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PROGRAMME AND BUDGETS, 2010-2011*

Proposals of the Director-General

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* The present document has not been edited.



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Abbreviations

ACP	African, Caribbean and Pacific (Group of States)
AfDB	African Development Bank
AGOA	African Growth and Opportunity Act
ASHI	after-service health insurance
ASEAN	Association of Southeast Asian Nations
BDS	business development services
BPR	business process re-engineering
CAMI	Conference of African Ministers of Industry
CCA	Common Country Assessment
CCSA	Committee for the Coordination of Statistical Activities of International Organizations
CDM	clean development mechanism
CEB	Chief Executives Board for Coordination
CFC	Common Fund for Commodities
COMFAR	computer model for feasibility analysis and reporting
CSR	corporate social responsibility
CTBTO	Preparatory Commission for the Comprehensive Nuclear Test-Ban Treaty Organization
DaO	United Nations Delivering as One initiative
DDA	Doha Development Agenda
DG-SANCO	Directorate-General for Health and Consumers
EC	European Commission
EDIP	enterprise development investment promotion
EGM	expert group meeting
EIF	Enhanced Integrated Framework
EPA	Economic Partnership Agreement
EST	environmentally-sound technology
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FTAA	Free Trade Area of the Americas
GCC	Gulf Cooperation Council
GEF	Global Environment Facility
GFSI	Global Food Safety Initiative
GHGs	greenhouse gases
GS	General Service staff category
HACCP	Hazard Analysis at Critical Control Points
HACT	Harmonized Approach to Cash Transfers
HCFC	hydrofluorocarbon
IAEA	International Atomic Energy Agency
ICHET	International Centre for Hydrogen Energy Technologies
ICSC	International Civil Service Commission
ICT	information and communication technology
IDB	Inter-American Development Bank
IDSB	industrial demand-supply balance
IFAD	International Fund for Agricultural Development
IFI	international financial institution
IGO	intergovernmental organization
INDSTAT	industrial statistics
IPA	investment promotion agency
IPSAS	International Public Sector Accounting Standards
ISO	International Organization for Standardization
ITC	International Trade Centre (UNCTAD/WTO)
ITMA	industry and market access
ITPO	Investment and Technology Promotion Office

JI	Joint Implementation
LAC	Latin America and the Caribbean
LDC	least developed country
LMEs	Large Marine Ecosystems
MDG	Millennium Development Goal
MEAs	multilateral environmental agreements
MTPF	medium-term programme framework
NCPC	National Cleaner Production Centre
NGO	non-governmental organization
NIP	national implementation plan
NIS	Newly Independent States
NQI	national quality infrastructure
ODS	ozone-depleting substances
POPs	persistent organic pollutants
PPP	public-private partnership
PRSP	Poverty Reduction Strategy Paper
PS	Professional staff category
R and D	research and development
RBM	results-based management
REC	Regional Economic Community
RPTC	regular programme of technical cooperation
SDMX	statistical data and metadata exchange
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
SQAM	supplier and quality assurance management
SRA	Special Resources for Africa
TBT	technical barrier to trade
TNC	transnational corporation
UCSSIC	UNIDO Centre for South-South Industrial Cooperation
UI	UNIDO Institute
UNCTAD	United Nations Conference on Trade and Development
UNDAF	United Nations Development Assistance Framework
UNFCCC	United Nations Framework Convention for Climate Change
UNJSPF	United Nations Joint Staff Pension Fund
UNOV	United Nations Office at Vienna
VBOs	VIC-based organizations
VIC	Vienna International Centre
WTO	World Trade Organization

EXECUTIVE SUMMARY

I. INTRODUCTION

1. In accordance with Article 14 of the Constitution and Financial Regulations 3.1 and 3.4, the Director-General is pleased to submit his proposed programme and budgets for the biennium 2010-2011 to the Industrial Development Board, through the Programme and Budget Committee.

2. The proposed programme and budgets builds on two successive bienniums of increasing international confidence in UNIDO and the services it provides. That period has seen an unprecedented growth both in the Organization's delivery of technical cooperation programmes and projects and in the voluntary contributions of Members States and other donors. It has also marked a resurgence of international interest in UNIDO's global forum activities. Major international events on issues central to the Organization's thematic priorities were held in various regions and highlighted the role of UNIDO in promoting international industrial cooperation. The positive response elicited by the *Industrial Development Report 2009*, launched in February this year, underscored the Organization's growing recognition as a centre of excellence in industry-related policy analysis and advice. All these positive developments have been underpinned by a growing results-orientation in every aspect of the Organization's activities.

3. While the demand for UNIDO's services continued to grow, the budgetary regime under which it has operated over the past fifteen years remained severely constrained. Responding to this challenge, the management of the Organization embarked on a series of cost-saving and efficiency-enhancing measures. The success of these efforts can be seen in the fact that the Organization's technical cooperation delivery in 2008 was higher than in 1993, when UNIDO had more than 1,250 staff members compared to the current staff complement of less than 700. The Director-General remains strongly committed to pursuing further efficiency-enhancing measures, as evidenced in his new initiatives on business process re-engineering and change management. However, it should be stressed that the scope for further cost-savings and efficiency gains is shrinking and that commensurate resources would be required if UNIDO is to meet the demands placed upon it by Member States. The programme and budgets for the biennium 2008-2009 highlighted the acute need for additional staff capacity to enable UNIDO to programme and implement the record amounts of extrabudgetary resources made available to it by Member States and other donors. It also stressed the need for further investments in UNIDO's core capacities to enable it to respond to the changing requirements of multilateral development cooperation. This is truer today than it was two years ago.

4. Despite the compelling case for increasing investments in the programme delivery capacities of UNIDO, the Director-General recognizes that his proposed programme and budgets for the next biennium must take full account of the current global economic environment. The present submission therefore frames the programme and budgets for 2010-2011 within a zero-real growth resource scenario for the regular budget. Thus, the financial basis of the budget proposed in this document is the budget for 2008-2009, adjusted for currency and price fluctuations.

5. Within this financial framework, the proposed programme and budgets for the biennium 2010-2011 is geared towards enabling UNIDO to fulfil its programmatic mandate effectively and efficiently. It seeks to maintain programmatic continuity while mainstreaming a number of programmatic enhancements introduced in recent years. In particular, it seeks to align fully the proposed programme structure to the Organization's strategic long-term vision statement 2005-2015, adopted by the eleventh session of General Conference¹ and the medium-term programme framework (MTPF) 2010-2013 submitted to the thirty-fifth session of the Industrial Development Board. It thereby enhances consistency and complementarity between UNIDO's long-, medium- and short-term objectives, and

¹ Resolution GC.11/Res.4.

reinforces the shift towards a results-oriented approach in the Organization's endeavours towards fulfilling these objectives. The principal features of this proposal are:

(a) The substantive services to be provided by UNIDO to its Member States in the context of the programme and budgets for 2010-2011 are fully in line with the development priorities of the global community, as embodied in the Millennium Declaration and the 2005 World Summit Outcome document (A/RES/60/1), as well as in the Doha Development Agenda (DDA), the International Conference on Financing for Development, the World Summit on Sustainable Development and various multilateral environmental agreements (MEAs).

(b) Reflecting the continued importance attached by UNIDO to the maintenance of programmatic continuity, the broad structure of the programme and budgets 2010-2011 mirrors that of the programme and budgets, 2008-2009. It retains the nine Major Programmes, A-I, of the programme and budgets 2008-2009, as well as the supplementary items of Special Resources for Africa, Regular Programme of Technical Cooperation and Miscellaneous Income.

(c) At the same time, the programme and budgets 2010-2011 clearly aligns its substantive programmes to the MTPF 2010-2013 and reduces the number of programme components from twenty-seven to eighteen. It also provides for the mainstreaming of recently introduced programmatic enhancements in the following areas:

- (i) South-South cooperation;
- (ii) Youth employment;
- (iii) Women in industrial development and economic empowerment of women;
- (iv) Energy access and energy for productive use by the poor;
- (v) Partnerships with international financial institutions; and
- (vi) Strengthening industrial capacities through industrial skills upgrading and industrial human resources development.

(d) In addition, the programme and budgets 2010-2011 incorporates several new programmatic elements that have gained importance in recent times and fall within the mandate of UNIDO. These include, in Major Programme E, specific responses to the climate change agenda and the promotion of resource-efficient and low-carbon industrial production. Also, the renewed debate on the importance of sound industrial strategies, and the related demand for support to defining scenarios within the industrial policy space, are reflected in Major Programme C.

(e) In keeping with past practice, efforts have also been made to strengthen the substantive programmes of UNIDO, which are responsible for providing the Organization's technical cooperation services, vis-à-vis the programmes providing managerial and support services. The share of total resources devoted to the three substantive Major Programmes C, D, and E has thus been increased, based on 2008-2009 cost levels, from 42.1 per cent in the programme and budgets 2008-2009 to 43.2 per cent in the programme and budgets 2010-2011.

(f) A breakdown of these overall figures shows that the share of resources directed towards Major Programme C, Poverty Reduction through Productive Activities, has been increased from 15.9 per cent to 17.0 per cent, while that devoted to Major Programme E, Energy and Environment, has been increased from 14.4 per cent to 16.1 per cent. By contrast, the share of resources for Major Programme D, Trade Capacity-building, has been reduced from 11.8 per cent to 10.1 per cent.

(g) With this increased focus on UNIDO's substantive programmes of technical cooperation, and based on the availability of substantial extra budgetary resources for future technical cooperation programmes and projects (which reached a record of US\$ 312.2 million at the end

of 2008), the programme and budgets 2010-2011 anticipates a significant increase in technical cooperation delivery relative to 2008-2009. Based on adjusted data using the annual average United Nations exchange rate for 2008 of US\$ 1 = €0.683, the total value of technical cooperation is projected to rise by 12.5 per cent from €174.7 million in 2008-2009 to approximately €196.7 million in 2010-2011.

(h) The proposed programme and budgets 2010-2011 also reflects the extensive efforts undertaken by UNIDO in 2008-2009 to realign the Organization's strategic planning framework with a view to enhancing its internal coherence and its responsiveness to the needs and recommendations of Member States. As indicated above, the programme and budgets 2010-2011 has therefore been formulated with a view to ensuring full programmatic coherence with the MTPF 2010-2013.

(i) The close alignment of the proposed programme and budgets 2010-2011 with the MTPF 2010-2013 entailed the application of the carefully constructed results-based management (RBM) framework linking the former to the latter. Accordingly, the following overarching management objective, as provided in the MTPF 2010-2013, underpins the management framework of the programme and budgets 2010-2011 and will be applied and customized in all relevant programmes:

UNIDO's programmatic work, based on the programme results framework, is innovative, focused and coherent in its design, implementation and assessment, has adequate assistance from efficient and effective support services and follows the internationally recognized principles of aid effectiveness and international development cooperation.

(j) In further elaboration of this overall management framework, the Director-General has formulated four cross-cutting managerial priorities for the biennium 2010-2011, which will apply to all programme areas of UNIDO and which will be integrated in all related work plans and appraisals. These are:

<i>Managerial priorities, 2010-2011</i>	<i>Performance indicators¹</i>
Manage for results.	<ul style="list-style-type: none"> • Improvement in translating strategic objectives into results-based operational workplans. • Strengthened monitoring of results against baselines and use of monitored results to adjust and learn.
Deliver high-quality, client-oriented and innovative services.	<ul style="list-style-type: none"> • Continuous improvement in service quality, both delivered in-house among organizational units and to external stakeholders. • Application of a demand-driven approach, based on systematic assessments of client needs and the collection of client feedback. • Commitment to innovation and teamwork, also across organizational boundaries.

<p>Manage resources efficiently.</p>	<ul style="list-style-type: none"> • Application of results-based budgeting by allocating resources to objectives and results. • Continuous improvement in UNIDO’s monitoring systems. • Increasing degree of internal process streamlining.
<p>Attract and retain high-quality and motivated staff.</p>	<ul style="list-style-type: none"> • Commitment to the provision of motivating working conditions, career development and lifelong learning. • Application of staff appraisals, based on transparent criteria that are aligned with the strategic objectives through branch workplans. • Number and quality of staff-management consultations. • Continuous improvement in the gender balance and geographic diversity of the Secretariat.

¹ Based on feedback from clients, internal documents, surveys and quality monitoring.

(k) The proposed programme and budgets 2010-2011 provides for a further intensification of efforts to increase the operating efficiency of UNIDO. Increased emphasis will be given, in particular, to the recently initiated measures to promote change management and business process re-engineering (BPR), involving inter alia a simplification of operating procedures and more effective use of information and communication technologies.

(l) High priority will also be given to maintaining UNIDO’s contributions towards increased coherence in the development-related activities of the United Nations system, both at the strategic and conceptual levels at Headquarters (through Programme Component B.1.2) and at the operational level in the field (through Programme F.3).

(m) The policy pursued during the previous two bienniums of strengthening UNIDO’s field presence and capacities will be reinforced during the coming biennium. The proposed programme and budgets 2010-2011 thus provides for an expansion in the number of General Service (GS) staff in various field offices to provide the required administrative and clerical support needed by them to contribute effectively to the provision of UNIDO’s technical cooperation and global forum activities.

(n) The proposed programme and budgets 2010-2011 provides for a continuing rejuvenation of UNIDO as significant numbers of long-serving and relatively senior staff members reach the mandatory retirement age. This will give an opportunity for a number of senior posts to be abolished and replaced by a larger number of lower-level posts to be filled by highly qualified younger staff. The Young Professionals Programme introduced in 2008-2009 will also be retained.

II. FORMAT AND PRESENTATION

6. The programme and budgets 2010-2011 further consolidates the process adopted in recent bienniums towards the formulation of fully programmatic budgets and the presentation of the programmes in a thematic manner. In addition, as indicated above, the programmatic structure has been aligned fully with the MTPF 2010-2013, as has the results-based management framework

underlying the programme and budgets. This represents a significant milestone for the cumulative efforts made by UNIDO for much of the past decade to adopt a coherent programmatic and results-based budgeting approach built upon a series of clearly defined thematic programmes with a measurable set of outcomes and impacts.

Structure of major programmes

7. The programmatic structure of the programme and budgets 2010-2011 is based on nine major programmes, which are identical with those in the programme and budgets for 2008-2009. These major programmes comprise:

Major Programme A	Policymaking 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	Environment and Energy
Major Programme F	Cross-cutting Programmes and Country-level and Regional Coherence
Major Programme G	Programme Support Services
Major Programme H	Buildings Management
Major Programme I	Indirect Costs

8. Major Programmes A and B continue to serve the requirements of the policymaking organs and of the executive management of UNIDO. Major Programmes C to F cover the substantive services provided by UNIDO to its Member States as well as activities to achieve greater 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 shows all indirect costs and joint services in which UNIDO participates.

9. Major Programmes C to E cover the three thematic priorities – “poverty reduction through productive activities”, “trade capacity-building” and “environment and energy” – assigned to UNIDO by the Member States in the strategic long-term vision statement, and developed further in the MTPF 2010-2013. They are formulated in an integrated manner as thematic programmes in order to maximize the synergies of the component services provided by various organizational units of UNIDO towards the achievement of the objectives set for each of these thematic focus areas. Major Programme F, 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, quality, and effective results-orientation of UNIDO's activities at the regional and country level.

10. UNIDO's programmes are shown under thematic headings to underscore the fact that they frequently cover services provided by several organizational entities. Moreover, as in the programme and budgets 2008-2009, specific programme components have been included in Major Programmes C to E to design and promote thematic strategies and advocacy activities for the respective priority areas covered by these Major Programmes, to engage in funds mobilization, and to ensure that they meet appropriate RBM and quality criteria.

Programme structure

11. The structure of the individual programmes and programme components within the major programmes builds on the structure applied in the programme and budgets 2008-2009, but also incorporates a number of innovations and refinements. While relatively little change has been introduced to Major Programmes A, G, H, and I, significant further improvements have been introduced to Major Programme B as well as to Major Programmes C to F with a view towards

providing more relevant and focused services to Member States, and aligning these services more closely to the MTPF 2010-2013. A summary of the programmes and programme components covered in these various categories of Major Programmes is given below.

12. Major Programme A retains its two traditional programmes related to the organization of meetings of the policymaking organs and providing a Secretariat for them. Under the first of these programmes, the Major Programme provides and arranges for the necessary infrastructure for the meetings of the principal and subsidiary bodies of UNIDO's policymaking organs and assures that the meetings are conducted in a timely, orderly and procedurally correct manner. Under the second programme, it provides various substantive, technical, logistical and advisory support services to the policymaking organs, as well as a liaison service between UNIDO and its Members States and other stakeholders.

13. Major Programme B contains four programmes. Programme B.1, provides a consolidated framework for the inclusion of all the principal functions of executive direction and strategic management under three separate programme components: Executive Direction and Organizational Alignment, Strategic Planning and System-wide Coherence, and Strategic Communications. The first of these components is primarily responsible for establishing the overall strategic and policy direction for all activities undertaken by UNIDO, while the second is responsible for establishing, and providing guidance on, specific policies and priorities of the Organization, as well as its strategic positioning within the context of the United Nations system. The third component of Programme B.1 is responsible for coordinating UNIDO's communications with its external stakeholders by means of a comprehensive and global communications and advocacy strategy. Programme B.2 covers the evaluation function, to which UNIDO attaches high priority in light of its contribution to accountability, learning and the effectiveness of the Organization's substantive services. Programmes B.3 and B.4 relate to legal services and internal oversight, which are intended, respectively, to ensure that all of UNIDO's activities and programmes comply with the Organization's legal framework, and to promote integrity, transparency and accountability through independent and objective internal audit services and investigations of alleged wrongdoings.

14. Major Programme C covers the support services provided by UNIDO to Member States in the thematic focus area of "poverty reduction through productive activities", responding to MDG 1, and the related objectives of gender equality and the empowerment of women, responding to MDG 3. It has seven components, of which the first and last are related to strategic, advocacy, funds mobilization, RBM and quality issues, as discussed in paragraph 10 above. Programme Component C.2 focuses on the provision of policy advice related to the promotion of effective industrial strategies and conducive business environments and support services for the development of private-sector industrial enterprises in general, and small- and medium-sized enterprises in particular. Programme Component C.3 is aimed at supporting developing countries in attracting foreign direct investment and acquiring and managing progressively higher levels of industrial technology. Programme Component C.4 provides support services to help SME-based industrial systems increase their competitiveness and productivity through the promotion of cluster development and the insertion of SMEs into national and international value chains. Programme Component C.5 is specifically targeted at supporting entrepreneurship development among rural communities, women and youth, while programme component C.6 is aimed at addressing challenges to human security or those faced by countries and communities emerging from crisis situations. The five substantive programme components included in this major programme are derived directly from the MTPF 2010-2013.

15. Similarly, Major Programme D covers UNIDO's support services in its second thematic priority area of trade capacity-building. In addition to the two programme components (D.1 and D.6) related to strategic, advocacy, funds mobilization, RBM and quality issues, this major programme comprises four substantive components, which are also derived directly from the MTPF 2010-2013. Programme Component D.2 offers services aimed at strengthening the productive capacities of developing countries and at enabling them to meet market requirements for the quantity, quality, productivity and

safety of products and services. Programme Component D.3 focuses on supporting the development of national and regional legal and institutional frameworks for standards, metrology, testing, certification, accreditation and quality to enable manufacturers in developing countries to comply with the stringent standards prevailing in many of their most attractive export markets. Programme Component D.4 supports the creation of export consortia among SMEs to help them manage the risks and costs of entering into export markets, while programme component D.5 focuses on promoting the concept of corporate social responsibility among export-oriented SMEs to enable them to meet the increasingly stringent social and environmental requirements in international markets.

16. Major Programme E is the third of the thematic programmes included in the programme and budgets 2010-2011, and covers the technical cooperation services provided by UNIDO in its thematic priority area of environment and energy. It incorporates five programme components, of which the first and last are similar to those of Major Programmes C and D in that they relate to strategic, advocacy, funds mobilization, RBM and quality issues. The remaining three programme components relate to specific areas of technical cooperation, and are derived from the MTPF 2010-2013. Programme Component E.2 is intended to promote cleaner production methods, techniques and policies for resource-efficient and low-carbon industrial production, as well as targeted measures to enhance industrial energy efficiency and management, the productive use of water, and the environmentally sound management of chemicals. Programme Component E.3 is aimed primarily at promoting access to energy for productive uses in rural areas and industrial applications of renewable energy in energy-intensive manufacturing SMEs. Finally, programme component E.4 will assist developing countries and countries with economies in transitions to meet their obligations under multilateral environmental agreements, including in particular the Montreal Protocol on the phasing out of ozone-depleting substances, the Stockholm Convention on persistent organic pollutants and the United Nations Framework Convention on Climate Change.

17. Major Programme F covers a range of cross-cutting initiatives, which is reflected in its programme structure. It thus contains four diverse programmes: Programme F.1 covering strategic industrial research and statistics, Programme F.2 covering a variety of special programmes, Programme F.3 covering regional programmes and country-level and regional coherence, and Programme F.4 covering field operations support. More specifically, Programme F.1, which contains separate components for strategic research and industrial statistics, is intended to support the analytical and decision-making capacities both of UNIDO and its stakeholders for the formulation, implementation and monitoring of policies and strategies to promote sustainable industrial development. Programme F.2 contains three components dedicated to managing UNIDO's partnerships with international financial institutions and the private sector, promoting South-South cooperation, and helping UNIDO to meet the specific needs of LDCs, respectively. Programme F.3 is intended to assure the effective management and coordination of UNIDO's activities at the country- and regional levels, including the management and supervision of the Organization's field offices. Programme F.4 provides the operational support required by these field offices.

18. Major Programme G comprises the various support services required to ensure the effective operations of UNIDO. These are presented under four separate programmes, G.1-G.4, covering human resource management, financial services, procurement and logistics, and information and communications management, respectively. Of these, programme G.3 is further sub-divided into two programme components covering procurement services and logistics services.

19. Major Programme H relates to the operation, maintenance and repair of the Vienna International Centre complex of buildings, which is undertaken by UNIDO on behalf of the four organizations based in the complex (UNOV, UNIDO, IAEA and CTBTO), and with financial contributions from the other organizations. The Major Programme covers two separate programmes, Programme H.1 Common Buildings Management, and Programme H.2 Joint Buildings Management, which provide broadly similar services in relation to the objectives of the Major Programme but differ in their sources of

funding. Programme H.1 is financed by all VIC-based organizations, while Programme H.2 is financed only by UNOV, UNIDO and CTBTO.

20. Major Programme I covers UNIDO's contributions to shared services and other indirect costs, and contains only one programme, Programme I.1, dealing with them. This Major Programme covers most of the operating costs of the other programmes, which therefore only show such residual programme-specific elements as printing, public information services, or translation.

21. In addition to the nine major programmes and their respective components, the programme and budgets 2010-2011 also includes the supplementary items of Special Resources for Africa, Regular Programme of Technical Cooperation and Miscellaneous Income. The Special Resources for Africa comprise funds specifically allocated to support the industrial development of Africa in accordance with General Conference resolution GC.10/Res.3. The Regular Programme of Technical Cooperation, meanwhile, relates to technical cooperation activities financed from the regular budget as provided for in the Constitution of UNIDO (Annex II, Part B). Finally, Miscellaneous Income covers income derived from a number of disparate sources, including income on deposits, income from the sale of publications and the sales publication revolving fund, and income from the refund of prior years' expenditures, the sales of used equipment and net exchange rate gains.

III. PROGRAMME FRAMEWORK

The UNIDO mandate and strategy

22. 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 policymaking 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 2002,² 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 2010-2011 has been guided by the mandate derived from these documents.

International development targets

23. In preparing the programme and budgets for 2010-2011, UNIDO has taken great care 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 towards supporting the achievement of the goals falling within its mandate and competence. These include, in particular, MDG 1 (eradicating extreme poverty and hunger), MDG 3 (promoting gender equality and empowering women), MDG 7 (ensuring environmental sustainability), and MDG 8 (developing a global partnership for development). Wherever possible, UNIDO will also contribute to the achievement of the other MDGs in accordance with its mandate. A particular area in which the Organization has already taken initial steps is in supporting the local manufacture of generic pharmaceuticals in developing countries with a view towards assisting the achievement of MDG 6 (combating HIV/AIDS, malaria and other diseases) and, to a lesser degree, MDG 4 (reducing child mortality) and MDG 5 (improving maternal health).

² Decision IDB.26/Dec.7 refers.

24. While the MDGs will continue to guide UNIDO's programmatic framework in 2010-2011, the Organization's activities will also draw on other internationally agreed development goals, including those emanating from a number of major global conferences and summits held in the 1990s and early years of the present decade, and their respective review conferences and other follow-up activities. These conferences include, in particular, the Third United Nations Conference on Least Developed Countries (LDC III) held in May 2001 in Brussels, Belgium, the Fourth WTO Ministerial Conference held in November 2001 in Doha, Qatar, the International Conference on Financing for Development held in March 2002 in Monterrey, Mexico, and, the World Summit on Sustainable Development held in August-September 2002 in Johannesburg, South Africa. 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 base

25. As indicated at the outset, the UNIDO programmes to support the international development agenda proposed in the programme and budgets for 2010-2011 will have to be undertaken within the limited resources at the disposal of the Organization. The programme and budgets for 2010-2011 are thus presented under a zero-growth scenario, in real terms, for both the regular budget and the operational budget. 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.

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

27. The regular budget is funded primarily from assessed contributions, with only about 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 six per cent of the net regular budget to be used for the Regular Programme of Technical Cooperation (RPTC).

28. 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.

29. Although UNIDO's future technical cooperation delivery is projected to follow the accelerated growth trajectory of recent years, the Organization's support cost income is expected to decrease, primarily as a result of currency realignments but also due to increasing donor demands for reductions in the support costs to be paid to the Organization for its services.

30. While the regular budget is kept at zero real growth for recurring expenses, voluntary contributions are expected to increase substantially in line with the growing demands of Member States for UNIDO's services.

Delivery mechanisms and United Nations coherence

31. The past three years have witnessed significant progress in the efforts of the United Nations system to enhance the coherence of its development-oriented activities based on General Assembly resolution 62/208 on the triennial comprehensive policy review of operational activities and the Delivering as One (DaO) initiative. During this period, UNIDO contributed actively both to developing the DaO approach, and to its effective implementation in the eight pilot countries. Over the coming years, the lessons learned from these pilot exercises are expected to be incorporated into the

United Nations Development Assistance Frameworks (UNDAFs) currently being developed in about 90 countries, where the DaO approach will increasingly be adopted. UNIDO will continue to place great emphasis on system-wide coherence, and to support the further development and refinement of the DaO approach on the basis of national ownership and leadership and in accordance with relevant resolutions of the General Assembly.

32. The anticipated replication and scaling up of the DaO approach in the coming years will have obvious implications for the manner in which UNIDO delivers its technical cooperation services. Since the late 1990s, UNIDO's principal delivery mechanism at country level has been the integrated programme, through which the Organization has sought to combine a variety of technical cooperation interventions from its diverse thematic programme components into an integrated package of services. This approach has been intended to ensure cross-organizational cooperation within UNIDO while responding to the needs of the partner countries in a holistic manner. While these integrated programmes will remain an important instrument for the delivery of UNIDO's services, it is anticipated that they will increasingly be complemented by the provision of specific services to Member States, both as individual projects and, more importantly, as components of the broader DaO country programmes.

Field representation

33. UNIDO's capacity to participate in the formulation of the UNDAFs being prepared in a large number of countries, 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. This has involved a significant increase in the number of staff posted in the field under a new field mobility policy introduced in 2006, and in particular a strengthening of the substantive capacities of many field offices through the assignment of core technical staff to these offices. The complementary allocation of increased financial resources to the field offices and adjustments to the relevant operating procedures has reinforced the capacity of field offices to move beyond their historical representative and liaison functions, and to provide the advisory and technical cooperation functions required by the host countries. In this context, the proposed programme and budgets 2010-2011 provides for the creation of nine new General Service posts in selected field offices to provide the necessary administrative and clerical support.

Strategic partnerships

34. Since the late 1990s UNIDO has been focusing its programme delivery on the areas of its core competencies, in which it has a comparative advantage. In doing so, it has sought to avoid duplication and overlap with other agencies, and promote coordination, cooperation and partnership with agencies offering complementary services in order to provide holistic responses to the developmental challenges faced by developing countries. Such partnerships have already been established with a wide range of multilateral and bilateral organizations, including international financial institutions, and with the private sector, including civil society organizations. The forging of these partnerships will continue to be given high priority in 2010-2011, and particular attention will be given to the collaboration with the Food and Agriculture Organization of the United Nations (FAO) and the International Fund for Agricultural Development (IFAD) on agri-business development; with the United Nations Development Programme (UNDP) and the International Labour Organization (ILO) on private sector development; with the United Nations Environment Programme (UNEP) on cleaner production and implementation of multilateral environment agreements; with the United Nations Conference on Trade and Development (UNCTAD), the World Trade Organization (WTO), the International Trade Centre (ITC) and the Executive Secretariat of the Enhanced Integrated Framework (EIF) on trade capacity-building; and with the World Bank and the Global Environment Facility (GEF) on environment and energy. Within the United Nations system, UNIDO will continue to participate actively in global and regional system-wide initiatives and coordination mechanisms, such as, inter alia, the Chief Executives Board for Coordination (CEB) Cluster on Trade and Productive Capacities, UN-Energy, the Cluster of

the United Nations Economic Commission for Africa (UNECA) on Industry Trade and Market Access (ITMA) and the various Regional Coordination Mechanisms. Furthermore, specific joint activities and inter-agency collaboration will be driven to a large extent by the expansion of the DaO approach at the country level as more and more countries roll out their UNDAFs formulated within the system-wide coherence framework. Beyond the United Nations system, UNIDO will pursue the objective to strengthen its multi-sector partnerships through the dedicated Programme Component F.2.1.

Staff rejuvenation

35. The continuing demographic transition within UNIDO, occasioned by a large number of its senior personnel approaching retirement age, is providing the Organization with an opportunity to rejuvenate its staff and re-orient its professional capacities to the changing requirements of its 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. In pursuit of this goal, the proposed programme and budgets 2010-2011 provides for the abolition of one Director-level and three P-5 posts, which are to be replaced by six PS (P-2/P-3) and one P-4 post. Meanwhile, the Organization will continue to operate the Young Professionals Programme (YPP) introduced in the previous biennium.

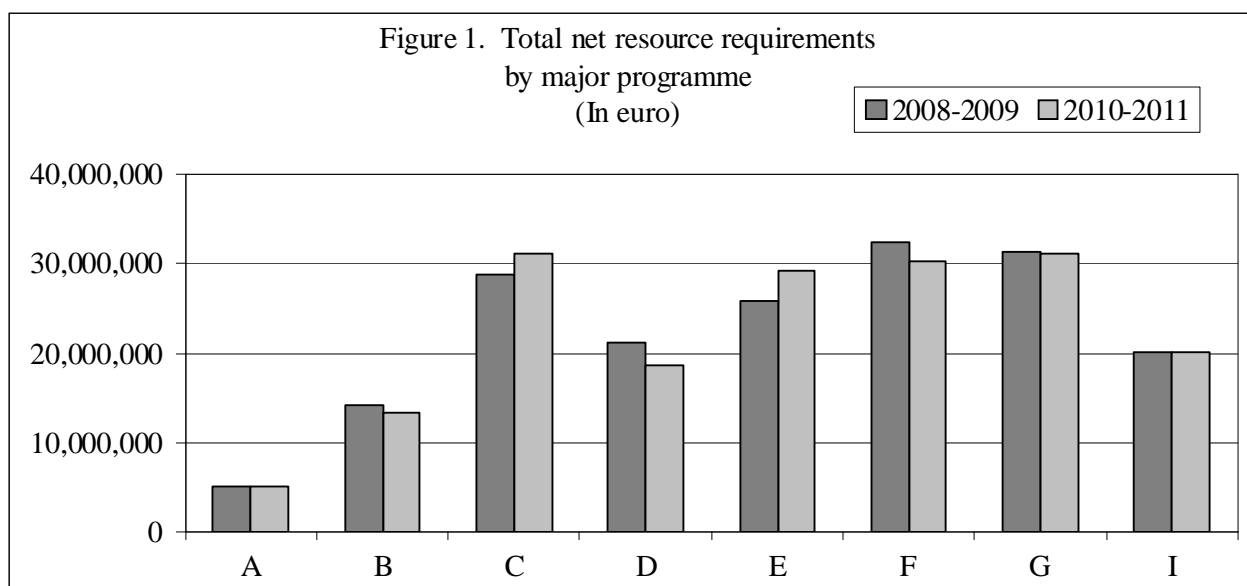
RBM and quality assurance

36. The proposed programme and budgets 2010-2011 continues to apply the RBM approach adopted in the previous two bienniums. Based on the experiences gained in these bienniums, and the further measures taken within UNIDO during this period to integrate RBM into the Organization's operations and processes, the format used in the programme and budgets 2010-2011 incorporates several further refinements. The most significant of these is the establishment of a clear linkage to the MTPF 2010-2013, which specifies both an overall development objective for UNIDO and a series of associated programmes, outcomes and impacts for each of the Organization's three thematic priorities, as well as an overarching management objective.

