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**Programme and budgets, 2012-2013**

**PROGRAMME AND BUDGETS 2012-2013\***

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)
AGECC	Secretary-General's Advisory Group on Energy and Climate Change
AIDA	Accelerated Industrial Development of Africa
ASEAN	Association of Southeast Asian Nations
ASHI	after-service health insurance scheme
AU	African Union
BDS	business development services
BMS	Buildings Management 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	United Nations System Chief Executives Board for Coordination
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
EC	European Commission
EGM	expert group meeting
EIF	Enhanced Integrated Framework
EPA	Economic Partnership Agreement
ERP	enterprise resource planning (system)
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FDI	foreign direct investment
FPCS	financial performance control system
GCC	Gulf Cooperation Council
GDP	gross domestic product
GEF	Global Environment Facility
GHG	greenhouse gas
GS	General Service staff category
HACT	Harmonized Approach to Cash Transfers
HCFC	hydrochlorofluorocarbon
HPMP	HCFC phase-out management plan
HRM	human resource management
IAEA	International Atomic Energy Agency
ICSC	International Civil Service Commission
ICT	information and communication technology
IDSB	Industrial Demand-Supply Balance Database
IFAD	International Fund for Agricultural Development
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	(Cluster of UNECA on) Industry, Trade and Market Access
ITPO	Investment and Technology Promotion Office
JI	joint implementation
LAC	Latin America and the Caribbean
LDC	least developed country

LME	large marine ecosystem
MDG	Millennium Development Goal
MEA	multilateral environmental agreement
MERCOSUR	Southern Common Market
MTPF	medium-term programme framework
NCPC	National Cleaner Production Centre
NEPAD	New Partnership for Africa's Development
NGO	non-governmental organization
NIP	national implementation plan
NIS	Newly Independent States
NQI	national quality infrastructure
NSO	National Statistical Office
ODS	ozone-depleting substances
OECD	Organisation for Economic Co-operation and Development
PCOR	Programme for Change and Organizational Renewal
POP	persistent organic pollutant
PS	Professional staff category
QCPR	quadrennial comprehensive policy review of operational activities for development of the United Nations system
RBM	results-based management
REACH	registration, evaluation and authorization of chemicals
REC	Regional Economic Community
RECPC	Resource Efficient and Cleaner Production Centre
RPLAC	Regional Programme for Latin America and the Caribbean
RPTC	regular programme of technical cooperation
SDMX	statistical data and metadata exchange
SME	small and 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
TC	technical cooperation
TCPR	triennial comprehensive policy review of operational activities for development of the United Nations system
TEST	transfer of environmentally sound technologies
UNCTAD	United Nations Conference on Trade and Development
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNIDO	United Nations Industrial Development Organization
UNJSPF	United Nations Joint Staff Pension Fund
UN-OHRLLS	United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States
UNOV	United Nations Office at Vienna
VBO	VIC-based organization
VIC	Vienna International Centre
WTO	World Trade Organization
3ADI	African Agribusiness and Agro-industries Development Initiative





## EXECUTIVE SUMMARY

### I. INTRODUCTION

1. In accordance with Article 14 of the Constitution and financial regulations 3.1 and 3.4, the Director-General hereby submits his proposed programme and budgets for the biennium 2012-2013 to the Industrial Development Board, through the Programme and Budget Committee.
2. At the time of drafting, the biennium 2010-2011 looked set to witness further substantial expansion in the delivery of UNIDO's technical cooperation programmes and projects, as well as in the voluntary contributions received from Member States and other donors. This is a clear sign of increasing demand for UNIDO's services, and therefore of the relevance of its technical cooperation activities in meeting the needs of developing countries and countries with economies in transition. During the course of the biennium, UNIDO facilitated a number of action-oriented major events on key development challenges, including agribusiness, green industry and access to clean energy, further underscoring the strength of the Organization's role in promoting international industrial cooperation and in the provision of policy advisory services. UNIDO's commitment to partnership with a wide range of stakeholders was evidenced by ongoing and new collaborations with multilateral and bilateral organizations, and with the private sector. Of particular note in this regard was the central role played by the Organization in supporting the activities of the United Nations system in the coordination of energy matters, through the Director-General's chairmanship of UN-Energy and of the Secretary-General's Advisory Group on Energy and Climate Change (AGECC).
3. Although the demand for UNIDO's services stands at an historic high, the regular budget for the biennium 2010-2011 remained constrained within a zero-real growth scenario. In this context, and in order to achieve greater efficiencies while improving the quality and effectiveness of development services delivered, UNIDO launched its Programme for Change and Organizational Renewal (PCOR) in 2010. The expected benefits of PCOR, encapsulated in the headings "Growth with Quality" and "Delivering as One UNIDO", are captured in the UNIDO Mission Statement. This has in turn been incorporated into the medium-term programme framework (MTPF) 2010-2013, as adjusted in the midterm review, and is integrated into the results framework of this proposed programme and budgets.
4. As part of PCOR, an in-depth business process re-engineering exercise took place in 2010, which led to the selection of an enterprise resource planning (ERP) system now under implementation in the Organization. The launch of the ERP implementation was made possible by the decisions taken in GC.13/Dec.15 and IDB.38/Dec.4 to support its funding through the surrender of a number of Member States' shares of the unutilized balances of appropriations, through future budgetary savings, and through a one-time withdrawal from the reserve for exchange rate fluctuations. The ERP implementation is at the core of the change and organizational renewal programme, and is expected to lead to a fully transparent end-to-end process of project formulation, implementation and results reporting. It will provide a single, integrated platform for the collection and dissemination of information and knowledge between headquarters and the field and across functional divisions and units, and thereby promote greater efficiencies in terms of staff and financial resources.
5. A number of immediate efficiency-enhancing and cost-saving measures have been identified and carried out as "quick wins" within PCOR, including a substantial cost saving from a comprehensive initiative to reduce energy consumption in the Vienna International Centre (VIC), and a reduction in paper use through the implementation of electronic workflows, electronic filing and paperless meetings.
6. Despite the projected savings to be generated from PCOR, the scope for further cost reductions beyond those envisaged is minimal. In a time of rapidly growing demand for UNIDO's services, an increased investment in core capacities, and in particular in staff resources, will be needed for the Organization to respond fully to country needs and global challenges. That notwithstanding, the Director-General is cognizant of the pressures facing Member States in the wake of the global financial and economic crisis. The present submission therefore frames the programme and budgets 2012-2013 within a zero-real growth resource scenario for the regular budget. The financial

basis of the regular budget proposed in this document is thus that of the budget for 2010-2011, adjusted for currency and price fluctuations.

7. In the context of this financial framework, the proposed programme and budgets for the biennium 2012-2013 seeks to enable UNIDO to better fulfil its programmatic mandate in the light of changing circumstances and new challenges. While largely maintaining programmatic continuity, a number of innovations have been incorporated in order to take into account the proposed adjustments to the MTPF 2010-2013 which are under submission to the thirty-ninth session of the Industrial Development Board, as well as to address increasing decentralization to the field, and the incorporation of the Organization's ethics-related policies and of its policy on gender equality and the empowerment of women. The principal features of the proposed programme and budgets 2012-2013 are:

(a) The substantive services to be provided by UNIDO to its Member States during the biennium are fully aligned with internationally-agreed development goals, as embodied in the Millennium Declaration, the 2005 World Summit outcome document (General Assembly resolution 60/1), the outcome document of the 2010 Millennium Development Goals Review Summit (General Assembly resolution 65/1), as well as 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) While the broad structure of the programme and budgets 2012-2013 mirrors that of the programme and budgets 2010-2011, the number of Major Programmes has been streamlined from nine to seven. This is chiefly accounted for by the merging of UNIDO's substantive technical cooperation programmes with cross-cutting issues and field operations support in Major Programme C, and is further explained in section II below. The supplementary items of Special Resources for Africa, Regular Programme of Technical Cooperation and Miscellaneous Income are retained.

(c) Within Major Programme B, a new programme on ethics and accountability is introduced in order to manage and implement UNIDO's code of ethical conduct, policy on protection from retaliation for reporting misconduct or cooperating with audits or investigations, and policy on financial disclosure and declaration of interests.

(d) A revised Major Programme D brings together UNIDO's activities in the provision to Member States of research and policy advisory services, contributes to the rigour of technical programmes by overseeing and implementing UNIDO's quality assurance framework, and manages donor relations and advocacy services.

(e) The proposed programme and budgets 2012-2013 is aligned with the MTPF 2010-2013 as adjusted in its midterm review, in line with the decision taken by Member States in IDB.38/Dec.9. In particular, it incorporates the reformulated development objective and management objective derived from UNIDO's Mission Statement, which is reproduced in Section V below, as well as a revised range of thematic programme components. As the expected country-level outcomes of the programme components and expected impact of UNIDO's services remain in place in the adjusted MTPF, these continue to guide the results framework of the proposed present document and will form the basis of results capturing in the ERP system.

**Development objective contained in UNIDO's Mission Statement**

UNIDO aspires to reduce poverty through sustainable industrial development. We want every country to have the opportunity to grow a flourishing productive sector, to increase their participation in international trade and to safeguard their environment.

**Management objective contained in UNIDO's Mission Statement**

Growth with Quality:

We continuously improve and grow all our services, which are multidisciplinary and positively transform policies and institutions worldwide.

Delivering as One UNIDO:

We are united in purpose and actions.

(f) In keeping with UNIDO's policy on gender equality and the empowerment of women, the present document incorporates a gender focus throughout, including where appropriate in the formulation of performance indicators.

## II. FORMAT AND PRESENTATION

8. The programme and budgets 2012-2013 continues the process adopted in recent bienniums towards the formulation of fully programmatic budgets and the presentation of programmes in a thematic manner. While the programme and budgets 2010-2011 aligned its results-based management framework with that of the MTPF 2010-2013, the present document seeks to enhance this by providing the building blocks, in terms of a reduction in the number of Major Programmes but an increased number of programme components, to allow UNIDO's enterprise resource management system to better capture and report on all elements of the results chain. Through the use of a redesigned, online and uniform project document, contributions of project activities to the expected country-level outcomes and development impacts will be clearly traceable. For the first time, this will provide for a seamless span between projects, the programme and budgets, the MTPF and the Organization's strategic long-term vision statement 2005-2015.

### Major programmes

9. The programmatic structure of the programme and budgets 2012-2013 is based on seven Major Programmes, as compared to the nine Major Programmes of the programme and budgets for 2010-2011. These major programmes comprise:

Major Programme A	Policymaking Organs
Major Programme B	Executive Direction and Strategic Management
Major Programme C	Thematic Priorities
Major Programme D	Strategic Research, Quality Assurance and Outreach
Major Programme E	Programme Support Services
Major Programme F	Buildings Management
Major Programme G	Indirect Costs

10. Major Programmes A and B continue to serve the requirements of the policymaking organs and of the executive management of UNIDO. Major Programme C now covers the bulk of the substantive services provided by UNIDO to its Member States, including activities in the field and activities to achieve greater regional and country-level coherence. Major Programme D provides a unified structure for UNIDO's activities in the provision of policy advisory services, research and statistics, donor relations, quality assurance and advocacy. Major Programme E relates to the various support services needed to ensure the effective implementation of the Organization's substantive activities, while Major Programme F relates to the management of the VIC complex. Major Programme G shows all indirect costs and joint services in which UNIDO participates.

