) from the discharges of industrial effluents; and (b) increase industrial water productivity and reduce excessive water consumption by enterprises.

#### **Objective**

E.16. Water resources in industries working with projects are used efficiently and discharge of persistent toxic substances (PTSs) and other effluents is minimized.

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Individual enterprises have increased water productivity and have reduced quantity and improved quality of their effluent discharges	<ul style="list-style-type: none"> <li>• Number of enterprises that have improved water management</li> </ul>	<ul style="list-style-type: none"> <li>• Company records and statistics</li> <li>• Statistics of relevant Government agencies</li> <li>• UNIDO sample surveys</li> <li>• Project documents</li> </ul>
Countries sharing resources of transboundary water bodies implement an agreed regional framework	<ul style="list-style-type: none"> <li>• Number of agreements, joint action plans, etc. for improved management of ecosystem resources between riparian countries</li> </ul>	

#### **Outputs**

- Information materials, books, reports, brochures, web pages are published and disseminated;
- Capacity built for qualified advisory services.

### **Programme Component E.6: Montreal Protocol**

#### **General description**

E.17. There is a need to phase out production and the consumption of ozone-depleting substances (ODSs), which are leading to the continuing degradation of human health and the natural environment. The Vienna Convention and the Montreal Protocol provide a response to that need. This programme component assists the Governments of developing countries that are signatories to the Montreal Protocol to comply with its requirements through projects financed by the Multilateral Fund of the Protocol.



**Objective**

E.18. Countries are assisted to comply with their obligations under the Montreal Protocol through transferring non-ODS-based technologies to Article 5 countries and supporting them to meet the 2008 and 2009 targets in terms of tonnages of ODS to be eliminated.

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Enterprises/farms meet international market standards owing to adoption of non-ODS-based technologies	<ul style="list-style-type: none"> <li>• Number of enterprises/farms having installed production lines/alternative techniques with environmentally friendly (non-ODS based) technologies</li> </ul>	<ul style="list-style-type: none"> <li>• Company records and statistics</li> <li>• Data reports of relevant government agencies</li> <li>• UNIDO annual business plan and progress and financial report</li> <li>• Project completion reports</li> </ul>
Countries that have been assisted comply with their obligations under the Montreal Protocol	<ul style="list-style-type: none"> <li>• Number of countries that sign amendments to the Montreal Protocol</li> <li>• Number of countries that have adopted policy in accordance with Montreal Protocol</li> <li>• Number of tons of ozone-depleting substances eliminated</li> </ul>	

**Outputs**

- Governments assisted in strengthening their Ozone Units, legislation, monitoring, public awareness and reporting functions;
- Country based activities coordinated among implementing agencies, bilateral donors, Multilateral Fund Secretariat and Ozone Secretariat;
- Stakeholders informed and qualified;
- Conversion projects successfully completed;
- Information material made available and disseminated.

**Programme Component E.7: Stockholm Convention**

**General description**

E.19. There is a commitment on the part of Governments that are parties to the Stockholm Convention on Persistent Organic Pollutants (POPs) to implement legal, organizational and environmental management measures, including substantive technological changes, in order to comply with the requirements of the Convention. The production and use of POPs as well as their presence in the biosphere are causing serious damage to human health and the environment. This programme component assists developing countries and countries with economies in transition to achieve compliance with the Stockholm Convention.

**Objective**

E.20. Capacity of countries strengthened to protect their populations and their environmental resources from POPs-related pollution.

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Increased capacity of recipient countries to reduce stockpiles of POPs	<ul style="list-style-type: none"> <li>National Implementations Plans (NIPs) prepared and implemented</li> </ul>	<ul style="list-style-type: none"> <li>Company records and statistics</li> <li>Statistics of relevant government agencies</li> <li>UNIDO sample surveys</li> <li>Project documents</li> </ul>
Countries supported by UNIDO use best environmental practices (BEP) and best available technologies (BAT)	<ul style="list-style-type: none"> <li>Number of companies having introduced technologies based on BEPs and BATs</li> </ul>	

**Outputs**

- Relevant stakeholders informed and qualified concerning management, control, and removal of POPs;
- Demonstration projects for innovative technologies established;
- National capacities on BAT/BEP for POPs strengthened.

**Programme Component E.8: Regional Priorities, Funds Mobilization and Partnerships**

**General description**

E.21. The various technical components of Major Programme E will be implemented to varying degrees and in varying combinations in all of the regions falling within the scope of UNIDO's technical cooperation activities. This programme component will serve to focus these activities in line with national needs and the coordinated responses agreed upon through the CCA/UNDAF and PRSP processes, optimize their impact through the provision of various field-level support services, and assist in funds mobilization and the facilitation of inter-agency partnerships and joint projects.

E.22. Advisory services will be provided aiming at continuous improvement of the technical cooperation programmes and projects of Major Programme E. In particular, efforts will be made to improve the design of these programmes and projects, ensure effective implementation modalities, incorporate adequate monitoring and reporting activities and ensure that lessons learned from evaluation exercises are applied effectively. In addition, funds administration and funds coordination services will be provided which will improve the understanding of Member States of the Organization's activities.

E.23. During the biennium funds mobilization efforts for Major Programme E will focus on: (a) strengthening further the close cooperation with the Montreal Protocol and the Global Environment Facility (GEF) in their areas of focus. In particular, the new policies of the GEF are expected to provide better opportunities for UNIDO activities, especially in the areas of POPs, international waters and climate change (energy efficiency and renewable energy). Consultations with donors with a view to ensuring that the required co-funding is available have already been initiated, and ministries for environment in particular will be approached in this context. In the case of cleaner and sustainable production, strategic cooperation with key interested donors will be sought.

E.24. LDCs are recognized by UNIDO as a specific group of countries, which is given priority in the provision of technical cooperation, and where the Organization can make a contribution with great impact. Efforts in funds mobilization for LDCs will be increased during the biennium.

### **Objective**

E.25. Major Programme E is formulated, reviewed, implemented, funded and evaluated according to identified needs and in response to donor (traditional and non-traditional) priorities and to United Nations common activities.

<b><i>Outcomes</i></b>	<b><i>Performance indicators</i></b>	<b><i>Sources of verification</i></b>
UNIDO staff prepare and relevant committees (QAG, PAC) review and approve SSSs, programme documents for integrated programmes and project documents for stand-alone projects	<ul style="list-style-type: none"> <li>• Number of approved documents (SSSs, project documents) compared to number submitted</li> </ul>	<ul style="list-style-type: none"> <li>• UNIDO programmatic documents</li> <li>• UNIDO reports</li> <li>• Surveys among donors</li> <li>• Surveys among country based stakeholders and partners</li> <li>• Project documents</li> </ul>
Review and approval of SSSs and project documents is transparent and based on clearly defined and commonly accepted quality (assessment) criteria	<ul style="list-style-type: none"> <li>• Increased share of projects funded and implemented by UNIDO that actually meet defined criteria for project approval</li> </ul>	
Project formulation and funding procedures are closely linked to ensure efficient use of limited UNIDO manpower for project preparation	<ul style="list-style-type: none"> <li>• Increased share of project documents that receive adequate funding</li> </ul>	
Timely services to address emergent needs of the country including development of national partnerships and alliances to combat poverty in the poorest subregions	<ul style="list-style-type: none"> <li>• Number of proposals developed to tackle emergent needs of the country</li> <li>• Number of initiatives produced to tackle poverty issues</li> <li>• Positive feedback from recipients</li> </ul>	

### **Outputs**

- Quality standards governing the project formulation, review and approval process are defined, communicated and enforced;
- Formulation and approval process is strictly adhered to with only a few justifiable exceptions;
- Close relations to stakeholders and donors to link formulation to funding are maintained;
- Interaction between field structure and Headquarters is strengthened;
- Quality advice to the government including support to national economic development activities and development plans is ensured;
- Concrete partnerships with regional and/or national development institutions where developed.

## MAJOR PROGRAMME F: CROSS-CUTTING PROGRAMMES AND COUNTRY-LEVEL COHERENCE

### General description

F.1. This Major Programme comprises three cross-cutting programmes, which complement the other Major Programmes, in order to enhance the coherence and quality of UNIDO's technical cooperation and global forum activities. Programme F.1 includes the industrial research programme as well as services UNIDO provides in the field of industrial statistics. Programme F.2 assists in developing and coordinating projects and programmes for South-South cooperation, for assistance to least developed countries (LDCs), and for countries facing challenges to human security as a result of complex emergencies. It further harnesses the services of civil society organizations in support of UNIDO's work. Programme F.3 deals with the regional dimension of UNIDO's activities, and focuses in particular on field-level operations, including cooperation with other bilateral and multilateral agencies.

F.2. Direction and management will be provided for this Major Programme by the relevant Managing Directors and Directors, as appropriate. This will include both technical and managerial supervision, and will relate to internal guidance provided to UNIDO staff as well as external promotion of UNIDO activities.

### Overall objective

F.3. The objective of this Major Programme is to promote industrial cooperation in post crisis efforts of the international community and in South-South cooperation, with emphasis on LDCs. It further aims at providing UNIDO services in industrial research and statistics to Member States, at collaborating closely with civil society organizations (CSOs), and at ensuring country-level and regional coherence of UNIDO services.

### Resources

#### Resource estimates (in euros)

Posts			2008-2009 estimates (after recosting)			
Professional	General Service	Total	Regular budget	Operational budget	Total	
60.35	90.75	151.10	Staff costs	18,380,775	5,186,255	23,567,030
			Consultants	935,600		935,600
			Meetings	610,000		610,000
			Official travel	1,244,800		1,244,800
			Operating costs	7,032,348	257,377	7,289,725
			Information and comm. techn.	1,000		1,000
			RPTC/SRA	1,376,123		1,376,123
			<b>Total gross expenditure</b>	<b>29,580,646</b>	<b>5,443,632</b>	<b>35,024,278</b>
			Income	(1,551,450)		(1,551,450)
Technical cooperation (extrabudgetary)		9,742,000	<b>Total net resources</b>	<b>28,029,196</b>	<b>5,443,632</b>	<b>33,472,828</b>
			<b>Total resources (including extrabudgetary TC)</b>			<b>43,214,828</b>

## By programme

	Posts		Regular and operational budgets	Technical cooperation (extrabudgetary)	TOTAL
	P	GS			
F.1. Industrial Research and Statistics	14.35	13.25	6,955,092		6,955,092
F.2. Special Programmes	16.35	7.10	6,804,866	9,742,000	16,546,866
F.3. Country-Level and Regional Coherence	29.65	9.40	11,593,245		11,593,245
F.4. Field Operations Support		61.00	8,119,625		8,119,625
<b>F. Total major programme</b>	<b>60.35</b>	<b>90.75</b>	<b>33,472,828</b>	<b>9,742,000</b>	<b>43,214,828</b>

### Programme F.1: Industrial Research and Statistics

#### General description

F.4. The main contribution of this Programme is to provide a strong analytical underpinning for the process of formulating, implementing and monitoring industrial strategies and policies, with a view to enhancing the contribution of productivity growth and structural change to sustained industrial development and hence assisting in the achievement of the MDGs.

F.5. The statistical information, research and knowledge services provided by this programme support the implementation and development of the UNIDO major thematic programmes and special initiatives. They contribute to improving the analytical foundation for: (a) promoting industrial development and economic growth as the necessary condition for sustained poverty reduction; (b) building industrial capacities for market access and development; and (c) improving the transfer, diffusion and learning of environmentally-friendly technologies.

F.6. The first programme will help developing countries and countries with economies in transition to enhance capabilities to understand how the process of industrial development can contribute to their economic growth. In particular, research will focus on key issues such as the contribution of productivity to economic growth and social advancement, the effects of international integration on industry and growth; and the assessment of the prospects for industrial development at both the country and regional levels. The Programme will also provide support towards benchmarking industrial performance. This component includes the production, maintenance and dissemination of the World Productivity Database and the UNIDO Industrial Development Scoreboard. The results of the research programme will be disseminated through the production of major reports, research articles and working papers. The research results will also provide crucial information and analysis both for the conceptualization of industrial development strategies and policies, and the formulation of UNIDO's integrated programmes.

F.7. A key component of this Programme will be the implementation of UNIDO's international mandate in the field of industrial statistics. The relevance of the production and dissemination of structural industrial statistics stems from the linkage between macro-economic growth and poverty reduction. At the same time, in the context of globalization, the notions of industry-specific productivity, dynamic sources of growth, comparative advantages, determinants of competitiveness, and related structural changes have become increasingly significant in macro-economic growth analysis and industrial policy response. Consequently, specialized business statistics are demanded by researchers and analysts to assess the implications of the globalization process on individual countries. The UNIDO Industrial Statistics Database, and the *International Yearbook of Industrial Statistics*, in

particular, will continue to be the unique source of international industrial statistics for governments, industries, knowledge institutions, researchers and UNIDO. In this context, this Programme will aim at a further improvement of UNIDO's statistical services, both in terms of the quality and quantity of the data contained in the UNIDO statistical database and in terms of the user-friendliness of its dissemination products, by upgrading the database system of production, storage and dissemination of key industrial statistics. This Programme also includes technical cooperation activities to build the capabilities of national statistical offices in industrial statistics.

## Objective

F.8. The objective of this Programme is to improve the analytical and decision-making capabilities of Governments and the private sector in the formulation, implementation and monitoring of strategies and policies to promote and support sustainable industrial development, which will contribute to productivity growth and the achievement of the MDGs.

## Resources

### Resource estimates (in euros)

Posts			2008-2009 estimates (after recosting)		
Professional	General Service	Total	Regular budget	Operational budget	Total
<b>14.35</b>	<b>13.25</b>	<b>27.60</b>			
			Staff costs	4,736,240	5,386,840
			Consultants	554,900	554,900
			Meetings	163,100	163,100
			Official travel	175,600	175,600
			Operating costs	277,200	277,200
			Information and comm. techn.	1,000	1,000
			RPTC/SRA	396,452	396,452
			<b>Total gross expenditure</b>	<b>6,304,492</b>	<b>6,955,092</b>
			<b>Total net resources</b>	<b>6,304,492</b>	<b>6,955,092</b>

## Programme Component F.1.1: Strategic Research

### General description

F.9. This programme component will continue to advance the implementation of the research programme. Research will continue to focus on improving understanding of the relationship between industrial development and growth. Research will be undertaken in areas such as measuring productivity performance in developing countries; analysing the various determinants of productivity; examining the relationship among industry, trade, investment and growth; updating and maintaining the World Productivity Database and the Industrial Development Scoreboard; and developing a UNIDO methodology for assessing the potential for industrial development at the country and regional level.

F.10. Research activities will be implemented in close cooperation with technical cooperation activities and with an external research network that has been gradually built up over the past years with world-renowned universities and centres of excellence.

F.11. The research outputs will be disseminated through the UNIDO web site, publications, presentations, workshops, and expert group meetings. These research outputs are expected to improve the strategy and policy-making process in developing countries and economies in transition. They will

also contribute to improving the analytical foundations and the policy framework of UNIDO's major programmes and special initiatives.

### **Objective**

F.12. Governments and UNIDO use industrial research for their policies towards structural economic change and industrial development.

<i><b>Outcomes</b></i>	<i><b>Performance indicators</b></i>	<i><b>Sources of verification</b></i>
Governments, private sector and knowledge institutions apply strategic research and regional analyses concerning key industrial development issues for their industrial strategies, policies and programmes	<ul style="list-style-type: none"> <li>• Traceable contributions of UNIDO research and statistics branch to UNIDO strategy, programme and project development</li> <li>• Economic research on productivity, growth and structural change oriented to thematic programmes</li> </ul>	<ul style="list-style-type: none"> <li>• Findings, conclusions and recommendations of UNIDO research reports, seminars and working papers</li> <li>• Content of UNIDO information- and research-databases</li> <li>• Results, findings and policy recommendations of UNIDO country/regional assessments</li> </ul>
Improved analytical foundations for UNIDO's Major Programmes, technical cooperation and special initiatives	<ul style="list-style-type: none"> <li>• Traceable contributions of UNIDO research and statistics branch to UNIDO strategy, programme and project development</li> <li>• Economic research on productivity, growth and structural change oriented to thematic programmes</li> </ul>	

### **Outputs**

- World Productivity Database;
- Research reports;
- UNIDO Industrial Development Scoreboard;
- Competitive industrial performance indices;
- Country/regional assessments of the prospects for industrial growth.

## **Programme Component F.1.2: Industrial Statistics**

### **General description**

F.13. This programme component provides the framework for the implementation of UNIDO's international mandate in the field of industrial statistics. It also provides for UNIDO's cooperation with the international statistical community in the development and promotion of a standard methodology for data production and dissemination, and for an international division of labour in statistical activities.

F.14. This component provides consistent and internationally comparable statistical information on industry to the global community of stakeholders and researchers aiming at the formulation, implementation and monitoring of viable industrial development strategies, policies and programmes.

F.15. The UNIDO industrial statistics database is also the empirical basis for UNIDO’s technical cooperation and research activities, and in particular for the UNIDO Industrial Development Scoreboard, the UNIDO Productivity Database, and the country assessment reports prepared according to the UNIDO methodology.

F.16. Technical services are offered to developing countries and countries with economies in transition to build institutional capacities in the production, maintenance, analysis and dissemination of industrial statistics at their national statistical offices.

### **Objective**

F.17. Governments, private sector and knowledge institutions have access to high quality industrial statistics and use them for policymaking.