37. The direct transfer of the programme structure of the MTPF 2010-2013, including its cross-cutting programmes, to the proposed programme and budgets 2010-2011 has enabled a corresponding application of the MTPF's RBM framework to the programme and budgets. In particular, it has facilitated a logical cascading down of the objectives and outcomes given in the MTPF for the three thematic priorities, which constitute the major programmes of the programme and budgets 2010-2011, to their respective programme components. This will enable an effective assessment of the contributions made by the programme components to the desired outcomes of the thematic priorities. Similarly, refined monitoring mechanisms are provided for measuring the contribution of the cross-cutting programmes to the various thematic priorities, and for the contribution of the Organization's management-oriented and support programmes to the Organization's management objective. This cascading down approach will be extended further in 2010-2011 to form the basis for the workplans of UNIDO's various administrative units, and the job descriptions and performance appraisals of its staff members.

Comparison with the previous biennium by Major Programme

38. The comparison between the current biennium and the estimated requirements for the biennium 2010-2011 is based on 2008-2009 cost levels, as explained below. The budgets of most Major Programmes covering management and support services have been left broadly unchanged, with significant changes only being introduced to Major Programmes C-F. The particulars of each major programme are presented in the following analysis. It should be noted that the shares of individual Major Programmes and programmes presented in this analysis are based on total budget data excluding Major Programme H because of its joint sources of funding.



Major Programme A

39. The resource level of Major Programme A (Policymaking Organs) shows a minimal increase from 2.7 per cent to 2.9 per cent of total gross resources.

Major Programme B

40. The proportion of total gross resources devoted to Major Programme B in the programme and budgets for 2010-2011 is budgeted to decrease to 7.3 per cent from 7.8 per cent in the programme and budgets for 2008-2009. This reflects primarily a number of efficiency-enhancing measures adopted in the formulation of Programme B.1, Executive Direction and Strategic Management. The shares of all other programmes have been left virtually unchanged.

Major Programmes C, D, and E

41. At 43.2 per cent, the combined share of resources devoted to these three major programmes in the programme and budgets 2010-2011 exceeds the allocation of resources to the three corresponding major programmes in the programme and budgets 2008-2009, which amounted to 42.1 per cent. Within this set of Major Programmes, the share of resources allocated to Major Programme C, Poverty Reduction through Productive Activities, has been increased from 15.9 per cent to 17.0 per cent, while that allocated to Major Programme E, Environment and Energy, has been increased from 14.4 per cent to 16.1 per cent. By contrast, the share of resources for Major Programme D, Trade Capacity-building, has been reduced from 11.8 per cent to 10.1 per cent.

Major Programme F

42. The share of resources allocated to Major Programme F has been reduced in the programme and budgets from 18.8 per cent in 2008-2009 to 17.6 per cent in 2010-2011. This reflects a modest scaling back of allocations to all of the constituent programmes of the Major Programme with the exception of Programme F.4, Field Operations Support, which shows a small increase.

Major Programme G

43. The resources earmarked for Major Programme G have remained almost unchanged, with the share of this Major Programme in the total budget showing a marginal increase from 17.3 per cent to 17.5 per cent.

Major Programme H

44. The proposed gross expenditure budget for Programme H.1 Common Buildings Management Services shows an increase of €4,498,670. This is mainly due to the addition of the newly built conference building M, increasing the VIC area by about 10 per cent. The increase in gross expenditures is offset by an estimated increase in income from work done for individual VIC organizations on a 100 per cent reimbursable basis (€148,790), an increase in the withdrawal from the special account (€1,810,760) and from anticipated savings on vacant posts (€3,000,000), resulting in an overall decrease in contributions by the VBOs (€460,880). The estimated contribution of 15.71 per cent of UNIDO to the cost-shared activities of Common Buildings Management remains at the same expenditure level as in 2008-2009. The proposed gross expenditure budget for Programme H.2 Joint Buildings Management shows a decrease of €26,160 mainly attributable to reduced general operating costs. The estimated contribution of UNIDO is projected to decrease slightly by €3,190.

Major Programme I

45. Indirect costs show a decrease of €58,755, yet the proportion of total gross resources devoted to this programme have increased from 11.1 per cent to 11.4 per cent.

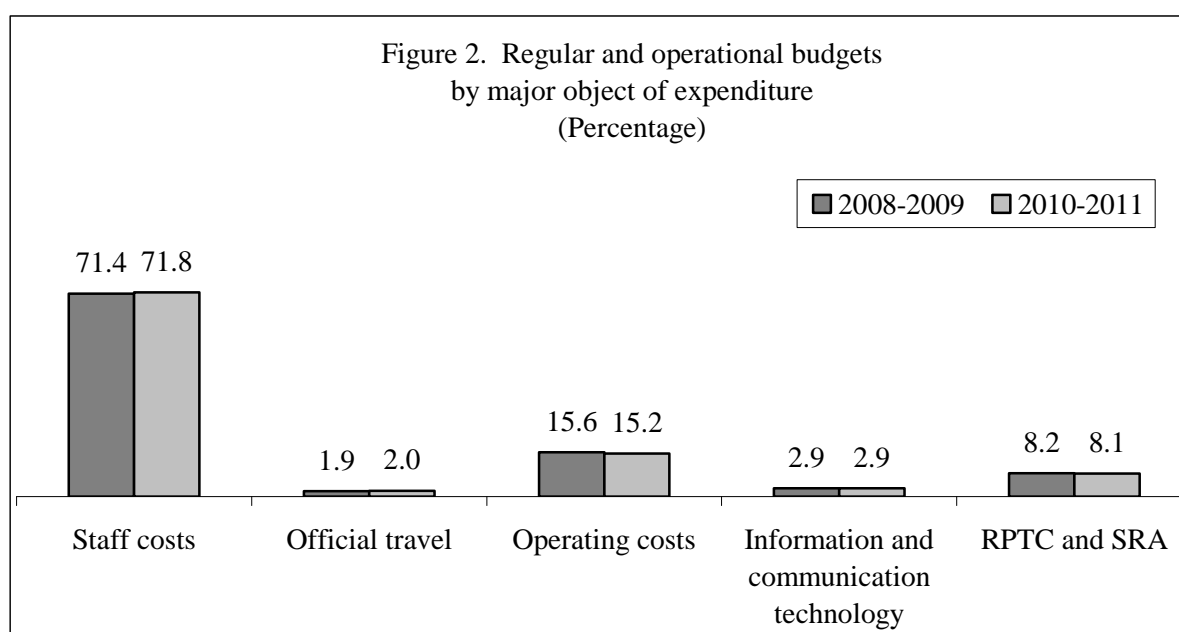
Others

Regular Programme for Technical Cooperation and Special Resources for Africa

46. As in the biennium 2008-2009, the entire volume of the funds dedicated to the RPTC will be freely programmable in 2010-2011. In accordance with the priority accorded to Africa by the international development agenda and by UNIDO itself, however, it has been decided to retain the Special Resources for Africa (SRA) as a separate budget line to fund programme activities in Africa. The resources allocated for RPTC/SRA in 2010-2011 will be broadly similar to those allocated in 2008-2009, declining only modestly from €14.81 million to €14.74 million.

Changes by major object of expenditure

47. 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

48. The total number of posts has been increased by 11. Details of the composition of posts are presented in table 5 and annex C.

49. There has been a net increase of two in the total number of Professional posts. The increase in the number of PS (P-2/P-3) posts by six and one additional P-4 post have partially been offset by a reduction of one Director-level, three P-5 and one national professional posts. This approach reflects the Organization's desire to better balance its post structure and replace some of the leaving senior professionals with junior staff.

50. The increase of posts in the General Service category of nine results from the creation of new posts in Field Representation. This increase became necessary as the decentralization of project administration activities took up momentum and some of the Field Offices need urgent strengthening in terms of clerical capacity to handle imprest accounts and local procurement, among other things.

Operating costs

51. 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.

IV. BUDGET FRAMEWORK

Financing of the regular budget

52. The following analysis is presented at 2010-2011 costs, which includes the elements of revaluation and recosting.

53. 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. Total gross expenditures (€161,819,688) are reduced by an anticipated income (€5,210,500), and the resulting amount of €156,609,188 constitutes the net requirements.

54. 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 the same level as in the previous biennium expecting a recovery of the financial markets by then. Cost reimbursement for field offices has been calculated based on actual data for 2008 and expected collections during 2009.

Financing of the operational budget

55. Total gross expenditures under the operational budget (€22,806,877) are similarly reduced by income (€619,200). The resulting net requirements (€22,187,677) 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 2008-2009 technical cooperation delivery estimates were originally calculated on the basis of US\$ 1 = €0.801. Revalued to the exchange rate applied in the present document (US\$ 1 = €0.683), the 2008-2009 delivery estimates amount to €174.7 million. The projected level for 2010-2011 amounts to €196.7 million.

56. The estimated level of support cost income shows a decrease when compared with estimates for the previous biennium. This decrease is attributable to the devaluation of the United States dollar, in which currency most of the support cost income is earned, as opposed to the euro, which is the budgeting currency.

57. 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.

Withdrawal from the reserve for exchange rate fluctuations

58. The General Conference in decision GC.8/Dec.16 (d) authorized the Director-General to establish a reserve, not subject to the provisions of the financial regulations 4.2 (b) and 4.2 (c), for the purpose of protecting the Organization from exchange rate fluctuations. Consequently, the reserve for exchange rate fluctuations was created in the biennium 2002-2003 with no initial funding. The accumulated balance in the reserve up to biennium 2006-2007 amounted to €8,971,140.

59. The above balance has accumulated in the reserve during consecutive bienniums, whereby the United States dollar significantly devalued vis-à-vis the euro. Consequently, the exchange rate gains were duly credited to the reserve.

60. The Organization is confronted with two unfavourable effects given the current financial market situation, namely the rapid fluctuation of interest rates and the devaluation of the US dollar currency against the euro. Therefore, in order to be able to implement a zero real growth budget, as presented in this document both for the regular and operational budgets, any shortfall in budgeted income attributable to fluctuations in the financial market will be covered by a withdrawal from the reserve for exchange rate fluctuations. Such withdrawal will be limited to the extent required to offset the negative impact of the financial market situation so as to allow implementation of the programmes as budgeted.

61. According to current estimates the usage of the reserve will not exceed €2 million during the biennium 2010-2011.

Estimated level of service delivery

62. 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.

63. The total estimated level of technical cooperation in the biennium 2010-2011 amounts to €196,654,000 (excluding RPTC). This represents an increase over the estimated level applied for the biennium 2008-2009 (€174,727,772 after revaluation at US\$ 1 = €0.683).

Development of budget estimates

64. 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 2008-2009 and 2010-2011 are shown at the same cost levels as the biennial budget for 2008-2009. The budget estimates for the biennium 2010-2011 are then adjusted (recosted) to take into account the impact of inflation and other cost adjustments.

65. For the development of the budgetary estimates for the biennium 2010-2011, the following elements have been taken into consideration:

- (a) Approved budgets for 2008-2009;
- (b) Adjustments to the approved 2008-2009 budgets to allow comparison;
- (c) Resource requirements for 2010-2011 at 2008-2009 rates;
- (d) Inflation and other cost adjustments.

Approved budgets for 2008-2009 as the budget base

66. The programme and budgets for the biennium 2008-2009, as contained in document GC.12/8 and approved by the General Conference in decision GC.12/Dec.16, detailed the resource requirements to implement the programmes of the Organization for the biennium 2008-2009. In line with that document, the budgets for the biennium 2008-2009 represent, under the regular budget, a net amount of €154,623,038 and €2,139,877 under the operational budget.

67. The General Conference, in decision GC.12/Dec.16 paragraph (c), approved an amount of €154,623,038 as the level of assessed contributions for 2008-2009.

68. In order to allow comparison at both the programme and objects of expenditure levels, the resource levels, as presented and approved in document GC.12/8, have been used as the comparative base for the resource requirements for 2010-2011, except for the removal of the full cost (€1,195,000) of the programme International Public Sector Accounting Standards in line with General Conference decision GC.12/Dec.16, paragraph (e). This programme was financed by the regular budget in the 2008-2009 biennium. However it was not meant to remain part of the comparative base for the biennium 2010-2011 and hence was excluded.

69. Consequently, the comparative base for the regular budget is €153,428,038.

Adjustments to the budget base

70. 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 2010-2011 with those of 2008-2009. The adjustments to the base were limited to re-coding the approved resources in accordance with the new programme structure.

Resource requirements for 2010-2011 at 2008-2009 rates

71. The net regular budget estimates for the biennium 2010-2011 consist of zero growth net amount of €153,428,038.

72. The net operational budget estimates of €2,139,877 also represent zero growth.

73. The vacancy factors assumed in the budgets for the biennium 2010-2011 remained the same as in the budgets for 2008-2009, which is five per cent for Professional-level and three 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

74. The application of inflation and other cost adjustments to the 2010-2011 estimates (expressed at 2008-2009 rates) results in a recosting of these estimates to 2010-2011 rates.

75. This process consists of two steps. First, the resource requirements expressed at 2008-2009 rates are recosted to reflect the actual cost structures of 2008-2009. In the second step, the requirements are further adjusted in line with expected cost increases for 2010 and 2011.

76. The increase in financial requirements for 2010-2011 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.

77. It is important to emphasize that the conditions of service for staff are regulated by the provisions of the common United Nations system of salaries and entitlements. While UNIDO is part of the common system, it is not part of the decision-making process in respect of the elements and parameters of the system. At the same time, UNIDO is obliged to implement all changes in full.

78. Accordingly, projections have been made to standard salary costs for the biennium 2010-2011 as per the category of duty stations reflecting the following anticipated cost increases.

79. Based on information received from the International Civil Service Commission (a body reporting to the United Nations General Assembly) for Professional-level salaries in Vienna, an increase of 3.2 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 2009 and are also reflected in the revaluation of 2009 standard rates. In 2010, increases in the post adjustment index of 2.7 per cent and step increments of 0.7 per cent are expected. In 2011, increases in the post adjustment index of 2.2 per cent, step increments of 0.7 per cent and merit promotions of 0.2 per cent are assumed. It should be noted that the next place-to-place cost-of-living survey, conducted by the International Civil Service Commission is expected to be held in 2010. 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.

80. For General Service staff in Vienna, the salary increase is projected, based on published official index forecasts, at a level of 2.1 per cent per annum in 2009, comprising an average increase of 1.4 per cent per annum as a result of average consumer price and wage index increases and 0.7 per cent due to in-grade increments and merit promotions. In 2010-2011, a total increase of 2.4 per cent per annum was assumed. 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.

81. The level of common staff costs has been estimated at an average 53.2 per cent (55.6 per cent in 2008-2009) of net Professional salaries and 35.0 per cent (30.5 per cent in 2008-2009) of General Service salaries for 2010-2011. These estimates have been developed through analysing the cost movements of the various entitlements as regulated by the ICSC taking into account the current staff population at UNIDO.

82. 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.

83. The cost of common services, mostly covered under the programme Indirect Costs, normally increases by the level of cost increases under staff costs. However, for 2010-2011, significant cost increases are projected by the provider of the interpretation service, UNOV, in the magnitude of 13.8 per cent in 2009 revalued costs and further 15.5 per cent in 2010 aiming at full cost recovery.

84. The average rate for net cost increases in the biennium 2010-2011 is 0.92 per cent per annum. Under the regular budget, the net amount required for recosting is €3,181,150, which compares favourably with the requirements of €5,138,332 included in the 2008-2009 regular budget.

Budgeting for non-euro expenditures

85. The Organization prepares and presents its budget in one currency only, which is the euro. However, about 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 euro, the January to December 2008 average United Nations euro/dollar exchange rate, which is US\$ 1 = €0.683, 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 2010-2011
for total operations

(In euros, at 2010-2011 costs)

Major Programme	Regular budget (net)	Operational budget (net)	Technical cooperation (extrabudgetary)	Total net estimates	Percent of total estimates
A. Policymaking Organs	5,339,850	82,300		5,422,150	1.4%
B. Executive Direction and Strategic Management	13,279,540	270,400		13,549,940	3.6%
C. Poverty Reduction through Productive Activities	25,965,460	5,345,280	51,517,000	82,827,740	21.8%
D. Trade Capacity-building	14,818,745	3,669,820	45,892,000	64,380,565	17.0%
E. Environment and Energy	24,853,480	4,796,752	99,245,000	128,895,232	34.0%
F. Cross-cutting Programmes & Country-level & Regional Coherence	26,304,665	4,458,325		30,762,990	8.1%
G. Programme Support Services	28,085,320	4,184,000		32,269,320	8.5%
H. Buildings Management					0.0%
I. Indirect Costs	21,072,228			21,072,228	5.6%
Miscellaneous Income	(3,110,100)	(619,200)		(3,729,300)	
Total net requirements	156,609,188	22,187,677	196,654,000	375,450,865	100.0%

Total volume of operations in 2010-2011
by major programme
(including technical cooperation)

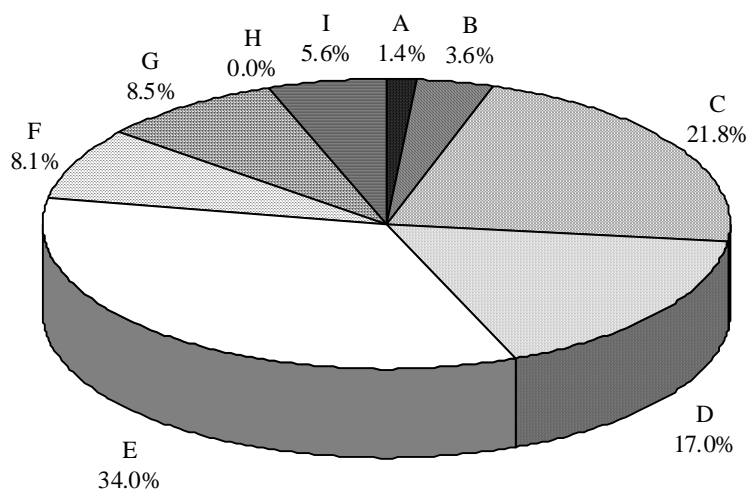


Table 2 (a)

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

	2008-2009 approved budget a/ 1	2010-2011 resource growth at 2008-2009 rates 2	2010-2011 resource requirements at 2008-2009 rates 3	Recosting to 2010-2011 rates 4	2010-2011 resource requirements at 2010-2011 rates 5
Regular budget					
Expenditures	158,443,038		158,443,038	3,376,650	161,819,688
Income	(5,015,000)		(5,015,000)	(195,500)	(5,210,500)
Net requirements	153,428,038		153,428,038	3,181,150	156,609,188
Operational budget					
Expenditures	22,759,077		22,759,077	47,800	22,806,877
Income	(619,200)		(619,200)		(619,200)
Net requirements	22,139,877		22,139,877	47,800	22,187,677
Total regular and operational budgets	175,567,915		175,567,915	3,228,950	178,796,865
Rate of real growth (net)					
Regular budget		0.0%			
Operational budget		0.0%			
Combined		0.0%			

a/ Reflects budget adjustments to the base.

Table 2 (b)

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

	2008-2009 Delivery	Support cost income	2008-2009 Delivery (revalued a/)	2010-2011 b/ Delivery	Support cost income
UNDP – Main programme	2,003,000	200,250	1,707,926	594,200	59,420
Industrial Development Fund	30,663,000	3,988,179	26,145,854	24,041,600	2,909,030
Montreal Protocol	43,134,000	5,961,443	36,779,678	38,239,100	5,463,330
Global Environment Facility	39,684,000	3,171,960	33,837,918	33,603,600	3,074,730
Trust funds and others	89,431,000	8,320,868	76,256,396	100,175,500	8,516,670
Technical Services		497,300			1,366,000
Total	204,915,000	22,140,000	174,727,772	196,654,000	21,389,180

a/ Original estimate revalued with US\$ 1 = €0.683, the January to December 2008 average United Nations exchange rate.

b/ Calculated with US\$ 1 = €0.683, the January to December 2008 average United Nations exchange rate.

Table 3

Proposed expenditure and income
by major programme for 2010-2011 with comparative data for 2008-2009
(In euros)

Major Programme	2008-2009 approved budget a/ 1	2010-2011 resource growth at 2008-2009 rates 2	2010-2011 resource requirements at 2008-2009 rates 3	Recosting to 2010-2011 rates 4	2010-2011 resource requirements at 2010-2011 rates 5
<u>I. Regular and operational budgets</u>					
A. Policymaking Organs	4,963,910	142,740	5,106,650	315,500	5,422,150
Net requirements	4,963,910	142,740	5,106,650	315,500	5,422,150
B. Executive Direction and Strategic Management	14,133,720	(720,480)	13,413,240	136,700	13,549,940
C. Poverty Reduction through Productive Activities	28,900,568	2,446,752	31,347,320	40,800	31,388,120
Income	(57,200)	(12,980)	(70,180)	(7,200)	(77,380)
Net requirements	28,843,368	2,433,772	31,277,140	33,600	31,310,740
D. Trade Capacity-building	21,404,548	(2,657,493)	18,747,055	(110,710)	18,636,345
Income	(119,200)	(14,880)	(134,080)	(13,700)	(147,780)
Net requirements	21,285,348	(2,672,373)	18,612,975	(124,410)	18,488,565
E. Environment and Energy	26,142,877	3,348,770	29,491,647	323,025	29,814,672
Income	(177,050)	27,910	(149,140)	(15,300)	(164,440)
Net requirements	25,965,827	3,376,680	29,342,507	307,725	29,650,232
F. Cross-cutting Progs & Country-Level & Regional Coherence	34,064,109	(2,266,554)	31,797,555	676,235	32,473,790
Income	(1,551,450)	(50)	(1,551,500)	(159,300)	(1,710,800)
Net requirements	32,512,659	(2,266,604)	30,246,055	516,935	30,762,990
G. Programme Support Services	31,400,400	(134,980)	31,265,420	1,003,900	32,269,320
H. Buildings Management	56,927,870	4,372,510	61,300,380	2,860,400	64,160,780
Income	(56,927,870)	(4,372,510)	(61,300,380)	(2,860,400)	(64,160,780)
Net requirements					
I. Indirect Costs	20,191,983	(158,755)	20,033,228	1,039,000	21,072,228
Miscellaneous Income	(3,729,300)		(3,729,300)		(3,729,300)
Total regular and operational budgets	175,567,915		175,567,915	3,228,950	178,796,865

(Continued next page)

Table 3 (continued)

Proposed expenditure and income
By major programme for 2010-2011 with comparative data for 2008-2009
(In euros)

Major Programme	2008-2009 approved budget a/ 1	2010-2011 resource growth at 2008-2009 rates 2	2010-2011 resource requirements at 2008-2009 rates 3	Recosting to 2010-2011 rates 4	2010-2011 resource requirements at 2010-2011 rates 5
2. Regular budget					
A. Policymaking Organs	4,963,910	62,740	5,026,650	313,200	5,339,850
Net requirements	4,963,910	62,740	5,026,650	313,200	5,339,850
B. Executive Direction and Strategic Management	13,859,920	(720,480)	13,139,440	140,100	13,279,540
C. Poverty Reduction through Productive Activities	24,727,123	1,217,042	25,944,165	98,675	26,042,840
Income	(57,200)	(12,980)	(70,180)	(7,200)	(77,380)
Net requirements	24,669,923	1,204,062	25,873,985	91,475	25,965,460
D. Trade Capacity-building	17,343,723	(2,289,778)	15,053,945	(87,420)	14,966,525
Income	(119,200)	(14,880)	(134,080)	(13,700)	(147,780)
Net requirements	17,224,523	(2,304,658)	14,919,865	(101,120)	14,818,745
E. Environment and Energy	21,890,607	2,854,593	24,745,200	272,720	25,017,920
Income	(177,050)	27,910	(149,140)	(15,300)	(164,440)
Net requirements	21,713,557	2,882,503	24,596,060	257,420	24,853,480
F. Cross-cutting Progs & Country-level & Regional Coherence	28,583,972	(1,320,982)	27,262,990	752,475	28,015,465
Income	(1,551,450)	(50)	(1,551,500)	(159,300)	(1,710,800)
Net requirements	27,032,522	(1,321,032)	25,711,490	593,175	26,304,665
G. Programme Support Services	26,881,800	355,620	27,237,420	847,900	28,085,320
H. Buildings Management	56,927,870	4,372,510	61,300,380	2,860,400	64,160,780
Income	(56,927,870)	(4,372,510)	(61,300,380)	(2,860,400)	(64,160,780)
Net requirements					
I. Indirect Costs	20,191,983	(158,755)	20,033,228	1,039,000	21,072,228
Miscellaneous Income	(3,110,100)		(3,110,100)		(3,110,100)
Total regular budget	153,428,038		153,428,038	3,181,150	156,609,188
3. Operational budget					
A. Policymaking Organs		80,000	80,000	2,300	82,300
Net requirements		80,000	80,000	2,300	82,300
B. Executive Direction and Strategic Management	273,800		273,800	(3,400)	270,400
C. Poverty Reduction through Productive Activities	4,173,445	1,229,710	5,403,155	(57,875)	5,345,280
Net requirements	4,173,445	1,229,710	5,403,155	(57,875)	5,345,280
D. Trade Capacity-building	4,060,825	(367,715)	3,693,110	(23,290)	3,669,820
Net requirements	4,060,825	(367,715)	3,693,110	(23,290)	3,669,820
E. Environment and Energy	4,252,270	494,177	4,746,447	50,305	4,796,752
Net requirements	4,252,270	494,177	4,746,447	50,305	4,796,752
F. Cross-cutting Progs & Country-level & Regional Coherence	5,480,137	(945,572)	4,534,565	(76,240)	4,458,325
Net requirements	5,480,137	(945,572)	4,534,565	(76,240)	4,458,325
G. Programme Support Services	4,518,600	(490,600)	4,028,000	156,000	4,184,000
Net requirements					
Miscellaneous Income	(619,200)		(619,200)		(619,200)
Total operational budget	22,139,877		22,139,877	47,800	22,187,677

a/ Reflects budget adjustments to the base.

Table 4

Proposed expenditure and income
by major object of expenditure for 2010-2011 with comparative data for 2008-2009
(Excluding Major Programme H, Buildings Management)
(In euros)

Major Programme	2008-2009 approved budget a/ 1	2010-2011 resource growth at 2008-2009 rates 2	2010-2011 resource requirements at 2008-2009 rates 3	Recosting to 2010-2011 rates 4	2010-2011 resource requirements at 2010-2011 rates 5
1. Regular and operational budgets					
1 Staff costs	129,312,950	807,210	130,120,160	1,184,550	131,304,710
2 Official travel	3,485,220	137,180	3,622,400	82,200	3,704,600
3 Operating costs	28,272,863	(785,338)	27,487,525	1,800,200	29,287,725
4 Information and communication technology	5,321,700	(87,350)	5,234,350	166,700	5,401,050
5 RPTC and Special Resources for Africa	14,809,382	(71,702)	14,737,680	190,800	14,928,480
Income	(5,634,200)		(5,634,200)	(195,500)	(5,829,700)
Total net regular and operational budgets	175,567,915		175,567,915	3,228,950	178,796,865
2. Regular budget					
1 Staff costs	107,078,350	914,090	107,992,440	1,155,050	109,147,490
2 Official travel	3,485,220	137,180	3,622,400	82,200	3,704,600
3 Operating costs	27,748,386	(892,218)	26,856,168	1,781,900	28,638,068
4 Information and communication technology	5,321,700	(87,350)	5,234,350	166,700	5,401,050
5 RPTC and Special Resources for Africa	14,809,382	(71,702)	14,737,680	190,800	14,928,480
Income	(5,015,000)		(5,015,000)	(195,500)	(5,210,500)
Total net regular budget	153,428,038		153,428,038	3,181,150	156,609,188
3. Operational budget					
1 Staff costs	22,234,600	(106,880)	22,127,720	29,500	22,157,220
3 Operating costs	524,477	106,880	631,357	18,300	649,657
Income	(619,200)		(619,200)		(619,200)
Total net operational budget	22,139,877		22,139,877	47,800	22,187,677

a/ Reflects budget adjustments to the base.

Table 5

Posts established under the regular and operational budgets
2008-2009 and 2010-2011
(Excluding Major Programme H, Buildings Management)

A. Total UNIDO	2008-2009			2010-2011			Increase/ decrease
	RB	OB	Total	RB	OB	Total	
<u>Professional and above</u>							
Director-General	1.0	-	1.0	1.0	-	1.0	-
Director	33.0	7.0	40.0	33.0	6.0	39.0	-1.0
P-5	59.0	13.0	72.0	58.0	11.0	69.0	-3.0
P-4	68.0	8.0	76.0	68.0	9.0	77.0	1.0
PS (P-2/P-3)	72.0	10.0	82.0	78.0	10.0	88.0	6.0
YP (P-1)	6.0	4.0	10.0	6.0	4.0	10.0	-
NP (National Programme Officer)	8.0	22.0	30.0	4.0	25.0	29.0	-1.0
Subtotal	247.0	64.0	311.0	248.0	65.0	313.0	2.0
General Service	241.75	69.00	310.75	250.25	69.50	319.75	9.00
GRAND TOTAL	488.75	133.00	621.75	498.25	134.50	632.75	11.00
B. Headquarters (including offices at New York, Geneva and Brussels)							
	2008-2009			2010-2011			Increase/ decrease
	RB	OB	Total	RB	OB	Total	
<u>Professional and above</u>							
Director-General	1.0	-	1.0	1.0	-	1.0	-
Director	25.0	1.0	26.0	26.0	1.0	27.0	1.0
P-5	47.0	8.0	55.0	42.0	4.0	46.0	-9.0
P-4	62.0	7.0	69.0	65.0	6.0	71.0	2.0
PS (P-2/P-3)	70.0	9.0	79.0	75.0	8.0	83.0	4.0
YP (P-1)	6.0	4.0	10.0	6.0	4.0	10.0	-
NP (National Programme Officer)	-	-	-	-	-	-	-
Subtotal	211.0	29.0	240.0	215.0	23.0	238.0	-2.0
General Service	197.75	52.00	249.75	197.25	52.50	249.75	-
GRAND TOTAL	408.75	81.00	489.75	412.25	75.50	487.75	-2.00
C. Field Offices							
	2008-2009			2010-2011			Increase/ decrease
	RB	OB	Total	RB	OB	Total	
<u>Professional and above</u>							
Director	8.0	6.0	14.0	7.0	5.0	12.0	-2.0
P-5	12.0	5.0	17.0	16.0	7.0	23.0	6.0
P-4	6.0	1.0	7.0	3.0	3.0	6.0	-1.0
PS (P-2/P-3)	2.0	1.0	3.0	3.0	2.0	5.0	2.0
YP (P-1)	-	-	-	-	-	-	-
NP (National Programme Officer)	8.0	22.0	30.0	4.0	25.0	29.0	-1.0
Subtotal	36.0	35.0	71.0	33.0	42.0	75.0	4.0
General Service	44.0	17.0	61.0	53.0	17.0	70.0	9.0
GRAND TOTAL	80.0	52.0	132.0	86.0	59.0	145.0	13.0

MAJOR PROGRAMME A: POLICYMAKING ORGANS

General description

The Major Programme comprises two programmes: A.1 Meetings of the Policymaking Organs, and A.2 Policymaking Organs Secretariat and Member Relations. The Member States are the main constituency of the Major Programme, and developing countries and countries with economies in transition are the target groups. 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 encouraged Member States at a very high level to share their views and provide guidance on how the Organization should contribute to the overall development objective of industrial development for poverty reduction, inclusive globalization and environmental sustainability. In particular, 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.

Overall objective

To provide a framework for determining the guiding principles, policies, priorities and budgetary resources of UNIDO, and to ensure close and well-coordinated contacts and consultations with Governments.