## **Programmatic structure**

11. A number of improvements and innovations have been introduced to the programmatic structure. In particular, the combination within Major Programme C of activities carried out in UNIDO's three thematic priorities – Poverty Reduction through Productive Activities, Trade Capacity-building, and Environment and Energy – together with cross-cutting issues and field operations support, facilitates both cross-organizational collaboration and the enhancement of RBM reporting through the ERP system. A summary of the programmes and programme components covered across the Major Programmes is given below.

12. Major Programme A retains its two traditional programmes concerning 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 a number of substantive, technical, logistical and advisory support services to the policymaking organs, as well as a liaison service between UNIDO and its Member States and other stakeholders.

13. Major Programme B contains five programmes. Programme B.1 provides a consolidated framework for the inclusion of all the principal functions of executive direction and strategic management under two individual programme components: Executive Direction and Organizational Alignment, and Strategic Planning, United Nations Coherence and Partnerships. The first of these components is primarily responsible for establishing the overall 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 and the maintenance of strategic partnerships with stakeholders. 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 through independent and objective internal audit services and investigations of alleged wrongdoings. Programme B.5 is a new programme focusing on ethics and accountability, supporting the development and implementation of UNIDO's ethics-related policies.

14. Major Programme C is the largest of the major programmes, merging UNIDO's technical cooperation and support services in each of the three thematic priorities with cross-cutting issues and field operations support. It contains five programmes, which will be described individually.

15. Programme C.1 covers the suite of services provided by UNIDO to Member States under the thematic priority of Poverty Reduction through Productive Activities, responding to Millennium Development Goal 1, and the related objectives of gender equality and the empowerment of women, responding to Goal 3. This Programme also includes a programme to promote the domestic production of pharmaceutical drugs in developing countries in support of Goal 6. It holds five programme components. The first of these focuses on the effective management of the programme, including the establishment of a systematic mechanism of progress monitoring and assessment. Programme component C.1.2 concerns business, investment and technology services for development, including private sector development and the promotion of clusters and business linkages. Programme component C.1.3 is aimed at promoting pro-poor business opportunities for rural populations through agribusiness and entrepreneurship development. Programme component C.1.4 focuses on the participation of women and youth in productive activities, while Programme component C.1.5 addresses challenges to countries and communities emerging from crisis situations.

16. Programme C.2 covers the range of services provided under the thematic priority of Trade Capacity-building. The first of the five programme components focuses on the effective management of the programme, including the establishment of a systematic mechanism of progress monitoring and

assessment. Programme component C.2.2 offers services aimed at strengthening the productive capacities of developing countries and at enabling producers in these countries to meet market requirements for the quantity, quality, productivity and safety of products and services. Programme component C.2.3 supports the development of national and regional institutional frameworks for standards, metrology, testing, certification, accreditation and quality to enable manufacturers in developing countries to comply with the stringent standards in many export markets, including private standards. Programme component C.2.4 supports industrial export promotion and SME consortia, to help enterprises manage the risks and costs of entering into export markets. Programme component C.2.5 promotes 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, often emanating from importers in the private sector.

17. Programme C.3 covers the services provided by UNIDO in its thematic priority area Environment and Energy. It incorporates four programme components. The first of these again focuses on the effective management of the programme, including the establishment of a systematic mechanism of progress monitoring and assessment. The remaining three relate to specific areas of technical cooperation. Programme component C.3.2 is intended to support the reduced consumption of natural resources, the reduction of greenhouse gas and other emissions and industrial wastes in industrial processes, 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 C.3.3 is aimed at promoting access to clean energy for productive use and industrial applications of clean energy in energy-intensive manufacturing SMEs. Lastly, Programme component C.3.4 assists developing countries and countries with economies in transition to meet their obligations under multilateral environmental agreements, 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 (UNFCCC).

18. Programme C.4 encompasses two particular issues which cut across UNIDO's thematic priorities, namely South-South cooperation and support to the least developed countries (LDCs). Programme C.5, meanwhile, ensures that the UNIDO field network, consisting of regional and country offices and UNIDO Desks, receives optimal support and is fully integrated into the programmatic activities carried out under Major Programme C.

19. Major Programme D is the fourth of the Major Programmes included in the programme and budgets 2012-2013, and draws together UNIDO's activities in the provision to Member States of knowledge products, contributes to the rigour of technical programmes by overseeing and implementing UNIDO's quality assurance framework, and manages donor relations and advocacy services. Programme D.1 covers strategic research and policy advisory services, while Programme D.2 focuses on quality assurance and outreach.

20. Programme D.1 contains four programme components, the first of which ensures the effective management of the programme. Programme component D.1.2 aims to generate, through applied research, knowledge in support of industrial development strategies, policies, programmes and projects. Programme component D.1.3 provides sound industrial policy and strategy advice, as well as advanced training and relevant capacity-building exercises. Programme component D.1.4, meanwhile, covers the provision of accurate and internationally comparable industrial statistics to UNIDO stakeholders.

21. Programme D.2 consists of three programme components. Programme component D.2.1 manages UNIDO's relationships with donors and potential donors in order to effectively mobilize resources for development services. Programme component D.2.2 is responsible for managing and supporting the programme and project approval process, to ensure that UNIDO's development services conform to internationally recognized principles and are of high-quality design. Lastly, Programme component D.2.3 coordinates UNIDO's advocacy and communication activities, aimed at generating an increased understanding of industrial development issues and of the role of UNIDO in this regard.

22. Major Programme E comprises the various support services required to ensure the effective operations of UNIDO. These are presented under five separate programmes, E.1-E.5, covering human resource management, financial services, procurement and logistics, information and communication management, and direction and management, respectively. Of these, programme E.3 is further subdivided into two programme components covering procurement services and logistics services.

23. Major Programme F relates to the operation, maintenance and repair of the VIC 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 F.1 Common Buildings Management, and Programme F.2 Joint Buildings Management, which provide broadly similar services concerning the objectives of the Major Programme but differ in their sources of funding. Programme F.1 is financed by all VIC-based organizations, while Programme F.2 is financed only by UNOV, UNIDO and CTBTO.

24. Major Programme G covers UNIDO's contributions to shared services and other indirect costs, and contains only one programme, Programme G.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.

25. In addition to the seven Major Programmes, the programme and budgets 2012-2013 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 allotted 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 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 mandate of UNIDO**

26. UNIDO's mandate is derived from its Constitution and from 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, the Strategic Guidelines "Towards improved UNIDO programme delivery" adopted by the Industrial Development Board in decision IDB.26/Dec.7, and the strategic long-term vision statement approved by the eleventh session of the General Conference in December 2005 (resolution GC.11/Res.4). Based on guidance from these documents, and taking into account decision IDB.38/Dec.9 on the alignment of the medium-term programme framework with the expected quadrennial comprehensive policy review (QCPR) of operational activities for development of the United Nations system, UNIDO formulates a four-year MTPF, which identifies a number of areas of emphasis and priority services. The formulation of the programme and budgets for 2012-2013 has been guided by the mandate derived from these documents.

#### **International development goals**

27. In preparing the programme and budgets 2012-2013, UNIDO has been mindful of the need to align the programmatic framework with the development goals and targets established by the international community. In the period up to 2015, the MDGs remain the most important of these, and UNIDO will continue to ensure that its programmatic activities support the achievement of the Goals according to its mandate and competence. MDGs to which UNIDO contributes include Goal 1 (eradicating extreme poverty and hunger), Goal 3 (promoting gender equality and empowering

women), Goal 7 (ensuring environmental sustainability) and Goal 8 (developing a global partnership for development). A further Goal to which UNIDO is contributing through its programme on fostering the local pharmaceutical industry in developing countries is Goal 6 (combating HIV/AIDS, malaria and other diseases).

28. Apart from the MDGs, a number of other internationally-agreed development goals will guide UNIDO's programmatic framework in 2012-2013. These include goals emanating from a number of major global conferences and summits held in the last two decades, and their respective review conferences and follow-up activities. These conferences include 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. At the time of drafting, the Fourth United Nations Conference on the Least Developed Countries (LDC IV) was expected to take place in May 2011 in Istanbul, Turkey, and UNIDO will take its outcome into account in future activities. In addition, the outcome of the United Nations Conference on Sustainable Development, to be held in Rio de Janeiro, Brazil in June 2012, will also guide future activities.

29. Other important sources of guidance are the multilateral environmental agreements. UNIDO's activities related to environment and energy are fully in accordance with the objectives of the Global Environment Facility (GEF), and several derive their mandate from the Montreal Protocol, the Stockholm Convention on Persistent Organic Pollutants, and the United Nations Framework Convention on Climate Change (UNFCCC).

#### **United Nations coherence**

30. The triennial comprehensive policy review (TCPR) of operational activities for development of the United Nations system, provided for in General Assembly resolution 62/208, operates as a framework for system-wide coherence in the provision of development services. UNIDO takes into account the principles of the TCPR in its planning processes, including in the formulation of the present submission. With the expected move to a four-year programming cycle and adoption of the QCPR by the General Assembly by the end of 2012, UNIDO will move to more closely align its medium-term programme framework with system-wide planning for operational activities, and this in turn will be reflected in future iterations of the programme and budgets.

31. During the past number of years, UNIDO has also actively contributed to the Delivering as One (DaO) initiative, both in terms of developing the approach and in its effective implementation in the eight pilot countries and in so-called "self-starter" countries. The Organization will continue to place great emphasis on supporting national ownership of the development process through country-level coherence, in accordance with General Assembly resolution 64/289 on system-wide coherence, and other relevant resolutions of the General Assembly.

#### **Field representation and decentralization**

32. An implication of the DaO approach has been an increased emphasis in the United Nations system on strengthened country-level delivery mechanisms in support of country needs and the related joint plans of United Nations Country Teams. With the introduction of its field mobility policy in 2006, and the subsequent deployment of Professional staff to the field, UNIDO's field-based technical cooperation capacity has been enhanced accordingly.

33. The present programme and budgets aims to further strengthen field capacity by supporting a higher degree of decentralization to the field through the absorption of field operations support into Major Programme C. Delegation of authority for programme implementation to the field network will be aided by alignment with the main substantive programmes of technical cooperation. It is expected that such decentralization will allow a swifter response to local needs and a closer partnership between UNIDO and local counterparts. This is of particular relevance in light of the increased use of national implementation modalities in the context of system-wide coherence at the country level. An increase in

national programme staff, along with growing General Service capacities in field offices, is foreseen in the present submission, and further explained below.

### **Strategic partnerships**

34. UNIDO's Mission Statement, incorporated into the revised MTPF 2010-2013, describes the Organization as a "partner for prosperity". Since the refocusing of its programme delivery on three thematic priorities, UNIDO has sought to avoid duplication and overlap with other agencies, and has promoted coordination, cooperation and partnership with agencies offering complementary services. Partnerships have already been established with a wide range of multilateral and bilateral organizations, the private sector and civil society organizations. The maintenance and development of such partnerships will continue to be accorded high priority in 2012-2013.