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Accurate and consistent industry statistics available to Governments, private sector, and knowledge institutions	<ul style="list-style-type: none"> <li>Number of users of UNIDO industrial statistical database in Governments, private sector, and knowledge institutions</li> </ul>	<ul style="list-style-type: none"> <li>Annual data-user survey and UNIDO data dissemination record</li> <li>Final reports on industrial statistics TC projects and group trainings</li> <li>Record for in-house data provisions</li> <li>Assessment of the data and metadata reported to UNIDO by national statistical offices</li> </ul>
Improved performance of national statistical offices in industrial statistics	<ul style="list-style-type: none"> <li>Number of national statistical offices with UNIDO technical cooperation projects which have improved their systems of industrial statistics operations</li> </ul>	
Increased use of industrial statistics in UNIDO research and technical cooperation projects	<ul style="list-style-type: none"> <li>Number of technical cooperation and research projects using UNIDO industrial statistics</li> </ul>	
Improvement of the standard methodology in the production and dissemination on industrial statistics used by the international statistical community	<ul style="list-style-type: none"> <li>Number of national statistical offices using the standard methodology in data production on industrial statistics</li> </ul>	

### **Outputs**

- Various dissemination products of the UNIDO statistical database system;
- Technical cooperation projects in industrial statistics operations in at least five national statistical offices;
- Provision of the data subsets of the UNIDO statistical database system to in-house users in accordance with given data specifications made by the users;
- Advisory services to the international statistical community for the development and promotion of standard methodology for production and dissemination of statistical information at the national and international levels.



## Programme F.2: Special Programmes

### General description

F.18. This Programme includes three special dimensions with cross-cutting implications. These refer to South-South cooperation and assistance to LDCs; crisis prevention through community-based sustainable economic activity, as well as industrial rehabilitation and economic development in post-crisis situations; and the development of close working relationships with relevant organizations of the private sector and civil society.

### Overall objective

F.19. The overall objective of this Programme is to define UNIDO strategies, coordinate UNIDO's technical cooperation activities, and provide specific services in the above areas.

### Resources

#### Resource estimates (in euros)

Posts			2008-2009 estimates (after recosting)			
Professional	General Service	Total	Regular budget	Operational budget	Total	
16.35	7.10	23.45	Staff costs	4,128,055	1,196,040	5,324,095
			Consultants	155,000		155,000
			Meetings	111,200		111,200
			Official travel	220,400		220,400
			Operating costs	88,200		88,200
			RPTC/SRA	979,671		979,671
			<b>Total gross expenditure</b>	<b>5,682,526</b>	<b>1,196,040</b>	<b>6,878,566</b>
			Income	(73,700)		(73,700)
Technical cooperation (extrabudgetary)		9,742,000	<b>Total net resources</b>	<b>5,608,826</b>	<b>1,196,040</b>	<b>6,804,866</b>
			<b>Total resources (including extrabudgetary TC)</b>			<b>16,546,866</b>

### Programme Component F.2.1: LDC and South-South Cooperation

#### General description

F.20. The essence of South-South cooperation is that the wealth of knowledge and capacity in the South, when systematically mobilized and shared, can facilitate the effective participation of the developing countries in the global economy. The South-South cooperation programme aims to create and strengthen technical and business capacities of developing countries in order to increase their competitive strengths and to base their cooperation on shared interests and on their economic and social needs. In implementing the programme, full consideration will be given to the Brussels Programme of Action for the LDCs and to contributing towards the achievement of the MDGs.

F.21. The programme component attempts at providing an institutional platform contributing towards:

- (a) An enabling environment for fostering intra-South industrial cooperation;
- (b) Business partnerships for the transfer and diffusion of technology;
- (c) An exchange of ideas on replicating product specific best practices;

- (d) Sharing developmental knowledge, experience and solutions;
- (e) The implementation of the Brussels Programme of Action for the LDCs pertaining to Commitment 4 – Building productive capacities to make globalization work for LDCs; Commitment 5 – Enhancing the role of trade in development; and Commitment 6 – Reducing vulnerability and protecting the environment.

**Objective**

F.22. The exchange and use by Governments and the private sector of best technological and managerial practices and policies within a mutually advantageous partnership framework for LDC and South-South cooperation.

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
UNIDO Member States improve their strategies and methodologies for enhanced South-South cooperation with emphasis on LDCs	<ul style="list-style-type: none"> <li>• Reactions of member states to UNIDO conceptual and strategic paper disseminated to member countries in coordination with G-77</li> </ul>	<ul style="list-style-type: none"> <li>• Reactions by UNIDO Member States</li> <li>• Agreements and MOUs signed with host countries for enhancing South-South cooperation and TC in LDCs</li> <li>• Programmes/projects developed and implemented including the involvement of local institutions</li> <li>• Joint activities</li> <li>• Programmes/projects</li> <li>• Participation and contributions in interagency meetings</li> <li>• Joint research activities</li> <li>• Monitoring of related projects</li> <li>• Monitoring of positions in trade and environmental norms</li> </ul>
Institutional infrastructure in pivotal countries promotes South-South cooperation and technical cooperation in LDCs	<ul style="list-style-type: none"> <li>• Criteria and guidelines established for technical cooperation programmes/projects in the context of South-South cooperation</li> <li>• Number of services provided by South-South industrial cooperation centres</li> </ul>	
Strengthening interagency partnerships in South-South Cooperation and LDC coordination	<ul style="list-style-type: none"> <li>• Mechanism developed for pooling of resources, funds mobilization, joint studies and research, programme development and new partnerships developed</li> </ul>	

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Strengthened regional and triangular cooperation	<ul style="list-style-type: none"> <li>• Number and results of regional projects funded to promote South-South cooperation and strengthened regional integration (including triangular cooperation)</li> <li>• Common positions in trade and environmental norms</li> </ul>	

## Output

- The organization-wide UNIDO strategy on methodologies and approaches for enhanced South-South cooperation, with special consideration for the LDC group, continuously refined;
- Analytical and conceptual papers prepared on institutional mechanism for South-South cooperation and LDC programme framework;
- Programmes undertaken for policy level and institutional support to promote South-South cooperation, including enterprise level support to the LDCs in the mandated areas of UNIDO;
- Agreements finalized for the operational arrangements and establishment of South-South industrial centres in selected pivotal countries;
- Expert group meetings on South-South cooperation with focus on LDC group and programmatic reports conducted;
- Participation and representation at system-wide coordination meetings and presenting UNIDO's contribution in support to South-South cooperation and programmes pertaining to the LDCs, small island developing states and land-locked countries;
- Technical and sectoral inputs prepared on the implementation of South-South cooperation activities in line with the Brussels Programme of Action for the LDCs;
- Networking and methodologies established for coordination of TC with regional and subregional groups and partnerships established with selected subregional groups with funding from triangular cooperation;
- Regional programmes developed to promote capacities, investment flows, facilitate use of new information and communication technologies, enhanced capabilities for increased trade and introduction of environmentally sound technologies and renewable sources of energy.

## **Programme Component F.2.2: Human Security / Post-crisis Rehabilitation**

### **General description**

F.23. The programme component addresses human security issues by focusing on both the risks and insecurities that threaten human lives. The programme component is composed of two parts: (a) Crisis prevention through community-based sustainable economic activity, and (b) Industrial rehabilitation and economic development in post-crisis situations. It covers four aspects:

- (a) Engagement in the international dialogue on best approaches and lessons learned addressing particularly economic and environmental human security issues;
- (b) Development of policy-level understanding with UNIDO partners on the potential role of the Organization in human security activities;
- (c) Involvement at the country level with the United Nations system in establishing the scope of programmes addressing human security issues, and in particular relief, rehabilitation and sustainable development;
- (d) Implementation of operational activities that would respond to the needs and issues identified in both crisis prevention and post-crisis situations.

F.24. The specific services provided under this programme component will comprise:

- (a) Assistance for access to basic infrastructure, including water, sanitation and building materials as well as renewable energy resources for productive use in post-crisis situations and situations where most vulnerable groups cannot satisfy their basic needs;
- (b) Economic development at the community level through the promotion of collective action and common production facilities for basic production, training and social cohesion addressing most vulnerable groups with particular emphasis on women and youth;
- (c) In post crisis situations, timely and effective assistance to industrial rehabilitation and restoration of productive capacities of the private sector, including physical production infrastructure, recovery and revival of SMEs and micro enterprises, as well as the integration of their capacities into recovery programmes;
- (d) Re-building institutional capacities in post-crisis situations, particularly of private sector organizations; strengthening civil society organizations that provide services to the most vulnerable to improve their services and advocacy functions.

**Objective**

F.25. Recovery of industrial and productive structures and economies of countries emerging from crises – natural or manmade – and enhancement of human security of vulnerable groups in situations of particular concern.

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Strategic alliances created and maintained with United Nations partner organizations, CSOs and other actors	<ul style="list-style-type: none"> <li>• Number of strategic alliances created</li> </ul>	<ul style="list-style-type: none"> <li>• Publications on UNIDO’s role in human security</li> <li>• Programme implementation reports</li> <li>• Information obtained through networks</li> </ul>
Basic production and household needs met through access to basic infrastructure in post-crisis situations and situations where most vulnerable groups cannot satisfy their basic needs	<ul style="list-style-type: none"> <li>• Number of communities/SMEs supplied with basic infrastructure</li> <li>• Number of communities/SMEs engaging in the servicing, installation and promotion of basic infrastructure</li> </ul>	

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Productive capacity built at the community level with an emphasis on most vulnerable groups, particularly women and youth	<ul style="list-style-type: none"> <li>• Number of community-based production units run by most vulnerable groups</li> </ul>	
Local industries rehabilitated and productive capacities of the private sector/SMEs rebuilt and integrated into recovery programmes; promotion of domestic and foreign investment as well as (re-) establishing competitiveness and trade links	<ul style="list-style-type: none"> <li>• Number of industries rehabilitated</li> <li>• Number of SMEs initiated, revived and integrated into economic recovery</li> <li>• Action plans accepted by governments and private sector for a revival programme for investment and (re-)establishing trade links</li> </ul>	
Institutional capacity of the private sector and civil society rebuilt and/or strengthened	<ul style="list-style-type: none"> <li>• Number of organizations of the private sector and civil society assisted</li> <li>• Number of training workshops and seminars to enhance the capacity of organizations of the private sector and civil society</li> </ul>	

## Outputs

- Networks with core players in human security;
- Expert group meetings organized/attended on human security issues, including women and youth;
- Promotion of UNIDO activities in the field of human security, including publications;
- Programmes and projects implemented at the community level for access to basic infrastructure, i.e. water and sanitation, low-cost housing and building materials, and renewable sources of energy in post-crisis situations where most vulnerable groups cannot meet their basic needs;
- Programmes and projects comprising an integrated package of services for vulnerable groups, particularly women and youth;
- Assessments of local productive capacities for recovery/development and basic production;
- Programmes and projects for direct support as well as policy advice and capacity-building for the rehabilitation of industrial sectors including the promotion of domestic and foreign investment as well as (re-)establishing competitiveness and trade links;
- Programmes and projects for strengthening advisory, advocacy, service and networking capacities of business membership organizations and CSOs that provide services to the most vulnerable.

**Programme Component F.2.3: Partnerships with Organizations  
of the Private Sector and of Civil Society**

**General description**

F.26. Economy-wide productivity performance is crucial if reform programmes of developing countries are to be sustainable. This cannot be achieved without creating and strengthening a web of interactions between economic agents, markets and institutions that enable the developing countries to draw effectively on international trade and investment flows. Organizations of the private sector and of civil society (CSOs) play a significant role in contributing to this web of interactions by helping to create social capital through building partnerships, local capacities and synergies between programmes and key stakeholders, thus contributing to productivity growth. CSOs act as support institutions, service providers, and advocates for their stakeholders. The concept of CSOs goes beyond the traditional NGOs active in humanitarian issues in that it takes account of a variety of groups and associations, including private sector representative organizations.

F.27. UNIDO partnerships with CSOs is a cross-cutting coordinating activity, encompassing agro-industry, cluster development, SME development, investment promotion and technology transfer, quality and standardization, renewable energy and environment, and human security/targeting vulnerable population groups and those emerging from post-crisis situations. It provides policy advice on the role of CSOs in general – and of women’s associations and youth groups in particular – in all UNIDO activities. It cooperates with relevant units in the design, formulation and implementation of technical cooperation programmes involving CSOs as partners, counterparts or beneficiaries. It ensures the participation of CSOs in global forum activities and liaises with industry-related CSOs and those in a consultative status with UNIDO.

**Objective**

F.28. CSOs in all areas of UNIDO activities play their advocacy role effectively and render useful services to their members.

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Strengthened and expanded relationships between CSOs and UNIDO, including in particular CSOs representing women and youths	<ul style="list-style-type: none"> <li>• Baseline data collected on number of partnerships with CSOs in TC activities</li> <li>• Data on CSOs as beneficiaries in UNIDO TC activities</li> <li>• Number of CSOs involved in global forum activities</li> </ul>	<ul style="list-style-type: none"> <li>• Report on baseline data</li> <li>• Programme implementation reports</li> <li>• Information obtained through networks</li> </ul>
Upgraded support institutions provide services to their members, i.e. information, up-to-date-knowledge and best practices dissemination, training	<ul style="list-style-type: none"> <li>• Number of training courses held by CSOs with UNIDO support</li> <li>• Number of final beneficiaries reached</li> <li>• Amount of information, up-to-date knowledge and best practice disseminated and target groups reached</li> </ul>	
Sustainability of assistance	<ul style="list-style-type: none"> <li>• Number of CSOs able to render services on their own after completion of projects/programmes</li> </ul>	

## Outputs

- Programme components particularly targeting women's associations and youth groups;
- Regular publication issued on the impact of CSOs in enhancing productive capacities;
- Training workshops and seminars to enhance the capacity of CSOs to provide services and to act as advocates;
- Technical services provided to support institutions;
- Specialized CSO/NGO resource centre (Internet platform), which provides tailor-made networking services to CSOs and their members;
- Relationships established and maintained with CSOs that benefited from UNIDO assistance;
- Specialized CSO/NGO resource centre (Internet platform), which provides tailor-made networking services to CSOs and their members.

### Programme F.3: Country-level and Regional Coherence

#### General description

F.29. The Programme will maintain an active UNIDO field presence and coordinate the administrative and managerial dimensions of UNIDO's presence to ensure a consistent approach, promote initiatives to strengthen the Organization's field operations and provide support and guidance to the field operations in terms of manuals and communication facilities. In doing so, the programme will make full use of such mechanisms as CCA/UNDAF and PRSP processes. It will promote UNIDO's role in sustainable industrial development and the development of UNIDO's technical cooperation activities at the country level in the multilateral context through the UNIDO field network that consists of the following two elements:

(a) **Field offices:** In line with the increased country-level coherence requirements and within the efforts of the Organization towards a stronger decentralization of its activities to the field, the Programme is responsible for ensuring that the needs of the countries of coverage are reflected effectively in the activities of the Organization, and that the Organization's services are delivered more effectively to the recipient countries. The field offices (regional offices and country offices) serve to represent UNIDO at the country and subregional levels by ensuring an effective interaction between the Organization and the host country and further countries of coverage. In addition to these functions, regional offices guide and support the UNIDO Desks under their coverage.

(b) **UNIDO Desks, including focal point offices:** The conclusion of the Cooperation Agreement with UNDP on 23 September 2004 paved the way for a new model of field representation, which would allow UNIDO to expand, in the future, its presence in the field while maximizing synergies within the United Nations system. On the basis of joint programmes of technical cooperation, the Programme is responsible for developing and expanding the portfolio of core activities of the Organization, especially in the area of private sector development, in developing countries and economies in transition other than those currently covered by UNIDO field offices.

F.30. In line with the recommendations contained in the report of the United Nations Commission on the Private Sector and Development, the Programme promotes, jointly with UNDP, sustainable industrial development in line with national priorities and the MDGs.

F.31. The services are provided through a network of UNIDO Desks located within UNDP offices and staffed with one national Professional staff member, known as the Head of UNIDO Operations, who will perform the functions of an Industrial Development Officer.

F.32. The UNIDO Desk programme is being implemented gradually. During a pilot cost-sharing phase, 13 new UNIDO Desks were established in 2005-2006. The performance of the Programme was jointly assessed by UNIDO and UNDP in 2006 with the primary conclusion to continue the collaboration. During this biennium the number of established UNIDO Desks is expected to increase to 30. UNIDO budgetary resources continue to be provided for 20 UNIDO Desks, with any additional Desks being subject to extrabudgetary sources of funding.

F.33. Priorities and focus areas differ from country to country and from region to region. The expected regional priorities are described in Major Programmes C, D and E under programme component Regional Priorities, Funds Mobilization and Partnerships.

F.34. To translate these diverse country and regional needs into a UNIDO policy framework, the Programme will apply a region-by-region approach and interact with Member States and/or regional groups and with recipient countries both at Headquarters and the field level. It will also interact with the respective UNDP Regional Bureaux for the implementation of the UNIDO/UNDP Cooperation Agreement, in particular with regard to the UNIDO Desks.

### Objective

F.35. To attain optimum solutions for all parties involved by interacting regularly with the constituencies of UNIDO, either individually or in groups, through:

- (a) Providing a regional perspective and conduit on policy and programmatic issues between the governing bodies of UNIDO and the Organization, and between UNIDO and the recipient countries;
- (b) Facilitating UNIDO activities in the region and in the countries of coverage, inter alia, through maintaining an active presence of the Organization in selected countries and representing UNIDO at the regional and country levels.