Resources

Resource estimates (in euros)

Posts			2010-2011 estimates (after recosting)		
Professional	General Service	Total	Regular budget	Operational budget	Total
5.00	3.00	8.00			
			Staff costs	1,779,800	1,779,800
			Consultants	30,900	30,900
			Official travel	9,700	9,700
			Operating costs	3,519,450	82,300
			Total gross expenditure	5,339,850	82,300
			Total net resources	5,339,850	82,300
					5,422,150

By programme

	Posts		Regular and operational budgets	Technical cooperation (extrabudgetary)	TOTAL
	P	GS			
A.1. Meetings of the Policymaking Organs			3,672,550		3,672,550
A.2. PMO Secretariat and Member Relations	5.00	3.00	1,749,600		1,749,600
A. Total major programme	5.00	3.00	5,422,150		5,422,150

Programme A.1: Meetings of the Policymaking Organs

General description

The programme serves the policymaking organs of the Organization. As provided for in Chapter II of the Constitution, these policymaking organs comprise:

- (a) The General Conference, one of the three principal organs 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.

The programme responds to the mandate as outlined in the Constitution and the rules of procedure of the policymaking organs. It provides and arranges for the necessary infrastructure for the meetings of the principal and subsidiary bodies of UNIDO's policymaking 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 also assures that meetings are conducted in a timely, orderly and procedurally correct manner through authoritative advice and thorough preparations of the Secretariat.

The objective of the programme is to provide and arrange for the necessary infrastructure and services (translation, printing, conference facilities, interpretation) for the policymaking organs (General Conference, Industrial Development Board, Programme and Budget Committee), including regular and special sessions and a range of intersessional meetings.

Objective

To provide and arrange for the necessary infrastructure for the policymaking organs (General Conference, Industrial Development Board, Programme and Budgets Committee), including regular and special sessions and a range of intersessional meetings.

Contribution to UNIDO's development objective

<i>Outcomes</i>	<i>Performance indicators</i> ¹
Public policies, economic strategies and multilateral development cooperation promote patterns of industrial development that reduce poverty and promote an inclusive globalization and environmental sustainability.	<ul style="list-style-type: none">• Effective multilateral debate and cooperation in fields related to sustainable industrial development and growth.• Improved economic, social and environmental performance of industrial sectors in developing countries.

¹ Based on reports of the policymaking organs.

Resources

Resource estimates (in euros)

Posts			2010-2011 estimates (after recosting)		
Professional	General Service	Total	Regular budget	Operational budget	Total
0.00	0.00	0.00	Staff costs	87,800	87,800
			Consultants	30,900	30,900
			Official travel	9,700	9,700
			Operating costs	3,461,850	82,300
			Total gross expenditure	3,590,250	82,300
			Total net resources	3,590,250	82,300
					3,672,550

Programme A.2: Policymaking Organs Secretariat and Member Relations

General description

The policymaking organs are provided for in Chapter III of the Constitution, and the Secretariat of the Policymaking Organs ensures and coordinates the framework for their sessions. This Programme:

- (a) Provides substantive, technical and logistical support to the policymaking organs (General Conference, Industrial Development Board, Programme and Budget Committee), and to other subsidiary bodies and working groups established by those organs;
- (b) 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; and
- (c) 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.

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

- (a) Liaises with Member States on all matters related to the policymaking organs;
- (b) 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;
- (c) 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; and
- (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.

The objective of the Programme is to facilitate the deliberations and decision-making of the policymaking organs and to maintain general external relations with Member States, Permanent Missions accredited to UNIDO, non-Member States and regional groups with a view to increasing awareness and support among

Member States for the mandate and overall development objectives of the Organization. Similarly, the Programme is intended to contribute to the advancement of UNIDO's programme management by striving for an effective conduct of meetings through the provision of timely and high-quality services and legislative documents.

Objectives

To facilitate deliberations and decision-making of the policymaking organs and to maintain general external relations with Member States, Permanent Missions accredited to UNIDO, non-Member States, IGOs and NGOs, and regional groups.

Contribution to UNIDO's management objective

<i>Outcomes</i>	<i>Performance indicators</i> ¹
Sound environment for deliberations and decision-making of policymaking organs.	Optimized provision of information and conference services to Member States.

¹ Based on statements issued by Member States, as well as relevant statistics and documents.

Resources

Resource estimates (in euros)

Posts			2010-2011 estimates (after recosting)		
Professional	General Service	Total	Regular budget	Operational budget	Total
5.00	3.00	8.00	Staff costs	1,692,000	1,692,000
			Operating costs	57,600	57,600
			Total gross expenditure	1,749,600	1,749,600
			Total net resources	1,749,600	1,749,600

MAJOR PROGRAMME B: EXECUTIVE DIRECTION AND STRATEGIC MANAGEMENT

General description

Within the scope of the constitutional objectives of UNIDO and pursuant to the decisions of the policymaking organs, this 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, intergovernmental organizations and the United Nations system agencies, both at Headquarters and through offices in Brussels, Geneva and New York;
- (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 review and monitoring of all operations with regard to the optimal use of 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 policymaking organs, and by the rules and instructions of the Director-General.

Overall objective

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			2010-2011 estimates (after recosting)			
Professional	General Service	Total	Regular budget	Operational budget	Total	
24.00	22.00	46.00	Staff costs	10,823,700	270,400	11,094,100
			Consultants	340,400		340,400
			Meetings	145,700		145,700
			Official travel	883,700		883,700
			Operating costs	985,740		985,740
			Information and comm. techn.	100,300		100,300
			Total gross expenditure	13,279,540	270,400	13,549,940
			Total net resources	13,279,540	270,400	13,549,940

By programme

	Posts		Regular and operational budgets	Technical cooperation (extrabudgetary)	TOTAL
	P	GS			
B.1. Executive Direction and Strategic Management	13.00	16.00	9,296,400		9,296,400
B.2. Evaluation	4.00	2.00	1,527,000		1,527,000
B.3. Legal Services	3.00	2.00	1,248,000		1,248,000
B.4. Internal Oversight	4.00	2.00	1,478,540		1,478,540
B. Total major programme	24.00	22.00	13,549,940		13,549,940

Programme B.1: Executive Direction and Strategic Management

General description

In line with the constitutional objectives of UNIDO and the decisions of the policy-making organs, including those related to the Medium-term Programme Framework (2010-2013), Programme B.1 provides the overall strategic and policy direction for the management of the Organization through a process of continuous improvement and organizational learning.

The Programme further ensures the strategic positioning of UNIDO in the multilateral context, particularly within the United Nations system, and is responsible for enhancing multi-stakeholder support for UNIDO through effective advocacy, communication, information and knowledge dissemination and partnerships.

Objective

To carry out a variety of interrelated management functions serving to determine the overall strategic direction and positioning of UNIDO as an efficient provider of development services in accordance with its mandate.

Contribution to UNIDO's development objective

<i>Outcomes</i>	<i>Performance indicators</i> ¹
Public policies, economic strategies and multilateral development cooperation promote patterns of industrial development that reduce poverty and promote an inclusive globalization and environmental sustainability.	<ul style="list-style-type: none"> • Effective multilateral debate and cooperation in fields related to sustainable industrial development and growth. • Improved economic, social and environmental performance of industrial sectors in developing countries.

¹ Based on regular assessments and surveys.

Resources

Resource estimates (in euros)

Posts			2010-2011 estimates (after recosting)		
Professional	General Service	Total	Regular budget	Operational budget	Total
13.00	16.00	29.00	Staff costs	7,082,800	7,082,800
			Consultants	237,500	237,500
			Meetings	145,700	145,700
			Official travel	779,400	779,400
			Operating costs	954,900	954,900
			Information and comm. techn.	96,100	96,100
			Total gross expenditure	9,296,400	9,296,400
			Total net resources	9,296,400	9,296,400

Programme Component B.1.1: Executive Direction and Organizational Alignment

General description

Within the overall framework of Programme B.1, this programme component is responsible for the establishment of the overall strategic and policy direction of all activities undertaken by the Organization. It thus guides and coordinates the strategic direction of UNIDO's technical cooperation and global forum activities, as well as its administrative and financial processes and procedures, in accordance with the constitutional objectives of the Organization and the decisions of its policymaking organs. The programme component also aims at generating support from Member States for UNIDO's mandate and activities through direct communication and dialogue.

Objective

To provide a strategic and policy framework for UNIDO's activities and operations in accordance with its mandate and ensure the support of its Member States for these activities.

Contribution to UNIDO's management objective

<i>Outcomes</i>	<i>Performance indicators</i> ¹
Sound programme policies and strategies, based on UNIDO's development objective and responding to industrial development needs of Member States and changes in the external environment.	Full alignment of UNIDO's programme policies and strategies with the overall development objective and internationally agreed goals and principles.

¹ Based on legislative documents, United Nations documents and reports, UNIDO programme statistics, and statements by the Member States.

Programme Component B.1.2: Strategic Planning and System-wide Coherence

General description

Within the overall framework of Programme B.1, this programme component is responsible for establishing, and providing guidance on specific strategies, policies and priorities of the Organization. It is also responsible for the strategic positioning of UNIDO in the multilateral context, and particularly within the United Nations system. In this context, it manages and coordinates UNIDO's participation and involvement in

intergovernmental and inter-agency meetings and activities, and provides operational guidance to the UNIDO Offices in Brussels, Geneva and New York, whose activities constitute an integral element of this programme component.

Objective

To establish specific strategic and policy priorities for UNIDO and ensure the effective strategic positioning of the Organization within the multilateral system.

Contribution to UNIDO’s management objective

<i>Outcomes</i>	<i>Performance indicators</i> ¹
Improvements in UNIDO’s positioning in the multilateral context and responsiveness as a multilateral development service provider.	Level of recognition and acceptance of UNIDO’s core mandates and development objective as an important contribution to the international development agenda.

¹ Based on legislative documents, United Nations documents and reports, Chief Executive Board (CEB) for coordination reports, UNIDO programme statistics and statements by the Member States.

Programme Component B.1.3: Strategic Communications

General description

Within the overall framework of Programme B.1, this programme component is responsible for coordinating UNIDO’s communications with its external stakeholders, and thus enhancing the Organization’s visibility and image among the general public, particularly within its Member States, and generating an increased international understanding of and appreciation for UNIDO and its programmatic activities. Based on a comprehensive and global communications and advocacy strategy, the programme component communicates UNIDO’s global mandate, policy priorities, programmes and activities to an external audience (i.e. the international community, the private sector, civil society, academia, the development community, relevant stakeholders, donors and the media) and draws for this purpose on a broad array of relevant techniques and tools, including media relations, promotional material, internet presence and the Goodwill Ambassadors Programme. The programme component is also responsible for overseeing UNIDO’s strategic communications with other entities of the United Nations system, and ensuring coherence on common communications challenges with these entities through inter-agency platforms such as the United Nations Communications Group.

Objective

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

Contribution to UNIDO’s management objective

<i>Outcomes</i>	<i>Performance indicators</i> ¹
Improved awareness and support for UNIDO’s development objective, mandate, programmes and activities.	<ul style="list-style-type: none"> Maximization of UNIDO’s public outreach, positive feedback from internal clients and increased engagement of Member States and development-related groups and opinion-makers.

¹ Based on media coverage, recorded enquiries, requests for publications, recorded public debate and website analysis.

Programme B.2: Evaluation

General description

This programme contributes to accountability, learning and the effectiveness of UNIDO's technical cooperation programmes. The evaluations conducted under this programme will provide recommendations to UNIDO managers, at various levels, on how to achieve UNIDO's development objectives more effectively. Thematic evaluations will draw lessons learned for enhanced development results. This programme also contributes to UNIDO's management objectives by providing learning for competence development and excellence, measuring and reporting on results for results-orientation, providing information on lessons learned and arising opportunities for innovativeness, and validating results for accountability.

Objective

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

Contribution to UNIDO's development objective

<i>Outcomes</i>	<i>Performance indicators</i> ¹
Industrial policies, economic strategies and multilateral development cooperation activities are based on sound empirical and analytical foundations and encourage innovative and knowledge-based industrial development.	<ul style="list-style-type: none"> • Improved development policies and strategies for industrial development. • Effective multilateral debate and cooperation in fields related to sustainable industrialization and growth. • Traceable contributions of UNIDO's project evaluation to global knowledge generation in the field of sustainable industrial development.

¹ Based on reports of the policymaking organs.

Contribution to UNIDO's management objective

<i>Outcomes</i>	<i>Performance indicators</i> ¹
Sound quality, focus, coherence and innovativeness of the Organization's programmatic work.	<ul style="list-style-type: none"> • Improvements in project and programme design, implementation and assessment. • Level of alignment with internationally recognized principles of aid effectiveness and international development cooperation.

¹ Based on evaluation status reports, UNIDO programme statistics and records of quality assurance bodies.

Resources

Resource estimates (in euros)

Posts			2010-2011 estimates (after recosting)		
Professional	General Service	Total	Regular budget	Operational budget	Total
4.00	2.00	6.00	Staff costs	1,454,500	1,454,500
			Consultants	30,900	30,900
			Official travel	30,600	30,600
			Operating costs	11,000	11,000
			Total gross expenditure	1,527,000	1,527,000
			Total net resources	1,527,000	1,527,000

Programme B.3: Legal Services

General description

UNIDO is a specialized agency of the United Nations. It enjoys certain privileges and immunities, rights and obligations under international law that regulate and define its external relations. UNIDO's internal law 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.

The Programme is intended to promote the rule of law within UNIDO and defend its interests. Its core function consists in providing legal advice and expert legal assistance to all organs of the Organization. Its principal activities include: advising the Director-General and all services in the Secretariat in respect of international agreements, contracts, employment or external relations, technical assistance projects, regulations and rules, administrative policies and directives, and decisions and resolutions of the governing bodies; representing the Director-General in disputes brought before the Administrative Tribunals of the International Labour Organization and the United Nations; defending the legal interests of the Organization in contractual or litigation matters; and furthering the development of international law and the harmonization of rules, procedures and policies in the United Nations common system.

Contribution to UNIDO's management objective

<i>Outcomes</i>	<i>Performance indicators¹</i>
Sound legal footing of the Organization's activities and effective defence of the Organization's rights, positions and interests in contractual or litigation matters.	<ul style="list-style-type: none"> • Absence of errors or disputes in connection with legal advice. • Legal inputs provided in a clear manner. • Total liabilities are minimized compared to total claims made against the Organization. • Absence of instances where the status, privileges and immunities of the Organization and its officials are challenged or not maintained.

¹ Based on the Logbook of the Office of Legal Affairs.

Resources

Resource estimates (in euros)

Posts			2010-2011 estimates (after recosting)			
Professional	General Service	Total	Regular budget	Operational budget	Total	
3.00	2.00	5.00	Staff costs	920,500	270,400	1,190,900
			Consultants	30,900		30,900
			Official travel	12,300		12,300
			Operating costs	13,900		13,900
			Total gross expenditure	977,600	270,400	1,248,000
			Total net resources	977,600	270,400	1,248,000

Programme B.4: Internal Oversight

General description

This programme supports the achievement of UNIDO's mission and fulfilment of expected results and accountabilities worldwide, fostering a culture of integrity, transparency and accountability through:

(a) Independent and objective internal audit services, assessing and analysing the effectiveness and adequacy of UNIDO's system of internal controls, risk management and governance processes, as well as the efficient, effective and economic use of resources available to UNIDO, through systematic, disciplined and objective reviews at all levels within UNIDO, and making recommendations for improvements where necessary; and

(b) Investigating alleged wrongdoings, e.g. of fraud, corruption and mismanagement in UNIDO.

The Programme also serves as the focal point for all activities at UNIDO related to the work of the Joint Inspection Unit.

Objective

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 improved performance.

Contribution to UNIDO's management objective

<i>Outcomes</i>	<i>Performance indicators</i> ¹
Improved transparency, accountability, results, integrity and constituents' trust in the Organization.	<ul style="list-style-type: none"> Proportion of UNIDO operations audited (planned and unplanned). Number of allegation cases closed as well as carried over from prior biennium/to next biennium.

¹ Based on Internal Oversight data.

Resources

Resource estimates (in euros)

Posts			2010-2011 estimates (after recosting)		
Professional	General Service	Total	Regular budget	Operational budget	Total
4.00	2.00	6.00	Staff costs	1,365,900	1,365,900
			Consultants	41,100	41,100
			Official travel	61,400	61,400
			Operating costs	5,940	5,940
			Information and comm. techn.	4,200	4,200
			Total gross expenditure	1,478,540	1,478,540
			Total net resources	1,478,540	1,478,540

MAJOR PROGRAMME C: POVERTY REDUCTION THROUGH PRODUCTIVE ACTIVITIES

General description

Poverty reduction (MDG 1) and the related objectives of gender equality and the empowerment of women (MDG 3) remain the central pillar of the support services provided by UNIDO to its Member States. This commitment is based on the conviction that the most effective way to achieve these goals is through economic growth, and that private sector-led industrial development can play a significant role in setting the economies of developing countries on a path of sustained economic growth. Industry is a seedbed for entrepreneurship, business investment, technological progress, the upgrading of human skills and the creation of decent jobs. Through intersectoral linkages, industrial development can also establish the foundation for a more effective and efficient agricultural sector and a flourishing services sector. All these factors contribute to sustained productivity improvements that can ensure pro-poor outcomes and contribute to increased living standards in developing countries.

Governments have a key role in both regulating and facilitating the development of the private sector. It is therefore important that governments in developing countries establish a conducive business environment, based on sound industrial policies and an effective and efficient institutional framework under which the private sector can flourish and become a driver for sustainable and inclusive growth.

Entrepreneurs and small and medium-sized enterprises (SMEs) are the main sources of economic activities that support productivity growth and poverty reduction in developing countries. Better educated and networked entrepreneurs and SMEs are able to make better judgments and decisions, and therefore are more likely to engage successfully in operations that require long-term investments – such as manufacturing enterprises – based on their knowledge about the business environment. Therefore, promoting human resource development and networking among entrepreneurs and SMEs can play an important role in strengthening their productive capacities and market competitiveness.

Increasing the economic empowerment of marginalized parts of the population can also make a significant contribution to poverty reduction. This is particularly true in the case of the agriculture-based economies in sub-Saharan Africa and the least developed countries (LDCs), where the majority of the population is often engaged in subsistence agriculture. As most of the youth in these countries grow up without being exposed to or learning entrepreneurial skills, the capacity of these countries to create entrepreneurs is also limited. Similarly, the low levels of female education and female participation in entrepreneurial activities also inhibit the growth of entrepreneurship in many developing countries.

A particular challenge for developing countries is to shift their industries from low-value and price-driven commodity-based activities to higher-value and knowledge-based production and services. Helping businesses in these countries to gain access to business information and information and communication technologies (ICTs) plays an important role in overcoming these development hurdles. The gradual creation of such an information society in developing countries, and particularly in LDCs, is a key prerequisite for stimulating increased innovation, productivity, competitiveness and market-linkages.

In many cases the growth prospects of SMEs in developing countries are constrained by their inability to tap into international investment and technology flows. They therefore lack the capital to upscale, or the technology to improve or diversify their product range. While this may often be the result of unfavourable policy measures and regulatory approaches adopted by governments, it is also frequently the result of a lack of knowledge on the part of external providers of capital and technology with regard to the opportunities prevailing in many developing countries. Deliberate efforts are needed in such cases to help establish partnerships between national producers and potential foreign partners and counterparts.

It is against this background that UNIDO offers five interrelated programme components under its priority theme of Poverty reduction through productive activities. These comprise industrial strategy and business

environment; investment and technology promotion; SME cluster and agro-value chain development; rural, women and youth entrepreneurship development, and human security and post-crisis rehabilitation.

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

Sub-Saharan Africa

(a) Most African countries have implemented macro-economic measures with significant results and, until the global economic downturn, Africa's growth performance was on the upward trend, thanks to robust global demand and high commodity prices, including high oil production, increasing private capital flows and debt forgiveness. However, the response of the industrial sector to the vastly improved macro-economic management remained subdued. This weak response has largely been attributed to supply-side rigidities arising from weak productive and trade capacities, poor infrastructures and weak demand.

(b) Taking the above scenario into account, the tenth Ordinary Session of the African Union Assembly of Heads of States and Governments held in January 2008 in Addis Ababa, Ethiopia, was a significant turning point. The Session approved the Action Plan for Accelerated Industrial Development of Africa, with an accent on the transformation of African economies through value addition, wealth creation and connectivity with global trade. In approving the Action Plan, the Heads of States and Governments directed that operational programmes and priorities be established. Accordingly, seven programme clusters have been agreed upon, namely (i) industrial policy and institutional direction, (ii) upgrading production and trade capacities, (iii) promotion of infrastructure and energy for industrial development, (iv) human resources for industry, (v) industrial innovations, research and development (R and D) and technological development, (vi) financing and resource mobilization and (vii) sustainable development. In this context, UNIDO will focus its contribution to building the necessary productive and trade capacities as well as managerial capacities, skills and competitiveness throughout the biennium.

Arab Region

(a) Poverty reduction (MDG 1) remains one of the challenges that many countries of the region face, particularly in view of the global economic downturn. Unemployment, mainly among the youth, constitutes a major obstacle for economic development. Therefore, UNIDO's programmes will focus on the creation of job opportunities and possibilities for income creation through entrepreneurship development, including rural and women entrepreneurship. To strengthen the development of the region's private sector, UNIDO will also continue to promote SME networks and clusters and other measures to increase productive capacities in the manufacturing sector and agro-industries. In the case of the major oil-producing countries, steps will also be taken to promote a diversification of products away from crude oil or oil products.

Asia and the Pacific

(a) Despite the considerable progress achieved in recent years in reducing poverty in Asia and the Pacific, it remains home to more than 600 million poor people – nearly two-thirds of the poor populations of the world, a majority of whom are women. Adequate frameworks for poverty reduction and for enhancing the role of women in development will remain priorities of UNIDO in this region, particularly in view of the impact of the economic slowdown on the productive sectors of the region. A focus will therefore be put on the development of SME enabling frameworks and institutional support, cluster development, rural and women's entrepreneurship development, food-safety, infrastructure for agro-industries, skills development in new technologies, and support to traditional agro-industries for productivity enhancement.

Europe and the Newly Independent States (NIS)

(a) The Europe and NIS Programme covers a great diversity of countries, many of which have experienced conflicts during the past 15 years. This legacy constrains the ability of the countries of the region to realize their full development potential, particularly in the Caucasus, Central Asia and the Western Balkans. Moreover, the countries of the region are in varying stages of transition from centrally planned to market-based economies and many are still suffering the aftershocks of this transition, which has frequently resulted in high levels of unemployment and uneven development patterns within the individual countries. With the global financial crisis and economic downturn, the economic and social structures of the region have been further hit and bold steps will be necessary for ensuring overall stability and the return to industrial growth. In those countries that are heavily dependent upon the hydrocarbon resources, there is a growing need for diversifying the economic and industrial structures, also in view of the increasing volatility in oil and gas prices.

(b) UNIDO will continue to help the countries of this region to formulate measures to diversify their economies. In this context, particular emphasis will be placed on helping them to realize their considerable potential for achieving increased food security and exports through the development and modernization of their agro-industrial sector. The issue of unemployment will continue to be addressed through the promotion of SMEs and entrepreneurship development, particularly for women and youth. UNIDO will also continue its regional programme on technology foresight, a key aspect of which will be to offer incentives and assistance to enterprises for the adoption of improved technologies for enhanced competitiveness

Latin America and the Caribbean (LAC)

(a) Despite a broadly favourable macroeconomic performance in recent years, the LAC region continues to face high levels of poverty, which affects about one third of its population, or approximately 180 million people. Of these, some 70 million reside in the region's five most populous countries. The incidence of poverty is particularly acute in the countryside, and is both a cause and an effect of the rapid urbanization and rural-urban migration throughout the region in the past few decades. Within this overall context of continuing high poverty levels, particularly in view of the current global economic downturn, the gaps between high and low-income groups, rural and urban areas, and more developed and less developed areas are also becoming more pronounced. In this context, UNIDO will continue to build on the success of the Regional Programme for Latin America and Caribbean (RPLAC), established in response to resolution GC.11/Res.1 and approved by GRULAC and UNIDO in November 2007.

(b) In this context, UNIDO activities in Central America will focus on supporting the development of agro-based value chains to satisfy domestic needs and produce for export markets. By contrast, the Organization's activities in the largely middle-income countries of the Andean region and the lower-income countries of the Southern Cone will concentrate on improving industrial competitiveness of their industries through the promotion of SME clusters, export consortia, the quality and compliance infrastructure, as well as through support for industrial policy formulation. In the larger economies of the Southern Cone and in Mexico, UNIDO projects will mainly target agro-based value chains in the poorer, largely rural, areas with a view to improving local living conditions. For the island economies of the Caribbean, emphasis will be placed on adding value to existing agro-based production in an ecologically sustainable manner.

Overall objective

To increase economic growth, create employment, generate income and reduce economic and social disparities by fostering pro-poor private sector development and promoting entrepreneurship.

Expected impact

<i>Impact</i>	<i>Performance indicators</i>
Women and men are equally empowered to generate and increase their income by engaging in productive industrial activities.	<ul style="list-style-type: none"> • Increased job opportunities, in particular for poor target groups. • Increased and equitable levels of income from productive activities. • More decent working conditions.

Expected country-level outcomes

<i>Policy outcome</i>	<i>Performance indicators</i>
Equitable growth policies: Industrial strategies, policies and regulations support equitable and inclusive industrial growth.	<ul style="list-style-type: none"> • Industrial policies set quantified poverty reduction objectives. • Inclusiveness and reduced inequality are policy priorities. • Industrial statistics monitor the impact of industrial policies on poverty.
<i>Institutional outcome</i>	<i>Performance indicators</i>
Market enabling and investment support institutions: National and regional organizations establish market-enabling services for industries and assist them to increase productive capacities.	<ul style="list-style-type: none"> • Support organizations serve increased numbers and types of enterprises. • New and better support services become available. • Enterprises are satisfied with quality of services. • Private service providers emerge and develop.

Resources

Resource estimates (in euros)

Posts			2010-2011 estimates (after recosting)			
Professional	General Service	Total	Regular budget	Operational budget	Total	
68.20	34.55	102.75	Staff costs	18,323,040	5,345,280	23,668,320
			Consultants	269,900		269,900
			Meetings	135,200		135,200
			Official travel	310,500		310,500
			Operating costs	87,020		87,020
			RPTC/SRA	6,917,180		6,917,180
			Total gross expenditure	26,042,840	5,345,280	31,388,120
Technical cooperation (extrabudgetary)	51,517,000		Income	(77,380)		(77,380)
			Total net resources	25,965,460	5,345,280	31,310,740
			Total resources (including extrabudgetary TC)			82,827,740

Programme Component C.1: Thematic Strategies, Regional Priorities and Advocacy

General Description

The programme component:

- (a) Develops major thematic strategies for the further programmatic development of Major Programme C, with a particular view on regional priorities and strategies;
- (b) Offers linkages between activities under Major Programme C and strategies towards the achievement of the MDGs, and particularly MDG-1, MDG-3 and MDG-8;
- (c) Communicates and promotes the strategies and activities of Major Programme C within UNIDO, the United Nations system and the public at large;
- (d) Initiates and facilitates advocacy activities on specific issues regarding the thematic priority Poverty reduction through productive activities.

Objective

To ensure the effective management and promotion of Major Programme C in accordance with the specific requirements of UNIDO's Member States.

Contribution to expected impact

<i>Contribution</i>	<i>Performance indicators</i> ¹
Thematic strategies in the field of Poverty reduction through productive activities are developed, based on regional priorities and country needs, and are effectively monitored and communicated.	<ul style="list-style-type: none"> • Thematic strategies provide a clear link between UNIDO's programme and the MDGs; • Strategy-based advocacy is effective and region-specific.

¹ Based on regular assessments, surveys and UNIDO strategy documents.

Contribution to expected country-level outcomes

<i>Contribution to policy outcome</i>	<i>Performance indicators</i> ¹
Thematic strategies and strategic options are directly linked to regional and country-level priorities and are communicated to highest-level policymakers.	<ul style="list-style-type: none"> • Thematic strategies are regularly monitored and updated. • Governments and intergovernmental bodies consider UNIDO's thematic strategies and policy options.

¹ Based on regular assessments and surveys.

Programme Component C.2: Industrial Strategy and Business Environment

General description

There is renewed interest among development experts and policymakers in the theme of industrial policy, which will be reinforced in coming years as a result of the global financial and economic crisis triggered in the second half of 2008. The new concept of industrial policy differs from its predecessors, however, insofar as it

seeks to strengthen the industrialization process rather than the products of industry. In response, UNIDO's technical cooperation in the field of industrial policy will emphasize capacity-building at the national level for collecting and analysing reliable economic data, and this process will continue into the foreseeable future. By setting up dedicated support units in ministries and chambers of industry, a solid analytical foundation can be laid for the formulation of strategies and policies based on close consultation between the public and private sectors. While the focus and scope of UNIDO's support services will be tailored to the specific needs of each individual country, the provision of these services will typically involve the stages of diagnosis, formulation, implementation and monitoring.

The formulation process can be enriched by the deployment of a number of specific approaches and methodologies. The technology foresight methodology is instrumental in supporting decision-making on the application of technology and innovation for sustainable and competitive economic and industrial policy, and covers such topics as technology dissemination, national innovation systems, and technological capacity-building. Meanwhile, 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.

Given the overriding importance attributed specifically to SMEs for poverty reduction, this programme 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. Support for capacity-building 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 development services (BDS). In addition, UNIDO will complement its capacity-building support services in this field with efforts to create partnerships and encourage a structured 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 throughout this programme period.

Building bridges between government and industry is vital for reducing bureaucratic complexities and difficulties in accessing key information, including on licensing procedures and other legal provisions. This thematic programme component will therefore continue to assist governments in developing electronic portals that offer integrated access to information on regulatory mandates, support institutions and generic business advice, especially for SMEs and entrepreneurs. Such e-government solutions increase the transparency, effectiveness and coverage of industry-related public service delivery and industrial policy dissemination and set standards for ICT usage particularly among SMEs.

Objective

To promote industrial development policies and strategies conducive to the pro-poor growth of private entrepreneurship and private-sector enterprises.

Contribution to expected impact

<i>Contribution</i>	<i>Performance indicators</i> ¹
Policy and regulatory frameworks encourage productive industrial activities.	<ul style="list-style-type: none"> • Growing numbers of entrepreneurial initiatives. • Improved economic performance of companies (investment, sales, productivity, innovation, export).

¹ Demonstrated in pilot projects and assessed through regular surveys.

Contribution to expected country-level outcomes

<i>Contribution to policy outcome</i>	<i>Performance indicators</i> ¹
Industrial policies and strategies are future-oriented and encourage innovative and knowledge-based private sector development.	<ul style="list-style-type: none"> • Improved policy and legal frameworks for industrial activities. • Increased advocacy and policy dialogue between the private sector and policymakers on related issues.
<i>Contribution to institutional outcome</i>	<i>Performance indicators</i> ²
Governments have the capacity to develop, implement and monitor future-oriented industrial policies and strategies.	<ul style="list-style-type: none"> • Increased use of advanced methodologies and anticipatory measures in policymaking processes. • Operational and sustainable BDS systems effectively support growing numbers of businesses. • Quality and quantity of services are regularly improved and updated.

¹ Based on regular assessments and surveys.

² Based on mapping, gap analysis and customer surveys.

Programme Component C.3: Investment and Technology Promotion

General description

Foreign direct investment and the acquisition of progressively higher levels of technology are indispensable elements for the economic transformation that developing countries require in order to achieve sustainable economic growth and eradicate poverty. However, not all developing countries have been equally successful in attracting quality investments and acquiring appropriate technologies to support their development goals. The successful outcome of such initiatives requires a substantial upgrading of their national institutional infrastructure.

To address this need, UNIDO will develop an online information tool, the Investment Monitoring and Management Platform, to offer an array of primary data and analysis on domestic companies and foreign investors. The data on the platform will be derived from, and regularly updated by, surveys of domestic companies and foreign investors and by supply-chain-based benchmarking of firms. Using this platform, UNIDO will help to upgrade the capacities of national institutions and agencies involved in investment promotion to monitor trends in investment flows and attract investment. In addition, the Organization will provide a unique supplier-benchmarking tool to enable local suppliers to identify their upgrading needs to meet buyer requirements and establish a network of new Subcontracting and Partnership Exchanges (SPXs).