35. Particular attention will be given to collaboration with the Food and Agriculture Organization of the United Nations (FAO) and the International Fund for Agricultural Development (IFAD) on agribusiness and agro-industry development; with the United Nations Development Programme (UNDP) and the International Labour Organization (ILO) on private sector development; with UN Women on gender equality and the participation of women in productive sectors of the economy; with the World Intellectual Property Organization (WIPO) on intellectual property issues in industrial development; with the United Nations Environment Programme (UNEP) on cleaner production, green industry, clean energy, and the implementation of multilateral environmental 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 Global Environment Facility (GEF) and the Secretariat of the Multilateral Fund for the Montreal Protocol on environment and energy. Within the United Nations system, UNIDO will build on its role in supporting UN-Energy as the mechanism for coordinating energy matters among agencies. The Organization will also continue to participate actively in global and regional system-wide initiatives such as, inter alia, the United Nations System Chief Executives Board for Coordination (CEB) Cluster on Trade and Productive Capacities; the Cluster of the United Nations Economic Commission for Africa (UNECA) on Industry, Trade and Market Access (ITMA) and the various regional coordination mechanisms. Beyond the United Nations system, UNIDO will also pursue the objective to strengthen partnerships through Programme component B.1.2.

### **Results-based management, progress monitoring and risk tracking**

36. The proposed programme and budgets 2012-2013 applies the RBM approach adopted in the previous biennium, including the maintenance of a clear linkage to the MTPF 2010-2013. The results framework has been refined to incorporate the integration of UNIDO's Mission Statement into the revised MTPF, and therefore contains a reformulated development objective and management objective, as well as a number of modifications to the programme components as outlined above.

37. The alignment of the programme structure of the revised MTPF 2010-2013 to the proposed programme and budgets 2012-2013 provides for a logical cascading down of the objectives and country-level outcomes to their respective programme components. By means of a uniform online project document integrated into the enterprise resource planning system, and based on the results framework in this programme and budgets, results reporting will be greatly strengthened.

38. Major Programme C of the proposed programme and budgets provides for a more systematic mechanism of progress monitoring and assessment for UNIDO's development services. This comprises greater oversight of the monitoring, reporting and risk-tracking processes of UNIDO technical cooperation activities by (i) developing and updating standards and formats for technical cooperation monitoring and reporting; (ii) reviewing the implementation of monitoring, reporting and risk-tracking systems; (iii) analysing programme portfolio reports and maintaining monitoring databases; and (iv) advising project managers and approval bodies on the project risk profile and the need for special monitoring requirements.



## Resource base

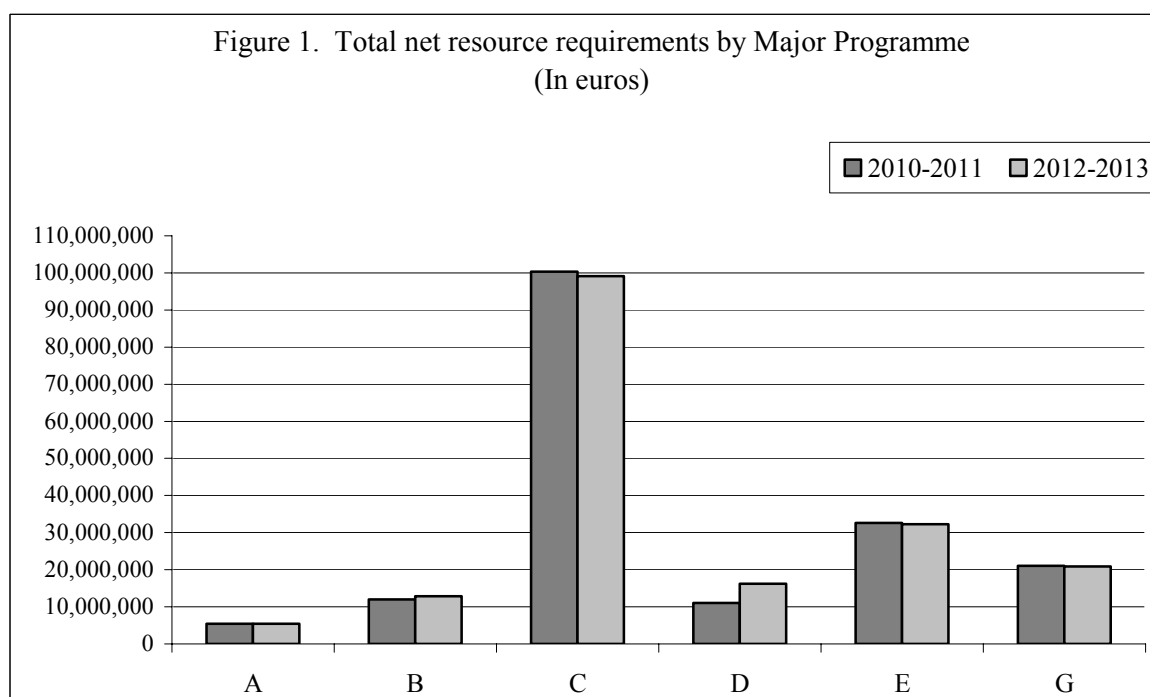
39. As set out in Section I above, the programmes proposed in the programme and budgets 2012-2013 will need to be undertaken within the limited resources at the disposal of the Organization. The programme and budgets 2012-2013 are presented in a zero growth scenario, in real terms, for the regular budget.

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

41. The regular budget is funded primarily from assessed contributions, with a very limited amount provided from other sources such as interest income, sales publications and government contributions to the UNIDO regional and country 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).

42. 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.

## Comparison with the previous biennium by Major Programme



43. The comparison between the current biennium and the estimated requirements for the biennium 2012-2013 is based on 2010-2011 cost levels. 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 and D. 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 F (Buildings Management) because of its joint sources of funding.

### **Major Programme A**

44. The resource level of Major Programme A (Policymaking Organs) remains unchanged from the previous biennium at 2.9 per cent.

### **Major Programme B**

45. The proportion of total gross resources devoted to Major Programme B in the programme and budgets for 2012-2013 is budgeted to increase to 6.7 per cent from 6.5 per cent in the programme and budgets for 2010-2011. This primarily reflects the need for increased resource requirements in Programme B.5, Ethics and Accountability as well as an increase in staff costs for Programme B.2 Evaluation. Increased resource requirements for Ethics and Accountability are congruent with the need to place more emphasis on the application of ethics policies in the United Nations system as called for by the United Nations System Chief Executives Board for Coordination (CEB). An increase in resources for Evaluation is in keeping with the management objective to reinforce the assessment and evaluation functions of UNIDO.

### **Major Programme C**

46. There is a moderate decline in overall resources devoted to Major Programme C from 55.5 per cent to 53.7 per cent. This is mainly the result of a decrease in programme C.4, Cross-cutting Issues whose resource requirements have shifted from 6.7 per cent in the biennium 2010-2011 to 2.4 per cent in 2012-2013. This is due mainly to the mainstreaming of this Programme into the three thematic priorities. On the other hand, the resource requirements for Programme C.3, Environment and Energy, have increased from 16.1 per cent to 19.0 per cent. There is also an increase in the resource requirements for programme C.5, Field Operations Support, to strengthen the administrative capacity for further decentralization.

### **Major Programme D**

47. The share of resources allocated to Major Programme D has been substantially increased in the programme and budgets from 6.0 per cent in 2010-2011 to 8.5 per cent in 2012-2013. This aligns with the strategic management objective to place greater emphasis on research and its corresponding analysis and policy advisory services, as well as to underscore UNIDO's quality assurance and outreach functions.

### **Major Programme E**

48. The resources earmarked for Major Programme E have decreased by almost one per cent, with the share of this Major Programme in the total budget showing a decline from 17.7 per cent to 16.9 per cent.

### **Major Programme F**

49. The proposed gross expenditure budget for Programme F.1 Common Buildings Management Services shows a decrease of €5,475,380. With the asbestos removal project approaching its end, this is mainly due to a decline in job requests for Alteration to Premises of €4,481,200 and further reflects a reduction in income from work done for individual VIC organizations on a 100 per cent reimbursable basis of €2,079,880. During the 2012-2013 biennium funds in the BMS Special Account will have been mostly utilized. The estimated contribution of UNIDO to the cost-shared activities of Common Buildings Management is expected to decrease from 15.71 per cent to 15.604 per cent. Thus, overall, there is a reduction in the contribution to Common Buildings Management for UNIDO of €60,610.

50. The proposed gross expenditure budget for Programme F.2 Joint Buildings Management shows a decrease of €205,000 due to a decrease in capital good requirements and an expected decrease in the requirement in maintenance of premises.

## Major Programme G

51. Indirect costs show a decrease of €230,620 as a result of a reduction in resource requirements in Security and Safety Services and Language and Documentation Services. The decrease under Language and Documentation Services reflects the lower level of utilization for editing, reproduction and distribution services experienced over the past years whilst the decrease under Common Security and Safety Services results from the reduction of non-recurrent costs relating to security equipment contained in the 2010-2011 budget estimates and a reduction in the UNIDO share of these common services from 15.71 per cent to 15.604 per cent.

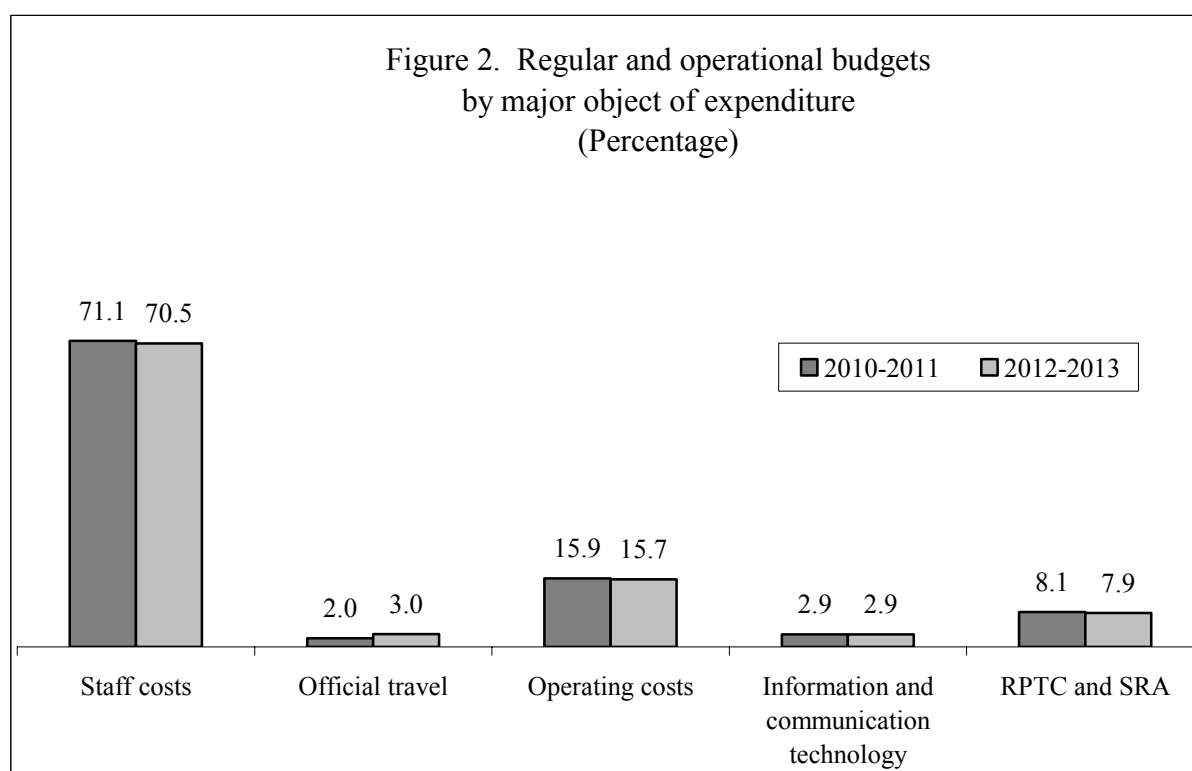
### Others

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

52. As in the biennium 2010-2011, the entire volume of the funds dedicated to the RPTC will be freely programmable in 2012-2013, in accordance with the priority accorded to Africa by the international development community and by UNIDO itself. In accordance with a previous decision, the Special Resources for Africa is maintained as a unique budget line to fund programme activities in Africa. The resources allocated for RPTC/SRA in 2012-2013 will be equivalent to those allocated in 2010-2011 at €14.93 million before recosting.