### Resources

#### Resource estimates (in euros)

Posts			2008-2009 estimates (after recosting)			
Professional	General Service	Total	Regular budget	Operational budget	Total	
29.65	9.40	39.05				
			Staff costs	7,505,980	2,637,515	10,143,495
			Consultants	225,700		225,700
			Meetings	335,700		335,700
			Official travel	848,800		848,800
			Operating costs	114,900		114,900
			<b>Total gross expenditure</b>	<b>9,031,080</b>	<b>2,637,515</b>	<b>11,668,595</b>
			Income	(75,350)		(75,350)
			<b>Total net resources</b>	<b>8,955,730</b>	<b>2,637,515</b>	<b>11,593,245</b>



### Programme Components F.3.1 – F.3.5: Regional Programmes

#### General description

F.36. These programme components will provide similar services to the five regions covered by UNIDO, respectively sub-Saharan Africa, Arab countries, Asia and the Pacific, Latin America and the Caribbean, and Europe and the NIS. Given the similarity of the services provided, and the associated similarity of the objectives, expected outcomes, performance indicators and outputs, the presentation of these five programme components has been consolidated into a single text. The expected regional priorities are described in Major Programmes C, D and E under programme component Regional Priorities, Funds Mobilization and Partnerships.

#### Objective

F.37. UNIDO solutions to country-specific and regional economic and industrial problems in line with UNIDO's global mandate, United Nations common activities and the countries' development priorities, are technically sound and widely accepted among the donor community and other stakeholders.

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Responsiveness of UNIDO to national/regional and donor priorities	<ul style="list-style-type: none"> <li>• UNIDO portfolio (including fund mobilization) at country-level increased steadily</li> <li>• Effective involvement of national counterparts and donors in programming activities</li> <li>• Diversification of funding sources</li> </ul>	<ul style="list-style-type: none"> <li>• UNIDO programmatic documents</li> <li>• UNIDO reports</li> <li>• Surveys among donors</li> <li>• Surveys among country-based stakeholders and partners</li> <li>• Project documents</li> <li>• Evaluation reports</li> </ul>
Effective participation in UN initiatives at country-level including CCA/UNDAF, PRSP, UNDG, Delivery as One	<ul style="list-style-type: none"> <li>• Number of proposals and/or activities developed in close partnership with other United Nations agencies in the field</li> <li>• Evidence of UNIDO projects that are systematically and comprehensively linked to relevant country/regional development processes (CCA/UNDAF/PRSP)</li> </ul>	
UNIDO visibility enhanced at global, regional and country levels	<ul style="list-style-type: none"> <li>• UNIDO input is visible in Government strategies, policy and other relevant documents at country/regional level</li> <li>• Number of regional and local major events with effective UNIDO presence</li> <li>• Number of requests for UNIDO services resulted from above</li> </ul>	

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Technical cooperation and office management at country-level improved	<ul style="list-style-type: none"> <li>• Number and quality of periodic progress reports sent to Headquarters, stakeholders and donors</li> <li>• Kind and frequency of contacts with UNIDO Field Offices</li> <li>• Timely preparation of work plans</li> </ul>	
Oversight and timely support services to the Field Offices strengthened	<ul style="list-style-type: none"> <li>• Cooperation and coordination mechanism with the field offices in the region established</li> <li>• Uniform application of policies and procedures in the field offices is ensured</li> </ul>	

### **Outputs**

- UNIDO priorities discussed and coordinated with stakeholders at country levels;
- Substantive participation in United Nations country teams ensured;
- Effective flow of information between Headquarters and the field organized and maintained;
- Good working relations with relevant donors established;
- Awareness of and support to UNIDO objectives through effective participation in local and regional industrial and developmental events ensured;
- Quality advice to the Government ensured, including support to national economic development plans;
- Country-led outreach activities (including liaison with the media and enhancing cooperation with different external partners such as CSOs, the private sector, universities and research institutions, decentralized entities, local authorities and professional associations) and an active role in public-private partnership in the country/region planned and implemented;
- Active IP team leadership is ensured.

### **Programme F.4: Field Operations Support**

#### **General description**

F.38. The Programme will ensure that the UNIDO field network, consisting of field offices and UNIDO Desks (including focal point offices), will receive optimum financial and General Service (GS) staff support under the guidance provided under Programme F.3. The scope of this Programme is limited to providing an effective structure for decentralized operations in the form of support personnel and office infrastructure. Capturing and monitoring the field operating costs, while the field structure is undergoing a significant change, is essential and can best be achieved by grouping these resources under an individual programme.

## Objective

F.39. UNIDO field network (consisting of field offices, UNIDO Desks and focal point offices) have access to efficient operational support.

## Resources

### Resource estimates (in euros)

Posts			2008-2009 estimates (after recosting)			
Professional	General Service	Total	Regular budget	Operational budget	Total	
<b>0.00</b>	<b>61.00</b>	<b>61.00</b>				
			Staff costs	2,010,500	702,100	2,712,600
			Operating costs	6,552,048	257,377	6,809,425
			<b>Total gross expenditure</b>	<b>8,562,548</b>	<b>959,477</b>	<b>9,522,025</b>
			Income	(1,402,400)		(1,402,400)
			<b>Total net resources</b>	<b>7,160,148</b>	<b>959,477</b>	<b>8,119,625</b>

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Administrative aspects of the field operations optimized to ensure smoother operation of the field units	<ul style="list-style-type: none"> <li>Budget allocation for field units optimally distributed on time</li> <li>An increased level of in-time redeployment requests received from field offices avoiding overexpenditures on budget lines</li> </ul>	<ul style="list-style-type: none"> <li>Data extraction from the main financial system; MODs</li> <li>Data extraction on posted GS staff in the field</li> </ul>
Operation of the UNIDO field units optimized through the assigned General Service staff	<ul style="list-style-type: none"> <li>Ratio of field GS posts filled</li> </ul>	

## Outputs

- Funds to cover operating costs made available in a timely manner to the UNIDO field network in 2008-2009;
- Mid-term reviews performed on-time and overall continuous consultation with the field units;
- Established posts for General Service available to the UNIDO field network.

## MAJOR PROGRAMME G: SUPPORT SERVICES AND GENERAL MANAGEMENT

### General description

G.1. The Major Programme provides direction and management for four programmes: Human Resource Management, Financial Services, Information and Communication Management Services and Operational Support Services as well as Buildings Management Service (Major Programme H).

G.2. The Major Programme formulates policies and procedures, and provides strategic guidance, direction and support to all entities of the Secretariat, including the offices away from Headquarters, in the four areas of its responsibility; as well as management of the common services entrusted to UNIDO (buildings management services and catering operations) on behalf of the VIC-based Organizations (VBOs).

G.3. The main priorities of the Major Programme are to provide operational support for the implementation of UNIDO's technical cooperation programmes – be it in procurement of goods and services for technical cooperation projects, and hiring high-level staff and consultants/experts to ensure their implementation. The other diverse and essential services include financial management, communications, inventory and records management, and travel services, all of which directly or indirectly support technical cooperation delivery.

### Objective

G.4. The overall objective of this Major Programme is to ensure the effective delivery of services to support the Organization's activities, as well as strengthen various functions to ensure increased efficiency and effectiveness in support of programme delivery within an appropriate framework of decentralization of authority, accountability and oversight.

### Resources

#### Resource estimates (in euros)

Posts			2008-2009 estimates (after recosting)			
Professional	General Service	Total	Regular budget	Operational budget	Total	
<b>44.00</b>	<b>103.50</b>	<b>147.50</b>	Staff costs	20,768,300	4,518,600	25,286,900
			Consultants	686,600		686,600
			Official travel	214,700		214,700
			Operating costs	1,904,100		1,904,100
			Information and comm. techn.	5,071,900		5,071,900
			<b>Total gross expenditure</b>	<b>28,645,600</b>	<b>4,518,600</b>	<b>33,164,200</b>
			<b>Total net resources</b>	<b>28,645,600</b>	<b>4,518,600</b>	<b>33,164,200</b>

**By programme**

	Posts		Regular and operational budgets	Technical cooperation (extrabudgetary)	TOTAL
	P	GS			
G.1. Human Resource Management	11.00	23.25	6,378,730		6,378,730
G.2. Financial Services	11.00	34.00	7,234,530		7,234,530
G.3. Procurement and Logistics	8.00	27.75	8,370,640		8,370,640
G.4. Information and Communication Management	12.00	13.50	8,587,000		8,587,000
G.5. Direction and Management	2.00	5.00	1,398,300		1,398,300
G.6. International Public Sector Accounting Standards			1,195,000		1,195,000
<b>G. Total major programme</b>	<b>44.00</b>	<b>103.50</b>	<b>33,164,200</b>		<b>33,164,200</b>

**Programme G.1: Human Resource Management**

**General description**

G.5. The Programme develops the human resource management policy of the Organization, supports the Major Programmes in organizational development and human resource management and provides all statutory services mandated by the staff regulations and rules as well as the regulations of the United Nations Joint Staff Pension Fund (UNJSPF). In addition to interacting with internal clients, managers and staff, the Programme interacts with other organizations of the United Nations common system and is the official interlocutor with the International Civil Service Commission (ICSC), UNJSPF, and health insurance providers.

G.6. The component parts of the Programme are organized in functional groups: the human resource planning and development group works on staffing and HR planning with respect to staff in the General Service, Professional and higher categories; job analysis and classification; the development and implementation of a learning policy aimed at upgrading and updating managerial, technical and functional competencies; maintenance of information databases of the Organization's human resources for monitoring, planning and reporting purposes. The staff services and employee relations group is responsible for updating and application of conditions of service to all categories of staff in accordance with the provisions of the staff regulations and rules; the maintenance of personnel records of the Organization; the provision of comprehensive social security services to active and retired staff in accordance with the regulations and rules of the UNJSPF, including medical and life insurance; the internal administration of justice as well as the recruitment and administration of project personnel engaged in the implementation of technical cooperation programmes and associated reporting.

**Overall objective**

G.7. To provide the Organization, in a timely manner, with appropriately qualified and motivated staff for the fulfilment of its mandate.

## Resources

### Resource estimates (in euros)

Posts			2008-2009 estimates (after recosting)			
Professional	General Service	Total	Regular budget	Operational budget	Total	
11.00	23.25	34.25	Staff costs	4,490,800	1,769,200	6,260,000
			Consultants	41,600		41,600
			Official travel	43,400		43,400
			Operating costs	33,730		33,730
			<b>Total gross expenditure</b>	<b>4,609,530</b>	<b>1,769,200</b>	<b>6,378,730</b>
			<b>Total net resources</b>	<b>4,609,530</b>	<b>1,769,200</b>	<b>6,378,730</b>

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Staffing for established posts in Headquarters and field as well as technical cooperation programmes and projects filled in timely manner	<ul style="list-style-type: none"> <li>Recruitment for established posts normally completed within an average of 3 months of being advertised</li> <li>Project personnel posts filled within 2-4 weeks of receipt of request</li> <li>In the case of established posts in the professional and higher categories improved geographical and gender balance observed</li> </ul>	<ul style="list-style-type: none"> <li>Statistics on recruitment</li> <li>Recruitment records</li> <li>HR records</li> <li>Training plan</li> <li>Policies promulgated</li> <li>Instructions, bulletins and circulars issued</li> </ul>
Utilization of services of young Professionals recruited and assigned in Headquarters and field duty stations	<ul style="list-style-type: none"> <li>Young Professionals Programme developed and implemented</li> <li>Implementation of JPO and Associate Expert Programme</li> </ul>	
Staff use facilities provided for competencies upgrade	<ul style="list-style-type: none"> <li>Number of staff learning hours per learning area</li> </ul>	
The Organization is provided with updated policies reflecting current best practices in human resource management	<ul style="list-style-type: none"> <li>New policies introduced on performance management, financial disclosure and integrity awareness</li> </ul>	
The Organization is provided with continuous timely provision of core operational services	<ul style="list-style-type: none"> <li>Conditions of service implemented</li> <li>Number of administrative instructions, information circulars on conditions of service updated</li> </ul>	

## Outputs

- Posts in the Professional and higher categories and in the GS category filled within the vacancy rate, using competency-based assessment techniques; time-limited appointments at Headquarters and in field duty stations issued or extended following relevant review;

- Approximately 6,000 time-limited project personnel appointments negotiated and concluded for the biennium;
- Young Professionals Programme implemented up to maximum of 10 incumbents;
- Services of approximately 20 Junior Professional Officers and Associate Experts secured through negotiations with donors to complement staffing in field offices and programmes at Headquarters;
- Approved biennium learning plan implemented;
- Administrative instructions issued on performance management, financial disclosure and integrity awareness;
- Basic services such as security clearances for official travel obtained, social security services provided, timely and qualitative inputs/responses provided to internal bodies and staff members on behalf of the administration;
- Administrative instructions, information bulletins and circulars on conditions of service issued.

## **Programme G.2: Financial Services**

### **General description**

G.8. The Programme provides the following services: budgeting; financial control; financial planning; management of financial resources, including extrabudgetary; cash management and treasury operations; management of assessed contributions; receipts and disbursements of all resources, including payroll of Headquarters and field staff; financial management of technical cooperation activities; accounting and reporting for regular and operational budget activities as well as all technical cooperation activities; policy advice on financial issues.

G.9. The Programme follows the best practices in financial management, including transparent, cost-effective and sound internal control of all financial resources in the field and at Headquarters. It provides regular financial performance and status information to UNIDO stakeholders. It manages and monitors all matters relating to assessed contributions, while following up with Member States on outstanding assessed contributions so as to maintain a high level of financial stability. Financial resources will be effectively managed through improvements in cash-flow projections so as to maximize the yield potential of available resources. The Programme reviews programme/project documents relating to technical cooperation activities to ensure that they are in accordance with financial regulations, rules and financial instructions/procedures. Proper financial procedures and controls will be followed to record and monitor the financial implementation of the projects. The Programme assists the senior management, governing bodies and donors through analyses and reports on technical cooperation programmes and activities, including delivery forecasts.

G.10. The Programme will provide accurate and timely financial reports to facilitate the Organization's activities, managerial decision-making and future programme planning. It will be responsive to the needs of the Organization and review the work processes on an on-going basis to improve the Financial Performance Control System (FPCS), thus increasing the efficiency, accuracy and accessibility to financial information.

G.11. Pursuant to the decision by the United Nations approved by the General Assembly at its sixtieth session in July 2006 to adopt International Public Sector Accounting Standards (IPSAS) for United Nations system-wide organizations beginning 1 January 2010 and as outlined in UNIDO documents IDB.32/7-PBC.22/7 and IDB.32/12, the Programme has already commenced the transition to IPSAS.

This Programme will lead the project for development and implementation of IPSAS for all of its financial and other effected activities and systems to ensure that the Organization is IPSAS compliant by 1 January 2010. However, recognizing the magnitude of the change with a strict timeline set for adoption of IPSAS and given the separate reporting needs, the resource requirements for 2008-2009 is presented as a distinct Programme (G.6) under Major Programme Support Services and General Management.

G.12. The Programme will continue to collaborate with other programmes to strengthen and refine the concept and implementation, including measurement towards an improved application of the principles of results-based management.

G.13. The Programme and its method of operation are defined through provisions in the financial and staff regulations and rules, various administrative instructions, and various decisions of the governing bodies.

### Objective

G.14. The objective of the Programme is to ensure the overall financial integrity, credibility and transparency of the Organization. Following the adoption of IPSAS by the United Nations General Assembly (resolution 60/283 (IV)), this objective is expected to be further strengthened by proceeding with the project for adoption and implementation of IPSAS on 1 January 2010.

### Resources

#### Resource estimates (in euros)

Posts			2008-2009 estimates (after recosting)			
Professional	General Service	Total	Regular budget	Operational budget	Total	
<b>11.00</b>	<b>34.00</b>	<b>45.00</b>	Staff costs	5,404,000	1,785,800	7,189,800
			Consultants	9,700		9,700
			Official travel	32,800		32,800
			Operating costs	2,230		2,230
			<b>Total gross expenditure</b>	<b>5,448,730</b>	<b>1,785,800</b>	<b>7,234,530</b>
			<b>Total net resources</b>	<b>5,448,730</b>	<b>1,785,800</b>	<b>7,234,530</b>

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Continued overall financial management of the Organization	<ul style="list-style-type: none"> <li>Unqualified opinion by the External Auditor on the financial statements</li> </ul>	<ul style="list-style-type: none"> <li>External Auditor Report</li> <li>Correspondence log</li> <li>FPCS</li> <li>MOUs and agreements</li> <li>GC decisions</li> <li>IPSAS ready financial system</li> <li>Documents on IPSAS</li> </ul>
Efficient and effective planning and control of the Organization's resources	<ul style="list-style-type: none"> <li>Statutory deadlines for the preparation and presentation of the biennial programme and budget document to the governing bodies</li> </ul>	
Effective financial management of technical cooperation activities and financial clearance of MOUs and agreements	<ul style="list-style-type: none"> <li>Percentage of issuance of allotment and other financial instruments for extra-budgetary funds within given timeframe</li> <li>Number of reviewed agreements and MOUs</li> </ul>	



<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Enhanced efficiency through maximized interest income and improved accuracy and processing time in the disbursement and recording of financial transactions and timely production of financial statements, donor requests and ad hoc analysis to support management, stakeholders decision-making and conduct of External Auditors	<ul style="list-style-type: none"> <li>• Statutory deadline met for financial statements</li> <li>• Minimum downward variation of average interest rates on investments relative to average market rates</li> <li>• Average number of days taken to process all payments and vouchers</li> </ul>	
IPSAS readiness	<ul style="list-style-type: none"> <li>• Timely revisions to financial regulations and approval to prepare budgets for 2010-2011 under IPSAS</li> </ul>	

## Outputs

- Integrity of financial operations of the Organization;
- A programme and budget document followed by financial authorization documents, management reports and staffing table listings on the financial implementation of the approved budgets;
- Expenditure controls of extrabudgetary funds and financial reporting thereof on their utilization;
- Improved financial procedures related to TC activities and agreements in line with financial regulations and rules;
- Mid-biennial and biennial financial statements to the External Auditor and the governing bodies;
- Investments according to investment policy;
- Receipt and disbursement of funds on behalf of the Organization;
- IPSAS-compliant financial systems, financial regulations, and documents for increasing management and stakeholders' awareness.