Moreover, UNIDO will expand and promote its network of Investment and Technology Promotion Offices (ITPOs) as well as its enterprise development investment promotion (EDIP) programmes. These will promote opportunities for responsible foreign and domestic investment and business partnerships in order to maximize development spillovers and impacts in industrial production and trade. Capacity-building services will also be provided in such areas as the transfer and diffusion of new technologies, the management of technological change, and technology needs assessment and negotiation. Particular emphasis will be given, where appropriate, to the enhanced application of new and emerging technologies that have wide applications or impacts for the achievement of a low-carbon economy. This will be supplemented by the provision of methodologies and tools for the creation and strengthening of national innovation systems.

Capacity-building and advisory services will be provided to investment promotion agencies (IPAs) and local private sector institutions in developing countries and economies in transition on the analysis of new investments and the expansion or rehabilitation of existing enterprises. In this connection, the diffusion of the UNIDO computer model for feasibility analysis and reporting (COMFAR) will be promoted, as will the development of further applications of this tool to cover agro-industries, green industries and energy investments. Measures will also be taken to strengthen the linkages between the IPAs and the ITPO network and EDIP programme.

Objective

To facilitate responsible private investment and the adoption and diffusion of improved technologies in support of pro-poor industrial development.

Contribution to expected impact

<i>Contribution</i>	<i>Performance indicators</i> ¹
Industrial investment, partnerships and innovation systems generate growth and employment.	<ul style="list-style-type: none"> • Improved economic performance of companies (investment, sales, productivity, innovation, export). • Improved quality performance of companies (ISO certifications, e.g. 9000; 22000; Hazard Analysis and Critical Control Point (HACCP)). • Improved social performance of companies (jobs created/preserved; better salaries; better safety; better qualified staff; employability; more job security).

¹ Demonstrated in pilot projects and assessed through regular surveys.

Contribution to expected country-level outcomes

<i>Contribution to policy outcome</i>	<i>Performance indicators</i> ¹
Industrial policies and strategies encourage investment and innovation systems.	<ul style="list-style-type: none"> • Improved policy and legal frameworks for investment. • Improved national innovation systems. • Increased advocacy and policy dialogue between the private sector and policymakers on related issues.
<i>Contribution to institutional outcome</i>	<i>Performance indicators</i> ²
Public and private institutions support foreign and domestic companies and investors in investment projects and technology transfer on a sustainable basis.	<ul style="list-style-type: none"> • National agencies and BDS effectively support growing numbers of businesses. • Quality and quantity of services are regularly improved and updated. • BDS systems are operating sustainably.

¹ Based on regular assessments and surveys.

² Based on mapping, gap analysis and customer surveys.

Programme Component C.4: SME Cluster and Agro-value Chain Development

General description

This programme component aims to promote the development of clusters and business linkages to help enterprises, especially smaller ones, improve productivity, achieve systemic competitive advantages, and strengthen local economic systems. This component also includes the provision of services related to network development, supplier development and public private partnerships. Through the delivery of technical cooperation and policy advice in these areas, enterprises will complement their capabilities, jointly achieve economies of scale and scope, and increase their access to resources and markets within a conducive institutional environment. In line with the programme's pro-poor framework, emphasis will continue to be placed on generating opportunities for the poor, as economic actors and consumers. To this end, a broad-based approach will be adopted in order to promote the participation of poorer groups in decision-making, to overcome gender and other marginalization biases, and to empower the poor to capture economic opportunities by upgrading their skills, organizations and other capabilities.

Improving the competitiveness, productivity and performance of agro-industry value chains is a further focus of this programme component, which will continue building capacities at the institutional and industry levels to enhance industrial productivity and marketing performance in agribusinesses, and increase their integration into global value chains. The focus will be on commodities and the related secondary agro-processing industries, with emphasis on food (such as fish, meat, dairy, fruits/ vegetables, and vegetable oils) and certain non-food products (wood and non-wood forest products, textiles and garments, hides and skins, and derived products). In addition, technical advice and cooperation will be provided for the development of manufacturing capacities for agricultural machinery through the establishment of rural technology centres for technology transfer and the repair and maintenance of basic agricultural tools and agro-processing equipment.

This programme component will also continue to forge partnerships and work closely with the Food and Agriculture Organization of the United Nations (FAO), the International Fund for Agricultural Development (IFAD), African Development Bank (AfDB), and Inter-American Development Bank (IDB) on agribusiness and cluster development.

Objective

To strengthen clusters and networks of SMEs and promote the integration of Agro-based SMEs into global value chains with a view towards generating increased income opportunities and pro-poor growth.

Contribution to expected impact

<i>Contribution</i>	<i>Performance indicators</i> ¹
SME clusters and agro-value chains provide economic opportunities and better living conditions for the poor.	<ul style="list-style-type: none"> • Improved economic performance of companies (investment, sales, productivity, innovation, export). • Improved social performance of companies (jobs created/preserved; better salaries; better safety; better qualified staff; employability; more job security). • Improved compliance of companies with safety, health, quality and environmental requirements.

¹ Demonstrated in pilot projects and assessed through regular surveys.

Contribution to expected country-level outcomes

<i>Contribution to policy outcome</i>	<i>Performance indicators</i> ¹
Industrial policies and strategies encourage the development of SME clusters, business linkages and agro-value chains.	<ul style="list-style-type: none"> • Improved policy and legal frameworks for inter-firm collaboration, public private ventures and inter-institutional coordination. • Increased advocacy and policy dialogue between the private sector and policymakers on related issues.
<i>Contribution to institutional outcome</i>	<i>Performance indicators</i> ²
Public and private institutions support SME clusters, business linkages and agro-value chain development on a sustainable basis.	<ul style="list-style-type: none"> • Support institutions effectively support growing numbers of businesses. • Quality and quantity of services are regularly improved and updated. • Support institutions are operating sustainably.

¹ Based on regular assessments and surveys.

² Based on mapping, gap analysis and customer surveys.

Programme Component C.5: Rural, Women and Youth Entrepreneurship Development

General description

This programme component promotes entrepreneurship among rural communities, women and youth by providing them training in entrepreneurship, so as to help build the foundation for private sector development. It also encourages improvements in the regulatory and administrative environment to promote competitive entrepreneurial activities in the formal sector. The geographical focus is on LDCs and countries with special needs.

Using a bottom-up growth strategy for poverty reduction, the programme component will continue to introduce practical entrepreneurship curricula at secondary and vocational training institutions, particularly targeting the development of entrepreneurial skills among their students, both girls and boys, before they reach working age. It is expected that this will enable young people to acquire entrepreneurial characteristics and positive attitudes towards taking up business opportunities and self-employment. This will be enriched through elements of ICT training, combining the basics of entrepreneurship with practical experiences in the use of new technology and thus preparing young people for key job requirements and the increasingly networked information society facing any young entrepreneur.

Emphasis will be placed on helping enterprises move out of the informal sector into the formal sector, with a special focus on simplifying and improving access to administrative company registration services. The programme component will also aim at improving women's participation in entrepreneurial activities, based on the principle of equal opportunities for women and men. It will also address the entrepreneurial human resource development of women as well as the reduction of formal and informal barriers to their entrepreneurial endeavours, including the introduction of gender-neutral business regulatory environments.

Objective

To promote enhanced business opportunities for poor populations in general, and women, youth and rural populations in particular.

Contribution to expected impact

<i>Contribution</i>	<i>Performance indicators</i> ¹
Poor populations, particularly women, youth and rural populations, improve their income and living conditions by taking entrepreneurial initiatives.	<ul style="list-style-type: none"> • Increased income from growing numbers of entrepreneurial initiatives, in particular among women, youth and rural populations. • Improved economic performance of companies (investment, sales, productivity). • Improved social performance of companies (jobs created/preserved; better salaries; better safety; better qualified staff; employability; more job security).

¹ Demonstrated in pilot projects and assessed through regular surveys.

Contribution to expected country-level outcomes

<i>Contributions to policy outcome</i>	<i>Performance indicators</i> ¹
Business policies and regulatory frameworks facilitate entrepreneurial activities, while also ensuring equal opportunities for women, youth and rural populations.	<ul style="list-style-type: none"> • Improved policy and legal frameworks for entrepreneurship development. • Equal opportunities for women, youth and vulnerable groups are mainstreamed into national policy. • Increased advocacy and policy dialogue between the private sector and policymakers on related issues.
<i>Contribution to institutional outcome</i>	<i>Performance indicators</i> ²
Institutions offer support services for potentially competitive entrepreneurs, in particular for women, youth and rural populations, on a sustainable basis.	<ul style="list-style-type: none"> • Support institutions effectively; support growing numbers of entrepreneurs and businesses. • Quality and quantity of services are regularly improved and updated. • Support institutions are operating sustainably.

¹ Based on regular assessments and surveys.

² Based on mapping, gap analysis and customer surveys.

Programme Component C.6: Human Security and Post-crisis Rehabilitation

General description

Countries emerging from crisis face a unique set of challenges. Unless these challenges are identified and effectively addressed, these countries face a high risk of relapsing into violence and social conflict. While the reasons for crisis situations may vary, the common factor in all of them is a serious threat to human security as a result of severely depleted productive capacities, environmental degradation, destroyed livelihoods, non-existent or demolished physical or social infrastructure and the erosion of social capital.

Based on its experience in post-crisis and human security programmes and projects, UNIDO will continue to respond to complex emergencies through activities that contribute to socio-economic as well as environmental and energy security. It will thus help to build resilience of institutions and of the productive sector and contribute to human security particularly of vulnerable groups.

It has been recognized that peacekeeping must be closely interlinked with peace building efforts and socio-economic development. One of the cornerstones in preventing crises and creating resilient societies is, inter alia, socio-economic development as a key factor in a country's ability to recover, withstand or avoid internal and external shocks. UNIDO will thus concentrate on a number of key interventions to help strengthening economic resilience and human security, such as restoring and upgrading of local productive capacities; building and strengthening of institutions; providing access to renewable energy for the poor; and strengthening the resilience of the most vulnerable, including youth and women.

Objective

To promote the recovery of industrial and productive structures and economies of countries emerging from natural or manmade crises, and enhance the human security of vulnerable groups.

Contribution to expected impact

<i>Contribution</i>	<i>Performance indicators</i> ¹
Productive structures of countries emerging from crises recover and provide economic opportunities and better living conditions for vulnerable groups.	<ul style="list-style-type: none"> • Increased income from growing numbers of entrepreneurial initiatives, in particular among vulnerable groups. • Improved social performance of companies (jobs created/preserved; better salaries; better safety; better qualified staff; employability; more job security).

¹ Demonstrated in pilot projects and assessed through regular surveys.

Contribution to expected country-level outcomes

<i>Contribution to policy outcome</i>	<i>Performance indicators</i> ¹
Industrial policies and strategies prevent relapse into crisis through equitable industrial growth.	<ul style="list-style-type: none"> • Improved policy and legal frameworks for economic resilience. • Increased advocacy and policy dialogue between the private sector, vulnerable groups and policymakers on related issues.
<i>Contribution to institutional outcome</i>	<i>Performance Indicators</i> ²
Institutions facilitate local economic development and interactions among economic agents and other stakeholders.	<ul style="list-style-type: none"> • Support institutions effectively provide basic infrastructure and support growing numbers of entrepreneurs and businesses. • Quality and quantity of services are regularly improved and updated. • Services reach vulnerable groups and reinstate cooperation and trust.

¹ Based on regular assessments and surveys.

² Based on mapping, gap analysis and customer surveys.

Programme Component C.7: Quality Assurance, RBM and Funds Mobilization

General description

With regard to quality assurance and monitoring, this programme component will coordinate the operation of a harmonized quality assurance system for all activities covered by Major Programme C from “quality at entry” to “quality at delivery”. It will also ensure that UNIDO’s staff members adhere to established RBM-based quality standards at all stages of the technical cooperation programme/project cycle.

With respect to funds mobilization, the efforts under this programme component will aim mainly at increasing the involvement and contributions of governmental donors to UNIDO for Major Programme C during the biennium 2010-2011. 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 One United Nations programmes and Joint Programmes developed in an increasing number of countries will provide attractive funding opportunities for donors and international funds such as the MDG Achievement (“Spanish MDG”) Fund, the United Nations Trust Fund for Human Security, and other multi-donor trust funds that will be set up in countries adopting the United Nations Delivering as One approach.

Objective

To support the effective operation of Major Programme C through the mobilization of the required resources and in accordance with high quality standards and RBM principles.

Contribution to UNIDO’s management objective

<i>Outcomes</i>	<i>Performance indicators</i> ¹
Donors and financing institutions recognize the importance of productive industrial activities for income generation and poverty alleviation and support related programmes.	<ul style="list-style-type: none"> • Demonstrated improvements in quality of project documents. • Increased value of the portfolio of programme and project proposals.

¹ Based on UNIDO programme statistics and reports of the quality assurance bodies.

MAJOR PROGRAMME D: TRADE CAPACITY-BUILDING

General description:

Enhancing the capacity of developing countries to participate in global trade is critical for their future economic growth and sustainable industrial development, which are prerequisites for poverty reduction and the achievement of MDGs 1, 3 and 8. It also ensures a smoother transition towards more rule-based, non-discriminatory and inclusive patterns of international trade and economic globalization. One of the key determinants of its success is the ability of industries in developing countries to trade internationally, which in turn depends on their ability to qualify as suppliers and enter into national, regional and global value chains often established by transnational corporations (TNCs). This not only requires generally stronger supply capacities but also evidence of international market conformity. Industries therefore need to have better access to know-how and services allowing them to manufacture products with a high export potential and in accordance with quantitative and qualitative market requirements, including international standards, private buyer requirements, technical regulations and social, environmental and corporate social responsibility (CSR) obligations.

Against this background, UNIDO will continue to support developing countries in their efforts to offer competitive, safe, reliable and cost-effective products to the world markets. This will include:

- (a) Identifying sectors and products that have competitive potential;
- (b) Analysing and assessing trends in industrial performance at national, regional and global levels, 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), standards and technical regulations;
- (c) Assisting in upgrading manufacturing processes focusing on sectors with high-export potential to internationally acceptable levels;
- (d) Supporting the creation of export consortia, a specialized form of SME network;
- (e) Defining CSR-related and favourable industrial policies and adequate CSR intermediary institutions; and,
- (f) Designing and implementing national and regional trade capacity-building programmes, in cooperation with international partner agencies such as the Common Fund for Commodities (CFC), FAO, ITC, UNCTAD and the World Trade Organization (WTO).

Compliance with conformity assessment procedures for international standards and market requirements will continue to play a key role in trade capacity-building. In particular, countries that have recently acceded to WTO, or are in the accession process, need to develop adequate conformity infrastructure to fulfil the requirements and obligations, inter alia, under the WTO TBT and SPS agreements. To this end, and based on analyses of infrastructural and service gaps in metrology, testing, certification and inspection services, capacities need to be developed in national standards bodies and organizations so that they can perform internationally-recognized product testing and calibration services. There is also a need to develop accreditation institutions for laboratories, system certifiers, inspection bodies and personnel.

In the area of management system standards, food hygiene and food safety (HACCP and ISO 22000), quality management (ISO 9001), environmental management (ISO 14001), and social accountability (SA 8000) will continue to be of particular importance for industrial exports. Other forms of international conformity that UNIDO intends to address include self declarations of conformity, such as the CE markings (conformity mark used in the European Economic Area); “voluntary” CSR obligations along global value chains, especially in light of the upcoming international standards on social responsibility (ISO 26000) and the new energy management standard currently being developed by ISO with contributions from UNIDO (ISO 50001);

compliance with the EU regulations on registration, evaluation, authorization and restriction of chemical substances (REACH); and carbon footprint labelling.

With the increasing global food safety concerns, exporters in developing countries face the need to implement product traceability schemes. Further, given the increasing role played by private standards as well as the strengthened regulatory and/or supervisory role taken by agencies such as the European Commission Directorate-General for Health and Consumers (DG-SANCO), the Food and Drug Administration of the United States of America, and the emerging Global Food Safety Initiative (GFSI), UNIDO will engage in partnerships with these institutions to support developing country trade capacity and reduce rejections of products from developing countries.

UNIDO will also continue to assist SMEs in developing countries to overcome the significant problems they face in accessing national, regional and global value chains. In particular, the Organization will continue to promote export consortia in developing countries as a proven mechanism to link groups of SMEs to export markets. Furthermore, considering the growing importance of CSR for the large global retailers and manufacturers, UNIDO will assist SMEs linking into value chains to comply with CSR requirements.

A significant contribution will also be made to the implementation of the European Union (EU) Economic Partnership Agreements (EPAs) with the African, Caribbean and Pacific (ACP) regions. UNIDO will formulate large-scale subregional programmes on industrial upgrading and modernization as well as quality infrastructure for five regional economic communities (RECs) in the ACP regions covering more than 60 individual countries. The six-year joint ACP/EU/UNIDO initiative will provide the following services:

- (a) Supporting the upgrading of private industrial enterprises and improving their competitiveness;
- (b) Strengthening the capacities of the quality infrastructure in the beneficiary countries; and
- (c) Establishing and/or upgrading the required technical support institutions.

In this overall context, UNIDO will provide its trade capacity-building services through the following four interrelated programme components, namely industrial capacities for trade competitiveness, quality and compliance infrastructure, export-oriented agribusiness and SME consortia, and corporate social responsibility for market integration.

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

Sub-Saharan Africa

- (a) Despite the current downward climate in the global economy, the evolution from protectionism to liberalization in the global trading system offers tremendous opportunities, which Africa should be enabled to take advantage of in order to promote its trade and industrial development. Apart from various preferential and trade agreements, other important concessionary schemes include the African Growth and Opportunity Act (AGOA) and the Everything But Arms Initiative. However, Africa is yet to reap the benefits of these trading opportunities and the continent's inability to take full advantage can be attributed to a number of factors, including the lack of productive capacity, inability to prove compliance of export products with international standards and other problems related with integration into the multilateral trading system. There is a general consensus that standards and technical regulations drawn by individual countries to protect health and the environment, as well as to ensure quality and safety have continued to pose for Africa serious technical barriers to trade.
- (b) In a determined effort to address these problems, UNIDO has developed programmes aimed at strengthening productive and trade capacities in several pilot countries in Africa. These

programmes were presented at the LDC Ministerial Conference in Cambodia in November 2008, and focus on (i) products – building capacity to specialize in specific products; (ii) sectors – promote intersectoral linkages; (iii) institutions – support efforts to create and sustain industrial promotion organizations; and (iv) enterprises – give targeted support to SMEs in recognition of their leading role in economic production and poverty reduction. In this context, issues relating to technology transfer, cluster development, cleaner production, investments, quality management, traceability, and export consortia will be addressed to promote supply capacity.

Arab Region

(a) Capacity-building for increasing productivity and export, SME export consortia, business partnership programmes as well as innovation and economic diversification will remain core elements of UNIDO's programme in the Arab region. This will involve activities for (i) upgrading the industrial sector to improve the competitiveness and to facilitate the access to markets; (ii) strengthening export sectors through, quality management, standardization, certification and traceability of industrial products; (iii) establishment and strengthening of Investment and Technology Promotion Offices and incubators in the Arab region; and (iv) strengthening South-South cooperation through the implementation of the Arab Industrial Strategy to promote regional integration.

(b) In the North African subregion, UNIDO will increasingly focus on the challenges faced by local industries with the Euro-Mediterranean free trade area entering into force. Activities in the fields of competitive trade expansion, private sector development and the promotion of strengthening SMEs will therefore constitute a primary target of UNIDO's programme in this subregion.

Asia and the Pacific

(a) The Asia and Pacific region comprises a diverse group of countries at divergent levels of development and facing varied trade-related challenges. On the one hand, it hosts a large number of rapidly growing and industrializing countries, led by China, India and some member states of the Association of Southeast Asian Nations (ASEAN). On the other, it includes fourteen LDCs, some of which are landlocked while others are small island developing states. While the region has generally benefited from trade liberalization and global trade, lacking supply capacities clearly exist, particularly in the low-income and lower middle-income countries. In order to improve their competitiveness, UNIDO will emphasize the establishment or enhancement of the standards and conformity infrastructure, institutional capacities for supply chain management, information networking and technology development.

Europe and the NIS

(a) The industrial sectors in the region face a variety of difficulties related to the lack of compliance with European and international standards, as well as in the fields of social and environmental protection. UNIDO will therefore continue to support the efforts of the countries of the region to participate in international trade. To meet the technical requirements prevailing in external markets it will continue to help them to strengthen their capacities to address such issues as conformity assessment, standardization, traceability and quality control. To meet the challenges posed by international social and environmental standards, meanwhile, UNIDO will assist in the establishment of a "Regional Centre for CSR Competence".

Latin America and the Caribbean

(a) In an attempt to take advantage of the opportunities for trade and income growth offered by the processes of globalization and economic liberalization prevailing since the 1980s, the

countries of the LAC region have entered into a number of free trade agreements among themselves and with their major trading partners outside the region. Particular attention has been given in this context to “North-South” accords with industrialized nations, such as with the Free Trade Area of the Americas (FTAA), and with the European Union. However, while offering new opportunities, the opening of the LAC economies also exposed them to significant external competitive pressures and shocks, which necessitated a variety of structural changes that aggravated the incidence of poverty.

(b) Against this background, UNIDO will seek to tailor its technical cooperation projects and programmes to the specific needs of the various countries and subregions within the LAC region. Particular emphasis will be given in this connection to strengthening the integration of the LAC countries at the subregional level, including Central America, the Andean subregion, Mercosur/Mercosul, and the Caribbean. The objectives to be achieved through this integration will include compliance with the increasingly demanding rules and regulations in external markets, the adoption of standards and new marketing strategies, the modernization of technology, and the use of more productive practices that increase the added value and competitiveness of their manufactures. UNIDO has already launched preparatory measures to support such regional integration programmes, often in cooperation and coordination with the European Commission. It is expected that these programmes will be fully operational at the end of the biennium, especially in the Andean, Caribbean and Central American subregions. In addition, LAC countries need to develop strategies to meet new challenges to regional integration, including compliance with more demanding market rules and regulations, adoption of standards, new marketing strategies, modernization of technology and the use of more productive practices that increase the added value and competitiveness of their manufactures.

Overall objective

To ensure that the competitive supply capacities of developing countries and countries with economies in transition and their standards and conformity assessment infrastructure meet the requirements of global markets.

Expected impact

<i>Impact</i>	<i>Performance indicators</i>
Industries are enabled to produce and trade goods and services that meet international public and private industrial standards, and benefit increasingly from globalization.	<ul style="list-style-type: none"> • Increased exports, in particular from poverty relevant sectors. • Reduced rejection rates of exported products. • New products brought to the global market.

Expected country-level outcomes

<i>Policy outcome</i>	<i>Performance indicators</i>
International standards and compliance: Policies and regulations enhance opportunities for international industrial cooperation and rule-based, non-discriminatory patterns of trade.	<ul style="list-style-type: none"> • Trade policies give priority to industrial development. • Effective policy dialogue between public and private sector. • Harmonized framework of trade-related institutions. • Consumers are effectively protected from substandard imports.
<i>Institutional outcome</i>	<i>Performance indicators</i>
Standardization and trade support institutions: Support organizations, adopt and diffuse international public and private industrial standards, provide trade-enabling assistance to enterprises seeking to supply international market opportunities.	<ul style="list-style-type: none"> • National and international standards are aligned (harmonized) and relevant to enterprises. • Support organizations serve increased numbers and types of enterprises. • Enterprises have access to necessary trade-related services. • Enterprises are satisfied with quality of services.

Resources

Resource estimates (in euros)

Posts			2010-2011 estimates (after recosting)			
Professional	General Service	Total	Regular budget	Operational budget	Total	
49.70	21.70	71.40	Staff costs	12,411,625	3,669,820	16,081,445
			Consultants	169,400		169,400
			Meetings	66,800		66,800
			Official travel	242,900		242,900
			Operating costs	146,300		146,300
			Information and comm. techn.	56,100		56,100
			RPTC/SRA	1,873,400		1,873,400
			Total gross expenditure	14,966,525	3,669,820	18,636,345
			Income	(147,780)		(147,780)
Technical cooperation (extrabudgetary)		45,892,000	Total net resources	14,818,745	3,669,820	18,488,565
			Total resources (including extrabudgetary TC)			64,380,565

Programme Component D.1: Thematic Strategies, Regional Priorities and Advocacy

General description

The programme component:

- (a) Develops major thematic strategies for the further programmatic development of Major Programme D, with a particular view on regional priorities and strategies;

- (b) Offers linkages between activities under Major Programme D and strategies towards the achievement of the MDGs, and particularly MDG-1, MDG-3 and MDG-8;
- (c) Communicates and promotes the strategies and activities of Major Programme D within UNIDO, the United Nations system and the public at large;
- (d) Initiates and facilitates advocacy activities on specific issues regarding the thematic priority “Trade capacity-building”.

Objective

To ensure the effective management and promotion of Major Programme D in accordance with the specific requirements of UNIDO’s Member States.

Contribution to expected impact

<i>Contribution</i>	<i>Performance indicators</i> ¹
Thematic strategies in the field of “Trade capacity-building” are developed, based on regional priorities and country needs, and are effectively monitored and communicated.	<ul style="list-style-type: none"> • Thematic strategies provide a clear link between UNIDO’s programme and the MDGs. • Strategy-based advocacy is effective and region-specific.

¹ Based on regular assessments and surveys and UNIDO strategy documents.

Contribution to expected country-level outcomes

<i>Contribution to policy outcome</i>	<i>Performance indicators</i> ¹
Thematic strategies are directly linked to regional and country-level priorities and are communicated to highest-level policymakers.	<ul style="list-style-type: none"> • Thematic strategies are regularly monitored and updated. • Governments and intergovernmental bodies consider UNIDO’s thematic strategies and policy options.

¹ Based on regular assessments and surveys.

Programme Component D.2: Competitive Productive Capacities for International Trade

General description

This programme component aims at strengthening the productive capacities of developing countries, and at enabling them to meet market requirements for quantity, quality, productivity and safety of products and services. To achieve these aims, the programme component seeks to build the capacities of both public- and private-sector institutions in developing countries to formulate trade and industrial policies and strategies based on economic and statistical analysis, benchmarking of competitive performances at the sector and product levels assisting in upgrading manufacturing processes focusing on sectors with high-export potential to internationally acceptable levels. It also supports the establishment of trade-related databases such as inventories of TBTs, which will be designed to expand exports from the industrial sector.

Under this programme component, UNIDO will provide technical support to regional and national quality, productivity and industrial upgrading centres offering targeted services to raise enterprise quality, safety, productivity and export capacity and upgrade and qualify them as suppliers for TNCs including manufacturers

and retailers. This support will focus on strengthening the capacities of these institutions through the transfer of expert knowledge, training programmes, study tours, equipment supply, development of tools, methodologies and good practices and undertaking pilot demonstration projects for building local capacity and enable replication and scaling up. This will enable these institutions to assist upgrading industrial enterprises to increase their competitiveness in terms of price, quality and innovation, and to enable them to follow and assimilate technological developments and shifts in international markets. This UNIDO support for the industrial upgrading and competitiveness enhancement will play a particularly important role in the context of the upcoming EU-EPA agreements with the ACP countries.

This programme component thus aims to:

- (a) Provide assistance in setting up national and regional upgrading/restructuring/modernization infrastructure (policies, offices, competencies and funds);
- (b) Implement demonstration programmes by upgrading groups of enterprises to and qualify them as suppliers of local, regional or international buyers (manufacturers and retailers) including compliance with international standards/technical regulations/buyers standards;
- (c) Build competencies (auditors, consultants, enterprises staff) for upgrading and restructuring and for implementation of product, quality and traceability systems standards and certification.

Objective

To improve the productive capacities of developing countries and enable their enterprises to meet international market requirements.

Contribution to expected impact

<i>Contribution</i>	<i>Performance indicators</i> ¹
Businesses demonstrate improvements in their competitiveness, productivity, quality, safety and export capacity.	<ul style="list-style-type: none"> • Improved quality performance of companies (including standards implementation and certifications, such as ISO 9000; ISO 22000; HACCP). • Improved economic performance of companies (investment, sales, productivity, innovation, export). • Improved social performance of companies (jobs created/preserved; better salaries; better safety; better qualified staff; employability; more job security).

¹ Demonstrated in pilot projects and assessed through regular surveys.

Contribution to expected country-level outcomes

<i>Contribution to policy outcome</i>	<i>Performance indicators</i> ¹
Industrial and trade-related policies and strategies strengthen the competitiveness of industry on export and domestic markets.	<ul style="list-style-type: none"> • Improved policy and legal frameworks for industrial competitiveness. • Increased advocacy and policy dialogue between the private sector and policymakers on related issues.
<i>Contribution to institutional outcome</i>	<i>Performance indicators</i> ²
Public and private business development services (BDS) providers deliver quality services as requested by business on a sustainable basis.	<ul style="list-style-type: none"> • BDS systems effectively support growing numbers of businesses. • Quality and quantity of services are regularly improved and updated. • BDS systems are operating sustainably.

¹ Based on business surveys and regular assessments.

² Based on mapping, gap analysis and customer surveys.

Programme Component D.3: Quality and Compliance Infrastructure

General description

The programme component develops the national and regional legal and institutional frameworks for standards, metrology, testing, certification, accreditation and quality. To enable precision manufacture and to comply with stringent quality requirements, developing countries and economies in transition require a well-developed metrology infrastructure that can establish measurement and traceability chains to the international system of units. Testing laboratories and inspection bodies also constitute critical components of the conformity assessment infrastructures needed to be able to check products and samples for compliance to international standards. In addition to product and process standards, exporters often need to certify against international management system standards such as ISO 9001, ISO 14001 and ISO 22000, as well as private standards. Furthermore, in order to ensure that the local conformity assessment infrastructure obtains global recognition, national or regional accreditation institutions need to be able to qualify to sign the International Accreditation Forum (IAF) Mutual Recognition Arrangement or the International Laboratory Accreditation Corporation (ILAC) Mutual Recognition Arrangement. With increasing food safety concerns, product traceability is an important requirement for market access, and UNIDO will assist developing countries to establish traceability systems. Furthermore, partnerships with regulatory/supervisory bodies such as DG-SANCO, GFSI and leading industry/retailer-driven standards will be developed.

This programme component thus aims at:

- (a) Enabling national standards bodies to offer services for industrial compliance with WTO agreements, especially on TBT/SPS, while taking into account the needs of the private sector, exporters and consumers;
- (b) Developing local capacities in metrology, calibration and product testing to provide services to local testers, producers and exporters according to international best practice, as well as in the field of consumer protection;
- (c) Making available internationally recognized certification services for international public and private standards regarding, inter alia, quality, environment, social accountability, food safety, and traceability to exporters and local enterprises;

- (d) Enabling national and regional accreditation schemes to assess the performance of local and regional laboratories, inspection units and certification bodies;
- (e) Building capacities in consumer associations to promote consumer rights based on national policies and in line with international best practices; and
- (f) Providing support for quality infrastructure development for the ACP countries signing the EU-EPAs.

Objective

To support the development of the infrastructure required to meet international and local standards and assess the conformity of the goods produced in an internationally recognized manner.

Contribution to expected impact

<i>Contribution</i>	<i>Performance indicators</i> ¹
Environmental and public health hazards are reduced and businesses comply with national and international standards.	<ul style="list-style-type: none"> • Improved quality performance of companies (ISO certifications, such as ISO 9000; ISO 22000; HACCP). • Improved protection against substandard imports. • Improved social performance of companies (jobs created/preserved; better salaries; better safety; better qualified staff; employability; more job security). • Improved environmental performance of companies (emissions, material efficiency, energy efficiency, local community protection, eco-efficient products).

¹ Demonstrated in pilot projects and assessed through regular surveys.

Contribution to expected country-level outcomes

<i>Contribution to policy outcome</i>	<i>Performance indicators</i> ¹
The legal framework for SMTQ (“quality law”) is in line with international best practice.	<ul style="list-style-type: none"> • Improved policy and legal frameworks for SMTQ. • Increased advocacy and policy dialogue between the private sector and policymakers on related issues. • Active participation of consumer associations in standard setting and awareness campaigns.
<i>Contributions to institutional outcome</i>	<i>Performance indicators</i> ²
National quality infrastructure (NQI) supports industry on export and domestic markets on a sustainable basis and protects consumers from environmental and health hazards.	<ul style="list-style-type: none"> • NQI effectively supports industry and other national customers. • Quality and quantity of services are regularly improved and updated. • SMTQ providers are operating sustainably. • SMTQ providers are internationally recognized (accredited).