#### Changes by major object of expenditure

53. The composition of the budgets remains largely the same as far as the relative share of the various major objects of expenditure is concerned. Details of notable variances are provided below by major object of expenditure.



### **Changes in staff costs and the post structure**

54. The total number of posts has been increased by 22.75. Details of the composition of posts are presented in table 5 and annex C.

55. There has been a net increase of three in the total number of Professional posts in the field. This is comprised by six new National Programme Officer posts replacing one P-5, one P-4 and one PS post.

56. The increase of posts in the General Service (GS) category of 19.75 mostly results from the creation of new posts in field representation. Twelve new GS posts were allocated to existing UNIDO Desks to assist the local Heads of UNIDO Operations. In four existing Regional and Country Offices, one new GS post each was created to, among others, strengthen the administrative capacity in handling imprest accounts and local procurement. Two GS posts were created for a new field office in the Latin America and Caribbean region.

57. The budgeted staff costs under the operational budget also include the utilization of a portion of the support cost reimbursement, resulting from implementing projects funded by the Global Environment Facility (GEF), for consultancy and expert group meetings of €1,663,200. This amount is a new element, which is in alignment with the donor policy of GEF.

### **Official travel**

58. The overall increase in official travel is also mainly attributable to the travel component of the planned utilization of GEF support cost income of €2,116,800. This amount is included in the operational budget for similar reasons as outlined in the paragraph immediately above. Official travel financed from the regular budget shows a decrease by €126,300.

### **Operating costs**

59. Given that the Major Programme for Indirect Costs has a large component of resources for operating costs, the other Major Programmes show only a small proportion of these costs. Such operating costs include but are not limited to printing, public information services and translation and have a direct impact on the relevant Programmes.

## **IV. BUDGET FRAMEWORK**

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

60. The following analysis is presented at 2012-2013 costs, i.e. including the elements of revaluation and recosting.

61. 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 (€165,318,838) are reduced by an anticipated income (€4,643,400), and the resulting amount of €160,675,438 constitutes the net requirements.

62. 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 and other sundry items for which details are provided in a separate section. Projected income is considerably lower than that of the previous biennium given the current outlook on interest rates on the financial markets. Cost reimbursement for field offices has been calculated based on actual data for 2010 and expected collections during 2011.

63. Due to the reduced estimated income level the gross regular budget expenditures at current rates have also had to be reduced in order to achieve a zero real growth net regular budget.

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

64. Total gross expenditures under the operational budget (€28,911,400) are similarly reduced by income (€73,700). The resulting net requirements (€28,837,700) are financed from the reimbursement of support costs pertaining to technical cooperation and other services. Details related to technical cooperation delivery and related support cost income estimates are shown in Tables 1 and 2(b). The 2010-2011 technical cooperation delivery estimates were originally calculated on the basis of US\$ 1 = €0.683. Revalued to the exchange rate applied in the present document (US\$ 1 = €0.756), the 2010-2011 delivery estimates amount to €217.7 million. The projected level for 2012-2013 amounts to €273.1 million, representing a significant increase.

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

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

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

67. 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.

68. The total estimated level of technical cooperation in the biennium 2012-2013 amounts to €273,091,700 (excluding RPTC). As stated above, this represents a significant increase over the estimated level applied for the biennium 2010-2011 (€217,672,656 after revaluation at US\$ 1 = €0.756).

### **Development of budget estimates**

69. 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 2010-2011 and 2012-2013 are shown at the same cost levels as the biennial budget for 2010-2011. The budget estimates for the biennium 2012-2013 are then adjusted (recosted) to take into account the impact of inflation and other cost adjustments.

70. For the development of the budgetary estimates for the biennium 2012-2013, the following elements have been taken into consideration:

- (a) Approved budgets for 2010-2011;
- (b) Adjustments to the approved 2010-2011 budgets to allow comparison;
- (c) Resource requirements for 2012-2013 at 2010-2011 rates;
- (d) Inflation and other cost adjustments.

### **Approved budgets for 2010-2011 as the budget base**

71. The programme and budgets for the biennium 2010-2011, as contained in document IDB.36/7 and approved by the General Conference in decision GC.13/Dec.14, detailed the resource requirements to implement the programmes of the Organization for the biennium 2010-2011. In line with that document, the budgets for the biennium 2010-2011 represent, under the regular budget, a net amount of €156,609,188 and €22,187,677 under the operational budget.

72. The General Conference, in decision GC.13/Dec.14 paragraph (c), approved an amount of €156,609,188 as the level of assessed contributions for 2010-2011.

73. In order to allow comparison at the programme and objects of expenditure levels, the resource levels, as presented and approved in document IDB.36/7, have been used as the comparative base for the resource requirements for 2012-2013.

74. Consequently, the comparative base for the regular budget is €156,609,188.

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

75. 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 2012-2013 with those of 2010-2011. The adjustments to the base were mainly limited to re-coding the approved resources in accordance with the new programme structure.

76. There is a shift in resources of €1,528,900 from Programme B.1, Executive Direction and Strategic Management, to Programme D.2, Quality Assurance and Outreach, that was made to recognize the transfer of the advocacy and communication function to the latter Programme.

### **Resource requirements for 2012-2013 at 2010-2011 rates**

77. The net regular budget estimates for the biennium 2012-2013 consist of a zero growth net amount of €156,609,188.

78. As a result of an expected decline in interest rates, the estimated income under the regular budget shows a reduction of €793,000 and consequently, the gross expenditures under the regular budget have been reduced by an equivalent amount.

79. The net operational budget estimates of €27,853,850 represent a growth of €5,666,173. This amount includes the sum of €3,780,000 that represents resource requirements to support projects funded by the Global Environment Facility (GEF), in line with the donor policy on support cost usage.

80. The majority of the remaining additional expected support cost income of €1,886,173 was required to offset the shortfall in income resulting from a low forecast on interest rates (shortfall of budget income in regular budget income of €793,000 and operational budget income of €545,500). In the absence of the expected additional support cost income the Programme expenditures would have had to be scaled down.

81. The vacancy factors assumed in the budgets for the biennium 2012-2013 have remained the same as in the budgets for 2010-2011, i.e. 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**

82. The application of inflation and other cost adjustments to the 2012-2013 estimates (expressed at 2010-2011 rates) results in a recosting of these estimates to 2012-2013 rates.

83. This process consists of two steps. First, the resource requirements expressed at 2010-2011 rates are recosted to reflect the actual cost structures of 2010-2011. In the second step, the requirements are further adjusted in line with expected cost increases for 2012 and 2013.

84. The increase in financial requirements for 2012-2013 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.

85. 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 has little influence on the decision-making process in respect to the elements and parameters of the system. At the same time, UNIDO is obliged to implement all changes in full.

86. Accordingly, projections have been made to standard salary costs for the biennium 2012-2013 as per the category of duty stations reflecting the following anticipated cost increases.

87. In Vienna, for Professional-level salaries, the outcome of the place-to-place cost-of-living survey conducted by the International Civil Service Commission (ICSC, which is a body reporting to the United Nations General Assembly) in October 2010 (document ICSC/ACPAQ/33/R.10 refers), has been taken into account with an implementation date of April 2011. The proposed increase of 0.8 per cent of the post adjustment index for Vienna together with the impact of the actual increase of 4.27 per cent implemented in May 2010 results in an effective annual increase of 1.5 per cent in 2011. In addition, a provision of 0.6 per cent per annum for in-grade increments has been made in accordance with the relevant Staff Rules. Both increases are reflected in the revaluation of 2011 standard rates. Based on information received from ICSC, an annual increase of 0.8 per cent in the post adjustment index together with in-grade increments of 0.6 per cent is expected for 2012. In 2013, annual increases in the post adjustment index of 0.6 per cent and in-grade increments of 0.6 per cent are assumed. In other duty stations, estimates for salary increases have been calculated on the basis of post adjustment indices projected by the ICSC and expected in-grade increments.

88. For General Service staff in Vienna, the salary increase is projected, based on published official index forecasts, at a level of 2.0 per cent per annum in 2011, comprising an average increase of 1.6 per cent per annum as a result of average consumer price and wage index increases and 0.4 per cent due to in-grade increments. In 2012-2013, total annual increases of 2.3 and 2.2 per cent respectively were 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 in-grade increments.

89. The level of common staff costs under regular and operational budgets has been estimated at an average 49.5 per cent (53.5 per cent in 2010-2011) of net Professional salaries and 34.5 per cent (34.1 per cent in 2010-2011) of General Service salaries for 2012-2013. 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.

90. 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.

91. The cost of common services (except the Buildings Management Service), mostly covered under the programme Indirect Costs, normally increases by the level of cost increases under staff costs.

92. The average rate under the regular budget for net cost increases in the biennium 2012-2013 is 1.29 per cent per annum. The net amount required for recosting is €4,066,250.