## Programme G.3: Procurement and Logistics

### General description

G.15. The Programme provides various operational support services for all UNIDO activities, both at Headquarters and in the field, including procurement of goods and services, inventory and records management, and communications, travel, transportation and shipment services. It provides efficient, cost-effective and transparent purchasing and contracting services for the delivery of technical cooperation and global forum activities, including the requirements of UNIDO Headquarters and common services.

G.16. The Programme is divided into two components: G.3.1 – Procurement Services and G.3.2 – Logistics Services.

## Objective

G.17. The objective of the Programme is to ensure enhanced responsiveness and quality by providing direct, efficient and cost-effective administrative support services for all UNIDO activities.

## Resources

### Resource estimates (in euros)

Posts			2008-2009 estimates (after recosting)			
Professional	General Service	Total	Regular budget	Operational budget	Total	
<b>8.00</b>	<b>27.75</b>	<b>35.75</b>	Staff costs	4,808,500	963,600	5,772,100
			Consultants	62,400		62,400
			Official travel	43,800		43,800
			Operating costs	1,394,740		1,394,740
			Information and comm. techn.	1,097,600		1,097,600
			<b>Total gross expenditure</b>	<b>7,407,040</b>	<b>963,600</b>	<b>8,370,640</b>
			<b>Total net resources</b>	<b>7,407,040</b>	<b>963,600</b>	<b>8,370,640</b>

## Programme Component G.3.1: Procurement Services

### General description

G.18. Procurement carries out the acquisition of equipment and services in support of all UNIDO technical cooperation programmes, and including global forum activities and post-crisis interventions, through due process. It is also responsible for the acquisition of equipment and services required for the maintenance and repair of buildings of the VIC, for the operations of the VIC catering operations, as well as provision of the requirements in support of the asbestos removal project. The activity involves tendering, technical, commercial and financial evaluations in respect of 600 to 700 requisitions annually, in the total amount of some € 50 million, out of which more than 80 per cent constitutes acquisition of goods and services for technical cooperation activities. Furthermore, the Programme provides guidance to project managers and field offices on issues related to the procurement of goods and services.

### Objective

G.19. The main objective of Procurement Services is to ensure efficient, and cost-effective and timely procurement of goods and services required within the framework of UNIDO programme.

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Timely delivery of goods and services for implementation of UNIDO TC programmes and global forum activities as well as for maintenance and repair of the VIC buildings, including the execution of the asbestos removal project	<ul style="list-style-type: none"> <li>• Number and value of contracts and purchase orders concluded</li> <li>• Minimum delays in attaining programme outputs</li> <li>• Reduction or maintenance of average lead-time for procurement cycle (5-10 weeks)</li> </ul>	<ul style="list-style-type: none"> <li>• Project monitoring and independent evaluation reports</li> <li>• FPCS reporting system</li> <li>• Audit and legal reviews</li> <li>• Statistical reporting</li> </ul>

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Acquisition of high quality goods and services based on value-for-money principles	<ul style="list-style-type: none"> <li>• Minimum number of claims regarding technical non-compliance</li> <li>• Minimum number of cases of non-performance by vendors</li> <li>• Less cases of legal and financial disputes from vendors</li> </ul>	
Expansion of competitive base	<ul style="list-style-type: none"> <li>• Increased number of placement of requests for proposals and invitations to bid on UNIDO and other websites</li> </ul>	

## Outputs

- Contracts and purchase orders established for an estimated amount of €40 million for implementation of technical cooperation and global forum activities;
- Contracts and purchase orders established for an estimated amount of €10 million for maintenance and repair of the VIC buildings and execution of the asbestos removal project;
- Information and statistical reports on the procurement of good and services.

### **Programme Component G.3.2: Logistics Services**

#### **General description**

G.20. The Programme is responsible for providing logistics services related to UNIDO property management at Headquarters, field offices and the project sites; official travel, transportation and shipment, archives and registry records management.

G.21. Property management services focus on formulation of policies and procedures related to management of UNIDO property; implementation and revision of recording of property for attaining optimal efficiency and control; supervision and maintenance of property records; developing standards for expendable and non-expendable office equipment, furniture and supplies and controlling their issuance to UNIDO branches and offices; administering receipt, storage, distribution and maintenance of office equipment, stationery supplies and furnishings.

G.22. Travel, transportation and shipment services cover official travel, transportation, shipment and insurance.

G.23. Archives and Registry provide services related to preparation of proposals for UNIDO document retention polices, archiving and keeping of retired files in digital and hard copy format, distribution of official correspondence addressed to UNIDO, digitizing official documents to be stored in the electronic form in the UNIDO's key file system.

**Objective**

G.24. The objective of the Programme is to ensure enhanced responsiveness and quality by providing direct, efficient and cost effective administrative support services for all UNIDO activities comprising communications, inventory and records management, travel, transportation and shipment services.

<i>Outcome</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Complete and up-to-date inventory records maintained for headquarters and field offices, and technical cooperation projects	<ul style="list-style-type: none"> <li>Review of inventory list and measuring this against the full list</li> </ul>	<ul style="list-style-type: none"> <li>Statistical periodical reporting (biannual)</li> <li>Yearly statistics on processed travel authorizations, visa requests and shipments per year, as well as biannual travel satisfaction surveys</li> </ul>
Improved and cost-effective travel services	<ul style="list-style-type: none"> <li>Number of processed travel authorizations, visa requests, and shipment</li> </ul>	

**Outputs**

- Elimination of backlog and continuous recording of inventory within one week of receiving reports;
- Savings achieved relating to full cost of travel as well as at least 75 per cent of customer satisfaction.

**Programme G.4: Information and Communication Management**

**General description**

G.25. The responsibility of the Programme is to provide leadership and coordination for developing and implementing information and communication technology (ICT) tools that support the business processes and goals of the Organization by:

- (a) Prudently managing UNIDO information technology (IT) costs;
- (b) Setting ICT policy, strategy and procedures;
- (c) Providing reliable infrastructure for the mainframe, client/server, network and desktop systems;
- (d) Providing reliable and available mission-critical ICT-based production applications;
- (e) Providing a high level of systems support and end-user help desk services;
- (f) Ensuring the necessary control mechanisms and security access authorizations for the integrity of data, information, knowledge and the associated databases and systems;
- (g) Promoting access to, storage of and the dissemination of knowledge and associated tools and techniques;
- (h) Promoting modern ICT systems and related skills;

- (i) Acting as the ICT focal point for the United Nations system;
- (j) Managing the UNIDO library.

## Objective

G.26. To improve the efficiency of the Organization through the prudent use of ICT and its effectiveness through knowledge management.

## Resources

### Resource estimates (in euros)

Posts			2008-2009 estimates (after recosting)		
Professional	General Service	Total	Regular budget	Operational budget	Total
12.00	13.50	25.50			
			Staff costs	4,565,600	4,565,600
			Official travel	11,600	11,600
			Operating costs	433,500	433,500
			Information and comm. techn.	3,576,300	3,576,300
			<b>Total gross expenditure</b>	<b>8,587,000</b>	<b>8,587,000</b>
			<b>Total net resources</b>	<b>8,587,000</b>	<b>8,587,000</b>

<i>Outcomes</i>	<i>Performance Indicators</i>	<i>Sources of verification</i>
Staff use reliable network-connected ICT facilities in their work	<ul style="list-style-type: none"> <li>• All staff have technically acceptable, reliable network-connected ICT facilities</li> </ul>	<ul style="list-style-type: none"> <li>• Headquarters staff with network-connected ICT equipment</li> <li>• Help desk statistics system</li> <li>• Staff Intranet accesses from outside Headquarters</li> </ul>
Staff use ICT support services	<ul style="list-style-type: none"> <li>• Average number of daily Help Desk requests</li> <li>• Average response time to Help Desk requests</li> </ul>	
Cost-effective services	<ul style="list-style-type: none"> <li>• ICT operating costs per PC user</li> <li>• Number of HQ staff per IT staff</li> <li>• Operating costs of the Library per professional staff member</li> </ul>	
UNIDO staff outside Headquarters have access to and use services of Information and Communication management	<ul style="list-style-type: none"> <li>• Requests serviced from UNIDO staff outside Headquarters</li> </ul>	

## Outputs

- Mainframe, client-server, network and desktop infrastructure;
- ICT-based production systems and commercial applications;
- Knowledge-based products including books, journals, online information services, and tools;

- Support for infrastructure, systems, applications and knowledge-based products.

### Programme G.5: Direction and Management

#### General description

G.27. The programme identifies and determines the strategic direction and goals, as well as provides leadership, coordination and management in the area of human resources, financial services, information and communication management, procurement, logistics, and other administrative services including safety and security. It supervises and directs management of the Building Management Services, and administers the Common Fund for Major Repairs and Replacement as well as Catering Operations on behalf of the Vienna-based Organizations (VBOs).

G.28. During the biennium, the Programme will focus on following activities:

- Plan, formulate and direct work programmes of Major Programme G and H and related sub programmes;
- Provide effective and sound management for their implementation and undertake necessary monitoring;
- Improve coordination, efficiency and effectiveness of all activities under this programme by introduction of sound and clear measures and procedures; maintain Director-General's bulletins and other directives;
- Interact with the organizations of the system on issues related to management and administration and participate in the relevant meetings;
- Introduce new initiatives and best practices in line with the United Nations management reform; explore new ways of delivering services, including relocation and outsourcing;
- Coordinate issues related to the safety and security.

#### Objective

G.29. The objective of the programme is to ensure the efficiency and effectiveness of all services and activities of this Major Programme, streamline internal processes and procedures, to promote a culture of accountability and transparency, and to enhance safety and security.

#### Resources

##### Resource estimates (in euros)

Posts			2008-2009 estimates (after recosting)		
Professional	General Service	Total	Regular budget	Operational budget	Total
2.00	5.00	7.00			
			Staff costs	1,343,500	1,343,500
			Consultants	10,400	10,400
			Official travel	42,400	42,400
			Operating costs	2,000	2,000
			<b>Total gross expenditure</b>	<b>1,398,300</b>	<b>1,398,300</b>
			<b>Total net resources</b>	<b>1,398,300</b>	<b>1,398,300</b>

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Improved coordination, efficiency and effectiveness of all activities and services	<ul style="list-style-type: none"> <li>• Number and quality of services delivered</li> <li>• Reduction of processing time for their delivery</li> <li>• Money saved</li> </ul>	<ul style="list-style-type: none"> <li>• Increased number and better quality of all activities and services</li> <li>• Shorter time for their delivery</li> </ul>
Enhanced guidance and monitoring through proper procedures and mechanisms, better transparency of procedures and accountability of staff	<ul style="list-style-type: none"> <li>• Number and quality of directives, instructions and other related documents</li> <li>• Tasks and activities performed</li> <li>• Introduction of new procedures and mechanisms as well as best practices</li> </ul>	<ul style="list-style-type: none"> <li>• Financial savings made</li> <li>• All tasks are implemented on time</li> <li>• Better quality of all services</li> <li>• Member States and staff are satisfied with the existing procedures and practices</li> </ul>
Increased number of clients satisfied with management performance and delivery of services	<ul style="list-style-type: none"> <li>• Statements made at the meeting of PMOs, Executive Board and other evidence</li> </ul>	<ul style="list-style-type: none"> <li>• Satisfactory appraisals by Member States and management of performance and delivery of services</li> </ul>
Greater confidence and reliance by External Auditor and other stakeholders in the Organization's administrative framework and operations	<ul style="list-style-type: none"> <li>• Number of audit observations</li> </ul>	<ul style="list-style-type: none"> <li>• Lesser number of audit observations and recommendations by External Auditor as well as their contents</li> </ul>
Enhanced safety and security	<ul style="list-style-type: none"> <li>• Number of safety and security measures introduced</li> <li>• Number of staff covered</li> </ul>	<ul style="list-style-type: none"> <li>• Satisfactory appraisals by Member States and the Department of Safety and Security</li> </ul>

## Outputs

- Sound and clear directives and instructions on all management strategies and administrative procedures and services;
- New initiatives and best practices in line with the United Nations management reform;
- Regular dialogue and information sharing with and training of staff;
- Measures to enhance safety and security;
- Continuous level of communication with Member States on the Organization's performance and with the system through the High-level Committee on Management on common policies.

## Programme G.6: International Public Sector Accounting Standards

### General description

G.30. As a consequence of the endorsement by the United Nations system organizations, the International Public Sector Accounting Standards (IPSAS) will be adopted throughout the United Nations System by 1 January 2010. The decision to adopt IPSAS by the United Nations was approved

by the United Nations General Assembly at its sixtieth session in July 2006 (resolution A60/283 (IV)). The Standards represent international best practice for public sector and not-for-profit organizations accounting. They are credible, high quality, independently produced accounting standards, underpinned by a strong due process and supported by governments, professional accounting bodies and international organizations. Financial reports prepared under IPSAS will be more credible and transparent to UNIDO's stakeholders.

G.31. The Panel of External Auditors of the United Nations, the specialized agencies and the International Atomic Energy Agency (IAEA) consider the adoption of IPSAS as a significant step forward to improving the quality, consistency and comparability of financial reporting within the United Nations system. Moreover, the adoption of IPSAS is seen as an essential component of good governance, accountability and transparency.

G.32. Within the United Nations system organizations, IPSAS adoption will impact on several important areas, including the accounting and reporting of transactions, and imply changes to financial management systems. It will also have a consequential impact on budgeting, funding and management, requiring a redefinition of the financial regulations and rules. As a main feature, the adoption will constitute a move to full accrual accounting, thereby recognizing income and expenditure in the period it is earned and incurred respectively, and not necessarily in the period in which cash is received or paid.

G.33. At its thirty-second session the Industrial Development Board agreed, in principle, to the adoption of IPSAS. Certain preparatory tasks have already been initiated on that basis to be taken up during 2007.

G.34. This Programme will put in place a mechanism to enable implementation of activities foreseen as a result of the adoption of IPSAS. While the Financial Services Branch will provide the core team and lead the change management, the Programme envisages the necessary outside expertise to assist the project team, as assembled, consisting of representatives from the various branches concerned, including inter alia Human Resources, Operational Support Services and Information and Communications Management, to implement this Programme. It is of the utmost importance that the Organization participates in the various meetings and contributes to the development of consistent interpretation and application of IPSAS requirements across the system. The Programme foresees the participation of UNIDO in the system-wide centralized framework set up for this purpose under the auspices of the Finance and Budget Network. Since there will be significant changes to the business processes the Programme will provide for the necessary training to the concerned staff.

### **Objective**

G.35. During the biennium 2008-2009, the objective of the Programme is to facilitate a smooth transition to IPSAS and to make UNIDO's accounting and financial policies, procedures and systems IPSAS compliant by 1 January 2010.



## Resources

### Resource estimates (in euros)

Posts			2008-2009 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	Staff costs	155,900		155,900
			Consultants	562,500		562,500
			Official travel	40,700		40,700
			Operating costs	37,900		37,900
			Information and comm. techn.	398,000		398,000
			<b>Total gross expenditure</b>	<b>1,195,000</b>		<b>1,195,000</b>
			<b>Total net resources</b>	<b>1,195,000</b>		<b>1,195,000</b>

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
IPSAS-compliant accounting and financial systems and procedures by 1 January 2010	<ul style="list-style-type: none"> <li>Accurate reconciliation of balances at changeover</li> <li>Correctness of transaction vouchers</li> </ul>	<ul style="list-style-type: none"> <li>Draft financial statements (opening balances) as of 1 January 2010</li> <li>Vouchers produced from financial system</li> </ul>
Improved stewardship and transparency with respect to all fixed assets	<ul style="list-style-type: none"> <li>Identification and valuation of all fixed assets across the Organization</li> </ul>	<ul style="list-style-type: none"> <li>Fixed assets reports produced by the financial system</li> </ul>

## Outputs

- Format for the reconciliation between budgeted and actual results and steps to align the 2010-2011 budget proposal to full accrual;
- Full recognition of liabilities for employee benefit obligations such as after-service health insurance (ASHI) and other accruing compensatory benefits, e.g. annual leave and repatriation grants;
- Recognition and depreciation of capital assets such as buildings, vehicles, furniture and equipment and valuation of thereof;
- Recognition of expenses on the basis of the delivery principle, as against the current obligation principle. Under the delivery principle, the expenditure is recognized on the basis of goods and services received;
- Changes to the computation of support cost income attributable to the operational budget;
- Valuation of inventories;
- Change in structure and content of financial reports at all levels (Organization and donor reporting);
- Changes to UNIDO's financial regulations and rules based on an in-depth review of UNIDO; financial regulations and rules, leading, inter alia, to recording of detailed information on capital assets and depreciation, inventories, employee benefits and expenditure recognition;
- Required staff training on the application of IPSAS, the financial management system and business processes.

## **MAJOR PROGRAMME H: BUILDINGS MANAGEMENT**

### **Programmes H.1 and H.2: Common Buildings Management and Joint Buildings Management**

#### **General description**

H.1. Under the terms of the Memorandum of Understanding on Common Services, on behalf of and financed by the International Organizations based in the VIC, UNIDO's Buildings Management Services (BMS) is given the responsibility for managing and administering the operations, maintenance, repairs and replacements of the buildings and related installations and equipment of the VIC complex.

H.2. The main constituencies and the target groups of the subject programme are the four VIC-based international organizations, IAEA, UNOV, UNIDO and CTBTO, their approximately 4,500 staff members, and some 1,500 additional daily visitors, conference participants, etc.