¹ Based on business surveys and regular assessments.

² Based on mapping, gap analysis and customer surveys.

Programme Component D.4: Export-oriented Agribusiness and SME Consortia

General description

For many SMEs, exporting is often a complex business involving high risks and costs. The assistance provided under this component will include the creation of export consortia in different sectors (with special emphasis on agribusiness/agro-industry development), institutional capacity-building, and policy advice on the regulatory and incentive framework. The CSR concepts will be progressively integrated into the process of export consortia development to facilitate the insertion of SMEs into regional and global value chains. The export consortia programme component will prioritize the diffusion of knowledge and the development of specialized skills through the organization of global and regional training and by strengthening its strategic alliances with national, regional and global organizations active in this field and by further promoting South-South cooperation activities.

Objective

To facilitate improved access to international markets for SMEs, including export-oriented agro-industries.

Contribution to expected impact

<i>Contribution</i>	<i>Performance indicators</i> ¹
Members of export consortia benefit increasingly from globalization.	<ul style="list-style-type: none"> Improved economic performance of companies (investment, sales, productivity, innovation, export, safety). Improved social performance of companies (jobs created/preserved; better salaries; better safety; better qualified staff; employability; more job security).

¹ Demonstrated in pilot projects and assessed through regular surveys.

Contribution to expected country-level outcomes

<i>Contribution to policy outcome</i>	<i>Performance indicators</i> ¹
The legal framework and incentives structures are conducive to the development of export consortia as a widely recognized tool for SME development.	<ul style="list-style-type: none"> Improved policy and legal frameworks for export consortia. Increased advocacy and policy dialogue between the private sector and policymakers on related issues.
<i>Contribution to institutional outcome</i>	<i>Performance indicators</i> ²
Public and private institutions support SMEs in creating and promoting export consortia on a sustainable basis.	<ul style="list-style-type: none"> Support institutions effectively support growing numbers of export consortia. Quality and quantity of services are regularly improved and updated. Support institutions are operating sustainably.

¹ Based on business surveys and regular assessments.

² Based on mapping, gap analysis and customer surveys.

Programme Component D.5: Corporate Social Responsibility for Market Integration

General description

Enterprises in developing countries that are endeavouring to participate in global trade are confronted with an increasing number of national and international intergovernmental and private standards, which govern global supply chains. The standards require the adherence not only to technical requirements but increasingly also to the environmental and social principles of CSR. The need to adhere to these standards represents a compliance challenge for SMEs but also a potential competitive advantage and business opportunity to tap new markets. With SMEs representing more than 90 per cent of all businesses in most developing countries, their adherence to CSR practices has considerable potential to improve the overall social and environmental impact of the private sector and contribute to the development of local communities, hence playing a significant role in reaching wider national development and poverty reduction goals.

Objective

To assist SMEs in meeting the CSR standards required in their export markets.

Contribution to expected impact

<i>Contribution</i>	<i>Performance indicators</i> ¹
Businesses demonstrate improvements in their social and environmental performance.	<ul style="list-style-type: none"> • Improved social performance of companies (jobs created/preserved; better salaries; better safety; better qualified staff; employability; more job security). • Improved environmental performance of companies (emissions, material efficiency, energy efficiency, local community protection and eco-efficient products). • Improved quality performance of companies (including standards implementation and certifications, such as ISO 9000; ISO 22000; HACCP).

¹ Demonstrated in pilot projects and assessed through regular surveys.

Contribution to expected country-level outcomes

<i>Contribution to policy outcome</i>	<i>Performance Indicators</i> ¹
Public policy, legal frameworks and incentive structures promote responsible business conduct.	<ul style="list-style-type: none"> • Improved policy and legal frameworks for public private partnerships with explicit reference to CSR. • Increased advocacy and policy dialogue between the private sector and policymakers on related issues.
<i>Contribution to institutional outcome</i>	<i>Performance indicators</i> ²
Public and private institutions support businesses in adopting CSR approaches and social and environmental accountability standards on a sustainable basis.	<ul style="list-style-type: none"> • CSR support institutions effectively support growing numbers of businesses. • Quality and quantity of services are regularly improved and updated. • Support organizations are operating sustainably. • Recognized social accountability standards and labels are available and adopted.

¹ Based on business surveys and regular assessments.

² Based on mapping, gap analysis and customer surveys.

Programme Component D.6: Quality Assurance, RBM and Funds Mobilization

General description

With regard to quality assurance and monitoring, this programme component will coordinate the operation of a harmonized quality assurance system for all activities covered by Major Programme D from “quality at entry” to “quality at delivery”. It will also ensure that UNIDO’s staff members adhere to established RBM-based quality standards at all stages of the technical cooperation programme/project cycle.

With respect to funds mobilization, the efforts under this programme component will aim at strengthening further the existing cooperation with a number of bilateral and regional donors supporting the priority area covered by Major Programme D, and especially with the European Commission. Close cooperation with other international organizations with complementary mandates, such as WTO, ITC and UNCTAD, are expected to lead to higher financial contributions during the biennium. The Aid for Trade initiative is also expected to continue to offer a good opportunity for mobilizing resources for UNIDO’s work in this important area. Donors will continue to be approached for contributions to the UNIDO Trust Fund on Trade Capacity-building, which has proved to be a successful mechanism for developing new programmes as well as strengthening the involvement of international technical organizations in the areas of standards, metrology and accreditation in enhancing the capacities of developing countries in these areas. Furthermore, discussions will be undertaken in order to ensure that the required co-funding for large-scale programmes will be made available, possibly through the establishment of a multi-donor trust fund.

Objective

To support the effective operation of Major Programme D through the mobilization of the required resources and in accordance with high quality standards and RBM principles.

Contribution to UNIDO's management objective

<i>Outcomes</i>	<i>Performance indicators</i> ¹
Donors and financing institutions recognize the importance of infrastructure and quality upgrading measures required for trade capacity-building and support related programmes.	<ul style="list-style-type: none">• Demonstrated improvements in quality of project documents.• Increased value of the portfolio of programme and project proposals approved for funding.

¹ Based on regular assessments and surveys and reports of the quality assurance bodies.

MAJOR PROGRAMME E: ENVIRONMENT AND ENERGY

General description

The global demand for natural resources for industrial production and consumption is outpacing the renewal and assimilative capacities of the natural environment and the capacity of governments to manage pollution and wastes. While industrial growth has helped raise hundreds of millions of people out of poverty in many countries over the last decades, particularly in ever-growing urban agglomerations, it is evident that economic growth and urbanization have come at a price. These trends have triggered an accelerating decline in natural capital, with deforestation, declining biodiversity, disappearing water resources, depletion of the ozone layer and degraded lands, all as a result of unprecedented levels of mainly industrial and urban air, water, and land pollution.

This phenomenon has been accompanied by inadequate or non-existent environmental and urban services, including recycling systems, wastewater treatment and sewage systems, drainage, water supply, sanitation, and solid waste management. Such deficiencies inhibit economic growth, place further stress on natural systems, and damage public health and the investment climate. They also constrain the potential for urban areas to contribute fully to economic growth.

While developing countries must not be denied the chance to share in the planet's wealth, it is important to acknowledge that negative environmental effects will continue to result from current development patterns. Given the present trends in consumption and population growth, it is questionable whether our globe can continue to withstand growing levels of pollution and resource extraction without a continuation of these adverse consequences. Adjustments are therefore needed in both the developed and developing countries.

The international concern over global climate change is increasing the attention being given to these issues. The impacts of climate change may be very serious to developing countries, particularly LDCs, many of which are ill-equipped to deal with the resulting effects on agricultural output, labour productivity, health and internal displacement. The hardest hit will undoubtedly be the poor. They are the most directly exposed to pollution and the extremes of nature brought on by climate change, and have a greater dependence on natural resources, such as crops, livestock and biomass fuels. As water tables fall and surface water variability increases, harvest cutbacks could occur simultaneously in many countries, creating potentially unmanageable food scarcity.

UNIDO has long recognized that environmental issues must be addressed and preventive approaches, including cleaner production, must be promoted at a systemic level in industrial development. The promotion of resource efficiency requires a perspective and a decision-making process that simultaneously considers both economic value and environmental stewardship.

Improved resource efficiency applies equally to materials, energy and water. It reduces greenhouse gas emissions from energy generation and use, materials extraction and processing, transportation and waste disposal. Sustainable industrial energy strategies that include adoption of renewable energy sources as well as energy efficiency are thus key for addressing climate change through moving economies onto a lower carbon path.

Intensified competition for scarce resources, including water, energy, materials and land, may not only amplify conflicts within the industrial context since environmental degradation and climate change may also intensify already worrying trends, such as desertification, sea-level rise, more frequent severe weather events and shortages of freshwater, leading in the worst scenarios to civil and cross-border conflict, uncontrollable migration and violence over scarce necessities. Resource efficiency and low-carbon economic development can thus lessen the pressures and help to avert some important root causes of social conflict.

Whilst all industrial sectors have a role to play in reducing their resource use intensities and waste and pollution intensity, a special focus is needed for the environmental goods and services sector. This covers the

businesses that supply environmental technologies and services, including for example, waste recovery, reuse and recycling, water and wastewater management, waste treatment and disposal, renewable energies, energy efficient process technology, and environmental rehabilitation services. This environmental services sector requires specific attention as it plays a key role in the transfer, adaptation and replication of environmentally sound technologies, which in turn are a required to achieve major improvements in resource efficiency and de-carbonization of the entire industry sector.

Against this background, UNIDO provides its support services in the environment and energy thematic priority area through three interrelated programme components, covering resource efficient and low-carbon industrial production, renewable energy for productive use, and capacity-building for the implementation of multilateral environmental agreements. The strong interrelationships will be given greater emphasis through the development of the Green Industries Initiative.

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

Sub-Saharan Africa

(a) The energy scenario in most parts of Africa is characterized by lack of access (especially in the rural areas), low purchasing power, low energy efficiency and over-dependence on the traditional biomass for meeting basic energy needs. Since access to affordable energy is the central determinant of economic growth and poverty reduction efforts, Africa continues to face critical challenges related to its energy sector. Yet, Africa is endowed with vast energy resources that remain largely untapped. For example, only seven per cent of its hydro potential has been exploited. While North Africa is reliant on oil and gas, South Africa uses coal and the rest of the region depends on traditional biomass. The need to exploit all sources of energy therefore remains high, especially as imported oil is having debilitating effects on the economies of many countries.

(b) In the period under consideration, emphasis will be placed on a number of activities including scaling up of access to energy by demonstrating the potential of renewable energy, accelerating rural electrification, promoting energy efficiency especially in industrial complexes, strengthening national capacities and policies and forging South-South cooperation. In pursuing these objectives, due account will be given to the outcomes of recent expert group meetings on biofuels (Addis Ababa, Ethiopia), renewable energy (Dakar, Senegal) and other international knowledge platforms. Regarding the environment, programmes relating to large marine ecosystems and those financed through global funds (POPs, GEF) will be reinforced.

Arab Region

(a) The Arab region as a whole faces significant environmental challenges due to heavy pollution and the inefficient use of energy. UNIDO will therefore continue to assist the region in its efforts to promote future-oriented policy and institutional frameworks for energy-related and environmental measures, based on national environmental policies, priorities and institutional needs. In this context, the programme will focus on promoting industrial energy efficiency, the adoption of cleaner and sustainable production, wastewater management, the transfer of environmentally sound technologies (ESTs), and follow-up on implementation of the Montreal Protocol and selected international environmental protocols and agreements. Moreover, for Gulf Cooperation Council (GCC) countries, environmental management and control will be of particular importance, and the programme will pursue activities in the fields of cleaner production and the promotion of modern, green technologies.

(b) In North Africa, natural resource degradation and depletion, in particular in regard to the subregion's water bodies, continues to pose serious problems. UNIDO will therefore put particular importance on building national capacities to address, inter alia, industrial pollution.

In Arab LDCs, the programme will focus on promoting the use of renewable energy to support productive activities.

Asia and the Pacific

(a) The Asia and Pacific 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. The Regional Programme for Asia and the Pacific will therefore give high priority to the integration of economic and environmental measures. In particular, UNIDO will promote its Green Industry Initiative in Asia and give high emphasis to issues of environmental management in countries where industrialization has already advanced, including China, India and several ASEAN countries. The services provided to these countries will include programmes related to the Montreal Protocol, the elimination of POPs, and cleaner production and resource efficiency. Where appropriate, the Organization will also support the transfer of modern environmentally sound technologies for renewable energy and water management. In low-income countries and LDCs, and in particular in the Pacific Island countries, the main focus will be on regional cooperation projects and programmes for food safety, renewable energy and climate change.

Europe and the NIS

(a) To address climate change and other energy-related issues, UNIDO will promote projects on industrial energy efficiency and energy management standards, focusing on a new generation of energy-saving technologies. In addition, UNIDO will assist in exploring the scope for expanding the use of renewable sources of energy, such as wind, solar, biomass, small hydropower and biofuels. The International Centre for Hydrogen Technologies (ICHET) in Istanbul, Turkey, will continue its research on use and application of hydrogen as a renewable source of energy through demonstration projects in the region and worldwide.

(b) Cleaner and sustainable production will remain a priority programme within the environmental area. UNIDO's activities will be expanded through the establishment of new National Cleaner Production Centers (NCPCs) and the strengthening of the existing NCPCs in the region. The Organization will also continue to assist the governments of the region in the field of water management by supporting the increased reuse and recycling of water, and the application of environmentally sound technologies to minimize water and pollution discharges. Meanwhile, in the context of the Montreal Protocol and the Stockholm Convention, UNIDO will continue its activities in phasing out ozone depleting substances and persistent organic pollutants.

Latin America and the Caribbean

(a) The natural wealth and abundance of the region's different ecosystems form an important base for the development of its economies and the improvement of its people's quality of life. However, the overexploitation of these resources, reinforced more recently by the effects of climate change, is resulting in their rapid depletion and in serious damage to the natural environment. While these general conditions prevail in varying degrees throughout the LAC region, the overall environmental stress in the region underlines the fact that poverty reduction and sustainable industrial development will only be achieved if environmental and social concerns are properly integrated into industrial strategies, policies and plans, with shared responsibilities at all levels of private and public institutions in the region. UNIDO will therefore continue to offer its services in the areas of cleaner industrial production, renewable and affordable energy for productive use, and the more efficient utilization of energy as key elements for ensuring the sustainable exploitation of the region's material resources for industrial production.

Overall objective

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

Expected impact

<i>Impact</i>	<i>Performance indicators</i>
Industries adopt resource-efficient, low-carbon and ODS-free patterns of production and growth, which contributes to mitigating environmental challenges and adapting to climate change, while improving productivity.	<ul style="list-style-type: none"> • Reduced industrial pollution. • Better use of natural resources. • Increased use of renewable energies. • Reduced ozone-depleting substances (ODS) and CO₂ emissions.

Expected country-level outcomes

<i>Policy outcome</i>	<i>Performance indicators</i>
Industrial sustainability policies and practices: Industrial policies, plans and regulations internalise environmental considerations and the sustainable use of goods, services and energy.	<ul style="list-style-type: none"> • Industrial policies define verifiable environmental objectives and comply with multilateral environmental conventions, protocols and agreements. • Legislation and enforcement mechanisms ensure compliance with environmental agreements. • Policies and regulations provide incentives for sustainability. • Energy policies give priority to productive energy use.
<i>Institutional outcome</i>	<i>Performance indicators</i>
Institutional: Green industry support services: Public and private institutions support industry in complying with environmental agreements and provide services to mitigate negative industrial externalities and to adapt to climate change.	<ul style="list-style-type: none"> • Support organizations serve increased numbers and types of enterprises. • Environmental and other enterprise support services delivered in integrated manner. • Private service providers emerge and develop. • Enterprises have access to renewable energy supply. • Enterprises have adopted ODS-free technologies. • National institutions are effectively implementing international environmental agreements.

Resources

Resource estimates (in euros)

Posts			2010-2011 estimates (after recosting)			
Professional	General Service	Total	Regular budget	Operational budget	Total	
70.60	36.60	107.20	Staff costs	18,853,520	4,229,395	23,082,915
			Consultants	394,500		394,500
			Meetings	184,400		184,400
			Official travel	570,000		570,000
			Operating costs	124,500	567,357	691,857
			RPTC/SRA	4,891,000		4,891,000
			Total gross expenditure	25,017,920	4,796,752	29,814,672
Technical cooperation (extrabudgetary)		99,245,000	Income	(164,440)		(164,440)
			Total net resources	24,853,480	4,796,752	29,650,232
			Total resources (including extrabudgetary TC)			128,895,232

Programme Component E.1: Thematic Strategies and Advocacy

General description

The programme component:

- Develops major thematic strategies for the further programmatic development of Major Programme E, with a particular view on regional priorities and strategies;
- Offers linkages between activities under Major Programme E and strategies towards the achievement of the MDGs, and particularly MDG-1, MDG-7 and MDG-8;
- Communicates and promotes the strategies and activities of Major Programme E within UNIDO, the United Nations system and the public at large;
- Initiates and facilitates advocacy activities on specific issues regarding the thematic priority "Environment and energy".

Objective

To ensure the effective management and promotion of Major Programme E in accordance with the specific requirements of UNIDO's Member States.

Contribution to expected impact

<i>Contribution</i>	<i>Performance indicators</i> ¹
Thematic strategies in the field of "Environment and energy" are developed, based on regional priorities and country needs, and are effectively monitored and communicated.	<ul style="list-style-type: none"> Thematic strategies provide a clear link between UNIDO's programme and the MDGs. Strategy-based advocacy is effective and region-specific.

¹ Based on regular assessments and surveys and UNIDO strategy documents.

Contribution to expected country-level outcomes

<i>Contribution to policy outcome</i>	<i>Performance indicators</i> ¹
Thematic strategies are directly linked to regional and country-level priorities and are communicated to highest-level policymakers.	<ul style="list-style-type: none"> • Thematic strategies are regularly monitored and updated. • Governments and intergovernmental bodies consider UNIDO's thematic strategies and policy options.

¹ Based on regular assessments and surveys.

Programme Component E.2: Resource-efficient and Low-carbon Industrial Production

General description

In many developing countries, environmental management in the industrial sector has started to shift to preventive techniques, or cleaner production. This is based on changing the production processes, or their products and services, to avoid the generation of wastes and emissions, which generally also improves enterprise productivity. Today's most pressing global environmental problems, including climate change, are provoking a renewed focus on the productive use of natural resources, including energy, water and materials to reduce, both directly and indirectly the carbon intensity of industrial production. This process is being further enhanced through the switch to renewable energy sources and/or fossil fuels with a lower carbon intensity.

Under this programme component, UNIDO will promote the application of cleaner production methods, techniques and policies, as a starting point for achieving resource-efficient and low-carbon industrial production. This will be complemented by targeted measures to enhance industrial energy efficiency and management, the productive use of water, and the environmentally sound management of chemicals.

While cleaner production can do much to reduce the waste and pollution generated by industrial processes, some residuals will nevertheless remain, and industry needs support from the environmental services sector to recycle or otherwise dispose of them in an environmentally sound manner. At the same time, the products that industry manufactures require proper management when they reach the end of their useful lives and become waste. As the economies of developing countries grow, their need for a strong environmental sector becomes ever more important. Under this programme component, UNIDO will therefore also aim to assist developing countries in building up their environmental services sectors, with a particular focus on strengthening their recycling industries.

The levels of water consumption by the industrial sector will also continue to increase, as will the amounts and toxicity of the effluents it discharges to water bodies. This will become particularly critical in many developing countries, which are already suffering from shortages of water that might increase with climate change. Under this programme component, UNIDO will therefore also provide assistance to countries to protect their water resources (both national and those shared with other countries), from discharges of industrial effluents, and to increase industrial water productivity and reduce excessive water consumption by industry. In this connection, UNIDO will also support national and regional policymakers and institutions in formulating and implementing measures to ensure the protection and sustainable use of Large Marine Ecosystems (LMEs), involving transboundary maritime areas and their associated coastlands. These measures will also address the issues of land-based pollution by toxic chemicals, as well as rural and urban water supply and the development of related infrastructure.

Objective

To support reduced resource consumption, emissions and industrial wastes in industrial processes.

Contribution to expected impact

<i>Contribution</i>	<i>Performance indicators</i> ¹
Businesses adopt cleaner, resource efficient and low-carbon production methods and reduce risks to the environment and public health.	<ul style="list-style-type: none"> Improved environmental performance of companies (emissions, material efficiency, energy efficiency, local community protection and eco-efficient products). Improved economic performance of companies (investment, sales, productivity, innovation, export).

¹ Demonstrated in pilot projects and assessed through regular surveys.

Contribution to expected country-level outcomes

<i>Contribution to policy outcome</i>	<i>Performance indicators</i> ¹
<ul style="list-style-type: none"> Government policies, legal frameworks and incentives structures are conducive to cleaner, resource efficient and low-carbon production. 	<ul style="list-style-type: none"> Improved policy and legal frameworks for cleaner, resource efficient and low-carbon production. Environmental policy instruments are mainstreamed into government policy (cleaner and resource efficient production; energy management systems and standards; industrial chemicals management; ecosystems based management of water bodies).
<i>Contribution to institutional outcome</i>	<i>Performance indicators</i> ²
<ul style="list-style-type: none"> Public and private service providers support business and other stakeholders with the adoption of cleaner, resource efficient and low-carbon production methods on a sustainable basis. 	<ul style="list-style-type: none"> Environmental support services effectively support growing numbers of businesses and are integrated with other BDS. Quality and quantity of services are regularly improved and updated. Environmental support services are operating sustainably.

¹ Based on regular assessments and surveys.

² Based on mapping, gap analysis and customer surveys.

Programme Component E.3: Renewable Energy for Productive Use

General description

Enhancing access to modern and reliable energy supplies is widely regarded as a prerequisite for economic and social development in the developing economies. To promote sustainable economic development, this energy must be used to promote productive uses that create jobs and greater income generation opportunities for local communities. This programme component therefore works to increase access to modern energy supplies, especially based on renewable energy, for supporting the development of productive capacities in rural and urban areas.

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 developing countries. Several renewable energy technologies have emerged as economically viable and environmentally friendly options, which if suitably adopted, can meet the growing energy needs of industry, and particularly those of SMEs.

Under this programme component UNIDO will, in particular, promote access to energy for productive uses in rural areas and industrial applications of renewable energy in energy-intensive manufacturing SMEs, which have requirements for motive power and process heat for low or high temperature applications. Currently, SMEs satisfy the great majority of these requirements through electricity derived from fossil fuels or from the direct combustion of such fuels, in the form of furnace oil, kerosene or coal and biomass. In view of rapidly rising costs of these fuels and scarcity of biomass, enhanced use of renewable energy technologies would not only improve the local environment, but also increase the productivity and competitiveness of the SMEs. It also offsets unreliable energy supplies from national grids.

Furthermore, UNIDO will specifically provide advice to national and regional planners and decision makers in elaborating strategies for their industrial energy mix, considering all available technologies, with a particular focus on renewable sources of energy. It will also enhance efforts to promote national and regional production and assembly capacities for renewable energy technologies and adequate support structures, including innovative financial schemes and institutional frameworks.

Objective

To promote the use of renewable energy technology for industrial applications by SMEs and other users.

Contribution to expected impact

<i>Contribution</i>	<i>Performance indicators</i> ¹
Businesses effectively use energy from renewable sources for production purposes and reduce greenhouse gas emissions.	<ul style="list-style-type: none"> • Increased productive use of renewable energy sources (in kilowatt hours and in percentage share of renewable energy in rural electrification). • Economic benefits from increased use of renewable energies (new businesses; jobs; income). • Improved environmental performance of companies (emissions, energy efficiency, eco-efficient products).

¹ Demonstrated in pilot projects and assessed through regular surveys.

Contribution to expected country-level outcomes

<i>Contribution to policy outcome</i>	<i>Performance indicators</i> ¹
Government policies, legal frameworks and incentives structures are conducive to the increased use of renewable energies, in particular for production purposes.	<ul style="list-style-type: none"> • Improved policy and legal frameworks for the increased use of renewable energies. • Use of renewable energies is mainstreamed into electrification and industrialization strategies.
<i>Contribution to institutional outcome</i>	<i>Performance Indicators</i> ²
Public and private organizations promote and develop the use of renewable energy sources on a sustainable basis.	<ul style="list-style-type: none"> • Renewable energy systems support growing numbers of businesses and are accompanied by BDS. • Quality and quantity of services are regularly improved and updated Investments (private and public) into renewable energy systems are growing. • Number of companies manufacturing renewable energy components and equipment is growing.

¹ Based on regular assessments and surveys.

² Based on mapping, gap-analysis and customer surveys.

Programme Component E.4: Implementation of Multilateral Environmental Agreements

General description

Over the years, Governments in the developing countries and countries with economies in transition have become parties to many multilateral environmental agreements (MEAs). A number of these have a strong industrial component in their implementation requirements, and through this programme component UNIDO will assist these Governments to implement three such MEAs in particular: the Montreal Protocol of the Vienna Convention with regard to the phasing-out of the production and consumption of ozone-depleting substances (ODSs); the Stockholm Convention for the control and phase-out of persistent organic pollutants (POPs); and the United Nations Framework Convention on Climate Change (UNFCCC).

With respect to ODS, this programme component assists Governments of developing countries that are signatories to the Montreal Protocol (Article 5 countries) to comply with its requirements through transferring non-ODS-based technologies to them and supporting them in meeting the set targets in terms of tonnages of ODS to be eliminated. Following the decision of the nineteenth Meeting of the Parties to support the accelerated phase-out of hydrochlorofluorocarbons (HCFCs), this programme component will shift its focus accordingly during the 2010-2011 biennium towards the accelerated phase-out of HCFCs, while parallel efforts will continue in the methyl bromide sector and the other ongoing national and sectoral phase out programmes. Finally, another dimension of interventions that will be gaining increasingly importance will be the destruction of ODS.

The climate change element of this programme component aims at supporting developing countries and countries with economies in transition with both the mitigation approaches and the adaptation approaches embedded in the UNFCCC. The former will involve reducing greenhouse gas emissions at source through energy efficiency measures, as well as the elimination of HCFCs, and the destruction of ODS, which also have strong climate change impacts. The latter will involve assisting developing countries to adapt to the unavoidable levels of climate change.

Other than activities undertaken under the Montreal Protocol, support services for mitigation will include the development of viable projects for greenhouse gas emission reductions in developing countries and economies in transition, which will provide sustainable development benefits at the national level in addition to contributing to global environmental efforts to mitigate climate change. Support services for adaptation will include assistance with the development of relevant programmes and projects, focusing on the adaptation priorities of the industrial sector in developing countries. To this end, UNIDO will continue to:

- (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 (such as buyers and sellers of emission reductions); and
- (c) Maximize and promote carbon finance potential to support technology transfer and know-how in industrial energy efficiency and renewable energy for industrial application.

With respect to POPs, the programme component aims to assist Governments that are parties to the Stockholm Convention to implement legal, organizational and environmental management measures, including substantive technological changes, needed to comply with the requirements of the Convention.

Objective

To support Member States in meeting their obligations under the major multilateral environmental agreements.

Contribution to expected impact

<i>Contribution</i>	<i>Performance indicators</i> ¹
Countries meet their commitments under the Montreal Protocol, the Stockholm Convention and the UNFCCC.	<ul style="list-style-type: none"> • Compliance with Montreal Protocol and Stockholm Convention targets. • Reduced emissions of ODSs, POPs (chemicals and wastes) and greenhouse gases (GHGs). • Increased industry-related transfer of climate- and environmentally friendly technology.

¹ Demonstrated in pilot projects and assessed through regular surveys.

Contribution to expected country-level outcomes

<i>Contribution to policy outcome</i>	<i>Performance indicators</i> ¹
Government policies, legal frameworks and incentives structures are in line with internationally agreed environmental conventions and obligations.	<ul style="list-style-type: none"> • Amendments of Montreal Protocol and ODS legislation in place. • Compliance with Montreal Protocol targets. • Compliance with Stockholm Convention deadlines. • Increased number of industry-related CDM projects.

<i>Contribution to institutional outcome</i>	<i>Performance indicators</i> ²
National institutions assure country compliance with the Montreal Protocol and Stockholm Convention and facilitate climate change mitigation and adaptation.	<ul style="list-style-type: none"> • Increasing number of enterprises migrate to non-ODS based technologies. • Increasing number of countries finalize and implement their National Implementation Plans (NIPs). • Institutions effectively support growing numbers of industry-related CDM projects.

¹ Based on regular assessments and surveys.

² Based on mapping, gap analysis and customer surveys.

Programme Component E.5: Quality Assurance, Funds Mobilization and RBM

General description

With regard to quality assurance and monitoring, the programme component will coordinate the operation of a harmonized quality assurance system for all activities covered by Major Programme E from “quality at entry” to “quality at delivery”. It will also ensure that UNIDO staff members adhere to established RBM-based quality standards at all stages of the technical cooperation programme/project cycle.

With respect to funds mobilization, the efforts under this programme component will aim at strengthening further the existing close cooperation with the Montreal Protocol and the Global Environment Facility (GEF) in support of the priority area covered by Major Programme E. Close cooperation with other international organizations engaged in complementary focus areas, and UNEP in particular, is expected to improve funding for both parties. Further discussions with donors will be undertaken in order to ensure that the required co-funding for the large-scale programmes developed under this thematic priority will be made available, possibly through the establishment of a multi-donor trust fund. It is expected that efforts will also continue with key interested donors to put in place an efficient mechanism for strategic cooperation for promoting cleaner and sustainable production.

Objective

To support the effective operation of Major Programme E through the mobilization of the required resources and in accordance with high quality standards and RBM principles.

Contribution to UNIDO’s management objective

<i>Outcomes</i>	<i>Performance indicators</i> ¹
Donors and financing institutions recognize the importance of sustainable industrial production and support related programmes.	<ul style="list-style-type: none"> • Demonstrated improvements in quality of project documents. • Increased value of the portfolio of programme and project proposals approved for funding.

¹ Based on UNIDO’s programme statistics and reports of the quality assurance bodies.

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

General description

This Major Programme comprises a number of cross-cutting programmes, which complement the other UNIDO major programmes with the objective of enhancing the coherence and quality of UNIDO technical cooperation and global forum activities. These cross-cutting programmes have been identified as strategic industrial research and statistics, partnerships with international financial institutions and the private sector, South-South cooperation, and the special programme for the least developed countries. In addition, this Major Programme also includes regional programmes for all of the five geographical regions covered by UNIDO to facilitate programmatic coherence at the country and regional level, as well as supporting the Organization's field operations in these regions.

The application of the Major Programme and its various components will be determined by the specific developmental needs of the regions and countries concerned. For this purpose, individual regional programmes will be formulated to draw upon the various available programme components and integrate them into coherent and demand-driven regional response packages, specifically designed to meet the industrial policy and technical cooperation needs of each region. The key services to be incorporated into the regional programmes in Africa, the Arab region, Asia and the Pacific, Europe and the Newly Independent States, and Latin America and the Caribbean for the period 2010-2011 are described in the outcomes of Major Programmes C, D and E. These will be refined into more specific country programmes addressing the precise development needs of the countries concerned according to their level and pattern of industrial and economic development. Furthermore, special programmes will be developed to cover priorities in areas such as least-developed countries (LDCs) and countries in post-crisis situations.

Overall objective

To provide a range of important cross-cutting services, including industrial research and statistics, the promotion of strategic partnerships, support for South-South Cooperation and the special requirements of LDCs, as well as ensuring the country-level and regional coherence of UNIDO's services.

Contribution to UNIDO's development objective

<i>Outcomes</i>	<i>Performance Indicators</i> ¹
Public policies, economic strategies and multilateral development cooperation promoting region/country-specific industrial development that reduce poverty and promote an inclusive globalization and environmental sustainability.	<ul style="list-style-type: none">• Effective multilateral debate and regional cooperation in fields related to sustainable industrialization and growth• Improved economic, social and environmental performance of industrial sectors

¹ Based on reports of the policymaking organs and statements by Member States.