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

93. The Organization prepares and presents its budgets in one currency only, i.e. 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 euros, the January to December 2010 average United Nations euro/dollar exchange rate, i.e. US\$1 = € 0.756, 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 2012-2013  
for total operations

(In euros, at 2012-2013 costs)

Major Programme	Regular budget (net)	Operational budget (net)	Technical cooperation (extrabudgetary)	Total net estimates	Percent of total estimates
A. Policymaking Organs	5,500,350	85,500		5,585,850	1.2%
B. Executive Direction and Strategic Management	12,821,400	274,000		13,095,400	2.8%
C. Thematic Priorities	78,715,760	23,116,000	273,091,700	374,923,460	80.6%
D. Strategic Research, Quality Assurance and Outreach	15,390,000	1,212,000		16,602,000	3.6%
E. Programme Support Services	28,692,320	4,223,900		32,916,220	7.1%
F. Buildings Management					0.0%
G. Indirect Costs	21,767,508			21,767,508	4.7%
Miscellaneous Income	(2,211,900)	(73,700)		(2,285,600)	
<b>Total net requirements</b>	<b>160,675,438</b>	<b>28,837,700</b>	<b>273,091,700</b>	<b>462,604,838</b>	<b>100.0%</b>

Total volume of operations in 2012-2013  
by Major Programme  
(including technical cooperation)

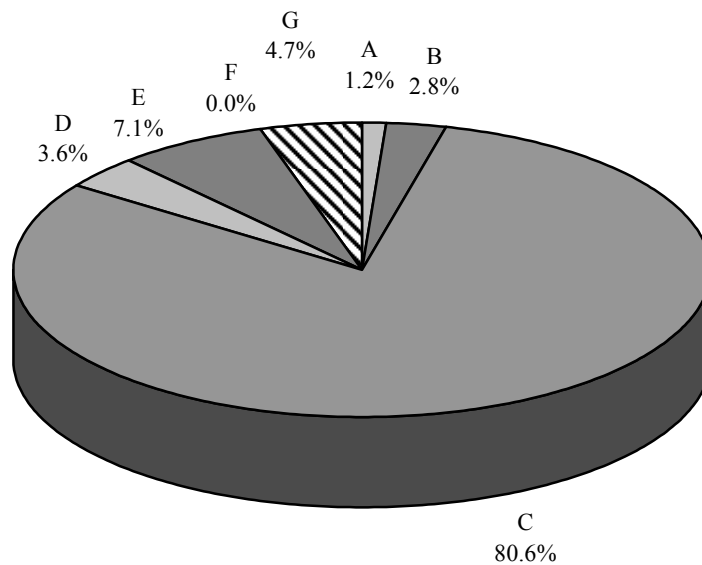




Table 2(a)

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

	2010-2011 approved budget 1	2012-2013 resource growth at 2010-2011 rates 2	2012-2013 resource requirements at 2010-2011 rates 3	Recosting to 2012-2013 rates 4	2012-2013 resource requirements at 2012-2013 rates 5
<b>Regular budget</b>					
Expenditures	161,819,688	(793,000)	161,026,688	4,292,150	165,318,838
Income	(5,210,500)	793,000	(4,417,500)	(225,900)	(4,643,400)
Net requirements	156,609,188		156,609,188	4,066,250	160,675,438
<b>Operational budget</b>					
Expenditures	22,806,877	5,120,673	27,927,550	983,850	28,911,400
Income	(619,200)	545,500	(73,700)		(73,700)
Net requirements	22,187,677	5,666,173	27,853,850	983,850	28,837,700
<b>Total regular and operational budgets</b>	<b>178,796,865</b>	<b>5,666,173</b>	<b>184,463,038</b>	<b>5,050,100</b>	<b>189,513,138</b>
<b>Rate of real growth (net)</b>					
Regular budget		0.0%			
Operational budget		25.5%			
Combined		3.2%			

Table 2(b)

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

	2010-2011 Delivery	Support cost income	2010-2011 Delivery (revalued a/)	2012-2013 b/ Delivery	Support cost income
UNDP - Main programme	594,200	59,420	657,709	98,300	9,430
Industrial Development Fund	24,041,600	2,909,030	26,611,200	40,875,200	4,892,210
Montreal Protocol	38,239,100	5,463,330	42,326,149	38,556,000	5,733,980
Global Environment Facility	33,603,600	3,074,730	37,195,200	84,079,100	7,634,070
Trust funds and others	100,175,500	8,516,670	110,882,398	109,483,100	9,464,230
Technical services		1,366,000			116,120
<b>Total</b>	<b>196,654,000</b>	<b>21,389,180</b>	<b>217,672,656</b>	<b>273,091,700</b>	<b>27,850,040</b>

a/ Original estimate revalued with US\$ 1 = €0.756, the January to December 2010 average United Nations exchange rate.

b/ Calculated with US\$ 1 = €0.756, the January to December 2010 average United Nations exchange rate.

Table 3

Proposed expenditure and income  
by Major Programme for 2012-2013 with comparative data for 2010-2011  
(In euros)

Major Programme	2010-2011 approved budget a/ 1	2012-2013 resource growth at 2010-2011 rates 2	2012-2013 resource requirements at 2010-2011 rates 3	Recosting to 2012-2013 rates 4	2012-2013 resource requirements at 2012-2013 rates 5
<b>1. Regular and operational budgets</b>					
A. Policymaking Organs	5,422,150	7,000	5,429,150	156,700	5,585,850
Net requirements	5,422,150	7,000	5,429,150	156,700	5,585,850
B. Executive Direction and Strategic Management	12,021,040	862,560	12,883,600	211,800	13,095,400
C. Thematic Priorities	102,440,737	(1,144,427)	101,296,310	2,966,950	104,263,260
Income	(2,100,400)	(105,200)	(2,205,600)	(225,900)	(2,431,500)
Net requirements	100,340,337	(1,249,627)	99,090,710	2,741,050	101,831,760
D. Strategic Research, Quality Assurance and Outreach	11,079,690	5,130,810	16,210,500	391,500	16,602,000
Net requirements	11,079,690	5,130,810	16,210,500	391,500	16,602,000
E. Programme Support Services	32,590,720	(297,650)	32,293,070	623,150	32,916,220
Net requirements	32,590,720	(297,650)	32,293,070	623,150	32,916,220
F. Buildings Management	64,160,780	(5,680,380)	58,480,400	3,085,900	61,566,300
Income	(64,160,780)	5,680,380	(58,480,400)	(3,085,900)	(61,566,300)
Net requirements					
G. Indirect Costs	21,072,228	(230,620)	20,841,608	925,900	21,767,508
Miscellaneous Income	(3,729,300)	1,443,700	(2,285,600)		(2,285,600)
<b>Total regular and operational budgets</b>	<b>178,796,865</b>	<b>5,666,173</b>	<b>184,463,038</b>	<b>5,050,100</b>	<b>189,513,138</b>

(Continued next page)

Table 3 (continued)

Proposed expenditure and income  
by Major Programme for 2012-2013 with comparative data for 2010-2011  
(In euros)

Major Programme	2010-2011 approved budget a/ 1	2012-2013 resource growth at 2010-2011 rates 2	2012-2013 resource requirements at 2010-2011 rates 3	Recosting to 2012-2013 rates 4	2012-2013 resource requirements at 2012-2013 rates 5
<b>2. Regular budget</b>					
A. Policymaking Organs	5,339,850	7,000	5,346,850	153,500	5,500,350
Net requirements	5,339,850	7,000	5,346,850	153,500	5,500,350
B. Executive Direction and Strategic Management	11,750,640	862,560	12,613,200	208,200	12,821,400
C. Thematic Priorities	85,023,620	(5,914,360)	79,109,260	2,038,000	81,147,260
Income	(2,100,400)	(105,200)	(2,205,600)	(225,900)	(2,431,500)
Net requirements	82,923,220	(6,019,560)	76,903,660	1,812,100	78,715,760
D. Strategic Research, Quality Assurance and Outreach	10,226,630	4,780,070	15,006,700	383,300	15,390,000
Net requirements	10,226,630	4,780,070	15,006,700	383,300	15,390,000
E. Programme Support Services	28,406,720	(297,650)	28,109,070	583,250	28,692,320
Net requirements	28,406,720	(297,650)	28,109,070	583,250	28,692,320
F. Buildings Management	64,160,780	(5,680,380)	58,480,400	3,085,900	61,566,300
Income	(64,160,780)	5,680,380	(58,480,400)	(3,085,900)	(61,566,300)
Net requirements					
G. Indirect Costs	21,072,228	(230,620)	20,841,608	925,900	21,767,508
Miscellaneous Income	(3,110,100)	898,200	(2,211,900)		(2,211,900)
<b>Total regular budget</b>	<b>156,609,188</b>		<b>156,609,188</b>	<b>4,066,250</b>	<b>160,675,438</b>
<b>3. Operational budget</b>					
A. Policymaking Organs	82,300		82,300	3,200	85,500
Net requirements	82,300		82,300	3,200	85,500
B. Executive Direction and Strategic Management	270,400		270,400	3,600	274,000
C. Thematic Priorities	17,417,117	4,769,933	22,187,050	928,950	23,116,000
Net requirements	17,417,117	4,769,933	22,187,050	928,950	23,116,000
D. Strategic Research, Quality Assurance and Outreach	853,060	350,740	1,203,800	8,200	1,212,000
Net requirements	853,060	350,740	1,203,800	8,200	1,212,000
E. Programme Support Services	4,184,000		4,184,000	39,900	4,223,900
Net requirements	4,184,000		4,184,000	39,900	4,223,900
Net requirements					
Miscellaneous Income	(619,200)	545,500	(73,700)		(73,700)
<b>Total operational budget</b>	<b>22,187,677</b>	<b>5,666,173</b>	<b>27,853,850</b>	<b>983,850</b>	<b>28,837,700</b>

a/ Reflects budget adjustments to the base.

Table 4(a)

Proposed expenditure and income  
by major object of expenditure for 2012-2013 with comparative data for 2010-2011  
(Excluding Major Programme F, Buildings Management)  
(In euros)

Major Programme	2010-2011 approved budget 1	2012-2013 resource growth at 2010-2011 rates 2	2012-2013 resource requirements at 2010-2011 rates 3	Recosting to 2012-2013 rates 4	2012-2013 resource requirements at 2012-2013 rates 5
<b>1. Regular and operational budgets</b>					
1 Staff costs	131,304,710	1,953,548	133,258,258	2,750,400	136,008,658
2 Official travel	3,704,600	1,990,500	5,695,100	309,500	6,004,600
3 Operating costs	29,287,725	373,575	29,661,300	1,758,400	31,419,700
4 Information and communication technology	5,401,050	10,050	5,411,100	213,700	5,624,800
5 RPTC and Special Resources for Africa	14,928,480		14,928,480	244,000	15,172,480
Income	(5,829,700)	1,338,500	(4,491,200)	(225,900)	(4,717,100)
<b>Total net regular and operational budgets</b>	<b>178,796,865</b>	<b>5,666,173</b>	<b>184,463,038</b>	<b>5,050,100</b>	<b>189,513,138</b>
<b>2. Regular budget</b>					
1 Staff costs	109,147,490	(1,061,682)	108,085,808	1,904,850	109,990,658
2 Official travel	3,704,600	(126,300)	3,578,300	195,900	3,774,200
3 Operating costs	28,638,068	384,932	29,023,000	1,733,700	30,756,700
4 Information and communication technology	5,401,050	10,050	5,411,100	213,700	5,624,800
5 RPTC and Special Resources for Africa	14,928,480		14,928,480	244,000	15,172,480
Income	(5,210,500)	793,000	(4,417,500)	(225,900)	(4,643,400)
<b>Total net regular budget</b>	<b>156,609,188</b>		<b>156,609,188</b>	<b>4,066,250</b>	<b>160,675,438</b>
<b>3. Operational budget</b>					
1 Staff costs	22,157,220	3,015,230	25,172,450	845,550	26,018,000
2 Official travel		2,116,800	2,116,800	113,600	2,230,400
3 Operating costs	649,657	(11,357)	638,300	24,700	663,000
Income	(619,200)	545,500	(73,700)		(73,700)
<b>Total net operational budget</b>	<b>22,187,677</b>	<b>5,666,173</b>	<b>27,853,850</b>	<b>983,850</b>	<b>28,837,700</b>

Table 4(b)