H.3. Major trends and directions are the enormous additional tasks entrusted to BMS in connection with the ongoing asbestos removal, construction of the new conference building and security projects, as well as the improvement and upgrading works initiated by BMS since 1999 for a duration of 12 years.

H.4. The costs of operating, maintaining and repairing the buildings and their integrated installations are increasing with the ageing of the complex, which was constructed in 1974-1979. In 2008-2009 the Vienna International Centre, with a gross area of approximately 347,000 m<sup>2</sup>, will have been in operation for more than 28 years. The necessary repairs and maintenance work are carried out on a regular basis, among others, according to the commitments made vis-à-vis the Austrian Government, the owner of the buildings, in order to ensure a safe and reliable operation of the VIC complex.

H.5. After more than 20 years of occupancy, the need for replacement programmes has been recognized in all areas of the buildings complex to maintain and increase the reliability of the VIC operation. Based on the agreements reached during the associated meetings of the Committee for Common Services (CCS), last on 10 July 2006, BMS was instructed to maintain the standard and level of services provided since 1999, which were to the fullest satisfaction of the VIC-based organizations, as well as to implement the projects initiated and planned by BMS in order to cope with today's demands of a modern office building complex.

H.6. BMS comprises "Civil Engineering", "Electrical and Climatization Engineering" and "Electronics Engineering" units, and the associated "Engineering Services" and "Administrative Services".

#### **Objective**

H.7. The objectives are to ensure the safe, reliable and cost-effective operation, maintenance, repair and modernization of the buildings and the associated installations and equipment according to the local buildings codes and standards as well as according to the VIC operating license conditions.

## Resources

### Resource estimates (in euros)

Posts			2008-2009 estimates (after recosting)		
Professional	General Service	Total	Regular budget	Operational budget	Total
9.00	116.00	125.00	Staff costs	17,015,600	17,015,600
			Consultants	165,500	165,500
			Official travel	15,700	15,700
			Operating costs	39,731,070	39,731,070
			<b>Total gross expenditure</b>	<b>56,927,870</b>	<b>56,927,870</b>
			Income	(56,927,870)	(56,927,870)
			<b>Total net resources</b>		

### By programme

	Posts		Regular and operational budgets	Technical cooperation (extrabudgetary)	TOTAL
	P	GS			
H.1. Common Buildings Management	9.00	113.00			
H.2. Joint Buildings Management		3.00			
<b>H. Total major programme</b>	<b>9.00</b>	<b>116.00</b>			

<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Safe and reliable operation of the buildings complex	<ul style="list-style-type: none"> <li>Compliance with building codes, rules and standards</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring and evaluation reports on team performance and work flow procedures within the system</li> <li>BMS-related statistics</li> <li>Reports on project and refurbishment costs and buildings' operating costs in comparison with other duty stations</li> </ul>
Modernization of the VIC using innovative and new techniques and types of equipment	<ul style="list-style-type: none"> <li>Compliance with state-of-the-art norms and techniques</li> </ul>	
Much more customer-friendly working environment for the occupants and visitors of the VIC	<ul style="list-style-type: none"> <li>Satisfaction of the building users, indicated by absence of complaints and increased positive feedback</li> </ul>	
Increased cost effectiveness of services	<ul style="list-style-type: none"> <li>Containment of costs, with long-term impact, in spite of overall increase in demands and costs</li> </ul>	

## Outputs

- Increasing the lifetime of installations and plants through preventive maintenance;
- Minimizing of breakdowns of installations and plants;
- Initiating replacement programmes to update and modernize the infrastructure of the VIC;

- Enhancement of the air-conditioning capacity, replacement and modernization of the cabling structure of buildings, replacement of outdated light installations, floor coverings, and re-painting surfaces, etc.;
- Reorganizing the BMS structure, modernizing working tools (Automated Facility Management Systems), redeployment of duties and responsibilities to achieve higher efficiency and output;
- Proactive and preventive repairs and maintenance as well as initiating, developing and implementing modernization projects;
- Transfer of certain projects from the BMS budget to the Major Repairs and Replacements Fund (MRRF) to which the Austrian Government contributes;
- Cost savings and environmentally beneficial measures such as the usage of less costly well water in certain areas, replacement of window glazing, replacement of lights, air-conditioning piping system;
- The further reduction of utility usage and the charging of utility costs to certain commercial users;
- Review of recurrent maintenance contracts leading to a re-tendering of these contracts to lower cost contractors and/or to an in-sourcing of services.

### Programme H.1: Common Buildings Management

#### Resource estimates (in euros)

Posts			2008-2009 estimates (after recosting)		
Professional	General Service	Total	Regular budget	Operational budget	Total
9.00	113.00	122.00	Staff costs	16,627,600	16,627,600
			Consultants	165,500	165,500
			Official travel	15,700	15,700
			Operating costs	38,070,210	38,070,210
			<b>Total gross expenditure</b>	<b>54,879,010</b>	<b>54,879,010</b>
			Income	(54,879,010)	(54,879,010)
			<b>Total net resources</b>		

2008-2009 estimates (after recosting)	
	Regular budget
Established posts	14,715,100
After-service medical coverage	179,300
Career development training	30,000
General temporary assistance	621,400
Overtime and night differential	1,076,200
Consultant fees and travel	165,500
Hospitality	5,600
Travel on official business	15,700
Rental and maint. of premises	22,950,604
Utilities	14,308,786
Rental and maint. of furnit., equipm. and vehicles	60,900
Miscellaneous general operating expenses	25,100
Printing and binding	8,000

<b>2008-2009 estimates (after recosting)</b>	
Supplies and materials	291,800
Capital goods	425,020
<b>Total gross expenditure</b>	<b>54,879,010</b>
Other VBOs' contribution to common operations	(37,325,640)
UNIDO contribution to common operations	(7,042,480)
Other contributions to common operations	(10,510,890)
<b>Total income</b>	<b>(54,879,010)</b>
<b>Total net resources</b>	

### Programme H.2: Joint Buildings Management

#### Resource estimates (in euros)

<b>Posts</b>			<b>2008-2009 estimates (after recosting)</b>		
Professional	General Service	Total	Regular budget	Operational budget	Total
<b>0.00</b>	<b>3.00</b>	<b>3.00</b>			
			Staff costs	388,000	388,000
			Operating costs	1,660,860	1,660,860
			<b>Total gross expenditure</b>	<b>2,048,860</b>	<b>2,048,860</b>
			Income	(2,048,860)	(2,048,860)
			<b>Total net resources</b>		

<b>2008-2009 estimates (after recosting)</b>	
	Regular budget
Established posts	376,800
Overtime and night differential	11,200
Rental and maint. of premises	1,445,760
Capital goods	215,100
<b>Total gross expenditure</b>	<b>2,048,860</b>
Other VBOs' contribution to common operations	(1,372,730)
UNIDO contribution to common operations	(676,130)
<b>Total income</b>	<b>(2,048,860)</b>
<b>Total net resources</b>	

## MAJOR PROGRAMME I: INDIRECT COSTS

### Programme I.1: Contribution to Shared Services and other Indirect Costs

#### General description

I.1. The Programme collects the indirect costs and provides a transparent way of identifying these costs and monitoring their development over time.

I.2. Indirect costs are those cost items of the budget that cannot be directly linked to any substantive programme or administrative service of the Organization. These costs are mainly attributable to the fact that UNIDO is located on the premises of the Vienna International Centre and hence it participates in joint and common services with the other Vienna-based organizations. Furthermore, UNIDO's contributions to joint activities with United Nations bodies and to the after-service health insurance scheme are shown under this Programme.

I.3. The following list shows the shared services and UNIDO's contribution to the total costs:

- (a) After-service health insurance (ASHI) – per retired staff;
- (b) Joint medical services (IAEA) – 13.88 per cent;
- (c) Joint language training (UNOV) – per enrolled staff;
- (d) UNIDO contribution to common buildings management – 15.873 per cent;
- (e) Reimbursement to the Major Repair Fund – 15.873 per cent of the VBOs' contribution;
- (f) Contribution to specific VIC projects – 3 per cent;
- (g) UNIDO contribution to joint buildings management (conference technicians and operating costs) – 33 per cent;
- (h) Language and documentation services (UNOV) – share based on workload;
- (i) Security and safety services (UNOV) – 15.873 per cent;
- (j) Contribution to joint activities with various United Nations bodies – average 1.4 per cent;
- (k) Joint communication services (UNOV) – 33.71 per cent.

I.4. The resource estimates under each of the above items are presented in the summary table. The total budgeted expenditure (at 2006-2007 costs) under contributions to the cost-shared services has decreased by €341,400 (1.7 per cent) as shown below.

I.5. A decrease in the amount of €50,000 under UNIDO's contribution to ASHI is estimated on the basis of actual costs incurred in 2006.

I.6. There is a slight increase of €7,130 under UNIDO contribution to common buildings management. An increase of €101,980 under reimbursement to Major Repair Fund results from the increased annual level of contributions to the Common Fund for Major Repairs and Replacements for the five-year period from 2007 to 2011, as agreed upon between the VIC-based organizations and the Republic of Austria. These increases were more than offset by a decrease of €113,570 under UNIDO contribution to joint buildings management due to UNIDO's decreased percentage share. An amount of €75,000 under contribution to specific VIC projects represents UNIDO's share in the construction

costs of the new conference facilities at the Vienna International Centre (VIC). Paragraph three of the Memorandum of Understanding between the Republic of Austria and the VBOs of 18 October 2004 commits the VBOs to pay a total of €2.5 million towards the project of building new conference facilities at the VIC.

I.7. The decrease of €364,720 under UNIDO contribution to common security and safety services provided by UNOV results from UNIDO's reduced percentage share and from anticipated lower direct costs relating to UNIDO.

I.8. The increase of €131,600 under contribution to joint activities with various United Nations bodies mainly results from further increases in security related costs to the worldwide security infrastructure operated by the United Nations.

I.9. A significant decrease of €221,300 under joint communication services provided by UNOV mainly results from a decreased volume of services requested, some revised cost-sharing keys and reduced overall costs.

### Objective, outcomes and performance indicators

I.10. The objective, outcomes and performance indicators of the common and joint services are described in detail in the programme and budget documents of the responsible organizations.

I.11. Common and joint buildings management services are fully described under Major Programme H – Buildings Management.

### Resources

#### Resource estimates (in euros)

Posts			2008-2009 estimates (after recosting)		
Professional	General Service	Total	Regular budget	Operational budget	Total
<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	Staff costs	4,887,200	4,887,200
			Operating costs	14,950,990	14,950,990
			Information and comm. techn.	819,200	819,200
			<b>Total gross expenditure</b>	<b>20,657,390</b>	<b>20,657,390</b>
			<b>Total net resources</b>	<b>20,657,390</b>	<b>20,657,390</b>

2008-2009 estimates (after recosting)	
	Regular budget
After-service medical coverage	4,361,200
Joint medical services (IAEA)	511,400
Joint language training	14,600
UNIDO contribution to common BMS	7,042,480
Reimbursement to Major Repair Fund	559,480
Contribution to specific VIC projects	75,000
UNIDO contribution to joint BMS	676,130
Language and documentation services	1,892,100
Security and safety services (UNOV)	3,511,700
Contribution to joint activities with UN bodies	1,194,100
Joint communications services (UNOV)	819,200
<b>Total gross expenditure</b>	<b>20,657,390</b>
<b>Total income</b>	
<b>Total net resources</b>	<b>20,657,390</b>

## **SPECIAL RESOURCES FOR AFRICA**

### **General description**

1. On the basis of the African Productive Capacity Initiative (APCI), which was adopted as the industrial component of NEPAD by the African Union (AU) in July 2004, its follow-up meetings on the different priority areas, and the cooperation agreement between the AU and UNIDO of July 2006 as well as the Ninth Ordinary Session of the AU on “Industrialization of Africa” in June/July 2007, regional and subregional programmes/projects will be developed and supported through Special Resources for Africa under the RPTC.

2. The bulk of these funds will be used for the preparation of regional programmes related to APCI and refocusing the ongoing integrated programmes and other activities, in the end meeting the challenges of APCI and the integration of UNIDO into the United Nations-wide scheme of technical assistance to Africa. The remainder will be utilized for the development of stand-alone projects upon specific requests of countries, and for policy advisory services at the country-level, ad hoc requests, Africa-relevant global forum activities, and support to the African Union organs, NEPAD, the Peer Review Mechanism and regional economic communities. Significant emphasis will be put on ensuring the relevance, cost-effectiveness and sustainability of UNIDO services in Africa and their impact on the development process. Guided by the principal directives of the UNIDO corporate strategy, the proposed UNIDO services will render support in the areas of:

- (a) Productive capacity-building and industrial development for the achievement of the MDGs and other internationally agreed development goals;
- (b) Sustained economic growth, creation of productive employment, income generation and facilitation of social integration;
- (c) Development policies through private sector support, diffusion of environmentally sound technologies, investment promotion and enhanced access to markets;
- (d) Regional and subregional cooperation in promoting the expansion, diversification and modernization of productive capacities in African countries, in particular the LDCs and land-locked countries.

### ***Objective***

3. The effectiveness of UNIDO’s programmes in Africa is improved and the Organization’s contribution to Africa development is strengthened.



<i>Outcomes</i>	<i>Performance indicators</i>	<i>Sources of verification</i>
Better integrated programmes and stand-alone projects are developed in Africa	<ul style="list-style-type: none"> <li>• Number of IPs and stand-alone projects in Africa endorsed by client countries and approved for funding</li> </ul>	<ul style="list-style-type: none"> <li>• Records of programmes and projects funded</li> <li>• Letters or other communications from client countries</li> </ul>
More effective priority programmes and new regional and subregional initiatives are developed in Africa	<ul style="list-style-type: none"> <li>• Number of priority programmes and new initiatives in Africa endorsed by client countries and approved for funding</li> </ul>	
Urgent requests for immediate policy and technical advisory services in Africa are met rapidly and effectively	<ul style="list-style-type: none"> <li>• Level of satisfaction of African client countries with UNIDO's response to their urgent requests</li> </ul>	

## **Outputs**

- Preparatory activities for the purpose of developing integrated programmes and/or stand-alone projects in Africa are undertaken;
  - Other activities related to the proper development and implementation of integrated programmes in Africa are undertaken;
  - Expert group meetings, joint projects with research institutions and other upstream and analytical work are undertaken in line with the APCI and in support of the development of priority programmes and new regional and subregional initiatives in Africa;
- Promotional activities directly linked to the development of APCI-related priority programmes through such mechanisms as seminars, workshops and symposiums;
- Responses to requests for immediate policy and technical advisory services in Africa;
  - Overall assistance to the Conference of African Ministers of Industry in addressing major development issues and preparation of new regional industrial plans and approaches.

## MISCELLANEOUS INCOME

1. Estimated miscellaneous income for 2008-2009 amounts to €3,110,100 in the regular budget and €619,200 in the operational budget, details of which are shown in the following paragraphs.

### A. Income on deposits

2. Estimates for income on deposits are based on anticipated interest earnings on cash balances in the General Fund, Working Capital Fund, and Operational Budget Account for Support Costs. Based on the income earned under this heading in 2006 and anticipated for 2007, estimates of €3,036,300 under the regular budget and €619,200 in the operational budget are considered reasonable for 2008-2009.

### B. Sale of publications

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

4. The UNIDO Publications Sales Office manages the direct sale, promotion and distribution of UNIDO publications, reports and videos, including CD-ROM versions of older printed material. It is also responsible for the preparation of an annual publications catalogue and for maintaining the UNIDO publications website, through which publications may be obtained directly through an online catalogue and ordering mechanism. UNIDO publications are also sold through various distributors, including the United Nations. The UNIDO Publications Sales Office is the focal point for communication with the United Nations Publications Section in New York and Geneva in respect of UNIDO's participation at book fairs and for translation agreements of UNIDO publications with other parties.

### Sales publication revolving fund

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

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

7. Unless there is a marked increase in sales activity, the sales publication revolving fund is expected to have only a modest balance by the end of the biennium. The table presents the anticipated financial activity during the biennium under the fund:

**Revolving fund for sales publications - Estimates of gross and net revenue**

(In euros at 2006-2007 costs)

	2006-2007 <u>approved</u> estimates		2008-2009 estimates	
	Sales publications revolving fund	Miscellaneous income	Sales publications revolving fund	Miscellaneous income
Gross sales	73,800	73,800	73,800	73,800
Revolving fund balance of the preceding biennium	119,800		71,900	
<b>Total</b>	<b>193,600</b>	<b>73,800</b>	<b>145,700</b>	<b>73,800</b>
Less expenses against revenue				
Travel	6,500		6,500	
Advertising and publications	19,300		19,300	
Printing	42,400		42,400	
Translation	21,800		21,800	
Miscellaneous	4,300		4,300	
Consultants	16,700		16,700	
Equipment/materials	10,700		10,700	
<b>Total expenses</b>	<b>121,700</b>	<b>–</b>	<b>121,700</b>	<b>–</b>
<b>BALANCE IN SALES PUBLICATIONS REVOLVING FUND (at the end of each biennium)</b>	<b>71,900</b>		<b>24,000</b>	
<b>NET REVENUE</b>		<b>73,800</b>		<b>73,800</b>

8. Funds will be required for travel to book fairs or for organizing special promotional activities. Resources will be required for journal advertisements and other promotional activities. Funding is required for translation and reprints of sales publications, CD-ROMs, planned publications and production of electronic statistical publications involving consultancy services, equipment and material for which provision in the regular budget is insufficient. Miscellaneous expenditures relate to mailing costs and bank charges.

**C. Other items**

9. Other items for which miscellaneous income has been received in prior biennia, but for which reliable estimates cannot be made are presented for the information of Member States. Those items include:

- (a) Refund of prior year expenditures;
- (b) Sales of used equipment;
- (c) Net gain on exchange.