Resources

Resource estimates (in euros)

Posts			2010-2011 estimates (after recosting)		
Professional	General Service	Total	Regular budget	Operational budget	Total
52.50	98.40	150.90			
			Staff costs	16,952,665	21,410,990
			Consultants	1,027,300	1,027,300
			Meetings	526,700	526,700
			Official travel	1,415,400	1,415,400
			Operating costs	6,835,200	6,835,200
			Information and comm. techn.	11,300	11,300
			RPTC/SRA	1,246,900	1,246,900
			Total gross expenditure	28,015,465	32,473,790
			Income	(1,710,800)	(1,710,800)
			Total net resources	26,304,665	30,762,990

By programme

	Posts		Regular and operational budgets	Technical cooperation (extrabudgetary)	TOTAL
	P	GS			
F.1. Strategic Industrial Research and Statistics	10.95	12.60	6,005,270		6,005,270
F.2. Special Programmes	15.30	5.60	6,390,600		6,390,600
F.3. Regional Prog. & Country-level & Reg. Coherence	26.25	10.20	10,320,800		10,320,800
F.4. Field Operations Support		70.00	8,046,320		8,046,320
F. Total major programme	52.50	98.40	30,762,990		30,762,990

Programme F.1: Strategic Industrial Research and Statistics

General description

The main contribution of this programme is to provide a strong analytical foundation for the process of formulating, implementing and monitoring industrial strategies and policies. It does so by examining the structural shifts that take place within manufacturing industry in the context of industrial development, and their key investment and technological determinants, as well as their impact on poverty reduction, enhanced international trade capacity and environmental sustainability. The analysis is conducted at the international, regional and country levels, and also assesses the interrelationships between these levels of analysis.

The first component of this programme, strategic research, will provide developing countries and countries with economies in transition with an understanding of the changes that take place as the process of manufacturing production progresses from basic to advanced skill levels, from simple labour-intensive to complex automated industrial activities, and from low- to high-technology manufacturing. In describing and explaining these structural changes, this programme component will also examine the role of investment and technological learning and change. The insights gained through this research will be built into an analysis of the mechanisms and possible consequences of industrial development. This will, in turn, constitute the basis for building an industrial policy framework aimed at recommending optimal country-specific industrial development strategies.

The second component of this programme, industrial statistics, will continue to implement UNIDO's international mandate in the field of industrial statistics. The Organization has the obligation to compile and distribute key industrial statistics, which governments, private sector entities and knowledge institutions also use for the formulation of their own industrial strategies, policies and programmes. In addition, the programme component will continue to develop methodologies for the production and dissemination of industrial statistics, which emerge from the interaction between national statistics offices, UNIDO and the international statistics community. Finally, the programme component will also focus on developing new indicators related to UNIDO's thematic priorities, including industrial competitiveness, subsectoral productivity and energy consumption.

A major new activity aimed at channelling collaborative activities, and attracting and disseminating new research in industrial development and UNIDO's thematic priorities, will be the establishment of the UNIDO Institute (UI). This will be the main vehicle for networking, joint research and training by UNIDO, and will focus on developing exchange programmes with universities and research centres, undertaking joint research projects and publications, and training of government officials as well as representatives of the private sector and non-governmental organizations. The development of networking and joint research will take place with a selected number of leading academic institutions from developed and developing countries, founded on a long-term relationship. Training will take the form of executive courses provided by technical cooperation, field and research staff of UNIDO, as well as academics from partner institutions.

Objective

To support the analytical and decision-making capacities of governments and the private sector in the formulation, implementation and monitoring of strategies and policies to promote sustainable industrial development.

Resources

Resource estimates (in euros)

Posts			2010-2011 estimates (after recosting)			
Professional	General Service	Total	Regular budget	Operational budget	Total	
10.95	12.60	23.55	Staff costs	3,795,020	635,050	4,430,070
			Consultants	639,400		639,400
			Meetings	213,700		213,700
			Official travel	174,300		174,300
			Operating costs	138,500		138,500
			Information and comm. techn.	5,100		5,100
			RPTC/SRA	404,200		404,200
			Total gross expenditure	5,370,220	635,050	6,005,270
			Total net resources	5,370,220	635,050	6,005,270

Programme Component F.1.1: Strategic Research

General description

This programme component conducts research into the role of the various determinants of industrial development and structural change, including subsectoral productivity differentials and growth. A key area of focus under this programme component will be the role of domestic investments, including those undertaken in machinery, buildings and new knowledge. To the extent that the success of investment in achieving industrial growth also depends on the quantity and quality of available resources, the programme component will examine the availability of labour and natural resources, and how they determine the direction and impact of investment. In addition, the programme component will study the role of technological learning and

change, and more specifically, why and how the technology choices of individual firms, and their efforts to adapt and create new technology, lead to shifts in the composition and productivity of manufacturing industry.

This programme component will also address questions related to what type of industrial strategies, patterns or structural shifts are more conducive to poverty reduction, energy efficiency and/or environmental sustainability. The impact of diverse types of SME clustering arrangements would also be investigated, as would the implications of natural resource-based as opposed to processing-based value chains on structural change. Another key set of issues relate to the choices in terms of energy efficient technologies and investments at different stages of industrial development. A third set of issues relates to the interrelationship between stages of industrial development and the role of international trade. By addressing these related issues, it will be possible to establish close analytical linkages between UNIDO's thematic priorities and the causes and nature of industrial development.

The research outputs, such as research findings and policy recommendations, will be disseminated through the UNIDO website, expert group meetings, publications, presentations, workshops and dialogue with Member States. A major output of the research programme component will continue to be the Industrial Development Report (IDR), UNIDO's periodical flagship publication. These outputs will contribute to improving the analytical foundations and the policy framework for improving the strategies and policymaking processes in developing countries and economies in transition. They will also contribute to strengthening the conceptual and analytical base of UNIDO's major programmes and special initiatives.

Objective

To provide research services aimed at supporting the formulation of policies and programmes promoting industrial development and economic growth.

Contribution to the expected impacts of Major Programmes C, D and E

<i>Contribution</i>	<i>Performance indicators</i> ¹
Public policies, economic strategies and multilateral development cooperation promote sustainable industrialization and growth.	<ul style="list-style-type: none"> • Growing debate on issues related to sustainable industrialization and growth. • Improved economic performance of industrial sectors, particularly in developing countries.

¹ Based on regular assessments and surveys.

Contribution to the expected country-level outcomes of Major Programmes C, D and E

<i>Contribution to policy outcomes</i>	<i>Performance indicators</i> ¹
Industrial policies and strategies are future-oriented, based on sound empirical and analytical foundations and encourage innovative and knowledge-based private sector development.	<ul style="list-style-type: none"> • Improved policy and legal frameworks for industrial activities. • Increased advocacy and policy dialogue between the private sector and policymakers on related issues. • Traceable contributions of UNIDO's research to global knowledge generation in the field of sustainable industrial development.

<i>Contribution to institutional outcomes</i>	<i>Performance indicators</i> ¹
Governments have the capacity to use analytical tools and to develop, implement and monitor future-oriented industrial policies and strategies.	<ul style="list-style-type: none"> • Increased use of advanced methodologies and analytical tools in policymaking processes. • Operational and sustainable BDS systems effectively support growing numbers of businesses. • Quality and quantity of services are regularly improved and updated.

¹ Based on regular assessments and surveys.

Programme Component F.1.2: Industrial Statistics

General description

This programme component provides comparable, reliable and up-to-date industrial statistics at the global level that will constitute the empirical basis on which to develop, implement and monitor strategies, policies and programmes to support sustainable industrial development. It also supports technical cooperation services to enhance the national capacities to compile and collect such statistics at the national level.

As such, this programme component provides the framework for the implementation of UNIDO's international mandate for collecting, compiling and disseminating industrial statistics globally, while also addressing the Organization's internal statistical needs for its research and technical cooperation programmes. Statistics play an indispensable role in achieving UNIDO's goals, as only policy and programmes based on firm empirical evidence can bring the expected results. Reliable statistics are essential for policy formulation, programme identification and monitoring of progress.

The industrial statistics programme component therefore focuses on maintaining and updating international industrial statistics databases with structural business data, compiling and disseminating industrial data through the annual International Yearbook of Industrial Statistics, the INDSTAT (industrial statistics) and IDSB (industrial demand-supply balance) databases on CD-ROM, and the online data portal of the Statistical Country Brief. It also provides statistical support to the research and other programmes of UNIDO.

In addition, the programme component provides a vehicle for UNIDO's contributions to the development and implementation of international standards and methodology in the field of industrial statistics as a member of the Committee of Coordination of Statistical Activities of International Organizations (CCSA). It also provides the means for UNIDO's participation in the international Statistical Data and Metadata Exchange (SDMX) programme.

This programme component also serves to provide technical cooperation to developing countries and countries with economies in transition in the field of industrial statistics.

Objective

To provide high-quality industrial statistics as a decision-making tool for policymakers and other users.

Contribution to the expected impacts of Major Programmes C, D and E

<i>Contribution</i>	<i>Performance indicators</i> ¹
The international community has access to accurate and internationally comparable business structure statistics.	<ul style="list-style-type: none"> • Statistical products of UNIDO are widely disseminated and used.

¹ Based on regular assessments and surveys.

Contribution to the expected country-level outcomes of Major Programmes C, D and E

<i>Contribution to policy outcomes</i>	<i>Performance indicators</i> ¹
Industrial analyses and strategies are based on sound statistical and analytical foundations.	<ul style="list-style-type: none"> Improved strategies frameworks and analyses for industrial activities. Traceable contributions of UNIDO's research to global knowledge generation in the field of sustainable industrial development.
<i>Contributions to institutional outcomes</i>	<i>Performance indicators</i> ¹
National statistical offices continuously improve their performance in producing timely and reliable industrial statistics relevant to national policy issues.	<ul style="list-style-type: none"> National statistical offices effectively produce relevant statistics for policymakers. Quality and quantity of services are regularly improved and updated.

¹ Based on regular assessments and surveys.

Programme F.2: Special Programmes

General description

This programme addresses an array of organization-wide, cross-cutting themes covering partnerships with international financial institutions and the private sector, South-South cooperation, and support to least developed countries.

Objective

To define UNIDO strategies, coordinate the Organization's technical cooperation activities, and provide specific services in the above areas.

Resources

Resource estimates (in euros)

Posts			2010-2011 estimates (after recosting)			
Professional	General Service	Total	Regular budget	Operational budget	Total	
15.30	5.60	20.90	Staff costs	3,846,010	1,033,110	4,879,120
			Consultants	205,800		205,800
			Meetings	184,700		184,700
			Official travel	288,100		288,100
			Operating costs	81,500		81,500
			RPTC/SRA	842,700		842,700
			Total gross expenditure	5,448,810	1,033,110	6,481,920
Technical cooperation (extrabudgetary)			Income	(91,320)		(91,320)
		0	Total net resources	5,357,490	1,033,110	6,390,600
			Total resources (including extrabudgetary TC)			6,390,600

Programme Component F.2.1: Partnerships with International Financial Institutions and the Private Sector

General Description

This programme component develops strategic relationships with other organizations and institutions in the public and private sectors including private corporations. The rationale for these partnerships is to take advantage of the complementarities between UNIDO’s activities and those of its partner organizations to increase the impact of the Organization’s technical assistance to Member States. Under this programme component, particular emphasis will be given to the development of partnerships with international financial institutions (IFIs), which share UNIDO’s objectives of reducing poverty, promoting economic growth and protecting the environment. The forms of collaboration planned or already underway with IFIs and private sector entities include:

- (a) Joint activities in which UNIDO and IFIs formulate and/or implement collaborative technical cooperation programmes in Member States, with each organization contributing core expertise. This may allow UNIDO to work with relevant financial institutions and in the setting up of appropriate financial instruments that will complement UNIDO’s own technical cooperation.
- (b) Investment-related advisory work in which UNIDO provides technical assistance for the setting up of investment funds (such as for cleaner technology, agribusiness or SME investment promotion) and/or advises on the technical feasibility of individual investment projects.
- (c) Partnerships with private corporations scaled up to promote sustainable industrial development.

Against this background, this programme component will conduct strategic assessments of specific industrial sub-sectors in which such partnerships may be feasible, and formulate and implement joint programmes with IFIs and private sector institutions for the development of these subsectors. In doing so, the programme component will seek to leverage support for investment projects and the setting up of financial facilities, and will strengthen institutional capacities for public-private partnerships with an emphasis on information and communication technology.

Objective

To develop strategic partnerships with organizations and institutions in the public and private sectors to take advantage of the complementarities between UNIDO’s activities and those of its partner organizations in promoting industrial development.

Contribution to the expected impacts of Major Programmes C, D and E

<i>Contribution</i>	<i>Performance indicators</i> ¹
Member States leverage industrial policies, strategies and pilot projects through large-scale development finance.	<ul style="list-style-type: none"> • Improved economic performance (investment, sales, productivity, innovation, export). • Improved social performance (jobs created/preserved; better salaries; better safety; better qualified staff; employability; more job security). • Improved environmental performance (emissions, material efficiency, energy efficiency, local community protection, and eco-efficient products).

¹ Based on regular assessments and surveys.

Contribution to the expected country-level outcomes of Major Programmes C, D and E

<i>Contribution to policy outcomes</i>	<i>Performance indicators</i> ¹
Industrial policies and strategies are empirically tested and include financing strategies for large-scale upscaling of pilot projects and necessary infrastructure programmes.	<ul style="list-style-type: none"> • Industrial subsector programmes and strategies are developed in dialogue and collaboration with international development financial institutions and the private sector. • Public-private partnerships leverage strategies and policies in the field of public-private partnerships.
<i>Contribution to institutional outcomes</i>	<i>Performance indicators</i> ¹
Governments have the capacity to develop, implement and monitor large-scale investment programmes, leveraging industrial policies and strategies.	<ul style="list-style-type: none"> • Optimized utilization of modern analytical and financial methodologies/tools in large-scale investment programmes. • Implementation systems for investment programmes are operational. • Quality and quantity of investments are regularly monitored and updated. • Support institutions are operating sustainably.

¹ Based on regular assessments and surveys.

Programme Component F.2.2: South-South Cooperation

General description

South-South Cooperation is an increasingly important area in global development cooperation. This is a result of the accelerating technological and economic progress achieved by several developing countries, and growing recognition of the potential for their contribution to the development of other countries.

In recent years UNIDO has become an effective partner within the United Nations system in promoting increased investment, technical cooperation, technology transfer and trade among the countries of the South. This has been accompanied by an increase in in-house capacities to promote such cooperation, both at Headquarters and in the field with the establishment, to date, of two UNIDO Centres for South-South Industrial Cooperation (UCSSICs) in New Delhi and Beijing in February 2007 and July 2008 respectively. Both UCSSICs are fully funded by their host governments for their operations and programmes.

Partnerships with other key players, such as the UNDP Special Unit for South-South Cooperation, have also been strengthened, particularly in advocacy and global forum initiatives.

This programme component aims at mobilizing further support from developing countries, expanding UNIDO's Headquarters and field capacities and resources, and helping to mainstream South-South Cooperation in UNIDO's day-to-day work. It will also undertake assessments, and contribute to improvements, in the quality of South-South programmes, and develop a comprehensive set of UNIDO guidelines for South-South Cooperation. In addition, it will contribute to, and participate in, South-South global forum initiatives.

Objective

To promote the exchange and use of best technological and managerial practices by Governments and the private sector of developing countries within a mutually advantageous partnership framework.

Contribution to the expected impacts of Major Programmes C, D and E

<i>Contribution</i>	<i>Performance indicators</i> ¹
Developing countries raise their industrial productivity, standards and trade with use of cost-effective, energy-efficient and employment-generating technologies from the “South”.	<ul style="list-style-type: none"> • Improved economic performance (FDI, sales, productivity, innovation, export). • Improved social performance (jobs created/preserved; better salaries; better safety; better qualified staff; employability; more job security). • Improved environmental performance (emissions, material efficiency, energy efficiency, local community protection, and eco-efficient products). • Increased productive use of renewable energy sources (in kilowatt hours and in percentage share of renewable energy in rural electrification).

¹ Based on regular assessments and surveys.

Contribution to the expected country-level outcomes of Major Programmes C, D and E

<i>Contribution to policy outcomes</i>	<i>Performance indicators</i> ¹
Industrial policies and strategies encourage South-South investment, technology transfer and innovation systems.	<ul style="list-style-type: none"> • Improved policy and legal frameworks for South-South industrial investment and technology transfer. • Improved South-South innovation systems. • Increased advocacy and South-South policy dialogue between the private sector and policymakers on related issues.
<i>Contribution to institutional outcomes</i>	<i>Performance indicators</i> ¹
Public and private institutions support foreign and domestic companies and investors in South-South investment projects and technology transfer on a sustainable basis.	<ul style="list-style-type: none"> • Support institutions effectively support growing numbers of businesses. • Growing allocations of national resources to South-South cooperation. • Quality and quantity of services are regularly improved and updated. • BDS systems are operating sustainably.

¹ Based on regular assessments and surveys.

Programme Component F.2.3: Special Programme for the Least Developed Countries (LDCs)

General description

The past few years have seen a surge in the economic growth of LDCs as a group, largely as a result of improvements in the international terms of trade for primary commodities. The average annual growth rate over the period 2005-2007 amounted to around seven per cent a year, the best overall economic performance

by LDCs in 30 years. The current economic crisis poses a serious threat to these recent gains, however, as fears of a global recession have prompted a sudden drop in demand for various commodities produced by the LDCs, and driven down their prices. These developments have demonstrated vividly the vulnerability of the LDCs to external shocks, and their need for economic diversification and a wider range of trade options to ensure sustainable economic development. The medium-term prospects for this group of countries also appear unclear, with many challenges and opportunities on the horizon.

Translating short-term surges in economic growth based on commodity exports into sustainable economic development and poverty reduction remains a significant challenge for all countries, but for LDCs in particular. Support to LDCs is a cross-cutting theme prioritized in all UNIDO services and thematic programme components of Major Programmes C, D and E. It is also closely linked to South-South Cooperation, with most South-South programmes directed toward support for LDCs.

This programme component concentrates on a number of key initiatives based on the outcomes of regular consultations with LDCs, as undertaken in the LDC Ministerial Conferences held in Vienna in November 2007, and in Siem Reap in November 2008. These are aimed at promoting poverty reduction and the achievement of the MDGs in LDCs through effective development cooperation, policy advisory support, and socially responsible private sector development. They also address supply-side constraints for trade diversification and growth through initiatives such as Aid for Trade and the Enhanced Integrated Framework (EIF). These initiatives will be implemented in close consultation and cooperation with the relevant thematic programme components, and special efforts will continue to be made to mobilize increased resources for these LDC-based activities. Efforts will also be made to reach out to partner agencies to identify best practices in supporting LDCs, and to monitor and evaluate the services provided under this programme component in order to learn lessons and provide the basis for continued improvements.

Objective

To provide services meeting the special industrial development needs of LDCs.

Contribution to the expected impacts of Major Programmes C, D and E

<i>Contribution</i>	<i>Performance indicators</i> ¹
Least developed countries raise their industrial productivity, standards and trade.	<ul style="list-style-type: none"> • Improved economic performance (investments, sales, productivity, innovation, export). • Improved social performance (jobs created/preserved; better salaries; better safety; better qualified staff; employability; more job security). • Increased productive use of renewable energy sources (in kilowatt hours and in percentage share of renewable energy in rural electrification).

¹ Based on regular assessments and surveys.

Contribution to the expected country-level outcomes of Major Programmes C, D and E

<i>Contribution to policy outcomes</i>	<i>Performance indicators</i> ¹
Industrial policies and strategies encourage sustainable and knowledge-based industrial development in LDCs.	<ul style="list-style-type: none"> • Improved policy and legal frameworks for industrial activities. • Increased advocacy and policy dialogue between the private sector and policymakers on related issues.
<i>Contribution to institutional outcomes</i>	<i>Performance indicators</i> ¹
Governments of LDCs have the capacity to develop, implement and monitor industrial policies, strategies and programmes.	<ul style="list-style-type: none"> • Increased usage of advanced methodologies and measures in policymaking processes. • Operational and sustainable BDS systems effectively support growing numbers of businesses. • Quality and quantity of services are regularly improved and updated.

¹ Based on regular assessments and surveys.

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

General description

This programme covers UNIDO's field representation as well as its efforts to ensure programmatic coherence at the regional and country level, both through the five regional programmes defined in the Medium-term Programme Framework (MTPF), 2010-2013, and within the Organization's participation in the United Nations system's Delivering as One (DaO) approach at the country level.

With regard to field presence, this programme will support the ongoing efforts towards decentralization and strengthening UNIDO's field structure. This approach will enable the field offices to be increasingly involved in the development and implementation of UNIDO's programmes and projects. At the same time, this programme will continue to coordinate the administrative and managerial dimensions of UNIDO's presence in the field, and to ensure a consistent approach in the Organization's field operations through the provision of appropriate guidance and communication facilities.

The five regional programmes, comprising Africa, the Arab region, Asia and the Pacific, Europe and the NIS, and Latin America and the Caribbean, will seek to ensure the provision of a coherent and regionally appropriate mix of UNIDO services to each of the regions covered. This will be based on the analysis presented in the MTPF, 2010-2013, updated to take account of subsequent developments, and on requests from the regions concerned. In this connection, regional expert group meetings will be conducted to help identify the need for specific UNIDO services in the region in question and thereby to ensure that the programmes continue to meet regional priorities. Notwithstanding the substantive differences in these programmes resulting from the variations in geographical coverage, the overall objectives and foreseen outcomes of the regional programmes will be similar, as shown in the results matrix below.

This programme will also retain the responsibility for coordinating UNIDO's participation in the DaO process. In doing so, it will engage fully in such country-level mechanisms as the CCA/UNDAF and PRSP processes as a means of helping to achieve the required United Nations system-wide coherence.

In addition to the above, a systematic approach will also be initiated under this programme for the monitoring of UNIDO activities. This will be focused primarily on technical cooperation activities, at the overall country

level and at the level of selected projects. Through this initiative, the programme will strengthen UNIDO's capabilities for enhancing the quality of its programme and project delivery.

Objective

To facilitate UNIDO's activities in the regions and countries of the Organization's coverage, inter alia by supporting its efforts to maintain an active presence in these regions and countries.

Contribution to UNIDO's management objective

<i>Outcomes</i>	<i>Performance indicators</i> ¹
Stabilized and harmonized programme and project development, implementation and monitoring/evaluation processes at regional and country level, involving all functional divisions of the Organization.	Level of effectiveness and efficiency of programme management leading to improvement in policy advice and technical cooperation activities and harmonized participation in system-wide processes.

¹ Based on feedback from clients, programme documents, evaluation reports, CCA/UNDAF documents, government strategies and policies, and results-based reports from field offices.

Resources

Resource estimates (in euros)

Posts			2010-2011 estimates (after recosting)			
Professional	General Service	Total	Regular budget	Operational budget	Total	
26.25	10.20	36.45	Staff costs	6,957,615	2,093,165	9,050,780
			Consultants	182,100		182,100
			Meetings	128,300		128,300
			Official travel	953,000		953,000
			Operating costs	85,200		85,200
			Information and comm. techn.	6,200		6,200
			Total gross expenditure	8,312,415	2,093,165	10,405,580
			Income	(84,780)		(84,780)
			Total net resources	8,227,635	2,093,165	10,320,800

Programme Component F.4: Field Operations Support

General description

The Programme ensures that the UNIDO field network, consisting of field offices and UNIDO Desks (including focal point offices), receives optimum financial and General Service (GS) staff support under the guidance of 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.

Contribution to UNIDO's management objective

<i>Outcomes</i>	<i>Performance indicators</i> ¹
UNIDO field network provides efficient, cost-effective, transparent and timely operational support services.	Level of operational effectiveness, demonstrated efficiency in all related services and positive feedback from clients.

¹ Based on ratio of field level general service posts filled and regular surveys.

Objective

To provide the UNIDO field network with efficient operational support.

Resources

Resource estimates (in euros)

Posts			2010-2011 estimates (after recosting)			
Professional	General Service	Total	Regular budget	Operational budget	Total	
0.00	70.00	70.00				
			Staff costs	2,354,020	697,000	3,051,020
			Operating costs	6,530,000		6,530,000
			Total gross expenditure	8,884,020	697,000	9,581,020
			Income	(1,534,700)		(1,534,700)
			Total net resources	7,349,320	697,000	8,046,320

MAJOR PROGRAMME G: PROGRAMME SUPPORT SERVICES

General description

The main priorities of the Major Programme are to provide operational support for the management of UNIDO and the implementation of its technical cooperation programmes. In this context, the Major Programme comprises four specific programmes: Human Resource Management, Financial Services, Procurement and Logistics, and Information and Communication Management Services. Through these component programmes, the Major Programme will formulate policies and procedures, and provide strategic guidance, direction and support to all entities of the Secretariat, including the offices away from Headquarters, in the four areas of its responsibility. Through these programmes it will also contribute directly to the successful implementation of UNIDO's technical cooperation activities, inter alia by assisting in the procurement of goods and services for technical cooperation projects; the hiring of required staff (including consultants and experts); and providing financial management, communications, travel, and inventory and records management services, all of which directly or indirectly support technical cooperation delivery.

Overall objective

To ensure the effective delivery of services to support UNIDO's activities, and to generate increased efficiency and effectiveness in the execution of support functions for programme delivery.

Resources

Resource estimates (in euros)

Posts			2010-2011 estimates (after recosting)			
Professional	General Service	Total	Regular budget	Operational budget	Total	
43.00	103.50	146.50				
			Staff costs	21,507,900	4,184,000	25,691,900
			Consultants	181,600		181,600
			Official travel	272,400		272,400
			Operating costs	1,656,020		1,656,020
			Information and comm. techn.	4,467,400		4,467,400
			Total gross expenditure	28,085,320	4,184,000	32,269,320
			Total net resources	28,085,320	4,184,000	32,269,320

By programme

	Posts		Regular and operational budgets	Technical cooperation (extrabudgetary)	TOTAL
	P	GS			
G.1. Human Resource Management	10.00	24.25	6,565,210		6,565,210
G.2. Financial Services	11.00	34.00	7,497,320		7,497,320
G.3. Procurement and Logistics	9.00	26.75	8,665,290		8,665,290
G.4. Information and Communication Management	11.00	14.50	8,218,900		8,218,900
G.5. Direction and Management	2.00	4.00	1,322,600		1,322,600
G. Total major programme	43.00	103.50	32,269,320		32,269,320

Programme G.1: Human Resource Management

General description

This programme will continue to develop the human resource management policy of UNIDO, support the other major programmes in meeting their human resource management requirements, and provide 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 will interact with other organizations of the United Nations common system, and will continue to serve as the official interlocutor of UNIDO with the International Civil Service Commission (ICSC), UNJSPF, and health insurance providers.

The component parts of the programme will be organized functionally under activities related to human resource planning and development, and those related to staff services and employee relations. The former will include staffing and HR planning with respect to staff in the General Service, Professional and higher categories; job analysis and classification; the implementation of a learning policy aimed at upgrading and updating managerial, technical and functional competencies; and the maintenance of information databases of the Organization's human resources for monitoring, planning and reporting purposes. The latter will include updating and applying the conditions of service to all categories of staff in accordance with the provisions of the staff regulations and rules; the maintenance of the 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 UNJSPF, including medical and life insurance; the internal administration of justice; the recruitment and administration of project personnel engaged in the implementation of technical cooperation programmes; and associated reporting.

For the biennium 2010-2011, qualitative improvements in human resource management will continue to be made and will be enhanced in a number of areas, such as:

- (a) Evidence-based performance management, employing RBM principles and reverse appraisal;
- (b) Continued development of staff learning programmes based on a learning policy that promotes skills upgrading and professional growth; and
- (c) Continuous effective communication and dialogue between staff and management and constructive staff-management relations.

Objective

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

Contribution to UNIDO's management objective

<i>Outcomes</i>	<i>Performance indicators</i> ¹
Motivated and competent staff, demonstrating geographical and gender diversity and the UNIDO staff values.	<ul style="list-style-type: none"> • Timely staffing for established posts at Headquarters and in the field; • Updated HRM policies reflecting best practices; and • Efficient and effective provision of continuous operational HR-related services.

¹ Based on feedback from clients, recruitment statistics, HR records, training plans, HR policies and continuous quality monitoring.

Resources

Resource estimates (in euros)

Posts			2010-2011 estimates (after recosting)			
Professional	General Service	Total	Regular budget	Operational budget	Total	
10.00	24.25	34.25	Staff costs	4,884,550	1,463,800	6,348,350
			Consultants	99,200		99,200
			Official travel	81,900		81,900
			Operating costs	35,760		35,760
			Total gross expenditure	5,101,410	1,463,800	6,565,210
			Total net resources	5,101,410	1,463,800	6,565,210

Programme G.2: Financial Services

General description

This programme supports the programmatic work of UNIDO through the provision of efficient and effective financial services including budgeting; financial control; financial planning; management of financial resources, including extrabudgetary resources; cash management and treasury operations; management of assessed contributions; receipts and disbursements of all resources, including the 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; and policy advice on financial issues.

The programme follows internationally recognized principles 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, including accurate and timely financial reports and cash-flow projections to the Organization's management to facilitate managerial decision-making and planning. The programme also 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.

In the context of UNIDO's technical cooperation activities, the programme reviews the relevant programme and/or project documents to ensure that they comply with the Organization's financial regulations, rules, instructions and procedures, and applies the proper financial procedures and controls to record and monitor the financial implementation of the projects. Due account is also taken of the changing multilateral development system and global aid architecture to find harmonized ways of operating in this new environment, extending to national execution where possible, with the introduction of Harmonized Approach to Cash Transfers (HACT). In addition, the programme coordinates the ongoing implementation of the new fiduciary standards established by the Global Environment Facility (GEF). It also assists senior management, governing bodies and donors through analyses and reports on technical cooperation programmes and activities, including delivery forecasts.

The introduction of the International Public Sector Accounting Standards (IPSAS) with effect from 1 January 2010 in accordance with General Conference decision GC.12/Dec.14 will enable the programme to produce more transparent financial reports to UNIDO's management and stakeholders. The adoption of IPSAS will be accompanied by a process of business process re-engineering (BPR) to increase further the efficiency, accuracy and accessibility of financial information through a continuous improvement of work processes and UNIDO's internal control framework.

This programme is the focal point for all matters related to the External Auditor. It will also liaise with Member States, policymaking organs and other strategic partners on relevant issues.

Objective

To ensure the financial integrity, credibility and transparency of UNIDO.

Contribution to UNIDO's management objective

<i>Outcomes</i>	<i>Performance indicators</i> ¹
Overall financial integrity, credibility and transparency of the financial resources of the Organization.	<ul style="list-style-type: none"> • Unqualified opinion by the External Auditors on financial statements; • Statutory deadlines met for biennial budgets and financial statements; • Timely issuance of TC-related financial instruments; and • Minimum downward variation of average interest rates on investments relative to average market rates.

¹ Based on feedback from clients, external audit reports, correspondence log, FPCS, decisions of the policymaking organs, and continuous quality monitoring.

Resources

Resource estimates (in euros)

Posts			2010-2011 estimates (after recosting)			
Professional	General Service	Total	Regular budget	Operational budget	Total	
11.00	34.00	45.00				
			Staff costs	5,588,400	1,863,200	7,451,600
			Consultants	10,000		10,000
			Official travel	34,000		34,000
			Operating costs	1,720		1,720
			Total gross expenditure	5,634,120	1,863,200	7,497,320
			Total net resources	5,634,120	1,863,200	7,497,320

Programme G.3: Procurement and Logistics

General description

This programme provides the wide range of support services required by UNIDO for its operational, technical cooperation and global forum activities, both at Headquarters and in the field. These include efficient, cost effective and transparent procurement of goods and services; inventory and property records management; communications; travel, visas, transportation, and shipment; and archives and registry services. In providing these services, the programme enhances the transparency, accountability and efficiency of the procurement process by strengthening procurement planning, streamlining procedures, widening the application of open international solicitation methods, and increasing the computerization of the process, including introduction of electronic procurement. The programme also enhances the responsiveness and quality of general support services for all UNIDO activities. The introduction of the IPSAS and related procedures will facilitate the effectiveness of the assets management process, including inventory control and monitoring; travel costs will be reduced in cooperation with other UN Organizations through jointly negotiated agreements with the travel

agents and airlines; and communications costs will be optimized by the introduction of modern means of telecommunication and measures to increase the efficiency of the joint communication services.