Annual proposed expenditure and income  
by major object of expenditure for 2012-2013  
(Excluding Major Programme F, Buildings Management)  
(In euros)

Major Programme	2012 resource requirements at 2012 rates 1	2013 resource requirements at 2013 rates 2	2012-2013 resource requirements at 2012-2013 rates 3
<b>1. Regular and operational budgets</b>			
1 Staff costs	67,381,218	68,627,440	136,008,658
2 Official travel	3,199,200	2,805,400	6,004,600
3 Operating costs	15,268,520	16,151,180	31,419,700
4 Information and communication technology	2,913,400	2,711,400	5,624,800
5 RPTC and Special Resources for Africa	7,245,170	7,927,310	15,172,480
Income	(2,082,800)	(2,634,300)	(4,717,100)
<b>Total net regular and operational budgets</b>	<b>93,924,708</b>	<b>95,588,430</b>	<b>189,513,138</b>
<b>2. Regular budget</b>			
1 Staff costs	54,551,843	55,438,815	109,990,658
2 Official travel	2,070,000	1,704,200	3,774,200
3 Operating costs	15,001,520	15,755,180	30,756,700
4 Information and communication technology	2,913,400	2,711,400	5,624,800
5 RPTC and Special Resources for Africa	7,245,170	7,927,310	15,172,480
Income	(2,058,200)	(2,585,200)	(4,643,400)
<b>Total net regular budget</b>	<b>79,723,733</b>	<b>80,951,705</b>	<b>160,675,438</b>
<b>3. Operational budget</b>			
1 Staff costs	12,829,375	13,188,625	26,018,000
2 Official travel	1,129,200	1,101,200	2,230,400
3 Operating costs	267,000	396,000	663,000
Income	(24,600)	(49,100)	(73,700)
<b>Total net operational budget</b>	<b>14,200,975</b>	<b>14,636,725</b>	<b>28,837,700</b>

Table 5

Posts established under the regular and operational budgets  
2010-2011 and 2012-2013  
(Excluding Major Programme F, Buildings Management)

A. Total UNIDO	2010-2011			2012-2013			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	6.0	39.0	32.0	7.0	39.0	-
P-5	58.0	11.0	69.0	56.0	12.0	68.0	-1.0
P-4	68.0	9.0	77.0	68.0	8.0	76.0	-1.0
PS (P-2/P-3)	78.0	10.0	88.0	77.0	10.0	87.0	-1.0
YP (P-1)	6.0	4.0	10.0	6.0	4.0	10.0	-
NP (National Programme Officer)	4.0	25.0	29.0	2.0	33.0	35.0	6.0
Subtotal	248.0	65.0	313.0	242.0	74.0	316.0	3.0
General Service	250.25	69.50	319.75	267.75	71.75	339.50	19.75
GRAND TOTAL	498.25	134.50	632.75	509.75	145.75	655.50	22.75
<b>B. Headquarters (including offices at New York, Geneva and Brussels)</b>							
	2010-2011			2012-2013			Increase/ decrease
	RB	OB	Total	RB	OB	Total	
<u>Professional and above</u>							
Director-General	1.0	-	1.0	1.0	-	1.0	-
Director	26.0	1.0	27.0	26.0	2.0	28.0	1.0
P-5	42.0	4.0	46.0	43.0	4.0	47.0	1.0
P-4	65.0	6.0	71.0	65.0	6.0	71.0	-
PS (P-2/P-3)	75.0	8.0	83.0	74.0	8.0	82.0	-1.0
YP (P-1)	6.0	4.0	10.0	6.0	4.0	10.0	-
NP (National Programme Officer)	-	-	-	-	-	-	-
Subtotal	215.0	23.0	238.0	215.0	24.0	239.0	1.0
General Service	197.25	52.50	249.75	197.75	53.75	251.50	1.75
GRAND TOTAL	412.25	75.50	487.75	412.75	77.75	490.50	2.75
<b>C. Field Offices</b>							
	2010-2011			2012-2013			Increase/ decrease
	RB	OB	Total	RB	OB	Total	
<u>Professional and above</u>							
Director	7.0	5.0	12.0	6.0	5.0	11.0	-1.0
P-5	16.0	7.0	23.0	13.0	8.0	21.0	-2.0
P-4	3.0	3.0	6.0	3.0	2.0	5.0	-1.0
PS (P-2/P-3)	3.0	2.0	5.0	3.0	2.0	5.0	-
YP (P-1)	-	-	-	-	-	-	-
NP (National Programme Officer)	4.0	25.0	29.0	2.0	33.0	35.0	6.0
Subtotal	33.0	42.0	75.0	27.0	50.0	77.0	2.0
General Service	53.0	17.0	70.0	70.0	18.0	88.0	18.0
GRAND TOTAL	86.0	59.0	145.0	97.0	68.0	165.0	20.0

## V. MISSION STATEMENT

**PARTNER FOR PROSPERITY:** *UNIDO aspires to reduce poverty through sustainable industrial development. We want every country to have the opportunity to grow a flourishing productive sector, to increase their participation in international trade and to safeguard their environment.*

### **Our Services: Growth with Quality**

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*Growth with Quality means that we continuously improve and grow all our services, which are multidisciplinary and positively transform policies and institutions worldwide.*

We offer solutions:	Bring global expertise and experience to address complex development challenges through integrated and high-impact services.
We are flexible:	Differentiate and adapt our approaches and methodologies according to the needs of countries at different stages of development.
We expand our services:	Widen our geographic scope and increase our delivery volume to serve more countries and people.
We ensure effectiveness:	Measure the impact that our services have on development in order to ensure the best possible results.

### **Our Operations: Delivering as One UNIDO**

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*Delivering as One UNIDO means that we are united in purpose and actions.*

We empower our people:	Recognize and develop competencies and knowledge, encourage communication and innovative thinking, strengthen integrity and accountability and reward team achievement.
We serve our stakeholders:	Advance a culture of cooperation, responsiveness and ownership in addressing the needs of all our stakeholders.
We lead by example:	Demonstrate ethical and gender-sensitive leadership, motivate people, promote innovation and work in flexible and cross-organizational teams.
We manage efficiently:	Improve the timeliness and cost-efficiency of all our services and create and use business processes that minimize bureaucracy.

## 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.

### 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

#### Resources estimates (in euros)

Posts			2012-2013 estimates (after recosting)		
Professional	General Service	Total	Regular budget	Operational budget	Total
<b>5.00</b>	<b>3.00</b>	<b>8.00</b>	Staff costs	1,830,100	1,830,100
			Consultants	31,200	31,200
			Official travel	9,900	9,900
			Operating costs	3,629,150	85,500
			<b>Total gross expenditure</b>	<b>5,500,350</b>	<b>85,500</b>
			<b>Total net resources</b>	<b>5,500,350</b>	<b>5,585,850</b>

#### By programme

	Posts		Regular and operational budgets	Technical cooperation (extrabudgetary)	TOTAL
	P	GS			
A.1. Meetings of the Policymaking Organs			3,794,250		3,794,250
A.2. PMO Secretariat and Member Relations	5.00	3.00	1,791,600		1,791,600
<b>A. Total major programme</b>	<b>5.00</b>	<b>3.00</b>	<b>5,585,850</b>		<b>5,585,850</b>

### 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 of UNIDO, 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 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 Budget Committee), including regular and special sessions and a range of intersessional meetings.

### Contribution to the development objective contained in UNIDO's Mission Statement

<i>Contribution</i>	<i>Performance indicators</i> <sup>1</sup>
Public policies, economic strategies and multilateral development cooperation promote improved patterns of industrial development for poverty reduction, inclusive globalization and environmental sustainability.	Effective multilateral approaches and cooperation in fields related to sustainable industrial development and growth.

<sup>1</sup> Based on reports of the policymaking organs.

### Resources

#### Resource estimates (in euros)

Posts			2012-2013 estimates (after recosting)		
Professional	General Service	Total	Regular budget	Operational budget	Total
<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	Staff costs	98,300	98,300
			Consultants	31,200	31,200
			Official travel	9,900	9,900
			Operating costs	3,569,350	85,500
			<b>Total gross expenditure</b>	<b>3,708,750</b>	<b>85,500</b>
			<b>Total net resources</b>	<b>3,708,750</b>	<b>85,500</b>
					<b>3,794,250</b>

## **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. The 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;
- (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) Undertakes protocol-related functions connected to the mandate of the Policymaking Organs Secretariat;
- (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 and correspondence guidelines.

The objective of the Programme is 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 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 contributes 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.

### **Objective**

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 the management objective contained in UNIDO's Mission Statement**

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

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

**Resources**

**Resource estimates (in euros)**

<b>Posts</b>			<b>2012-2013 estimates (after recosting)</b>		
Professional	General Service	Total	Regular budget	Operational budget	Total
<b>5.00</b>	<b>3.00</b>	<b>8.00</b>	Staff costs	1,731,800	1,731,800
			Operating costs	59,800	59,800
			<b>Total gross expenditure</b>	<b>1,791,600</b>	<b>1,791,600</b>
			<b>Total net resources</b>	<b>1,791,600</b>	<b>1,791,600</b>

## 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, ethical and accountable operational and financial management of the Organization. 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 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 lessons learned from regular monitoring and evaluation of those operations and through the application of results-based management (RBM) principles;
- (d) 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;
- (e) Ensure the adherence of all operations of the Organization to policies on ethics and accountability, including the provision of advice and guidance to UNIDO management and personnel on ethics-related issues;
- (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.

### Objective

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

### Resources

#### Resources estimates (in euro)

Posts			2012-2013 estimates (after recosting)		
Professional	General	Total	Regular budget	Operational budget	Total
	Service				
<b>24.00</b>	<b>20.00</b>	<b>44.00</b>			
			Staff costs	10,849,000	11,123,000
			Consultants	319,000	319,000
			Meetings	153,400	153,400
			Official travel	900,700	900,700
			Operating costs	459,900	459,900
			Information and comm. techn.	139,400	139,400
			<b>Total gross expenditure</b>	<b>12,821,400</b>	<b>13,095,400</b>
			<b>Total net resources</b>	<b>12,821,400</b>	<b>13,095,400</b>

**By programme**

	Posts		Regular and operational budgets	Technical cooperation (extrabudgetary)	TOTAL
	P	GS			
B.1. Executive Direction and Strategic Management	12.00	12.00	7,994,000		7,994,000
B.2. Evaluation	4.00	3.00	1,758,800		1,758,800
B.3. Legal Services	3.00	2.00	1,274,100		1,274,100
B.4. Internal Oversight	4.00	2.00	1,518,000		1,518,000
B.5. Ethics and Accountability	1.00	1.00	550,500		550,500
<b>B. Total major programme</b>	<b>24.00</b>	<b>20.00</b>	<b>13,095,400</b>		<b>13,095,400</b>

**Programme B.1: Executive Direction and Strategic Management**

**General description**

In line with the constitutional objectives of UNIDO and the decisions of the policymaking organs, including those related to the medium-term programme framework (MTPF) 2010-2013, as adjusted through the midterm review, Programme B.1 provides the overall strategic and policy direction for the management of the Organization.

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 communication, knowledge dissemination and partnerships.