10. Any income received for these or other miscellaneous items during the biennium will be recorded against other income and reported in the financial performance reports.

Annex A

Table 1. Regular and operational budget expenditure and income by Major Programme and Programme  
(In euros)

Programme	2006-2007	2008-2009	2008-2009	2008-2009	2008-2009	Per cent of	
	approved budget a/ 1	resource growth at 2006-2007 rates 2	resource requirements at 2006-2007 rates 3	Recosting to 2008-2009 rates 4	resource requirements at 2008-2009 rates 5	2006-2007	2008-2009
						6	7
<b>Expenditure</b>							
<b>A POLICY-MAKING ORGANS</b>							
A.1 Meetings of the Policy-making Organs	3,067,560	361,520	3,429,080	181,600	3,610,680	1.8%	2.0%
A.2 PMO Secretariat and Member Relations	1,486,530	114,000	1,600,530	31,600	1,632,130	0.9%	0.9%
<b>Subtotal</b>	<b>4,554,090</b>	<b>475,520</b>	<b>5,029,610</b>	<b>213,200</b>	<b>5,242,810</b>	<b>2.6%</b>	<b>2.8%</b>
<b>B EXECUTIVE DIRECTION AND STRATEGIC MANAGEMENT</b>							
B.1 Executive Direction	5,413,090	(29,920)	5,383,170	155,260	5,538,430	3.1%	3.0%
B.2 Strategic Planning & UN System Coordination	3,454,680	(421,280)	3,033,400	1,730	3,035,130	2.0%	1.6%
B.3 Evaluation	1,769,320	(280,320)	1,489,000	18,300	1,507,300	1.0%	0.8%
B.4 Public Advocacy	454,400	1,076,810	1,531,210	54,670	1,585,880	0.3%	0.9%
B.5 Legal Services	1,104,260	9,830	1,114,090	20,140	1,134,230	0.6%	0.6%
B.6 Internal Oversight	1,575,280	(192,000)	1,383,280	18,400	1,401,680	0.9%	0.8%
<b>Subtotal</b>	<b>13,771,030</b>	<b>163,120</b>	<b>13,934,150</b>	<b>268,500</b>	<b>14,202,650</b>	<b>7.9%</b>	<b>7.7%</b>
<b>C POVERTY REDUCTION THROUGH PRODUCTIVE ACTIVITIES</b>							
C.0 Poverty Reduction through Productive Activities	21,273,415	6,928,963	28,202,378	798,955	29,001,333	12.2%	15.7%
<b>Subtotal</b>	<b>21,273,415</b>	<b>6,928,963</b>	<b>28,202,378</b>	<b>798,955</b>	<b>29,001,333</b>	<b>12.2%</b>	<b>15.7%</b>
<b>D TRADE CAPACITY-BUILDING</b>							
D.0 Trade Capacity-building	25,622,493	(4,786,339)	20,836,154	677,160	21,513,314	14.7%	11.6%
<b>Subtotal</b>	<b>25,622,493</b>	<b>(4,786,339)</b>	<b>20,836,154</b>	<b>677,160</b>	<b>21,513,314</b>	<b>14.7%</b>	<b>11.6%</b>
<b>E ENERGY AND ENVIRONMENT</b>							
E.0 Energy and Environment	22,925,363	2,607,009	25,532,372	701,205	26,233,577	13.2%	14.2%
<b>Subtotal</b>	<b>22,925,363</b>	<b>2,607,009</b>	<b>25,532,372</b>	<b>701,205</b>	<b>26,233,577</b>	<b>13.2%</b>	<b>14.2%</b>
<b>F CROSS-CUTTING PROGRAMMES &amp; COUNTRY-LEVEL COHERENCE</b>							
F.1 Industrial Research and Statistics	8,783,807	(2,012,060)	6,771,747	183,345	6,955,092	5.0%	3.8%
F.2 Special Programmes	8,424,021	(1,764,595)	6,659,426	219,140	6,878,566	4.8%	3.7%
F.3 Country-level and Regional Coherence	9,981,250	1,075,225	11,056,475	612,120	11,668,595	5.7%	6.3%
F.4 Field Operations Support	8,934,880	232,845	9,167,725	354,300	9,522,025	5.1%	5.1%
<b>Subtotal</b>	<b>36,123,958</b>	<b>(2,468,585)</b>	<b>33,655,373</b>	<b>1,368,905</b>	<b>35,024,278</b>	<b>20.7%</b>	<b>18.9%</b>
<b>G SUPPORT SERVICES AND GENERAL MANAGEMENT</b>							
G.1 Human Resource Management	6,225,865	(46,160)	6,179,705	199,025	6,378,730	3.6%	3.4%
G.2 Financial Services	6,954,500	43,530	6,998,030	236,500	7,234,530	4.0%	3.9%
G.3 Procurement and Logistics	7,280,575	757,190	8,037,765	332,875	8,370,640	4.2%	4.5%
G.4 Information and Communication Management	8,342,770	980	8,343,750	243,250	8,587,000	4.8%	4.6%
G.5 Direction and Management	1,245,890	107,310	1,353,200	45,100	1,398,300	0.7%	0.8%
G.6 International Public Sector Accounting Standards		1,150,800	1,150,800	44,200	1,195,000	0.0%	0.6%
<b>Subtotal</b>	<b>30,049,600</b>	<b>2,013,650</b>	<b>32,063,250</b>	<b>1,100,950</b>	<b>33,164,200</b>	<b>17.3%</b>	<b>17.9%</b>
<b>I INDIRECT COSTS</b>							
I.1 Contribution to Shared Serv & other Indirect Costs	19,864,871	(441,381)	19,423,490	1,233,900	20,657,390	11.4%	11.2%
<b>Subtotal</b>	<b>19,864,871</b>	<b>(441,381)</b>	<b>19,423,490</b>	<b>1,233,900</b>	<b>20,657,390</b>	<b>11.4%</b>	<b>11.2%</b>
<b>TOTAL expenditure (excl. major programme H)</b>	<b>174,184,820</b>	<b>4,491,957</b>	<b>178,676,777</b>	<b>6,362,775</b>	<b>185,039,552</b>	<b>100.0%</b>	<b>100.0%</b>
<b>H BUILDINGS MANAGEMENT</b>							
H.1 Common Buildings Management	55,236,720	(5,132,010)	50,104,710	4,774,300	54,879,010	96.6%	96.4%
H.2 Joint Buildings Management	1,927,000	9,760	1,936,760	112,100	2,048,860	3.4%	3.6%
<b>TOTAL expenditure (major programme H)</b>	<b>57,163,720</b>	<b>(5,122,250)</b>	<b>52,041,470</b>	<b>4,886,400</b>	<b>56,927,870</b>	<b>100.0%</b>	<b>100.0%</b>

a/ Reflects budget adjustments to the base.

(Continued next page)

Table 1 (continued)

Programme	2006-2007	2008-2009	2008-2009	Recosting	2008-2009	Per cent of	
	approved budget a/ 1	resource growth at 2006-2007 rates 2	resource requirements at 2006-2007 rates 3	rates 2008-2009 4	resource requirements at 2008-2009 rates 5	2006-2007	2008-2009
						6	7
<b>Income</b>							
<b>A POLICY MAKING ORGANS</b>							
<b>Subtotal</b>						<b>0.0%</b>	<b>0.0%</b>
<b>B EXECUTIVE DIRECTION AND STRATEGIC MANAGEMENT</b>							
<b>Subtotal</b>						<b>0.0%</b>	<b>0.0%</b>
<b>C POVERTY REDUCTION THROUGH PRODUCTIVE ACTIVITIES</b>							
C.0 Poverty Reduction through Productive Activities	57,900	(6,400)	51,500	5,700	57,200	0.0%	0.0%
<b>Subtotal</b>	<b>57,900</b>	<b>(6,400)</b>	<b>51,500</b>	<b>5,700</b>	<b>57,200</b>	<b>0.0%</b>	<b>0.0%</b>
<b>D TRADE CAPACITY-BUILDING</b>							
D.0 Trade Capacity-Building	114,700	(7,500)	107,200	12,000	119,200	0.1%	0.1%
<b>Subtotal</b>	<b>114,700</b>	<b>(7,500)</b>	<b>107,200</b>	<b>12,000</b>	<b>119,200</b>	<b>0.1%</b>	<b>0.1%</b>
<b>E ENERGY AND ENVIRONMENT</b>							
E.0 Energy and Environment	152,900	6,250	159,150	17,900	177,050	0.1%	0.1%
<b>Subtotal</b>	<b>152,900</b>	<b>6,250</b>	<b>159,150</b>	<b>17,900</b>	<b>177,050</b>	<b>0.1%</b>	<b>0.1%</b>
<b>F CROSS CUTTING PROGRAMMES &amp; COUNTRY-LEVEL COHERENCE</b>							
F.2 Special Programmes	68,400	(2,200)	66,200	7,500	73,700	0.0%	0.0%
F.3 Country-Level and Regional Coherence	69,600	(1,850)	67,750	7,600	75,350	0.0%	0.0%
F.4 Field Operations Support	1,222,400	37,600	1,260,000	142,400	1,402,400	0.7%	0.8%
<b>Subtotal</b>	<b>1,360,400</b>	<b>33,550</b>	<b>1,393,950</b>	<b>157,500</b>	<b>1,551,450</b>	<b>0.8%</b>	<b>0.8%</b>
<b>G SUPPORT SERVICES AND GENERAL MANAGEMENT</b>							
<b>Subtotal</b>						<b>0.0%</b>	<b>0.0%</b>
<b>I INDIRECT COSTS</b>							
<b>Subtotal</b>						<b>0.0%</b>	<b>0.0%</b>
Miscellaneous Income	1,853,600	1,875,700	3,729,300		3,729,300	52.4%	66.2%
<b>TOTAL income (excl. major programme H)</b>	<b>3,539,500</b>	<b>1,901,600</b>	<b>5,441,100</b>	<b>193,100</b>	<b>5,634,200</b>	<b>100.0%</b>	<b>100.0%</b>
<b>H BUILDINGS MANAGEMENT</b>							
H.1 Common Buildings Management	55,236,720	(5,132,010)	50,104,710	4,774,300	54,879,010	96.6%	96.4%
H.2 Joint Buildings Management	1,927,000	9,760	1,936,760	112,100	2,048,860	3.4%	3.6%
<b>TOTAL income (major programme H)</b>	<b>57,163,720</b>	<b>(5,122,250)</b>	<b>52,041,470</b>	<b>4,886,400</b>	<b>56,927,870</b>	<b>100.0%</b>	<b>100.0%</b>
<b>NET GRAND TOTAL</b>	<b>170,645,320</b>	<b>2,590,357</b>	<b>173,235,677</b>	<b>6,169,675</b>	<b>179,405,352</b>		

a/ Reflects budget adjustments to the base

Annex A

Table 2. Regular budget expenditure and income by Major Programme and Programme  
(In euros)

Programme	2006-2007	2008-2009	2008-2009	Recosting	2008-2009	Per cent of	
	approved budget a/ 1	resource growth at 2006-2007 rates 2	resource requirements at 2006-2007 rates 3	to 2008-2009 rates 4	resource requirements at 2008-2009 rates 5	2006-2007 6	2008-2009 7
<b>Expenditure</b>							
<b>A POLICY-MAKING ORGANS</b>							
A.1 Meetings of the Policy-Making Organs	3,067,560	361,520	3,429,080	181,600	3,610,680	2.0%	2.2%
A.2 PMO Secretariat and Member Relations	1,486,530	114,000	1,600,530	31,600	1,632,130	1.0%	1.0%
<b>Subtotal</b>	<b>4,554,090</b>	<b>475,520</b>	<b>5,029,610</b>	<b>213,200</b>	<b>5,242,810</b>	<b>3.0%</b>	<b>3.2%</b>
<b>B EXECUTIVE DIRECTION AND STRATEGIC MANAGEMENT</b>							
B.1 Executive Direction	5,413,090	(29,920)	5,383,170	155,260	5,538,430	3.5%	3.4%
B.2 Strategic Planning & UN System Coordination	3,454,680	(421,280)	3,033,400	1,730	3,035,130	2.2%	1.9%
B.3 Evaluation	1,769,320	(280,320)	1,489,000	18,300	1,507,300	1.1%	0.9%
B.4 Public Advocacy	454,400	1,076,810	1,531,210	54,670	1,585,880	0.3%	1.0%
B.5 Legal Services	835,260	9,830	845,090	15,340	860,430	0.5%	0.5%
B.6 Internal Oversight	1,575,280	(192,000)	1,383,280	18,400	1,401,680	1.0%	0.9%
<b>Subtotal</b>	<b>13,502,030</b>	<b>163,120</b>	<b>13,665,150</b>	<b>263,700</b>	<b>13,928,850</b>	<b>8.8%</b>	<b>8.6%</b>
<b>C POVERTY REDUCTION THROUGH PRODUCTIVE ACTIVITIES</b>							
C.0 Poverty Reduction through Productive Activities	18,634,990	5,586,703	24,221,693	580,120	24,801,813	12.1%	15.3%
<b>Subtotal</b>	<b>18,634,990</b>	<b>5,586,703</b>	<b>24,221,693</b>	<b>580,120</b>	<b>24,801,813</b>	<b>12.1%</b>	<b>15.3%</b>
<b>D TRADE CAPACITY-BUILDING</b>							
D.0 Trade Capacity-building	20,980,818	(4,055,154)	16,925,664	511,180	17,436,844	13.6%	10.7%
<b>Subtotal</b>	<b>20,980,818</b>	<b>(4,055,154)</b>	<b>16,925,664</b>	<b>511,180</b>	<b>17,436,844</b>	<b>13.6%</b>	<b>10.7%</b>
<b>E ENERGY AND ENVIRONMENT</b>							
E.0 Energy and Environment	19,835,953	1,615,834	21,451,787	534,735	21,986,522	12.9%	13.5%
<b>Subtotal</b>	<b>19,835,953</b>	<b>1,615,834</b>	<b>21,451,787</b>	<b>534,735</b>	<b>21,986,522</b>	<b>12.9%</b>	<b>13.5%</b>
<b>F CROSS-CUTTING PROGRAMMES &amp; COUNTRY-LEVEL COHERENCE</b>							
F.1 Industrial Research and Statistics	7,529,507	(1,382,860)	6,146,647	157,845	6,304,492	4.9%	3.9%
F.2 Special Programmes	7,505,016	(1,988,680)	5,516,336	166,190	5,682,526	4.9%	3.5%
F.3 Country-level and Regional Coherence	8,004,465	605,060	8,609,525	421,555	9,031,080	5.2%	5.6%
F.4 Field Operations Support	7,865,160	270,488	8,135,648	426,900	8,562,548	5.1%	5.3%
<b>Subtotal</b>	<b>30,904,148</b>	<b>(2,495,992)</b>	<b>28,408,156</b>	<b>1,172,490</b>	<b>29,580,646</b>	<b>20.1%</b>	<b>18.2%</b>
<b>G SUPPORT SERVICES AND GENERAL MANAGEMENT</b>							
G.1 Human Resource Management	4,521,265	(46,160)	4,475,105	134,425	4,609,530	2.9%	2.8%
G.2 Financial Services	5,281,500	(1,370)	5,280,130	168,600	5,448,730	3.4%	3.4%
G.3 Procurement and Logistics	6,341,575	757,190	7,098,765	308,275	7,407,040	4.1%	4.6%
G.4 Information and Communication Management	8,342,770	980	8,343,750	243,250	8,587,000	5.4%	5.3%
G.5 Direction and Management	1,245,890	107,310	1,353,200	45,100	1,398,300	0.8%	0.9%
G.6 International Public Sector Accounting Standards		1,150,800	1,150,800	44,200	1,195,000	0.0%	0.7%
<b>Subtotal</b>	<b>25,733,000</b>	<b>1,968,750</b>	<b>27,701,750</b>	<b>943,850</b>	<b>28,645,600</b>	<b>16.7%</b>	<b>17.7%</b>
<b>I INDIRECT COSTS</b>							
I.1 Contribution to Shared Serv & other Indirect Costs	19,864,871	(441,381)	19,423,490	1,233,900	20,657,390	12.9%	12.7%
<b>Subtotal</b>	<b>19,864,871</b>	<b>(441,381)</b>	<b>19,423,490</b>	<b>1,233,900</b>	<b>20,657,390</b>	<b>12.9%</b>	<b>12.7%</b>
<b>TOTAL expenditure (excl. major programme H)</b>	<b>154,009,900</b>	<b>2,817,400</b>	<b>156,827,300</b>	<b>5,453,175</b>	<b>162,280,475</b>	<b>100.0%</b>	<b>100.0%</b>
<b>H BUILDINGS MANAGEMENT</b>							
H.1 Common Buildings Management	55,236,720	(5,132,010)	50,104,710	4,774,300	54,879,010	96.6%	96.4%
H.2 Joint Buildings Management	1,927,000	9,760	1,936,760	112,100	2,048,860	3.4%	3.6%
<b>TOTAL expenditure (major programme H)</b>	<b>57,163,720</b>	<b>(5,122,250)</b>	<b>52,041,470</b>	<b>4,886,400</b>	<b>56,927,870</b>	<b>100.0%</b>	<b>100.0%</b>

a/ Reflects budget adjustments to the base.