Objective

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			2010-2011 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
9.00	26.75	35.75	Staff costs	5,295,750	857,000	6,152,750
			Consultants	61,700		61,700
			Official travel	44,800		44,800
			Operating costs	1,278,640		1,278,640
			Information and comm. techn.	1,127,400		1,127,400
			Total gross expenditure	7,808,290	857,000	8,665,290
			Total net resources	7,808,290	857,000	8,665,290

Programme Component G.3.1: Procurement Services

General description

This programme component provides for the acquisition of equipment and services in support of all UNIDO technical cooperation programmes, including global forum 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 the buildings of the Vienna International Centre (VIC), for the operations of the VIC catering, and for the provision of the requirements in support of the asbestos removal project at the VIC. The activities covered by this programme component involve tendering and technical, commercial and financial evaluations in respect of 600 to 700 requisitions annually, with a total value of some €50 million, out of which more than 80 per cent constitute the acquisition of goods and services for technical cooperation activities. Furthermore, the programme component provides guidance to project managers and field offices on issues related to the procurement of goods and services through comprehensive training activities conducted on a regular basis, regular procurement briefings and the operation of the Procurement Help Desk.

Objective

To ensure efficient, cost-effective and timely procurement of goods and services required for UNIDO's operations.

Contribution to UNIDO's management objective

<i>Outcomes</i>	<i>Performance indicators</i> ¹
Efficient, cost-effective, transparent and timely procurement of goods and services required by the Organization.	<ul style="list-style-type: none"> • Minimization of claims and cases of non-performance by vendors; • Positive feedback from clients; and • Demonstrated effectiveness in all related services and reduced/maintained lead-time for procurement cycle.

¹ Based on established procurement rules, feedback from clients, audit/legal reports, statistical reporting, FPCS, and continuous quality monitoring.

Programme Component G.3.2: Logistics Services

General description

This programme component is responsible for providing direct, efficient and cost effective logistics services for all UNIDO activities. These include services related to the management of UNIDO's property at Headquarters, field offices and project sites; official travel, transportation, and shipment; communications; and the Organization's archives and registry records. In providing these services, the programme component gives high priority to enhancing the responsiveness and the quality of the services provided.

With regard to property management, the programme component will focus on the formulation and implementation of improved policies and procedures with a view to attaining optimal efficiency and control in the management of UNIDO property. It will also provide for the supervision and maintenance of property records, and the development of standards and controls for expendable and non-expendable office equipment, furniture and supplies, and their issuance to UNIDO branches and offices. In addition, it will administer the receipt, storage, distribution and maintenance of office equipment, stationery supplies and furnishings. The effectiveness of the assets management process, inventory control and monitoring will be facilitated by the introduction of the IPSAS and related procedures, which will necessitate a modification of UNIDO's Property Management Manual and the Financial Rules related to property management. A new computerized IPSAS-compliant assets management system will be introduced, which in combination with the newly introduced state of the art assets management procedures will result in a considerable enhancement of inventory control over the assets acquired at Headquarters, field offices and within technical cooperation projects.

With regard to the provision of services related to official travel, visas, transportation, shipment and insurance, this programme component will promote close cooperation with the travel units of other Vienna-based organizations (VBOs) to achieve a reduction of travel costs through jointly negotiated agreements with travel agents and airlines, and to increase the quality of travel services.

With regard to the management of UNIDO's archives and registry records, this programme component will provide advisory and operational services related to the Organization's document retention policies, the archiving and keeping of retired files in digital and hard copy format, the distribution of official correspondence addressed to UNIDO, and the digitization of official documents to be stored in electronic form in UNIDO's computerized documents management system ARCHIVISTA. Steps will also be taken to assist in the further customization of ARCHIVISTA in accordance with UNIDO's specific requirements.

Objective

To ensure enhanced responsiveness and quality by providing direct, efficient and cost-effective administrative support services for all UNIDO activities.

Contribution to UNIDO's management objective

<i>Outcomes</i>	<i>Performance indicators</i> ¹
Efficient, cost-effective, transparent and timely logistics services required by the Organization.	<ul style="list-style-type: none">• Positive feedback from clients;• Demonstrated effectiveness in all related services; and• Complete and up-to-date inventory records.

¹ Based on the UNIDO rules governing logistics, feedback from clients, periodic surveys, and continuous quality monitoring.

Programme G.4: Information and Communication Management

General description

This Programme is responsible for providing the efficient and effective information and communications technology (ICT) services and support required to implement the programme of work of UNIDO as set out in the medium-term programme framework, and to facilitate the Organization's efforts to promote decentralization and expand its field presence. This entails the provision of ICT leadership, policies, management, infrastructure, systems, security, tools, procedures, commercial information services, and a high level of support. The availability of these services will strengthen UNIDO's capacity to deliver on its mandate and make a significant contribution to the achievement of the MDGs.

ICT is the key enabler for increasing operating efficiencies through the introduction of business process re-engineering (BPR) and further measures to reinforce the decentralization process and the substantive role of UNIDO's field offices. As such, the principal focus of the programme in 2010-2011 will be on field support, total IT connectivity of staff, and the management framework requirements for the increased adoption of RBM principles, evidence-based performance management systems and learning programmes. Emphasis will also be given to supporting the implementation of the Internal Control Framework, the public advocacy function, and the expansion of the Enterprise Resource Planning software.

The programme will also act as the focal point of UNIDO for the Organization's interactions with the United Nations systems on ICT.

Objective

To improve the efficiency of UNIDO through the prudent use of ICT and its effectiveness through knowledge management.

Contribution to management objective

<i>Outcomes</i>	<i>Performance indicators</i> ¹
Reliable, cost-effective, user-friendly and network-connected ICT facilities and services as required by the Organization.	<ul style="list-style-type: none"> • Minimization of claims and positive feedback from clients; • Demonstrated effectiveness in all related services; and • Percentage of staff with network-connected ICT equipment.

¹ Based on feedback from clients, helpdesk statistics, and continuous quality monitoring.

Resources

Resource estimates (in euros)

Posts			2010-2011 estimates (after recosting)		
Professional	General Service	Total	Regular budget	Operational budget	Total
11.00	14.50	25.50	Staff costs	4,512,600	4,512,600
			Official travel	32,800	32,800
			Operating costs	333,500	333,500
			Information and comm. techn.	3,340,000	3,340,000
			Total gross expenditure	8,218,900	8,218,900
			Total net resources	8,218,900	8,218,900

Programme G.5: Direction and Management

General Description

Based on the programme management framework, the programme identifies and determines the strategic direction and goals, as well as providing leadership, coordination and effective and efficient management, in the five broad areas of human resources, finance and budgets, information and communication management, operational support and common services, including management of the buildings and catering operations on behalf of the VBOs. It also administers the Common Fund for Major Repairs and Replacement.

In accordance with UNIDO's overarching management objective, the programme will seek to ensure sound management, the efficiency and effectiveness of all services and activities under this Major Programme, to improve and streamline internal processes and procedures, to promote the following values as the basis for staff work in all areas: commitment, excellence, team-orientation, results-orientation, innovativeness, accountability, integrity and sustainability.

Objective

To ensure the efficiency and effectiveness of all services and activities of Major Programme G, streamline internal processes and procedures, promote a culture of accountability and transparency, and enhance safety and security.

Contribution to UNIDO's management objective

<i>Outcomes</i>	<i>Performance indicators</i> ¹
UNIDO's programmatic work has adequate assistance from efficient and effective support and security services.	<ul style="list-style-type: none"> • Minimization of claims and positive feedback from clients; • Unqualified opinions of internal and external auditors; • Enhanced safety and security; • Improved transparency of procedures and accountability of staff; and • Demonstrated effectiveness and efficiency in all related services.

¹ Based on feedback from clients, service-related statistics, financial statements, procedures and instructions, statements from Member States, decisions of the policymaking organs, audit reports, security reports, and continuous quality monitoring.

Resources

Resource estimates (in euros)

Posts			2010-2011 estimates (after recosting)		
Professional	General Service	Total	Regular budget	Operational budget	Total
2.00	4.00	6.00			
			Staff costs	1,226,600	1,226,600
			Consultants	10,700	10,700
			Official travel	78,900	78,900
			Operating costs	6,400	6,400
			Total gross expenditure	1,322,600	1,322,600
			Total net resources	1,322,600	1,322,600

MAJOR PROGRAMME H: BUILDINGS MANAGEMENT

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

General description³

This Major Programme, and its two constituent programmes H.1 and H.2, provide for the management and administration of the operations, maintenance, repairs and replacements of the buildings and related installations and equipment of the VIC complex, with a gross area of approximately 370,000 m² following the addition of the new conference building M. The responsibility for the provision of these management and administration services has been assigned to UNIDO under the terms of the Memorandum of Understanding on Common Services signed by the four VIC-based international organizations, International Atomic Energy Agency (IAEA), United Nations Office at Vienna (UNOV), Preparatory Commission for the Comprehensive Nuclear Test-Ban Treaty Organization (CTBTO) and UNIDO. These services are provided by UNIDO on behalf of, and with the financial resources contributed by the VBOs.

The costs of operating, maintaining and repairing the buildings and their integrated and added installations are increasing with the ageing of the VIC complex, which was constructed in 1974-1979 and will have been in operation for more than 30 years in 2010-2011. The necessary repairs and maintenance work are carried out on a regular basis in accordance with the commitments made to the Austrian Government as the owner of the buildings, and in order to ensure the safe and reliable operation of the VIC. These are supplemented by a number of additional tasks, including the ongoing asbestos removal project, a variety of security-related projects, and numerous improvement and upgrading works.

Objective

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

Contribution to UNIDO's management objective

<i>Outcomes</i>	<i>Performance indicators</i> ¹
VIC complex offers an optimal and modern working environment and state of the art installations and equipment.	<ul style="list-style-type: none"> • Optimization of operational management, administration and cost-effectiveness; • Minimization of claims regarding building maintenance and repairs as well as replacement of installations and equipment; and • Safe and reliable operation and modernization of the VIC complex.

¹ Based on feedback from clients, BMS statistics, project and evaluation reports, financial statements, building codes/rules/standards, and continuous quality monitoring.

³ The general description of Major Programme H is valid for both Programmes H.1 and H.2. The main difference between these two programmes is that they have different sources of funding. Programme H.1 is funded by IAEA, CTBTO, UNOV and UNIDO, while Programme H.2 is funded by CTBTO, UNOV and UNIDO.

Resources

Resource estimates (in euros)

Posts			2010-2011 estimates (after recosting)		
Professional	General Service	Total	Regular budget	Operational budget	Total
9.00	125.00	134.00			
			Staff costs	18,311,400	18,311,400
			Consultants	175,000	175,000
			Official travel	17,300	17,300
			Operating costs	45,657,080	45,657,080
			Total gross expenditure	64,160,780	64,160,780
			Income	(64,160,780)	(64,160,780)
			Total net resources		

Programme H.1: Common Buildings Management

Resource estimates (in euros)

Posts			2010-2011 estimates (after recosting)		
Professional	General Service	Total	Regular budget	Operational budget	Total
9.00	122.00	131.00			
			Staff costs	17,901,100	17,901,100
			Consultants	175,000	175,000
			Official travel	17,300	17,300
			Operating costs	44,038,780	44,038,780
			Total gross expenditure	62,132,180	62,132,180
			Income	(62,132,180)	(62,132,180)
			Total net resources		

2010-2011 estimates (after recosting)	
	Regular budget
Established posts	15,796,100
After-service medical coverage	190,300
Career development training	51,500
General temporary assistance	633,000
Overtime and night differential	1,224,400
Consultant fees and travel	175,000
Hospitality	5,800
Travel on official business	17,300
Rental and maintenance of premises	25,800,900
Utilities	16,506,480
Rental and maintenance of furniture, equipment and vehicles	107,900
Miscellaneous general operating expenses	27,500
Printing and binding	8,400
Supplies and materials	327,800
Capital goods	1,259,800
Total gross expenditure	62,132,180
Other VBOs' contribution to common operations	(37,650,060)
UNIDO contribution to common operations	(7,017,280)
Other contributions to common operations	(11,154,080)
Withdrawal from special account	(3,310,760)
Savings on vacant posts	(3,000,000)
Total income	(62,132,180)
Total net resources	

Programme H.2: Joint Buildings Management

Resource estimates (in euros)

Posts			2010-2011 estimates (after recosting)		
Professional	General Service	Total	Regular budget	Operational budget	Total
0.00	3.00	3.00	Staff costs	410,300	410,300
			Operating costs	1,618,300	1,618,300
			Total gross expenditure	2,028,600	2,028,600
			Income	(2,028,600)	(2,028,600)
			Total net resources		

2010-2011 estimates (after recosting)	
	Regular budget
Established posts	397,800
Overtime and night differential	12,500
Rental and maintenance of premises	1,426,700
Capital goods	191,600
Total gross expenditure	2,028,600
Other VBOs' contribution to common operations	(1,318,560)
UNIDO contribution to common operations	(710,040)
Total income	(2,028,600)
Total net resources	

MAJOR PROGRAMME I: INDIRECT COSTS

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

General description

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

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 VIC and hence it participates in joint and common services with the other VBOs. Furthermore, UNIDO's contributions to joint activities with United Nations bodies and to the after-service health insurance scheme are shown under this Programme.

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) – 13.39 per cent;
- (c) Joint language training (UNOV) – per enrolled staff;
- (d) UNIDO contribution to common buildings management – 15.71 per cent;
- (e) Reimbursement to the Major Repair Fund – 15.71 per cent;
- (f) Contribution to specific VIC projects
- (g) UNIDO contribution to joint buildings management (conference technicians and operating costs) – 35 per cent;
- (h) Language and documentation services (UNOV) – share based on workload;
- (i) Security and safety services (UNOV) – 15.71 per cent;
- (j) Contribution to joint activities with various United Nations bodies – average 1.1 per cent;
- (k) Joint communication services (UNOV) – 27.3 per cent.

The resource estimates under each of the above items are presented in the summary table. The total budgeted expenditure (at 2008-2009 costs) under contributions to the cost-shared services has decreased by €158,755 (0.8 per cent) as shown under the paragraphs below.

A decrease in the amount of €161,200 under UNIDO contribution to ASHI applicable to retired staff is estimated on the basis of actual costs incurred in 2008. The impact of cost increases in retirees' contributions to health insurance schemes, mainly J. Van Breda & C. International and Austrian health insurance, was slightly less than assumed in the 2008-2009 approved budget estimates. The increase of €8,540 under joint medical services mainly results from the IAEA proposal to equip VIC Medical Services with an off-the-shelf Management Information System that would further improve the effectiveness of the service.

The slight increase of €9,943 under reimbursement to Major Repair Fund results from the increased cost-sharing ratio for UNIDO from 15.541 per cent as contained in 2008-2009 budget estimates to 15.71 per cent reflected in the 2010-2011 budget estimates. The decrease under contribution to specific VIC projects (€0,000) results from covering different activities as compared with 2008-2009. In 2010-2011, the proposed

resources are provided to support efforts of the VBOs to outsource some of the common services. A slight decrease of €3,190 under UNIDO contribution to joint buildings management services mainly reflect a decreased level of general operating costs as well as of purchase of capital goods.

The decrease of €100,000 under language and documentation services reflects the lower level of utilization mainly under editing and distribution services experienced over the past years.

The increase of €229,902 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.

A decrease of €88,750 under joint communication services provided by UNOV mainly results from a decreased volume of services requested and overall reduced messenger services.

Objective, outcomes and performance indicators

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.

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

Resources

Resource estimates (in euros)

Posts			2010-2011 estimates (after recosting)		
Professional	General Service	Total	Regular budget	Operational budget	Total
0.00	0.00	0.00			
			Staff costs	5,022,440	5,022,440
			Operating costs	15,283,838	15,283,838
			Information and comm. techn.	765,950	765,950
			Total gross expenditure	21,072,228	21,072,228
			Total net resources	21,072,228	21,072,228

2010-2011 estimates (after recosting)	
	Regular budget
After-service medical coverage	4,457,700
Joint medical services (IAEA)	549,440
Joint language training	15,300
UNIDO contribution to common BMS	7,017,280
Reimbursement to Major Repair Fund	553,720
Contribution to specific VIC projects	25,000
UNIDO contribution to joint BMS	710,040
Language and documentation services	1,879,200
Security and safety services (UNOV)	3,605,396
Contribution to joint activities with UN bodies	1,493,202
Joint communications services (UNOV)	765,950
Total gross expenditure	21,072,228
Total income	
Total net resources	21,072,228

SPECIAL RESOURCES FOR AFRICA

General description

On the basis of the African Union Plan of Action (endorsed by the African Union Heads of States Summit in January 2008) and its Implementation Strategy subsequently adopted by the Conference of African Ministers of Industry (CAMI) in October 2008, and also on the basis of the Ministerial Declaration of the LDCs' Conference on "Aid for Trade: An Industrial Agenda for LDCs" in November 2008, regional and subregional programmes and projects will be developed and supported through Special Resources for Africa.

The bulk of these funds will be used for the preparation of regional programmes related to the above, and to carry out other activities such as needs assessments and fact finding missions. The remainder will be utilized for the development of projects upon specific and ad hoc requests from member countries; the provision of policy advisory services at the country level; support for Africa-relevant global forum activities and expert group meetings (EGMs); and support for organs of the African Union, Regional Economic Communities (RECs) and NEPAD. The resources will also be used to facilitate work under the Industry and Market Access (ITMA) cluster, under which UNIDO, as a convener of this cluster, will implement several activities as identified in the ITMA business plan, with particular focus on strengthening the capacities of the African Union and RECs.

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 programmatic objectives and priorities identified in the MTPF, 2010-2013, 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 opportunities, income generation and promotion of social integration, especially in post crisis situations;
- (c) Industrial policies and economic management through private sector support, diffusion of environmentally sound technologies, investment promotion and enhanced access to markets;
- (d) Regional, subregional and South-South cooperation in promoting the expansion, diversification and modernization of productive capacities in African countries, in particular the LDCs and landlocked countries.

Under the thematic priority of Poverty reduction through productive activities, UNIDO will specifically but selectively develop and implement relevant programmes based on the seven programme clusters that were agreed upon within the framework of CAMI, namely, (i) industrial policy and institutional direction, (ii) upgrading production and trade capacities, (iii) promotion of infrastructure and energy for industrial development, (iv) human resources for industry, (v) industrial innovations, R and D and technological development, (vi) financing and resource mobilization, and (vii) sustainable development.

Within the scope of the Trade capacity-building thematic priority, UNIDO will engage in a variety of activities. These will include the provision of supply-side support to LDCs within the Enhanced Integrated Framework (EIF) initiative, and support for programmes in the fields of industrial upgrading and modernization, technology transfer, SME cluster development, cleaner production, investment promotion, quality management, and traceability.

In the thematic priority area of Environment and Energy, emphasis will be placed on a number of activities including scaling up of access to energy by demonstrating the potential of renewable energy, accelerating rural electrification, promoting energy efficiency especially in industrial complexes, strengthening national capacities and policies, and forging South-South cooperation. Particular attention will also be given to

following up on the recommendations of recent expert group meetings on biofuels (Addis Ababa, Ethiopia, July-August 2007) and renewable energy (Dakar, Senegal, April 2008). The implementation of environment-related programmes on persistent organic pollutants (POPs) and large marine ecosystem and those financed through global funds will be continued.

Objective

To improve the effectiveness of UNIDO's programmes in Africa and strengthen the Organization's contribution to the development of Africa.

Contribution to the expected impacts of Major Programmes C, D and E

<i>Contribution</i>	<i>Performance indicators</i> ¹
Public policies, economic strategies and multilateral development cooperation promote patterns of industrial development in Africa that reduce poverty and promote an inclusive globalization and environmental sustainability.	<ul style="list-style-type: none"> • Effective multilateral debate and cooperation in fields related to sustainable industrialization and growth in Africa. • Improved economic, social and environmental performance of industrial sectors in African countries.

¹ Based on regular assessments and surveys.

Contribution to the expected country-level outcomes of Major Programmes C, D and E

<i>Contribution to policy outcomes</i>	<i>Performance indicators</i> ¹
Industrial policies and strategies in Africa are future-oriented, based on sound empirical and analytical foundations and encourage innovative and knowledge-based industrial development in African countries.	<ul style="list-style-type: none"> • Improved policy and legal frameworks for industrial activities. • Increased advocacy and policy dialogue between the private sector and policymakers on related issues. • Traceable contributions of UNIDO's cooperation activities to global knowledge generation in the field of sustainable industrial development.
<i>Contribution to institutional outcomes</i>	<i>Performance indicators</i> ¹
African governments and institutions have the capacity to use analytical tools and to develop, implement and monitor future-oriented industrial policies and strategies.	<ul style="list-style-type: none"> • Increased usage of advanced methodologies and analytical tools in policymaking processes • Operational and sustainable support institutions and BDS systems effectively support growing numbers of businesses. • Quality and quantity of services are regularly improved and updated.

¹ Based on regular assessments and surveys.

REGULAR PROGRAMME OF TECHNICAL COOPERATION

General description

This section presents as a whole the programmatic description and resources of the Regular Programme of Technical Cooperation for the Organization. In accordance with the programmatic approach, specific resource allocations are presented in the Major Programmes under which the activities are to be implemented.

As defined in the Constitution of UNIDO (Annex II, part B), the overall purpose of the Programme is to improve the effectiveness of the Organization's programme of work in the field of industrial development, and to strengthen the Organization's contribution to the United Nations development system.

In accordance with the Strategic Long-term Vision Statement, the implementation of the Programme will contribute to enabling UNIDO to focus its priorities and orient its activities to the implementation of its three thematic priorities – poverty reduction through productive activities, trade capacity-building, and environment and energy – as well as some cross-cutting activities.

More specifically, projects will be implemented under the Regular Programme of Technical Cooperation based on the following criteria:

- (a) Preparatory activities, including needs assessments, that will enable UNIDO to develop programmes or projects based on its thematic priorities and service modules to respond to priority needs of recipient countries;
- (b) Upstream and analytical work, and tools, including joint projects with research institutions, to support the development of UNIDO priority programmes and new initiatives;
- (c) Global Forum activities directly linked to the development of priority programmes through such mechanisms as seminars, workshops and symposiums;
- (d) Seed money/bridging funds for the One United Nations initiative, as well as integrated programmes and country programmes;
- (e) Meeting the co-financing requirements of large projects when this is required for UNIDO to be a partner in the projects;
- (f) Flexible responses to urgent requests for immediate policy and technical advisory services.

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

Objective

To improve the effectiveness of UNIDO's programme of work and strengthen its contribution to the United Nations development system.

Contribution to the expected impacts of Major Programmes C, D and E

<i>Contribution</i>	<i>Performance indicators</i> ¹
Public policies, economic strategies and multilateral development cooperation promote patterns of industrial development that reduce poverty and promote an inclusive globalization and environmental sustainability.	<ul style="list-style-type: none"> • Evidence-based multilateral debate and cooperation in fields related to sustainable industrialization and growth. • Improved economic, social and environmental performance of industrial sectors in developing countries.

¹ Based on regular assessments and surveys.

Contribution to UNIDO's management objective

<i>Outcomes</i>	<i>Performance indicators</i> ¹
Effective programme and project development, implementation and monitoring processes, involving all functional divisions of the Organization.	<ul style="list-style-type: none"> • Level of effectiveness and efficiency of processes for policy advice and technical cooperation activities. • Level of integration of programmes; and • Harmonized participation in system-wide processes.

¹ Based on feedback from clients, UNIDO programme statistics, CCA/UNDAF documents, and continuous quality monitoring.

MISCELLANEOUS INCOME

Estimated miscellaneous income for 2010-2011 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

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 forecasts provided by the time deposit banks of UNIDO for 2009, 2010 and 2011, estimates of €3,036,300 under the regular budget and €619,200 in the operational budget are budgeted for 2010-2011. As described in the Executive Summary, any eventual shortfall in 2010-2011 in interest income, attributable to unfavourable changes in the financial market, will be offset by a withdrawal from the "Reserve for Exchange Rate Fluctuations" special account, to the extent necessary to safeguard the implementation of the programmes.

B. Sale of publications

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.

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 in book fairs and for translation agreements of UNIDO publications with other parties.

Sales publication revolving fund

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.

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.

Unless there is a marked increase in sales activity, the sales publication revolving fund is expected to have a balance of €193,490 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 2008-2009 costs)

	2008-2009 revised estimates		2010-2011 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	203,700		219,690	
Total	277,500	73,800	293,490	73,800
Less expenses against revenue				
Travel	3,000		6,000	
Advertising and publications	8,600		10,000	
Printing	13,210		20,000	
Translation	5,000		10,000	
Miscellaneous	3,000		4,000	
Consultants	20,000		40,000	
Equipment/materials	5,000		10,000	
Total expenses	57,810	–	100,000	–
BALANCE IN SALES PUBLICATIONS REVOLVING FUND (at the end of each biennium)	219,690		193,490	
NET REVENUE		73,800		73,800

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. Additional consultancy services will also be needed for undertaking peer reviews of selected publications. Miscellaneous expenditures relate to mailing costs and bank charges.

C. Other items

Other items for which miscellaneous income has been received in prior bienniums, 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.

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	2008-2009	2010-2011	2010-2011	Recosting to 2010- 2011 rates	2010-2011	Per cent of total budget	
	approved budget a/ 1	resource growth at 2008-2009 rates 2	resource requirements at 2008-2009 rates 3		resource requirements at 2010-2011 rates 5	2008-2009 6	2010-2011 7
Expenditure							
A POLICYMAKING ORGANS							
A.1 Meetings of the Policymaking Organs	3,331,780	51,570	3,383,350	289,200	3,672,550	1.8%	2.0%
A.2 PMO Secretariat and Member Relations	1,632,130	91,170	1,723,300	26,300	1,749,600	0.9%	0.9%
Subtotal	4,963,910	142,740	5,106,650	315,500	5,422,150	2.7%	2.9%
B EXECUTIVE DIRECTION AND STRATEGIC MANAGEMENT							
B.1 Executive Direction and Strategic Management	10,104,200	(883,200)	9,221,000	75,400	9,296,400	5.6%	5.0%
B.2 Evaluation	1,507,300	(6,900)	1,500,400	26,600	1,527,000	0.8%	0.8%
B.3 Legal Services	1,120,540	111,460	1,232,000	16,000	1,248,000	0.6%	0.7%
B.4 Internal Oversight	1,401,680	58,160	1,459,840	18,700	1,478,540	0.8%	0.8%
Subtotal	14,133,720	(720,480)	13,413,240	136,700	13,549,940	7.8%	7.3%
C POVERTY REDUCTION THROUGH PRODUCTIVE ACTIVITIES							
C.1 Poverty Reduction through Productive Activities	28,900,568	2,446,752	31,347,320	40,800	31,388,120	15.9%	17.0%
Subtotal	28,900,568	2,446,752	31,347,320	40,800	31,388,120	15.9%	17.0%
D TRADE CAPACITY-BUILDING							
D.1 Trade Capacity-Building	21,404,548	(2,657,493)	18,747,055	(110,710)	18,636,345	11.8%	10.1%
Subtotal	21,404,548	(2,657,493)	18,747,055	(110,710)	18,636,345	11.8%	10.1%
E ENVIRONMENT AND ENERGY							
E.1 Environment and Energy	26,142,877	3,348,770	29,491,647	323,025	29,814,672	14.4%	16.1%
Subtotal	26,142,877	3,348,770	29,491,647	323,025	29,814,672	14.4%	16.1%
F CROSS CUTTING PROG. & COUNTRY-LEV. & REG. COH.							
F.1 Strategic Industrial Research and Statistics	6,701,632	(836,242)	5,865,390	139,880	6,005,270	3.7%	3.3%
F.2 Special Programmes	6,698,432	(240,557)	6,457,875	24,045	6,481,920	3.7%	3.5%
F.3 Regional Prog. & Country-level & Reg. Coherence	11,574,475	(1,078,905)	10,495,570	(89,990)	10,405,580	6.4%	5.6%
F.4 Field Operations Support	9,089,570	(110,850)	8,978,720	602,300	9,581,020	5.0%	5.2%
Subtotal	34,064,109	(2,266,554)	31,797,555	676,235	32,473,790	18.8%	17.6%
G PROGRAMME SUPPORT SERVICES							
G.1 Human Resource Management	6,378,730	(70)	6,378,660	186,550	6,565,210	3.5%	3.6%
G.2 Financial Services	7,234,530	(10)	7,234,520	262,800	7,497,320	4.0%	4.1%
G.3 Procurement and Logistics	8,370,640	(9,300)	8,361,340	303,950	8,665,290	4.6%	4.7%
G.4 Information and Communication Management	8,018,200		8,018,200	200,700	8,218,900	4.4%	4.5%
G.5 Direction and Management	1,398,300	(125,600)	1,272,700	49,900	1,322,600	0.8%	0.7%
Subtotal	31,400,400	(134,980)	31,265,420	1,003,900	32,269,320	17.3%	17.5%
I INDIRECT COSTS							
I.1 Contribution to Shared Serv.& other Indirect costs	20,191,983	(158,755)	20,033,228	1,039,000	21,072,228	11.1%	11.4%
Subtotal	20,191,983	(158,755)	20,033,228	1,039,000	21,072,228	11.1%	11.4%
TOTAL expenditure (excl. major programme H)	181,202,115		181,202,115	3,424,450	184,626,565	100.0%	100.0%
H BUILDINGS MANAGEMENT							
H.1 Common Buildings Management	54,879,010	4,498,670	59,377,680	2,754,500	62,132,180	96.4%	96.8%
H.2 Joint Buildings Management	2,048,860	(126,160)	1,922,700	105,900	2,028,600	3.6%	3.2%
TOTAL expenditure (major programme H)	56,927,870	4,372,510	61,300,380	2,860,400	64,160,780	100.0%	100.0%

(Continued next page)

a/ Reflects budget adjustments to the base.

Table 1 (continued)

Programme	2008-2009	2010-2011	2010-2011	Recosting to 2010-2011 rates	2010-2011	Per cent of total budget	
	approved budget a/ 1	resource growth at 2008-2009 rates 2	resource requirements at 2008-2009 rates 3		resource requirements at 2010-2011 rates 5	2008-2009 6	2010-2011 7
Income							
A POLICYMAKING ORGANS							
Subtotal						0.0%	0.0%
B EXECUTIVE DIRECTION AND STRATEGIC MANAGEMENT							
Subtotal						0.0%	0.0%
C POVERTY REDUCTION THROUGH PRODUCTIVE ACTIVITIES							
C.1 Poverty Reduction through Productive Activities	57,200	12,980	70,180	7,200	77,380	0.0%	0.0%
Subtotal	57,200	12,980	70,180	7,200	77,380	0.0%	0.0%
D TRADE CAPACITY-BUILDING							
D.1 Trade Capacity-Building	119,200	14,880	134,080	13,700	147,780	0.1%	0.1%
Subtotal	119,200	14,880	134,080	13,700	147,780	0.1%	0.1%
E ENVIRONMENT AND ENERGY							
E.1 Environment and Energy	177,050	(27,910)	149,140	15,300	164,440	0.1%	0.1%
Subtotal	177,050	(27,910)	149,140	15,300	164,440	0.1%	0.1%
F CROSS CUTTING PROG. & COUNTRY-LEV. & REG. COH.							
F.2 Special Programmes	73,700	9,020	82,720	8,600	91,320	0.0%	0.0%
F.3 Regional Prog. & Country-level & Reg. Coherence	75,350	1,530	76,880	7,900	84,780	0.0%	0.0%
F.4 Field Operations Support	1,402,400	(10,500)	1,391,900	142,800	1,534,700	0.8%	0.8%
Subtotal	1,551,450	50	1,551,500	159,300	1,710,800	0.9%	0.9%
G PROGRAMME SUPPORT SERVICES							
Subtotal						0.0%	0.0%
I INDIRECT COSTS							
Subtotal						0.0%	0.0%
Miscellaneous Income	3,729,300		3,729,300		3,729,300	66.2%	64.0%
TOTAL income (excl. major programme H)	5,634,200		5,634,200	195,500	5,829,700	100.0%	100.0%
H BUILDINGS MANAGEMENT							
H.1 Common Buildings Management	54,879,010	4,498,670	59,377,680	2,754,500	62,132,180	96.4%	96.8%
H.2 Joint Buildings Management	2,048,860	(126,160)	1,922,700	105,900	2,028,600	3.6%	3.2%
TOTAL income (major programme H)	56,927,870	4,372,510	61,300,380	2,860,400	64,160,780	100.0%	100.0%
NET GRAND TOTAL	175,567,915		175,567,915	3,228,950	178,796,865		

a/ Reflects budget adjustments to the base.