**Objective**

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

**Contribution to the development objective contained in UNIDO's Mission Statement**

<i>Contribution</i>	<i>Performance indicators</i> <sup>1</sup>
Public policies, economic strategies and multilateral development cooperation promote patterns of industrial development for poverty reduction, inclusive globalization and environmental sustainability.	Effective multilateral debate and cooperation in related fields.

<sup>1</sup> Based on assessments and surveys.

## Resources

### Resource estimates (in euros)

Posts			2012-2013 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
12.00	12.00	24.00	Staff costs	6,294,400		6,294,400
			Consultants	213,000		213,000
			Meetings	153,400		153,400
			Official travel	767,500		767,500
			Operating costs	430,700		430,700
			Information and comm. techn.	135,000		135,000
			<b>Total gross expenditure</b>	<b>7,994,000</b>		<b>7,994,000</b>
			<b>Total net resources</b>	<b>7,994,000</b>		<b>7,994,000</b>

## Programme Component B.1.1: Executive Direction and Organizational Alignment

### General description

Within the overall framework of Programme B.1, this Programme component provides for the establishment of the overall strategic and policy direction of all activities undertaken by the Organization. It guides and coordinates the strategic direction of UNIDO's technical cooperation, convening, policy advisory and normative activities, as well as its administrative and financial processes and procedures, in accordance with the constitutional objectives of the Organization and 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 to ensure the support of its Member States for these activities.

### Contribution to the management objective contained in UNIDO's Mission Statement

<i>Contribution</i>	<i>Performance indicators</i> <sup>1</sup>
Sound strategies and policies, based on the development objective contained in UNIDO's Mission Statement and responding to industrial development needs of Member States and changes in the external environment.	Full alignment of UNIDO's strategies and policies with the development objective contained in its Mission Statement, as well as with internationally agreed development goals and principles.

<sup>1</sup> Based on legislative documents, United Nations documents and reports, UNIDO programme statistics, and statements by Member States.

**Programme Component B.1.2:  
Strategic Planning, United Nations Coherence and Partnerships**

**General description**

Within the overall framework of Programme B.1, this Programme component provides for the establishment of, and guidance on, specific strategies, policies and priorities of the Organization, and for the maintenance of strategic partnerships. 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 part of this Programme component.

**Objective**

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

**Contribution to the management objective contained in UNIDO's Mission Statement**

<i>Contribution</i>	<i>Performance indicators</i> <sup>1</sup>
Improved positioning of UNIDO in the multilateral context and responsiveness as a provider of multilateral development services.	Increased recognition and acceptance of UNIDO's core mandates and development objective as an important contribution to the international development agenda.

<sup>1</sup> Based on legislative documents, United Nations documents and reports, United Nations System Chief Executives Board (CEB) for Coordination reports, UNIDO programme statistics and statements by Member States.

**Programme B.2: Evaluation**

**General description**

This Programme contributes to accountability, learning and the effectiveness of UNIDO's technical cooperation programmes and other activities. 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 programmatic guidance and strategic orientation of UNIDO activities. This Programme contributes to UNIDO's management objective 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 the development objective contained in UNIDO's Mission Statement

<i>Contribution</i>	<i>Performance indicators</i> <sup>1</sup>
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"> <li>Improved development policies and strategies for industrial development.</li> <li>Effective multilateral debate and cooperation in fields related to sustainable industrialization and growth.</li> <li>Traceable contributions of UNIDO's project evaluation to global knowledge generation in the field of sustainable industrial development.</li> </ul>

<sup>1</sup> Based on reports of the policymaking organs.

### Contribution to the management objective contained in UNIDO's Mission Statement

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

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

## Resources

### Resource estimates (in euros)

Posts			2012-2013 estimates (after recosting)		
Professional	General Service	Total	Regular budget	Operational budget	Total
4.00	3.00	7.00	Staff costs	1,684,200	1,684,200
			Consultants	31,200	31,200
			Official travel	31,600	31,600
			Operating costs	11,800	11,800
			<b>Total gross expenditure</b>	<b>1,758,800</b>	<b>1,758,800</b>
			<b>Total net resources</b>	<b>1,758,800</b>	<b>1,758,800</b>

### 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 the Director-General of UNIDO.

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 the management objective contained in UNIDO's Mission Statement

<i>Contribution</i>	<i>Performance indicators</i> <sup>1</sup>
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"> <li>• Absence of errors or disputes in connection with legal advice</li> <li>• Legal inputs provided in a clear manner</li> <li>• Total liabilities are minimized compared to total claims made against the Organization</li> <li>• Absence of instances where the status, privileges and immunities of the Organization and its officials are challenged or not maintained.</li> </ul>

<sup>1</sup> Based on the logbook of the Office of Legal Affairs.

### Resources

#### Resource estimates (in euros)

Posts			2012-2013 estimates (after recosting)			
Professional	General	Total	Regular	Operational	Total	
	Service		budget	budget		
<b>3.00</b>	<b>2.00</b>	<b>5.00</b>	Staff costs	941,800	274,000	1,215,800
			Consultants	32,100		32,100
			Official travel	12,900		12,900
			Operating costs	13,300		13,300
			<b>Total gross expenditure</b>	<b>1,000,100</b>	<b>274,000</b>	<b>1,274,100</b>
			<b>Total net resources</b>	<b>1,000,100</b>	<b>274,000</b>	<b>1,274,100</b>

### 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 (both assurance and advisory), 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, mismanagement, work/sexual harassment, abuse of authority, retaliation against whistleblowers and violation of the Code of Ethical Behaviour 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, thereby supporting transparency, accountability and improved performance.

### Contribution to the management objective contained in UNIDO's Mission Statement

<i>Contribution</i>	<i>Performance indicators</i> <sup>1</sup>
Improved transparency, accountability, results, integrity and stakeholders' trust in the Organization.	<ul style="list-style-type: none"> <li>• UNIDO operations audited.</li> <li>• Number of allegation cases reviewed and concluded.</li> </ul>

<sup>1</sup> Based on Internal Oversight data.

### Resources

#### Resource estimates (in euros)

Posts			2012-2013 estimates (after recosting)		
Professional	General Service	Total	Regular budget	Operational budget	Total
4.00	2.00	6.00			
			Staff costs	1,400,200	1,400,200
			Consultants	42,700	42,700
			Official travel	67,600	67,600
			Operating costs	3,100	3,100
			Information and comm. techn.	4,400	4,400
			<b>Total gross expenditure</b>	<b>1,518,000</b>	<b>1,518,000</b>
			<b>Total net resources</b>	<b>1,518,000</b>	<b>1,518,000</b>

### Programme B.5: Ethics and Accountability

#### General description

A commitment to ethics, transparency and accountability, and the provision of a related support mechanism independent of the Internal Oversight function, is an important aspect of best practice in the management of United Nations agencies.

This Programme provides for the promotion of a culture of ethics, transparency and accountability throughout the Organization, through:

- (a) Support for the development and implementation of UNIDO's ethics-related policies, including the Code of Ethical Conduct, the Policy for Financial Disclosure and Declaration of Interests, and the Policy for Protection against Retaliation for Reporting Misconduct or Cooperating with Audits or Investigations;
- (b) Provision of guidance to UNIDO management and personnel on ethics-related policies and issues;
- (c) Communication of established standards of conduct throughout the Organization;

- (d) Monitoring of global trends and best practices in the area of ethics, transparency and accountability;
- (e) Representation of UNIDO vis-à-vis external counterparts in ethics-related matters.

### Objective

To promote and foster a culture of ethics, transparency and accountability within the Organization and to ensure that UNIDO's policies in this area remain aligned with best practice in the United Nations system and elsewhere.

### Contribution to the management objective contained in UNIDO's Mission Statement

<i>Contribution</i>	<i>Performance indicators</i> <sup>1</sup>
Improved adherence to ethics-related policies, and related improvement in transparency and accountability.	<ul style="list-style-type: none"> <li>• Number of relevant staff adhering to Policy for Financial Disclosure and Declaration of Interests.</li> <li>• Improved awareness and knowledge of ethics-related policies.</li> <li>• Improved stakeholders' trust in the Organization.</li> </ul>

<sup>1</sup> Based on periodic reports from the Focal Point on Ethics and Accountability.

### Resources

#### Resource estimates (in euros)

Posts			2012-2013 estimates (after recosting)		
Professional	General Service	Total	Regular budget	Operational budget	Total
<b>1.00</b>	<b>1.00</b>	<b>2.00</b>	Staff costs	528,400	528,400
			Official travel	21,100	21,100
			Operating costs	1,000	1,000
			<b>Total gross expenditure</b>	<b>550,500</b>	<b>550,500</b>
			<b>Total net resources</b>	<b>550,500</b>	<b>550,500</b>

## MAJOR PROGRAMME C: THEMATIC PRIORITIES

### General description

Within the scope of the constitutional mandate of UNIDO, this Major Programme provides for a programmatic focus on three thematic priorities, within which the Organization concentrates its resources and expertise to support developing countries and countries with economies in transition in their efforts to achieve sustainable industrial development. These thematic priorities, which directly correspond to global development objectives and policies, are respectively contained within three Programmes: C.1 Poverty Reduction through Productive Activities, C.2 Trade Capacity-building and C.3 Environment and Energy. These Programmes are complemented by Programme C.4: Cross-cutting Issues and reinforced by Programme C.5: Field Operations Support.

### Objective

To reduce poverty through sustainable industrial development, encompassing growth in the productive sectors, equitable participation in international trade, and a safeguarded environment.

### Resources

#### Resources estimates (in euros)

Posts			2012-2013 estimates (after recosting)			
Professional	General Service	Total	Regular budget	Operational budget	Total	
<b>211.00</b>	<b>183.25</b>	<b>394.25</b>	Staff costs	54,298,300	18,573,500	72,871,800
			Consultants	937,800	1,256,600	2,194,400
			Meetings	543,300	478,000	1,021,300
			Official travel	1,815,000	2,230,400	4,045,400
			Operating costs	8,736,880	577,500	9,314,380
			Information and comm. techn.	58,300		58,300
			RPTC/SRA	14,757,680		14,757,680
			<b>Total gross expenditure</b>	<b>81,147,260</b>	<b>23,116,000</b>	<b>104,263,260</b>
Technical cooperation (extrabudgetary)		<b>273,091,700</b>	Income	(2,431,500)		(2,431,500)
			<b>Total net resources</b>	<b>78,715,760</b>	<b>23,116,000</b>	<b>101,831,760</b>
			<b>Total resources (including extrabudgetary TC)</b>			<b>374,923,460</b>

### By programme

	Posts		Regular and operational budgets	Technical cooperation (extrabudgetary)	TOTAL
	P	GS			
C.1. Poverty Reduction through Productive Activities	75.40	32.80	32,098,340	82,379,000	114,477,340
C.2. Trade Capacity-Building	47.05	20.50	17,860,850	47,817,000	65,677,850
C.3. Environment and Energy	77.75	39.05	36,533,285	142,895,700	179,428,985
C.4. Cross-cutting Issues	10.80	1.90	4,677,985		4,677,985
C.5. Field Operations Support		89.00	10,661,300		10,661,300
<b>C. Total major programme</b>	<b>211.00</b>	<b>183.25</b>	<b>101,831,760</b>	<b>273,091,700</b>	<b>374,923,460</b>

## **Programme C.1: Poverty Reduction through Productive Activities**

### **General description**

The international community is committed to achieving the Millennium Development Goals by 2015. Chief among these goals are poverty reduction (Goal 1) and the closely related objectives of gender equality and the empowerment of women (Goal 3). A further goal to which UNIDO is contributing through its programme on fostering local pharmaceutical industry in developing countries is Goal 6 (combating HIV/AIDS, malaria and other diseases). This Programme supports the efforts of developing countries in addressing these challenges through strengthening the productive capacities of developing countries.