(Continued next page)

Table 2 (continued)

Programme	2006-2007	2008-2009	2008-2009	Recosting	2008-2009	Per cent of	
	approved budget a/ 1	resource growth at 2006-2007 rates 2	resource requirements at 2006-2007 rates 3	to 2008-2009 rates 4	resource requirements at 2008-2009 rates 5	2006-2007 6	2008-2009 7
<b>Income</b>							
A POLICY MAKING ORGANS							
<b>Subtotal</b>						<b>0.0%</b>	<b>0.0%</b>
B EXECUTIVE DIRECTION AND STRATEGIC MANAGEMENT							
<b>Subtotal</b>						<b>0.0%</b>	<b>0.0%</b>
C POVERTY REDUCTION THROUGH PRODUCTIVE ACTIVITIES							
C.0 Poverty Reduction through Productive Activities	57,900	(6,400)	51,500	5,700	57,200	0.0%	0.0%
<b>Subtotal</b>	<b>57,900</b>	<b>(6,400)</b>	<b>51,500</b>	<b>5,700</b>	<b>57,200</b>	<b>0.0%</b>	<b>0.0%</b>
D TRADE CAPACITY-BUILDING							
D.0 Trade Capacity-Building	114,700	(7,500)	107,200	12,000	119,200	0.1%	0.1%
<b>Subtotal</b>	<b>114,700</b>	<b>(7,500)</b>	<b>107,200</b>	<b>12,000</b>	<b>119,200</b>	<b>0.1%</b>	<b>0.1%</b>
E ENERGY AND ENVIRONMENT							
E.0 Energy and Environment	152,900	6,250	159,150	17,900	177,050	0.1%	0.1%
<b>Subtotal</b>	<b>152,900</b>	<b>6,250</b>	<b>159,150</b>	<b>17,900</b>	<b>177,050</b>	<b>0.1%</b>	<b>0.1%</b>
F CROSS CUTTING PROGRAMMES & COUNTRY-LEVEL COHERENCE							
F.2 Special Programmes	68,400	(2,200)	66,200	7,500	73,700	0.0%	0.0%
F.3 Country-Level and Regional Coherence	69,600	(1,850)	67,750	7,600	75,350	0.0%	0.0%
F.4 Field Operations Support	1,222,400	37,600	1,260,000	142,400	1,402,400	0.8%	0.9%
<b>Subtotal</b>	<b>1,360,400</b>	<b>33,550</b>	<b>1,393,950</b>	<b>157,500</b>	<b>1,551,450</b>	<b>0.9%</b>	<b>1.0%</b>
G SUPPORT SERVICES AND GENERAL MANAGEMENT							
<b>Subtotal</b>						<b>0.0%</b>	<b>0.0%</b>
I INDIRECT COSTS							
<b>Subtotal</b>						<b>0.0%</b>	<b>0.0%</b>
Miscellaneous Income	1,538,400	1,571,700	3,110,100		3,110,100	47.7%	62.0%
<b>TOTAL income (excl. major programme H)</b>	<b>3,224,300</b>	<b>1,597,600</b>	<b>4,821,900</b>	<b>193,100</b>	<b>5,015,000</b>	<b>100.0%</b>	<b>100.0%</b>
H BUILDINGS MANAGEMENT							
H.1 Common Buildings Management	55,236,720	(5,132,010)	50,104,710	4,774,300	54,879,010	96.6%	96.4%
H.2 Joint Buildings Management	1,927,000	9,760	1,936,760	112,100	2,048,860	3.4%	3.6%
<b>TOTAL income (major programme H)</b>	<b>57,163,720</b>	<b>(5,122,250)</b>	<b>52,041,470</b>	<b>4,886,400</b>	<b>56,927,870</b>	<b>100.0%</b>	<b>100.0%</b>
<b>NET GRAND TOTAL</b>	<b>150,785,600</b>	<b>1,219,800</b>	<b>152,005,400</b>	<b>5,260,075</b>	<b>157,265,475</b>		

a/ Reflects budget adjustments to the base

Annex A

Table 3. Operational budget expenditure and income by Major Programme and Programme  
(In euros)

Programme	2006-2007	2008-2009	2008-2009	2008-2009	2008-2009	Per cent of	
	approved budget a/ 1	resource growth at 2006-2007 rates 2	resource requirements at 2006-2007 rates 3	Recosting to 2008-2009 rates 4	resource requirements at 2008-2009 rates 5	2006-2007 6	2008-2009 7
<b>Expenditure</b>							
<b>A POLICY-MAKING ORGANS</b>							
<b>Subtotal</b>						<b>0.0%</b>	<b>0.0%</b>
<b>B EXECUTIVE DIRECTION AND STRATEGIC MANAGEMENT</b>							
B.5 Legal Services	269,000		269,000	4,800	273,800	1.3%	1.2%
<b>Subtotal</b>	<b>269,000</b>		<b>269,000</b>	<b>4,800</b>	<b>273,800</b>	<b>1.3%</b>	<b>1.2%</b>
<b>C POVERTY REDUCTION THROUGH PRODUCTIVE ACTIVITIES</b>							
C.0 Poverty Reduction through Productive Activities	2,638,425	1,342,260	3,980,685	218,835	4,199,520	13.1%	18.5%
<b>Subtotal</b>	<b>2,638,425</b>	<b>1,342,260</b>	<b>3,980,685</b>	<b>218,835</b>	<b>4,199,520</b>	<b>13.1%</b>	<b>18.5%</b>
<b>D TRADE CAPACITY-BUILDING</b>							
D.0 Trade Capacity-building	4,641,675	(731,185)	3,910,490	165,980	4,076,470	23.0%	17.9%
<b>Subtotal</b>	<b>4,641,675</b>	<b>(731,185)</b>	<b>3,910,490</b>	<b>165,980</b>	<b>4,076,470</b>	<b>23.0%</b>	<b>17.9%</b>
<b>E ENERGY AND ENVIRONMENT</b>							
E.0 Energy and Environment	3,089,410	991,175	4,080,585	166,470	4,247,055	15.3%	18.7%
<b>Subtotal</b>	<b>3,089,410</b>	<b>991,175</b>	<b>4,080,585</b>	<b>166,470</b>	<b>4,247,055</b>	<b>15.3%</b>	<b>18.7%</b>
<b>F CROSS-CUTTING PROGRAMMES &amp; COUNTRY-LEVEL COHERENCE</b>							
F.1 Industrial Research and Statistics	1,254,300	(629,200)	625,100	25,500	650,600	6.2%	2.9%
F.2 Special Programmes	919,005	224,085	1,143,090	52,950	1,196,040	4.6%	5.3%
F.3 Country-level and Regional Coherence	1,976,785	470,165	2,446,950	190,565	2,637,515	9.8%	11.6%
F.4 Field Operations Support	1,069,720	(37,643)	1,032,077	(72,600)	959,477	5.3%	4.2%
<b>Subtotal</b>	<b>5,219,810</b>	<b>27,407</b>	<b>5,247,217</b>	<b>196,415</b>	<b>5,443,632</b>	<b>25.9%</b>	<b>23.9%</b>
<b>G SUPPORT SERVICES AND GENERAL MANAGEMENT</b>							
G.1 Human Resource Management	1,704,600		1,704,600	64,600	1,769,200	8.4%	7.8%
G.2 Financial Services	1,673,000	44,900	1,717,900	67,900	1,785,800	8.3%	7.8%
G.3 Procurement and Logistics	939,000		939,000	24,600	963,600	4.7%	4.2%
<b>Subtotal</b>	<b>4,316,600</b>	<b>44,900</b>	<b>4,361,500</b>	<b>157,100</b>	<b>4,518,600</b>	<b>21.4%</b>	<b>19.9%</b>
<b>I INDIRECT COSTS</b>							
<b>Subtotal</b>						<b>0.0%</b>	<b>0.0%</b>
<b>TOTAL expenditure (excl. major programme H)</b>	<b>20,174,920</b>	<b>1,674,557</b>	<b>21,849,477</b>	<b>909,600</b>	<b>22,759,077</b>	<b>100.0%</b>	<b>100.0%</b>
<b>H BUILDINGS MANAGEMENT</b>							
<b>TOTAL expenditure (major programme H)</b>							

a/ Reflects budget adjustments to the base.

(Continued next page)



Table 3 (continued)

Programme	2006-2007	2008-2009	2008-2009	Recosting	2008-2009	Per cent of	
	approved budget a/ 1	resource growth at 2006-2007 rates 2	resource requirements at 2006-2007 rates 3	to 2008-2009 rates 4	resource requirements at 2008-2009 rates 5	2006-2007 6	2008-2009 7
<b>Income</b>							
A POLICY MAKING ORGANS							
<b>Subtotal</b>						<b>0.0%</b>	<b>0.0%</b>
B EXECUTIVE DIRECTION AND STRATEGIC MANAGEMENT							
<b>Subtotal</b>						<b>0.0%</b>	<b>0.0%</b>
C POVERTY REDUCTION THROUGH PRODUCTIVE ACTIVITIES							
<b>Subtotal</b>						<b>0.0%</b>	<b>0.0%</b>
D TRADE CAPACITY-BUILDING							
<b>Subtotal</b>						<b>0.0%</b>	<b>0.0%</b>
E ENERGY AND ENVIRONMENT							
<b>Subtotal</b>						<b>0.0%</b>	<b>0.0%</b>
F CROSS CUTTING PROGRAMMES & COUNTRY-LEVEL COHERENCE							
<b>Subtotal</b>						<b>0.0%</b>	<b>0.0%</b>
G SUPPORT SERVICES AND GENERAL MANAGEMENT							
<b>Subtotal</b>						<b>0.0%</b>	<b>0.0%</b>
I INDIRECT COSTS							
<b>Subtotal</b>						<b>0.0%</b>	<b>0.0%</b>
Miscellaneous Income	315,200	304,000	619,200		619,200	100.0%	100.0%
<b>TOTAL income (excl. major programme H)</b>	<b>315,200</b>	<b>304,000</b>	<b>619,200</b>		<b>619,200</b>	<b>100.0%</b>	<b>100.0%</b>
H BUILDINGS MANAGEMENT							
<b>TOTAL income (major programme H)</b>							
<b>NET GRAND TOTAL</b>	<b>19,859,720</b>	<b>1,370,557</b>	<b>21,230,277</b>	<b>909,600</b>	<b>22,139,877</b>		

a/ Reflects budget adjustments to the base.

Annex B

Table 1. Regular and operational budget expenditure and income by programme and major object of expenditure at 2006-2007 rates  
(In euros)

Programme	Staff costs		Official travel		Operating costs		Information and communication technology		RPTC and SRA activities		Total expenditure		Income		Net requirements	
	2006 - 2007 al	2008 - 2009	2006 - 2007 al	2008 - 2009	2006 - 2007 al	2008 - 2009	2006 - 2007 al	2008 - 2009	2006 - 2007 al	2008 - 2009	2006 - 2007 al	2008 - 2009	2006 - 2007 al	2008 - 2009	2006 - 2007 al	2008 - 2009
<b>A POLICY-MAKING ORGANS</b>																
A.1 Meetings of the Policy-Making organs	86,470	101,700	9,500	9,500	2,981,090	3,317,880									3,067,560	3,429,080
A.2 PMO Secretariat and Member relations	1,430,700	1,350,800	9,300	9,300	46,530	49,730									1,486,530	1,600,530
<b>Subtotal</b>	<b>1,517,170</b>	<b>1,652,500</b>	<b>9,300</b>	<b>9,300</b>	<b>3,027,620</b>	<b>3,367,610</b>									<b>4,554,090</b>	<b>5,029,610</b>
<b>B EXECUTIVE DIRECTION AND STRATEGIC MANAGEMENT</b>																
B.1 Executive Direction	4,239,900	4,830,170	486,340	530,000	686,850	19,000	4,000								5,413,090	5,383,170
B.2 Strategic Planning & UN System Coordination	2,913,200	2,479,000	77,380	110,000	394,600	371,200	69,500	73,200							3,454,680	3,033,400
B.3 Evaluation	1,754,040	1,457,000	10,080	26,000	6,000	6,000									1,769,320	1,489,000
B.4 Public Advocacy	454,400	992,910	40,000	40,000	498,300										454,400	1,531,210
B.5 Legal Services	1,083,720	1,098,090	9,440	10,000	11,100	6,000									1,104,260	1,114,090
B.6 Internal Oversight	1,531,340	1,336,140	37,740	37,740	2,000	5,200	4,200	4,200							1,575,280	1,383,280
<b>Subtotal</b>	<b>11,976,600</b>	<b>12,193,310</b>	<b>620,980</b>	<b>753,740</b>	<b>1,099,750</b>	<b>905,700</b>	<b>73,700</b>	<b>81,400</b>							<b>13,771,030</b>	<b>13,934,150</b>
<b>C POVERTY REDUCTION THROUGH PRODUCTIVE ACTIVITIES</b>																
C.0 Poverty Reduction through Productive Activities	14,409,766	21,012,815	241,960	374,100	96,010	264,960			6,525,679	6,550,503	21,273,415	28,202,378	(57,900)	(51,500)	21,215,515	28,150,878
<b>Subtotal</b>	<b>14,409,766</b>	<b>21,012,815</b>	<b>241,960</b>	<b>374,100</b>	<b>96,010</b>	<b>264,960</b>			<b>6,525,679</b>	<b>6,550,503</b>	<b>21,273,415</b>	<b>28,202,378</b>	<b>(57,900)</b>	<b>(51,500)</b>	<b>21,215,515</b>	<b>28,150,878</b>
<b>D TRADE CAPACITY-BUILDING</b>																
D.0 Trade Capacity-building	21,581,415	16,907,605	454,700	237,280	203,900	233,620	49,800	49,800	3,382,478	3,407,849	25,622,493	20,836,154	(114,700)	(107,200)	25,507,793	20,728,954
<b>Subtotal</b>	<b>21,581,415</b>	<b>16,907,605</b>	<b>454,700</b>	<b>237,280</b>	<b>203,900</b>	<b>233,620</b>	<b>49,800</b>	<b>49,800</b>	<b>3,382,478</b>	<b>3,407,849</b>	<b>25,622,493</b>	<b>20,836,154</b>	<b>(114,700)</b>	<b>(107,200)</b>	<b>25,507,793</b>	<b>20,728,954</b>
<b>E ENERGY AND ENVIRONMENT</b>																
E.0 Energy and Environment	18,640,019	21,261,450	577,370	576,900	368,590	341,520	2,000	2,000	3,339,384	3,350,502	22,925,363	25,532,372	(152,900)	(159,150)	22,772,463	25,373,222
<b>Subtotal</b>	<b>18,640,019</b>	<b>21,261,450</b>	<b>577,370</b>	<b>576,900</b>	<b>368,590</b>	<b>341,520</b>	<b>2,000</b>	<b>2,000</b>	<b>3,339,384</b>	<b>3,350,502</b>	<b>22,925,363</b>	<b>25,532,372</b>	<b>(152,900)</b>	<b>(159,150)</b>	<b>22,772,463</b>	<b>25,373,222</b>
<b>F CROSS-CUTTING PROGRAMMES &amp; COUNTRY-LEVEL COHERENCE</b>																
F.1 Industrial Research and Statistics	7,855,095	5,960,895	168,220	165,700	380,440	261,200	1,000	1,000	380,052	382,952	8,783,807	6,771,747	(68,400)	(66,200)	8,783,807	6,771,747
F.2 Special Programmes	7,130,015	5,410,955	255,110	208,000	86,660	83,400			952,236	957,071	8,424,021	6,659,426	(69,600)	(67,500)	8,355,621	6,593,226
F.3 Country-level and Regional Coherence	9,479,120	10,145,875	358,920	802,000	143,210	108,600					9,981,250	11,056,475	(69,600)	(67,500)	9,911,650	10,988,725
F.4 Field Operations Support	3,001,900	3,049,500	13,220	5,919,760	6,118,225						8,934,880	9,167,725	(1,222,400)	(1,260,000)	7,712,480	7,907,725
<b>Subtotal</b>	<b>27,466,130</b>	<b>24,567,225</b>	<b>795,470</b>	<b>1,175,700</b>	<b>6,530,070</b>	<b>6,571,425</b>	<b>1,000</b>	<b>1,000</b>	<b>1,332,288</b>	<b>1,340,023</b>	<b>36,123,958</b>	<b>33,655,373</b>	<b>(1,360,400)</b>	<b>(1,393,950)</b>	<b>34,763,558</b>	<b>32,261,423</b>
<b>G SUPPORT SERVICES AND GENERAL MANAGEMENT</b>																
G.1 Human Resource Management	6,152,275	6,106,875	42,200	41,100	31,390	31,730					6,225,865	6,179,705			6,225,865	6,179,705
G.2 Financial Services	6,921,000	6,964,800	31,600	31,000	1,900	2,230					6,954,500	6,998,030			6,954,500	6,998,030
G.3 Procurement and Logistics	4,652,085	5,622,025	11,320	41,400	1,548,070	1,314,340	1,069,100	1,060,000			7,280,575	8,037,765			7,280,575	8,037,765
G.4 Information and Communication Management	4,460,460	4,460,450	10,960	11,000	418,100	418,100	3,453,250	3,454,200			8,342,770	8,343,750			8,342,770	8,343,750
G.5 Direction and Management	1,192,000	1,311,200	51,890	40,000	2,000	2,000					1,245,890	1,353,200			1,245,890	1,353,200
G.6 International Public Sector Accounting Standards		691,700		38,500		36,200		384,400			1,150,800	1,150,800			1,150,800	1,150,800
<b>Subtotal</b>	<b>23,377,820</b>	<b>25,157,050</b>	<b>147,970</b>	<b>203,000</b>	<b>2,001,460</b>	<b>1,804,600</b>	<b>4,522,350</b>	<b>4,898,600</b>			<b>30,049,600</b>	<b>32,063,250</b>			<b>30,049,600</b>	<b>32,063,250</b>
<b>I INDIRECT COSTS</b>																
I.1 Contribution to Shared Serv & other Indirect Costs	4,722,700	4,665,200			14,138,071	13,975,490	1,004,100	782,800			19,864,871	19,423,490			19,864,871	19,423,490
<b>Subtotal</b>	<b>4,722,700</b>	<b>4,665,200</b>			<b>14,138,071</b>	<b>13,975,490</b>	<b>1,004,100</b>	<b>782,800</b>			<b>19,864,871</b>	<b>19,423,490</b>			<b>19,864,871</b>	<b>19,423,490</b>
Miscellaneous Income																
<b>TOTAL (excl. major programme H)</b>	<b>123,691,620</b>	<b>127,417,155</b>	<b>2,847,750</b>	<b>3,330,220</b>	<b>27,465,471</b>	<b>27,464,925</b>	<b>5,600,150</b>	<b>5,815,600</b>	<b>14,579,829</b>	<b>14,648,877</b>	<b>174,184,820</b>	<b>178,676,777</b>	<b>(1,853,600)</b>	<b>(3,729,300)</b>	<b>170,645,320</b>	<b>173,235,671</b>
<b>H BUILDINGS MANAGEMENT</b>																
H.1 Common Buildings Management	15,450,680	15,827,900	14,800	14,900	39,771,240	34,261,910					55,236,720	50,104,710			55,236,720	50,104,710
H.2 Joint Buildings Management	366,500	366,700			1,560,500	1,570,060					1,927,000	1,936,760			1,927,000	1,936,760
<b>TOTAL (major programme H)</b>	<b>15,817,180</b>	<b>16,194,600</b>	<b>14,800</b>	<b>14,900</b>	<b>41,331,740</b>	<b>35,831,970</b>					<b>57,163,720</b>	<b>52,041,470</b>			<b>57,163,720</b>	<b>52,041,470</b>

a/ Reflects budget adjustments to the base.