Annex A

Table 2. Regular budget expenditure and income by major programme and programme
(In euros)

Programme	2008-2009	2010-2011	2010-2011	Recosting	2010-2011	Per cent of total budget	
	approved budget a/ 1	resource growth at 2008-2009 rates 2	resource requirements at 2008-2009 rates 3	to 2010- 2011 rates 4	resource requirements at 2010-2011 rates 5	2008-2009 6	2010-2011 7
Expenditure							
A POLICYMAKING ORGANS							
A.1 Meetings of the Policymaking Organs	3,331,780	(28,430)	3,303,350	286,900	3,590,250	2.1%	2.2%
A.2 PMO Secretariat and Member Relations	1,632,130	91,170	1,723,300	26,300	1,749,600	1.0%	1.1%
Subtotal	4,963,910	62,740	5,026,650	313,200	5,339,850	3.1%	3.3%
B EXECUTIVE DIRECTION AND STRATEGIC MANAGEMENT							
B.1 Executive Direction and Strategic Management	10,104,200	(883,200)	9,221,000	75,400	9,296,400	6.4%	5.7%
B.2 Evaluation	1,507,300	(6,900)	1,500,400	26,600	1,527,000	1.0%	0.9%
B.3 Legal Services	846,740	111,460	958,200	19,400	977,600	0.5%	0.6%
B.4 Internal Oversight	1,401,680	58,160	1,459,840	18,700	1,478,540	0.9%	0.9%
Subtotal	13,859,920	(720,480)	13,139,440	140,100	13,279,540	8.7%	8.2%
C POVERTY REDUCTION THROUGH PRODUCTIVE ACTIVITIES							
C.1 Poverty Reduction through Productive Activities	24,727,123	1,217,042	25,944,165	98,675	26,042,840	15.6%	16.1%
Subtotal	24,727,123	1,217,042	25,944,165	98,675	26,042,840	15.6%	16.1%
D TRADE CAPACITY-BUILDING							
D.1 Trade Capacity-Building	17,343,723	(2,289,778)	15,053,945	(87,420)	14,966,525	10.9%	9.2%
Subtotal	17,343,723	(2,289,778)	15,053,945	(87,420)	14,966,525	10.9%	9.2%
E ENVIRONMENT AND ENERGY							
E.1 Environment and Energy	21,890,607	2,854,593	24,745,200	272,720	25,017,920	13.8%	15.5%
Subtotal	21,890,607	2,854,593	24,745,200	272,720	25,017,920	13.8%	15.5%
F CROSS CUTTING PROG. & COUNTRY-LEV. & REG. COH.							
F.1 Strategic Industrial Research and Statistics	6,051,032	(804,842)	5,246,190	124,030	5,370,220	3.8%	3.3%
F.2 Special Programmes	5,538,897	(117,787)	5,421,110	27,700	5,448,810	3.5%	3.4%
F.3 Regional Prog. & Country-level & Reg. Coherence	8,863,950	(544,880)	8,319,070	(6,655)	8,312,415	5.6%	5.1%
F.4 Field Operations Support	8,130,093	146,527	8,276,620	607,400	8,884,020	5.1%	5.5%
Subtotal	28,583,972	(1,320,982)	27,262,990	752,475	28,015,465	18.0%	17.3%
G PROGRAMME SUPPORT SERVICES							
G.1 Human Resource Management	4,609,530	364,930	4,974,460	126,950	5,101,410	2.9%	3.2%
G.2 Financial Services	5,448,730	(10)	5,448,720	185,400	5,634,120	3.4%	3.5%
G.3 Procurement and Logistics	7,407,040	116,300	7,523,340	284,950	7,808,290	4.7%	4.8%
G.4 Information and Communication Management	8,018,200		8,018,200	200,700	8,218,900	5.1%	5.1%
G.5 Direction and Management	1,398,300	(125,600)	1,272,700	49,900	1,322,600	0.9%	0.8%
Subtotal	26,881,800	355,620	27,237,420	847,900	28,085,320	17.0%	17.4%
I INDIRECT COSTS							
I.1 Contribution to Shared Serv. & other Indirect costs	20,191,983	(158,755)	20,033,228	1,039,000	21,072,228	12.7%	13.0%
Subtotal	20,191,983	(158,755)	20,033,228	1,039,000	21,072,228	12.7%	13.0%
TOTAL expenditure (excl. major programme H)	158,443,038		158,443,038	3,376,650	161,819,688	100.0%	100.0%
H BUILDINGS MANAGEMENT							
H.1 Common Buildings Management	54,879,010	4,498,670	59,377,680	2,754,500	62,132,180	96.4%	96.8%
H.2 Joint Buildings Management	2,048,860	(126,160)	1,922,700	105,900	2,028,600	3.6%	3.2%
TOTAL expenditure (major programme H)	56,927,870	4,372,510	61,300,380	2,860,400	64,160,780	100.0%	100.0%

(Continued next page)

a/ Reflects budget adjustments to the base.

Table 2 (continued)

Programme	2008-2009	2010-2011	2010-2011	Recosting to 2010- 2011 rates	2010-2011	Per cent of total budget	
	approved budget a/ 1	resource growth at 2008-2009 rates 2	resource requirements at 2008-2009 rates 3		resource requirements at 2010-2011 rates 5	2008-2009 6	2010-2011 7
Income							
A POLICYMAKING ORGANS							
Subtotal						0.0%	0.0%
B EXECUTIVE DIRECTION AND STRATEGIC MANAGEMENT							
Subtotal						0.0%	0.0%
C POVERTY REDUCTION THROUGH PRODUCTIVE ACTIVITIES							
C.1 Poverty Reduction through Productive Activities	57,200	12,980	70,180	7,200	77,380	0.0%	0.0%
Subtotal	57,200	12,980	70,180	7,200	77,380	0.0%	0.0%
D TRADE CAPACITY-BUILDING							
D.1 Trade Capacity-Building	119,200	14,880	134,080	13,700	147,780	0.1%	0.1%
Subtotal	119,200	14,880	134,080	13,700	147,780	0.1%	0.1%
E ENVIRONMENT AND ENERGY							
E.1 Environment and Energy	177,050	(27,910)	149,140	15,300	164,440	0.1%	0.1%
Subtotal	177,050	(27,910)	149,140	15,300	164,440	0.1%	0.1%
F CROSS CUTTING PROG. & COUNTRY-LEV. & REG. COH.							
F.2 Special Programmes	73,700	9,020	82,720	8,600	91,320	0.0%	0.1%
F.3 Regional Prog. & Country-level & Reg. Coherence	75,350	1,530	76,880	7,900	84,780	0.0%	0.1%
F.4 Field Operations Support	1,402,400	(10,500)	1,391,900	142,800	1,534,700	0.9%	0.9%
Subtotal	1,551,450	50	1,551,500	159,300	1,710,800	1.0%	1.1%
G PROGRAMME SUPPORT SERVICES							
Subtotal						0.0%	0.0%
I INDIRECT COSTS							
Subtotal						0.0%	0.0%
Miscellaneous Income	3,110,100		3,110,100		3,110,100	62.0%	59.7%
TOTAL income (excl. major programme H)	5,015,000		5,015,000	195,500	5,210,500	100.0%	100.0%
H BUILDINGS MANAGEMENT							
H.1 Common Buildings Management	54,879,010	4,498,670	59,377,680	2,754,500	62,132,180	96.4%	96.8%
H.2 Joint Buildings Management	2,048,860	(126,160)	1,922,700	105,900	2,028,600	3.6%	3.2%
TOTAL income (major programme H)	56,927,870	4,372,510	61,300,380	2,860,400	64,160,780	100.0%	100.0%
NET GRAND TOTAL	153,428,038		153,428,038	3,181,150	156,609,188		

a/ Reflects budget adjustments to the base.

Table 3. Operational budget expenditure and income by major programme and programme
(In euros)

Programme	2008-2009	2010-2011	2010-2011	Recosting to 2010- 2011 rates	2010-2011	Per cent of total budget	
	approved budget a/ 1	resource growth at 2008-2009 rates 2	resource requirements at 2008-2009 rates 3		resource requirements at 2010-2011 rates 5	2008-2009 6	2010-2011 7
Expenditure							
A POLICYMAKING ORGANS							
A.1		80,000	80,000	2,300	82,300	0.0%	0.4%
Subtotal		80,000	80,000	2,300	82,300	0.0%	0.4%
B EXECUTIVE DIRECTION AND STRATEGIC MANAGEMENT							
B.3	273,800		273,800	(3,400)	270,400	1.2%	1.2%
Subtotal	273,800		273,800	(3,400)	270,400	1.2%	1.2%
C POVERTY REDUCTION THROUGH PRODUCTIVE ACTIVITIES							
C.1	4,173,445	1,229,710	5,403,155	(57,875)	5,345,280	18.3%	23.4%
Subtotal	4,173,445	1,229,710	5,403,155	(57,875)	5,345,280	18.3%	23.4%
D TRADE CAPACITY-BUILDING							
D.1	4,060,825	(367,715)	3,693,110	(23,290)	3,669,820	17.8%	16.1%
Subtotal	4,060,825	(367,715)	3,693,110	(23,290)	3,669,820	17.8%	16.1%
E ENVIRONMENT AND ENERGY							
E.1	4,252,270	494,177	4,746,447	50,305	4,796,752	18.7%	21.0%
Subtotal	4,252,270	494,177	4,746,447	50,305	4,796,752	18.7%	21.0%
F CROSS CUTTING PROG. & COUNTRY-LEV. & REG. COH.							
F.1	650,600	(31,400)	619,200	15,850	635,050	2.9%	2.8%
F.2	1,159,535	(122,770)	1,036,765	(3,655)	1,033,110	5.1%	4.5%
F.3	2,710,525	(534,025)	2,176,500	(83,335)	2,093,165	11.9%	9.2%
F.4	959,477	(257,377)	702,100	(5,100)	697,000	4.2%	3.1%
Subtotal	5,480,137	(945,572)	4,534,565	(76,240)	4,458,325	24.1%	19.5%
G PROGRAMME SUPPORT SERVICES							
G.1	1,769,200	(365,000)	1,404,200	59,600	1,463,800	7.8%	6.4%
G.2	1,785,800		1,785,800	77,400	1,863,200	7.8%	8.2%
G.3	963,600	(125,600)	838,000	19,000	857,000	4.2%	3.8%
Subtotal	4,518,600	(490,600)	4,028,000	156,000	4,184,000	19.9%	18.3%
I INDIRECT COSTS							
Subtotal						0.0%	0.0%
TOTAL expenditure (excl. major programme H)	22,759,077		22,759,077	47,800	22,806,877	100.0%	100.0%
H BUILDINGS MANAGEMENT							
TOTAL expenditure (major programme H)							

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a/ Reflects budget adjustments to the base.

Table 3 (continued)

Programme	2008-2009 approved budget a/ 1	2010-2011 resource growth at 2008-2009 rates 2	2010-2011 resource requirements at 2008-2009 rates 3	Recosting to 2010- 2011 rates 4	2010-2011 resource requirements at 2010-2011 rates 5	Per cent of total budget	
						2008-2009 6	2010-2011 7
Income							
A POLICYMAKING ORGANS							
Subtotal						0.0%	0.0%
B EXECUTIVE DIRECTION AND STRATEGIC MANAGEMENT							
Subtotal						0.0%	0.0%
C POVERTY REDUCTION THROUGH PRODUCTIVE ACTIVITIES							
Subtotal						0.0%	0.0%
D TRADE CAPACITY-BUILDING							
Subtotal						0.0%	0.0%
E ENVIRONMENT AND ENERGY							
Subtotal						0.0%	0.0%
F CROSS CUTTING PROG. & COUNTRY-LEV. & REG. COH.							
Subtotal						0.0%	0.0%
G PROGRAMME SUPPORT SERVICES							
Subtotal						0.0%	0.0%
I INDIRECT COSTS							
Subtotal						0.0%	0.0%
Miscellaneous Income	619,200		619,200		619,200	100.0%	100.0%
TOTAL income (excl. major programme H)	619,200		619,200		619,200	100.0%	100.0%
H BUILDINGS MANAGEMENT							
TOTAL income (major programme H)							
NET GRAND TOTAL	22,139,877		22,139,877	47,800	22,187,677		

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 2008-2009 rates
(In euros)

Programme	Staff costs		Official travel		Operating costs		Information and communication technology		RPTC and SRA activities		Total expenditure		Income		Net requirements		
	2008 - 2009 a/	2010 - 2011	2008 - 2009 a/	2010 - 2011	2008 - 2009 a/	2010 - 2011	2008 - 2009 a/	2010 - 2011	2008 - 2009 a/	2010 - 2011	2008 - 2009 a/	2010 - 2011	2008 - 2009 a/	2010 - 2011	2008 - 2009 a/	2010 - 2011	
A	POLICYMAKING ORGANS																
A.1	Meetings of the Policymaking Organs	106,500	114,400	10,100	9,500	3,215,180	3,259,450					3,331,780	3,383,350			3,331,780	3,383,350
A.2	PMO Secretariat and Member Relations	1,579,800	1,670,800			52,330	52,500					1,632,130	1,723,300			1,632,130	1,723,300
Subtotal		1,686,300	1,785,200	10,100	9,500	3,267,510	3,311,950					4,963,910	5,106,650			4,963,910	5,106,650
B	EXECUTIVE DIRECTION AND STRATEGIC MANAGEMENT																
B.1	Executive Direction and Strategic Management	8,367,600	7,457,200	720,000	762,000	936,400	908,300	80,200	93,500			10,104,200	9,221,000			10,104,200	9,221,000
B.2	Evaluation	1,473,500	1,459,800	27,600	30,000	6,200	10,600					1,507,300	1,500,400			1,507,300	1,500,400
B.3	Legal Services	1,103,740	1,207,000	10,600	12,000	6,200	13,000					1,120,540	1,232,000			1,120,540	1,232,000
B.4	Internal Oversight	1,352,240	1,390,100	39,940	60,000	5,200	5,740	4,300	4,000			1,401,680	1,459,840			1,401,680	1,459,840
Subtotal		12,297,080	11,514,100	798,140	864,000	954,000	937,640	84,500	97,500			14,133,720	13,413,240			14,133,720	13,413,240
C	POVERTY REDUCTION THROUGH PRODUCTIVE ACTIVITIES																
C.1	Poverty Reduction through Productive Activities	21,563,905	24,084,420	396,100	303,500	281,060	81,820			6,659,503	6,877,580	28,900,568	31,347,320	(57,200)	(70,180)	28,843,368	31,277,140
Subtotal		21,563,905	24,084,420	396,100	303,500	281,060	81,820			6,659,503	6,877,580	28,900,568	31,347,320	(57,200)	(70,180)	28,843,368	31,277,140
D	TRADE CAPACITY-BUILDING																
D.1	Trade Capacity-Building	17,332,935	16,482,155	251,280	237,200	247,220	138,300	51,600	54,600	3,521,513	1,834,800	21,404,548	18,747,055	(119,200)	(134,080)	21,285,348	18,612,975
Subtotal		17,332,935	16,482,155	251,280	237,200	247,220	138,300	51,600	54,600	3,521,513	1,834,800	21,404,548	18,747,055	(119,200)	(134,080)	21,285,348	18,612,975
E	ENVIRONMENT AND ENERGY																
E.1	Environment and Energy	21,774,255	23,468,490	610,800	557,400	355,420	668,557	2,100		3,400,302	4,797,200	26,142,877	29,491,647	(177,050)	(149,140)	25,965,827	29,342,507
Subtotal		21,774,255	23,468,490	610,800	557,400	355,420	668,557	2,100		3,400,302	4,797,200	26,142,877	29,491,647	(177,050)	(149,140)	25,965,827	29,342,507
F	CROSS CUTTING PROG. & COUNTRY-LEV. & REG. COH.																
F.1	Strategic Industrial Research and Statistics	5,851,880	5,163,390	175,600	170,600	277,200	130,300	1,000	5,100	395,952	396,000	6,701,632	5,865,390			6,701,632	5,865,390
F.2	Special Programmes	5,557,720	5,267,575	220,400	281,700	88,200	76,500			832,112	832,100	6,698,432	6,457,875	(73,700)	(82,720)	6,624,732	6,375,155
F.3	Regional Prog. & Country-level & Reg. Coherence	10,610,775	9,477,370	848,800	932,200	114,900	80,000		6,000			11,574,475	10,495,570	(75,350)	(76,880)	11,499,125	10,418,690
F.4	Field Operations Support	2,712,600	3,055,820			6,376,970	5,922,900					9,089,570	8,978,720	(1,402,400)	(1,391,900)	7,687,170	7,586,820
Subtotal		24,732,975	22,964,155	1,244,800	1,384,500	6,857,270	6,209,700	1,000	11,100	1,228,064	1,228,100	34,064,109	31,797,555	(1,551,450)	(1,551,500)	32,512,659	30,246,055
G	PROGRAMME SUPPORT SERVICES																
G.1	Human Resource Management	6,301,600	6,265,200	43,400	80,000	33,730	33,460					6,378,730	6,378,660			6,378,730	6,378,660
G.2	Financial Services	7,199,500	7,199,500	32,800	33,300	2,230	1,720					7,234,530	7,234,520			7,234,530	7,234,520
G.3	Procurement and Logistics	5,834,500	6,015,500	43,800	43,800	1,394,740	1,206,640	1,097,600	1,095,400			8,370,640	8,361,340			8,370,640	8,361,340
G.4	Information and Communication Management	4,348,800	4,417,400	11,600	32,000	392,100	323,500	3,265,700	3,245,300			8,018,200	8,018,200			8,018,200	8,018,200
G.5	Direction and Management	1,353,900	1,189,500	42,400	77,200	2,000	6,000					1,398,300	1,272,700			1,398,300	1,272,700
Subtotal		25,038,300	25,087,100	174,000	266,300	1,824,800	1,571,320	4,363,300	4,340,700			31,400,400	31,265,420			31,400,400	31,265,420
I	INDIRECT COSTS																
I.1	Contribution to Shared Serv. & other Indirect costs	4,887,200	4,734,540			14,485,583	14,568,238	819,200	730,450			20,191,983	20,033,228			20,191,983	20,033,228
Subtotal		4,887,200	4,734,540			14,485,583	14,568,238	819,200	730,450			20,191,983	20,033,228			20,191,983	20,033,228
	Miscellaneous Income													(3,729,300)	(3,729,300)	(3,729,300)	(3,729,300)
TOTAL (excl. major programme H)		129,312,950	130,120,160	3,485,220	3,622,400	28,272,863	27,487,525	5,321,700	5,234,350	14,809,382	14,737,680	181,202,115	181,202,115	(5,634,200)	(5,634,200)	175,567,915	175,567,915
H	BUILDINGS MANAGEMENT																
H.1	Common Buildings Management	16,793,100	17,889,600	15,700	17,000	38,070,210	41,471,080					54,879,010	59,377,680	(54,879,010)	(59,377,680)		
H.2	Joint Buildings Management	388,000	388,700			1,660,860	1,534,000					2,048,860	1,922,700	(2,048,860)	(1,922,700)		
TOTAL (major programme H)		17,181,100	18,278,300	15,700	17,000	39,731,070	43,005,080					56,927,870	61,300,380	(56,927,870)	(61,300,380)		

a/ Reflects budget adjustments to the base.

Annex B

Table 2. Regular budget expenditure and income by programme and major object of expenditure at 2008-2009 rates
(In euros)

Programme	Staff costs		Official travel		Operating costs		Information and communication technology		RPTC and SRA activities		Total expenditure		Income		Net requirements		
	2008 - 2009 a/	2010 - 2011	2008 - 2009 a/	2010 - 2011	2008 - 2009 a/	2010 - 2011	2008 - 2009 a/	2010 - 2011	2008 - 2009 a/	2010 - 2011	2008 - 2009 a/	2010 - 2011	2008 - 2009 a/	2010 - 2011	2008 - 2009 a/	2010 - 2011	
A	POLICYMAKING ORGANS																
A.1	Meetings of the Policymaking Organs	106,500	114,400	10,100	9,500	3,215,180	3,179,450					3,331,780	3,303,350			3,331,780	3,303,350
A.2	PMO Secretariat and Member Relations	1,579,800	1,670,800			52,330	52,500					1,632,130	1,723,300			1,632,130	1,723,300
Subtotal		1,686,300	1,785,200	10,100	9,500	3,267,510	3,231,950					4,963,910	5,026,650			4,963,910	5,026,650
B	EXECUTIVE DIRECTION AND STRATEGIC MANAGEMENT																
B.1	Executive Direction and Strategic Management	8,367,600	7,457,200	720,000	762,000	936,400	908,300	80,200	93,500			10,104,200	9,221,000			10,104,200	9,221,000
B.2	Evaluation	1,473,500	1,459,800	27,600	30,000	6,200	10,600					1,507,300	1,500,400			1,507,300	1,500,400
B.3	Legal Services	829,940	933,200	10,600	12,000	6,200	13,000					846,740	958,200			846,740	958,200
B.4	Internal Oversight	1,352,240	1,390,100	39,940	60,000	5,200	5,740	4,300	4,000			1,401,680	1,459,840			1,401,680	1,459,840
Subtotal		12,023,280	11,240,300	798,140	864,000	954,000	937,640	84,500	97,500			13,859,920	13,139,440			13,859,920	13,139,440
C	POVERTY REDUCTION THROUGH PRODUCTIVE ACTIVITIES																
C.1	Poverty Reduction through Productive Activities	17,390,460	18,681,265	396,100	303,500	281,060	81,820			6,659,503	6,877,580	24,727,123	25,944,165	(57,200)	(70,180)	24,669,923	25,873,985
Subtotal		17,390,460	18,681,265	396,100	303,500	281,060	81,820			6,659,503	6,877,580	24,727,123	25,944,165	(57,200)	(70,180)	24,669,923	25,873,985
D	TRADE CAPACITY-BUILDING																
D.1	Trade Capacity-Building	13,272,110	12,789,045	251,280	237,200	247,220	138,300	51,600	54,600	3,521,513	1,834,800	17,343,723	15,053,945	(119,200)	(134,080)	17,224,523	14,919,865
Subtotal		13,272,110	12,789,045	251,280	237,200	247,220	138,300	51,600	54,600	3,521,513	1,834,800	17,343,723	15,053,945	(119,200)	(134,080)	17,224,523	14,919,865
E	ENVIRONMENT AND ENERGY																
E.1	Environment and Energy	17,789,085	19,273,400	610,800	557,400	88,320	117,200	2,100		3,400,302	4,797,200	21,890,607	24,745,200	(177,050)	(149,140)	21,713,557	24,596,060
Subtotal		17,789,085	19,273,400	610,800	557,400	88,320	117,200	2,100		3,400,302	4,797,200	21,890,607	24,745,200	(177,050)	(149,140)	21,713,557	24,596,060
F	CROSS CUTTING PROG. & COUNTRY-LEV. & REG. COH.																
F.1	Strategic Industrial Research and Statistics	5,201,280	4,544,190	175,600	170,600	277,200	130,300	1,000	5,100	395,952	396,000	6,051,032	5,246,190			6,051,032	5,246,190
F.2	Special Programmes	4,398,185	4,230,810	220,400	281,700	88,200	76,500			832,112	832,100	5,538,897	5,421,110	(73,700)	(82,720)	5,465,197	5,338,390
F.3	Regional Prog. & Country-level & Reg. Coherence	7,900,250	7,300,870	848,800	932,200	114,900	80,000		6,000			8,863,950	8,319,070	(75,350)	(76,880)	8,788,600	8,242,190
F.4	Field Operations Support	2,010,500	2,353,720			6,119,593	5,922,900					8,130,093	8,276,620	(1,402,400)	(1,391,900)	6,727,693	6,884,720
Subtotal		19,510,215	18,429,590	1,244,800	1,384,500	6,599,893	6,209,700	1,000	11,100	1,228,064	1,228,100	28,583,972	27,262,990	(1,551,450)	(1,551,500)	27,032,522	25,711,490
G	PROGRAMME SUPPORT SERVICES																
G.1	Human Resource Management	4,532,400	4,861,000	43,400	80,000	33,730	33,460					4,609,530	4,974,460			4,609,530	4,974,460
G.2	Financial Services	5,413,700	5,413,700	32,800	33,300	2,230	1,720					5,448,730	5,448,720			5,448,730	5,448,720
G.3	Procurement and Logistics	4,870,900	5,177,500	43,800	43,800	1,394,740	1,206,640	1,097,600	1,095,400			7,407,040	7,523,340			7,407,040	7,523,340
G.4	Information and Communication Management	4,348,800	4,417,400	11,600	32,000	392,100	323,500	3,265,700	3,245,300			8,018,200	8,018,200			8,018,200	8,018,200
G.5	Direction and Management	1,353,900	1,189,500	42,400	77,200	2,000	6,000					1,398,300	1,272,700			1,398,300	1,272,700
Subtotal		20,519,700	21,059,100	174,000	266,300	1,824,800	1,571,320	4,363,300	4,340,700			26,881,800	27,237,420			26,881,800	27,237,420
I	INDIRECT COSTS																
I.1	Contribution to Shared Serv.& other Indirect costs	4,887,200	4,734,540			14,485,583	14,568,238	819,200	730,450			20,191,983	20,033,228			20,191,983	20,033,228
Subtotal		4,887,200	4,734,540			14,485,583	14,568,238	819,200	730,450			20,191,983	20,033,228			20,191,983	20,033,228
Miscellaneous Income													(3,110,100)	(3,110,100)	(3,110,100)	(3,110,100)	
TOTAL (excl. major programme H)		107,078,350	107,992,440	3,485,220	3,622,400	27,748,386	26,856,168	5,321,700	5,234,350	14,809,382	14,737,680	158,443,038	158,443,038	(5,015,000)	(5,015,000)	153,428,038	153,428,038
H	BUILDINGS MANAGEMENT																
H.1	Common Buildings Management	16,793,100	17,889,600	15,700	17,000	38,070,210	41,471,080					54,879,010	59,377,680	(54,879,010)	(59,377,680)		
H.2	Joint Buildings Management	388,000	388,700			1,660,860	1,534,000					2,048,860	1,922,700	(2,048,860)	(1,922,700)		
TOTAL (major programme H)		17,181,100	18,278,300	15,700	17,000	39,731,070	43,005,080					56,927,870	61,300,380	(56,927,870)	(61,300,380)		

a/ Reflects budget adjustments to the base.

Annex B

Table 3. Operational budget expenditure and income by programme and major object of expenditure at 2008-2009 rates
(In euros)

Programme	Staff costs		Official travel		Operating costs		Information and communication technology		RPTC and SRA activities		Total expenditure		Income		Net requirements	
	2008 - 2009 a/	2010 - 2011	2008 - 2009 a/	2010 - 2011	2008 - 2009 a/	2010 - 2011	2008 - 2009 a/	2010 - 2011	2008 - 2009 a/	2010 - 2011	2008 - 2009 a/	2010 - 2011	2008 - 2009 a/	2010 - 2011	2008 - 2009 a/	2010 - 2011
A POLICYMAKING ORGANS																
A.1 Meetings of the Policymaking Organs						80,000					80,000					80,000
Subtotal						80,000					80,000					80,000
B EXECUTIVE DIRECTION AND STRATEGIC MANAGEMENT																
B.3 Legal Services	273,800	273,800									273,800	273,800			273,800	273,800
Subtotal	273,800	273,800									273,800	273,800			273,800	273,800
C POVERTY REDUCTION THROUGH PRODUCTIVE ACTIVITIES																
C.1 Poverty Reduction through Productive Activities	4,173,445	5,403,155									4,173,445	5,403,155			4,173,445	5,403,155
Subtotal	4,173,445	5,403,155									4,173,445	5,403,155			4,173,445	5,403,155
D TRADE CAPACITY-BUILDING																
D.1 Trade Capacity-Building	4,060,825	3,693,110									4,060,825	3,693,110			4,060,825	3,693,110
Subtotal	4,060,825	3,693,110									4,060,825	3,693,110			4,060,825	3,693,110
E ENVIRONMENT AND ENERGY																
E.1 Environment and Energy	3,985,170	4,195,090			267,100	551,357					4,252,270	4,746,447			4,252,270	4,746,447
Subtotal	3,985,170	4,195,090			267,100	551,357					4,252,270	4,746,447			4,252,270	4,746,447
F CROSS CUTTING PROG. & COUNTRY-LEV. & REG. COH.																
F.1 Strategic Industrial Research and Statistics	650,600	619,200									650,600	619,200			650,600	619,200
F.2 Special Programmes	1,159,535	1,036,765									1,159,535	1,036,765			1,159,535	1,036,765
F.3 Regional Prog. & Country-level & Reg. Coherence	2,710,525	2,176,500									2,710,525	2,176,500			2,710,525	2,176,500
F.4 Field Operations Support	702,100	702,100			257,377						959,477	702,100			959,477	702,100
Subtotal	5,222,760	4,534,565			257,377						5,480,137	4,534,565			5,480,137	4,534,565
G PROGRAMME SUPPORT SERVICES																
G.1 Human Resource Management	1,769,200	1,404,200									1,769,200	1,404,200			1,769,200	1,404,200
G.2 Financial Services	1,785,800	1,785,800									1,785,800	1,785,800			1,785,800	1,785,800
G.3 Procurement and Logistics	963,600	838,000									963,600	838,000			963,600	838,000
Subtotal	4,518,600	4,028,000									4,518,600	4,028,000			4,518,600	4,028,000
I INDIRECT COSTS																
Subtotal																
Miscellaneous Income													(619,200)	(619,200)	(619,200)	(619,200)
TOTAL (excl. major programme H)	22,234,600	22,127,720			524,477	631,357					22,759,077	22,759,077	(619,200)	(619,200)	22,139,877	22,139,877
H BUILDINGS MANAGEMENT																
TOTAL (major programme H)																

a/ Reflects budget adjustments to the base.

Annex C

Staffing by major programme and programme

Programme	Professional and above			General service		
	Regular budget 1	Operational budget 2	Total 3	Regular budget 4	Operational budget 5	Total 6
A POLICYMAKING ORGANS						
A.2 PMO Secretariat and Member Relations	5.00		5.00	3.00		3.00
Subtotal	5.00	0.00	5.00	3.00	0.00	3.00
B EXECUTIVE DIRECTION AND STRATEGIC MANAGEMENT						
B.1 Executive Direction and Strategic Management	13.00		13.00	16.00		16.00
B.2 Evaluation	4.00		4.00	2.00		2.00
B.3 Legal Services	2.00	1.00	3.00	2.00		2.00
B.4 Internal Oversight	4.00		4.00	2.00		2.00
Subtotal	23.00	1.00	24.00	22.00	0.00	22.00
C POVERTY REDUCTION THROUGH PRODUCTIVE ACTIVITIES						
C.1 Poverty Reduction through Productive Activities	51.35	16.85	68.20	24.75	9.80	34.55
Subtotal	51.35	16.85	68.20	24.75	9.80	34.55
D TRADE CAPACITY-BUILDING						
D.1 Trade Capacity-Building	35.40	14.30	49.70	16.45	5.25	21.70
Subtotal	35.40	14.30	49.70	16.45	5.25	21.70
E ENVIRONMENT AND ENERGY						
E.1 Environment and Energy	57.70	12.90	70.60	25.40	11.20	36.60
Subtotal	57.70	12.90	70.60	25.40	11.20	36.60
F CROSS CUTTING PROG. & COUNTRY-LEV. & REG. COH.						
F.1 Strategic Industrial Research and Statistics	9.95	1.00	10.95	9.85	2.75	12.60
F.2 Special Programmes	10.85	4.45	15.30	3.95	1.65	5.60
F.3 Regional Prog. & Country-level & Reg. Coherence	16.75	9.50	26.25	9.35	0.85	10.20
F.4 Field Operations Support				53.00	17.00	70.00
Subtotal	37.55	14.95	52.50	76.15	22.25	98.40
G PROGRAMME SUPPORT SERVICES						
G.1 Human Resource Management	9.00	1.00	10.00	15.25	9.00	24.25
G.2 Financial Services	9.00	2.00	11.00	24.00	10.00	34.00
G.3 Procurement and Logistics	7.00	2.00	9.00	24.75	2.00	26.75
G.4 Information and Communication Management	11.00		11.00	14.50		14.50
G.5 Direction and Management	2.00		2.00	4.00		4.00
Subtotal	38.00	5.00	43.00	82.50	21.00	103.50
I INDIRECT COSTS						
Subtotal	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL (excl. major programme H)	248.00	65.00	313.00	250.25	69.50	319.75
H BUILDINGS MANAGEMENT						
H.1 Common Buildings Management	9.00		9.00	122.00		122.00
H.2 Joint Buildings Management				3.00		3.00
TOTAL (major programme H)	9.00	0.00	9.00	125.00	0.00	125.00