Annex B  
Table 2. Regular budget expenditure and income by programme and major object of expenditure at 2006-2007 rates  
(In euros)

Programme	Staff costs		Official travel		Operating costs		Information and communication technology		RPTC and SRA activities		Total expenditure		Income		Net requirements	
	2006 - 2007 <sup>a/</sup>	2008 - 2009	2006 - 2007 <sup>a/</sup>	2008 - 2009	2006 - 2007 <sup>a/</sup>	2008 - 2009	2006 - 2007 <sup>a/</sup>	2008 - 2009	2006 - 2007 <sup>a/</sup>	2008 - 2009	2006 - 2007 <sup>a/</sup>	2008 - 2009	2006 - 2007 <sup>a/</sup>	2008 - 2009	2006 - 2007 <sup>a/</sup>	2008 - 2009
<b>A POLICY-MAKING ORGANS</b>																
A.1 Meetings of the Policy-Making organs	86,470	101,700	9,500	3,317,880	2,981,090	3,317,880						3,067,560	3,429,080	3,067,560	3,429,080	
A.2 PMO Secretariat and Member Relations	1,430,700	1,350,800	9,300	46,530	46,530	49,730						1,486,530	1,600,530	1,486,530	1,600,530	
<b>Subtotal</b>	<b>1,517,170</b>	<b>1,652,500</b>	<b>9,500</b>	<b>3,367,610</b>	<b>3,027,620</b>	<b>3,367,610</b>						<b>4,554,090</b>	<b>5,029,610</b>	<b>4,554,090</b>	<b>5,029,610</b>	
<b>B EXECUTIVE DIRECTION AND STRATEGIC MANAGEMENT</b>																
B.1 Executive Direction	4,239,900	4,830,170	530,000	686,850	19,000	4,000						5,413,090	5,383,170	5,413,090	5,383,170	
B.2 Strategic Planning & UN System Coordination	2,913,200	2,479,000	77,380	394,600	371,200	69,500	73,200					3,454,680	3,033,400	3,454,680	3,033,400	
B.3 Evaluation	1,754,040	1,457,000	10,080	26,000	5,200	6,000						1,769,320	1,489,000	1,769,320	1,489,000	
B.4 Public Advocacy	454,400	992,910	40,000	498,300								454,400	1,531,210	454,400	1,531,210	
B.5 Legal Services	814,720	829,090	9,440	11,100	6,000	845,090						835,260	845,090	835,260	845,090	
B.6 Internal Oversight	1,531,340	1,336,140	37,740	2,000	5,200	4,200	4,200					1,575,280	1,383,280	1,575,280	1,383,280	
<b>Subtotal</b>	<b>11,707,600</b>	<b>11,924,310</b>	<b>620,980</b>	<b>1,099,750</b>	<b>905,700</b>	<b>81,400</b>						<b>13,502,030</b>	<b>13,665,150</b>	<b>13,502,030</b>	<b>13,665,150</b>	
<b>C POVERTY REDUCTION THROUGH PRODUCTIVE ACTIVITIES</b>																
C.0 Poverty Reduction through Productive Activities	11,771,341	17,032,130	241,960	374,100	96,010	264,960						6,525,679	6,550,503	(57,900)	(51,500)	18,577,090
<b>Subtotal</b>	<b>11,771,341</b>	<b>17,032,130</b>	<b>241,960</b>	<b>374,100</b>	<b>96,010</b>	<b>264,960</b>						<b>6,525,679</b>	<b>6,550,503</b>	<b>(57,900)</b>	<b>(51,500)</b>	<b>18,577,090</b>
<b>D TRADE CAPACITY-BUILDING</b>																
D.0 Trade Capacity-building	16,939,740	12,997,115	454,700	237,280	203,900	233,620	49,800					20,980,818	16,925,664	(114,700)	(107,200)	20,866,118
<b>Subtotal</b>	<b>16,939,740</b>	<b>12,997,115</b>	<b>454,700</b>	<b>237,280</b>	<b>203,900</b>	<b>233,620</b>	<b>49,800</b>					<b>20,980,818</b>	<b>16,925,664</b>	<b>(114,700)</b>	<b>(107,200)</b>	<b>20,866,118</b>
<b>E ENERGY AND ENVIRONMENT</b>																
E.0 Energy and Environment	15,862,109	17,438,865	577,370	576,900	57,090	83,520	2,000					19,835,953	21,451,787	(152,900)	(159,150)	19,683,053
<b>Subtotal</b>	<b>15,862,109</b>	<b>17,438,865</b>	<b>577,370</b>	<b>576,900</b>	<b>57,090</b>	<b>83,520</b>	<b>2,000</b>					<b>19,835,953</b>	<b>21,451,787</b>	<b>(152,900)</b>	<b>(159,150)</b>	<b>19,683,053</b>
<b>F CROSS-CUTTING PROGRAMMES &amp; COUNTRY-LEVEL COHERENCE</b>																
F.1 Industrial Research and Statistics	6,600,795	5,335,795	168,220	261,200	380,440	86,660	1,000					7,529,507	6,146,647	(68,400)	(66,200)	7,529,507
F.2 Special Programmes	6,211,010	4,267,865	255,110	208,000	86,660	83,400	952,236					7,505,016	5,516,336	(69,600)	(67,750)	7,436,616
F.3 Country-level and Regional Coherence	7,502,335	7,698,925	358,920	802,000	143,210	108,600						8,004,465	8,609,525	(1,222,400)	(1,260,000)	7,934,865
F.4 Field Operations Support	2,154,100	2,248,800	13,220	5,886,848	5,697,840	5,886,848						7,865,160	8,135,648	(1,222,400)	(1,260,000)	6,642,760
<b>Subtotal</b>	<b>22,468,240</b>	<b>19,551,385</b>	<b>795,470</b>	<b>1,175,700</b>	<b>6,308,150</b>	<b>6,340,048</b>	<b>1,000</b>					<b>30,904,148</b>	<b>28,408,156</b>	<b>(1,360,400)</b>	<b>(1,393,950)</b>	<b>29,543,748</b>
<b>G SUPPORT SERVICES AND GENERAL MANAGEMENT</b>																
G.1 Human Resource Management	4,447,675	4,402,275	42,200	31,390	31,390	31,730						4,521,265	4,475,105	4,521,265	4,475,105	
G.2 Financial Services	5,248,900	5,246,900	31,600	1,900	1,900	2,230						5,281,500	5,280,130	5,281,500	5,280,130	
G.3 Procurement and Logistics	3,713,085	4,683,025	11,320	41,400	1,548,070	1,314,340	1,069,100					6,341,575	7,098,765	6,341,575	7,098,765	
G.4 Information and Communication Management	4,460,460	4,460,450	10,960	11,000	418,100	3,453,250	3,454,200					8,342,770	8,342,770	8,342,770	8,342,770	
G.5 Direction and Management	1,192,000	1,311,200	51,890	40,000	2,000	2,000						1,245,890	1,353,200	1,245,890	1,353,200	
G.6 International Public Sector Accounting Standards	19,061,220	20,795,550	147,970	203,000	2,001,460	1,804,600	4,898,600					25,733,000	27,701,750	25,733,000	27,701,750	
<b>Subtotal</b>	<b>47,222,700</b>	<b>4,665,200</b>	<b>14,138,071</b>	<b>13,975,990</b>	<b>1,004,100</b>	<b>782,800</b>						<b>19,864,871</b>	<b>19,423,490</b>	<b>19,864,871</b>	<b>19,423,490</b>	
I.1 Contribution to Shared Serv. & other Indirect Costs																
<b>Subtotal</b>																
<b>Miscellaneous Income</b>																
<b>TOTAL (excl. major programme H)</b>	<b>104,050,120</b>	<b>106,057,055</b>	<b>2,847,750</b>	<b>3,330,220</b>	<b>26,932,051</b>	<b>26,975,548</b>	<b>5,600,150</b>	<b>5,815,600</b>	<b>14,648,877</b>	<b>14,579,829</b>	<b>154,009,900</b>	<b>156,827,300</b>	<b>(1,538,400)</b>	<b>(3,110,100)</b>	<b>150,785,600</b>	<b>152,005,400</b>
<b>H BUILDINGS MANAGEMENT</b>																
H.1 Common Buildings Management	15,450,680	15,827,900	14,800	39,771,240	34,261,910							55,236,720	50,104,710	(55,236,720)	(50,104,710)	
H.2 Joint Buildings Management	366,500	366,700	1,560,500	1,570,060								1,927,000	(1,927,000)	(1,927,000)	(1,927,000)	
<b>TOTAL (major programme H)</b>	<b>15,817,180</b>	<b>16,194,600</b>	<b>14,800</b>	<b>41,331,740</b>	<b>35,831,970</b>							<b>57,163,720</b>	<b>52,041,470</b>	<b>(57,163,720)</b>	<b>(52,041,470)</b>	

a/ Reflects budget adjustments to the base.

Annex B

Table 3. Operational budget expenditure and income by programme and major object of expenditure at 2006-2007 rates  
(In euros)

Programme	Staff costs		Official travel		Operating costs		Information and communication technology		RPTC and SRA activities		Total expenditure		Income		Net requirements	
	2006 - 2007 a/	2008 - 2009	2006 - 2007 a/	2008 - 2009	2006 - 2007 a/	2008 - 2009	2006 - 2007 a/	2008 - 2009	2006 - 2007 a/	2008 - 2009	2006 - 2007 a/	2008 - 2009	2006 - 2007 a/	2008 - 2009	2006 - 2007 a/	2008 - 2009
<b>A POLICY-MAKING ORGANS</b>																
<b>Subtotal</b>																
<b>B EXECUTIVE DIRECTION AND STRATEGIC MANAGEMENT</b>																
B.5 Legal Services	269,000	269,000														
<b>Subtotal</b>	<b>269,000</b>	<b>269,000</b>														
<b>C POVERTY REDUCTION THROUGH PRODUCTIVE ACTIVITIES</b>																
C.0 Poverty Reduction through Productive Activities	2,638,425	3,980,685														
<b>Subtotal</b>	<b>2,638,425</b>	<b>3,980,685</b>														
<b>D TRADE CAPACITY-BUILDING</b>																
D.0 Trade Capacity-building	4,641,675	3,910,490														
<b>Subtotal</b>	<b>4,641,675</b>	<b>3,910,490</b>														
<b>E ENERGY AND ENVIRONMENT</b>																
E.0 Energy and Environment	2,777,910	3,822,585			311,500	258,000										
<b>Subtotal</b>	<b>2,777,910</b>	<b>3,822,585</b>			<b>311,500</b>	<b>258,000</b>										
<b>F CROSS-CUTTING PROGRAMMES &amp; COUNTRY-LEVEL COHERENCE</b>																
F.1 Industrial Research and Statistics	1,254,300	625,100														
F.2 Special Programmes	919,005	1,143,090														
F.3 Country-level and Regional Coherence	1,976,785	2,446,950														
F.4 Field Operations Support	847,800	800,700			221,920	231,377										
<b>Subtotal</b>	<b>4,997,890</b>	<b>5,015,840</b>			<b>221,920</b>	<b>231,377</b>										
<b>G SUPPORT SERVICES AND GENERAL MANAGEMENT</b>																
G.1 Human Resource Management	1,704,600	1,704,600														
G.2 Financial Services	1,673,000	1,717,900														
G.3 Procurement and Logistics	939,000	939,000														
<b>Subtotal</b>	<b>4,316,600</b>	<b>4,361,500</b>														
<b>I INDIRECT COSTS</b>																
<b>Subtotal</b>																
Miscellaneous Income					533,420	489,377										
<b>TOTAL (excl. major programme II)</b>	<b>19,641,500</b>	<b>21,360,100</b>			<b>533,420</b>	<b>489,377</b>										
<b>TOTAL (incl. major programme II)</b>																
<b>H BUILDINGS MANAGEMENT</b>																
<b>TOTAL (major programme II)</b>																

a/ Reflects budget adjustments to the base.

Annex C

Staffing by Major Programme and Programme

Programme	Professional and above			General service		
	Regular budget	Operational budget	Total	Regular budget	Operational budget	Total
	1	2	3	4	5	6
-						
A POLICY-MAKING ORGANS						
A.2 PMO Secretariat and Member Relations	4.00		4.00	4.00		4.00
<b>Subtotal</b>	<b>4.00</b>	<b>0.00</b>	<b>4.00</b>	<b>4.00</b>	<b>0.00</b>	<b>4.00</b>
B EXECUTIVE DIRECTION AND STRATEGIC MANAGEMENT						
B.1 Executive Direction	8.20		8.20	11.20		11.20
B.2 Strategic Planning & UN System Coordination	4.25		4.25	2.10		2.10
B.3 Evaluation	4.00		4.00	2.00		2.00
B.4 Public Advocacy	2.30		2.30	3.20		3.20
B.5 Legal Services	2.05	1.00	3.05	2.00		2.00
B.6 Internal Oversight	4.00		4.00	2.00		2.00
<b>Subtotal</b>	<b>24.80</b>	<b>1.00</b>	<b>25.80</b>	<b>22.50</b>	<b>0.00</b>	<b>22.50</b>
C POVERTY REDUCTION THROUGH PRODUCTIVE ACTIVITIES						
C.0 Poverty Reduction through Productive Activities	51.70	13.35	65.05	21.75	9.80	31.55
<b>Subtotal</b>	<b>51.70</b>	<b>13.35</b>	<b>65.05</b>	<b>21.75</b>	<b>9.80</b>	<b>31.55</b>
D TRADE CAPACITY-BUILDING						
D.0 Trade Capacity-building	37.25	14.90	52.15	18.00	5.75	23.75
<b>Subtotal</b>	<b>37.25</b>	<b>14.90</b>	<b>52.15</b>	<b>18.00</b>	<b>5.75</b>	<b>23.75</b>
E ENERGY AND ENVIRONMENT						
E.0 Energy and Environment	51.90	11.75	63.65	23.60	11.10	34.70
<b>Subtotal</b>	<b>51.90</b>	<b>11.75</b>	<b>63.65</b>	<b>23.60</b>	<b>11.10</b>	<b>34.70</b>
F CROSS-CUTTING PROGRAMMES & COUNTRY-LEVEL COHERENCE						
F.1 Industrial Research and Statistics	13.35	1.00	14.35	10.25	3.00	13.25
F.2 Special Programmes	10.95	5.40	16.35	6.20	0.90	7.10
F.3 Country-level and Regional Coherence	20.05	9.60	29.65	8.95	0.45	9.40
F.4 Field Operations Support				44.00	17.00	61.00
<b>Subtotal</b>	<b>44.35</b>	<b>16.00</b>	<b>60.35</b>	<b>69.40</b>	<b>21.35</b>	<b>90.75</b>
G SUPPORT SERVICES AND GENERAL MANAGEMENT						
G.1 Human Resource Management	8.00	3.00	11.00	15.25	8.00	23.25
G.2 Financial Services	9.00	2.00	11.00	24.00	10.00	34.00
G.3 Procurement and Logistics	6.00	2.00	8.00	24.75	3.00	27.75
G.4 Information and Communication Management	12.00		12.00	13.50		13.50
G.5 Direction and Management	2.00		2.00	5.00		5.00
<b>Subtotal</b>	<b>37.00</b>	<b>7.00</b>	<b>44.00</b>	<b>82.50</b>	<b>21.00</b>	<b>103.50</b>
I INDIRECT COSTS						
<b>Subtotal</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL (excl. major programme H)</b>	<b>251.00</b>	<b>64.00</b>	<b>315.00</b>	<b>241.75</b>	<b>69.00</b>	<b>310.75</b>
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H BUILDINGS MANAGEMENT						
H.1 Common Buildings Management	9.00		9.00	113.00		113.00
H.2 Joint Buildings Management				3.00		3.00
<b>TOTAL (major programme H)</b>	<b>9.00</b>	<b>0.00</b>	<b>9.00</b>	<b>116.00</b>	<b>0.00</b>	<b>116.00</b>