As the primary driver of economic growth and employment creation, productive activities play a central role in poverty reduction and the wider achievement of the MDGs. Industrial development can help bring about structural changes to set the economies of poor countries on a path of sustained economic growth. Industry provides a seedbed for entrepreneurship, promotes business investment, fosters technological upgrading and dynamism, improves human skills and creates skilled jobs, and through intersectoral linkages establishes the foundation for both agriculture and services to expand. All these factors contribute to sustained productivity improvements that can ensure pro-poor outcomes and increased living standards in poor countries.

Together, the public and private sectors have interrelated and mutually supportive roles to play. Governments are, in particular, tasked with facilitating the development of productive capacities through their regulatory and policymaking functions. It is important that governments in developing countries should establish a business environment conducive to investment and growth, based on sound industrial policies and strategies as well as an effective institutional framework.

Where the private sector is concerned, special attention should be given to entrepreneurs and small and medium enterprises (SMEs). In developing countries, such enterprises are responsible for most economic activities supporting productivity enhancement and poverty reduction. This is particularly the case for the agriculture-based economies in Africa and the least developed countries (LDCs), where the development of agro-based enterprises contributes to poverty reduction while at the same time enhancing productivity. In this context, building up and strengthening productive capacities through the development of SMEs in competitive sectors takes a central role.

Frequently the growth prospects of SMEs in developing countries are constrained by an inability to access investment. Such enterprises often lack the capital needed to scale up production. While this issue is closely linked to the policy measures and regulatory approaches adopted by governments, it is also partly due to a lack of knowledge on the part of external providers of capital about the opportunities for partnership with national producers.

A further challenge for developing countries is how to move from low-value, commodity-based activities to higher-value and technology-driven production. Helping enterprises in such countries to gain access to market information, business know-how, and modern technology is key to overcoming this challenge. In addition, access to clean and affordable energy for productive use and income generation, as well as the promotion of sustainable production in poor communities, is essential.

Increasing the economic empowerment of marginalized sections of the population also makes a significant contribution to poverty reduction. In developing countries, women have long been recognized as constituting some of the most vulnerable groups of society. For women, long-standing inequalities in access to, and distribution of, resources have continued to place them at a disadvantage relative to men. Despite considerable progress in improving their status, inter alia, in education and access to employment, women often remain excluded from mainstream economic activity and thus bear a disproportionate burden of poverty. Women's lack of access to and control over resources limits their economic independence and increases their vulnerability to external shocks.

Youth are also among the most marginalized groups of society, particularly where unemployment is concerned. In comparison to adults, they are more affected by inadequate labour demand in the economy as well as prevailing economic conditions. Particularly marginalized young women and men lack opportunities for productive and decent work, and integration in employment programmes as well as in society as a whole, which might contribute to instability. Populations in developing countries that have recently emerged from crisis also face grave challenges, often against the debilitating backdrop of relatively weak governmental structures.

Developing productive capacity, especially in manufacturing industry, is therefore a rational means of bolstering development through the optimal use of human and natural resources on a long-term sustainable basis. Against this background, UNIDO offers five interrelated programme components under its priority theme of Poverty Reduction through Productive Activities. These comprise programme direction and results-based management; business, investment and technology services; agribusiness and rural entrepreneurship development; women and youth in productive activities; and human security and post-crisis rehabilitation.

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

### **Sub-Saharan Africa**

Since the turn of the century, many African countries have exhibited a number of positive trends in terms of economic growth and poverty reduction. However, the ongoing effects of the recent global food, fuel and finance crises continue to add to the significant challenges facing the region in pursuing industrial development. Two particular areas that should be addressed in this connection are: (i) supply-side constraints such as limited industrial capabilities, inadequate institutional support, insufficient access to energy and infrastructure; and (ii) the need to strengthen the agribusiness and agro-industry sector.

In the biennium 2012-2013 UNIDO will therefore focus its activities in this Programme component on building productive and trade capacities, skills and competitiveness, with a heightened focus on agro-industry, investment promotion, energy access, and youth and women in productive activities. Building on the High-level Conference on Development of Agribusiness and Agro-industries in Africa, held in cooperation with the African Union (AU) Commission, IFAD and FAO in Abuja, Nigeria, in July 2010, UNIDO will support the implementation of the African Agribusiness and Agro-Industries Development Initiative (3ADI). The Organization will also continue to support the AU in implementing the Action Plan for the Accelerated Industrial Development of Africa (AIDA).

### **Arab Region**

The countries of the Arab region are greatly diverse in terms of challenges faced in economic development. One of the greatest difficulties for many countries to overcome is a high level of youth unemployment, especially among young women. The potential for labour absorption, especially by SMEs, is high in view of their concentration in labour-intensive sectors, such as agro-processing, textile and clothing. However, value addition tends to be low and SMEs have been progressively exposed to global competition. Under this Programme component, UNIDO will focus on promoting competitiveness and diversification of the national manufacturing sector together with improving the regulatory framework and business environment.

### **Asia and the Pacific**

Asia and the Pacific is the largest region in terms of area and population but also the one with the highest growth rates. It is highly diversified in terms of countries, including industrialized and emerging economies, but also LDCs, landlocked and small island countries. While sustained growth in the past decades has brought about a significant increase in income per capita and notable improvements in key social indicators, the region is still home to millions of people

living in extreme poverty, with nearly half of the world's absolute poor population found in continental Asia.

In the biennium 2012-2013, UNIDO will continue to focus on improving frameworks for poverty reduction and on enhancing the role of women in productive activities. Central to this will be institutional support, cluster development, 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)**

The countries covered in this region are highly diverse in terms of geographic size, population, endowment in natural resources and level and pace of economic and social development. However, the region as a whole was severely affected by the recent global financial and economic crisis, with most countries experiencing negative growth rates that were exacerbated by pre-existing macro-economic imbalances, over-reliance on foreign capital and fragile governance frameworks. Sharp declines in the productive sectors have resulted in rising unemployment and increased poverty levels.

Within this Programme component, UNIDO intends to actively support countries in the region in the diversification of their economies. Particular attention will be paid to building resilience through the promotion of SMEs and entrepreneurship development, especially for women and youth. UNIDO will also continue its regional programme on technology foresight, a key aspect of which is to offer incentives and assistance to enterprises for the adoption of improved technologies for competitiveness.

### **Latin America and the Caribbean (LAC)**

The economies of Latin America and the Caribbean were negatively affected by the recent global financial and economic crisis. High levels of poverty in a number of countries were exacerbated by rising unemployment, especially in the manufacturing sectors in urban areas. Yet the region generally shows positive signs of recovery from the crisis, which will need to be supported to ensure overall stability and a solid return to growth.

In the biennium 2012-2013, UNIDO will build on its Regional Programme for Latin America and Caribbean (RPLAC) by focusing on structural change for economic diversification. In the largely middle-income countries of the Andean region and of the Southern Cone, emphasis will be placed on strategic advice and support for industrial policy formulation; the promotion of SME clusters and export consortia; quality and compliance infrastructure; and technology foresight to enhance cooperation among the private and public sectors in pursuing a long-term development agenda. In Central America, UNIDO will continue to focus on supporting the development of agro-based value chains for domestic and export markets. In the larger economies of the Southern Cone and in Mexico, UNIDO will target agro-based value chains in poorer areas, while in the island countries of the Caribbean, more emphasis will be placed on value addition in sustainable agro-industry.

### **Objective**

To increase economic growth, create employment, generate income and reduce economic and social disparities for women and men by fostering pro-poor private sector development, including in agro-industry, and promoting entrepreneurship.

## Expected impact

<i>Impact</i>	<i>Performance indicators</i> <sup>1</sup>
Women and men are equally empowered to generate and increase their income by engaging in productive industrial activities.	<ul style="list-style-type: none"> <li>• Increased job opportunities, in particular for poor target groups.</li> <li>• Increased and equitable levels of income from productive activities.</li> <li>• More decent working conditions.</li> </ul>

<sup>1</sup> Based on regular assessments and reporting in legislative documents, including in the Annual Report.

## Expected country-level outcomes

<i>Policy outcome</i>	<i>Performance indicators</i> <sup>1</sup>
Equitable growth policies: Industrial strategies, policies and regulations in developing countries support equitable and inclusive industrial growth.	<ul style="list-style-type: none"> <li>• Industrial policies set quantifiable and gender-disaggregated poverty reduction objectives.</li> <li>• Inclusiveness and reduced inequality are policy priorities.</li> <li>• Industrial statistics monitor the impact of industrial policies on poverty reduction.</li> </ul>
<i>Institutional outcome</i>	<i>Performance indicators</i> <sup>1</sup>
Market-enabling and investment support institutions: National and regional institutions establish market-enabling services for industries and assist them to increase productive capacities.	<ul style="list-style-type: none"> <li>• Support institutions serve increased numbers and types of enterprises.</li> <li>• New and better support services become available.</li> <li>• Enterprises are satisfied with quality of services.</li> <li>• Private service providers emerge and develop.</li> </ul>

<sup>1</sup> Based on regular assessments and reporting in legislative documents, including in the Annual Report.

## Resources

### Resource estimates (in euros)

<b>Posts</b>			<b>2012-2013 estimates (after recosting)</b>			
Professional	General Service	Total		Regular budget	Operational budget	Total
<b>75.40</b>	<b>32.80</b>	<b>108.20</b>	Staff costs	18,544,225	5,652,435	24,196,660
			Consultants	350,100		350,100
			Meetings	223,800		223,800
			Official travel	490,100		490,100
			Operating costs	147,300		147,300
			RPTC/SRA	6,980,580		6,980,580
			<b>Total gross expenditure</b>	<b>26,736,105</b>	<b>5,652,435</b>	<b>32,388,540</b>
			Income	(290,200)		(290,200)
		<b>82,379,000</b>	<b>Total net resources</b>	<b>26,445,905</b>	<b>5,652,435</b>	<b>32,098,340</b>
			<b>Total resources (including extrabudgetary TC)</b>			<b>114,477,340</b>



## Programme Component C.1.1: Programme Direction and Results-based Management

### General description

Programme component C.1.1 will ensure the strategic development and deployment of technical services related to the thematic priority of Poverty Reduction through Productive Activities.

Together with Programme components C.2.1 and C.3.1, it will also establish a systematic mechanism of progress monitoring and assessment for UNIDO's development services by (i) developing and updating standards and formats for technical cooperation monitoring and reporting; (ii) reviewing the implementation of monitoring, reporting and risk-tracking systems; (iii) analysing programme portfolio reports and maintaining monitoring databases; and (iv) advising project managers and approval bodies on project risk profile and the need for special monitoring requirements.

### Objective

To ensure the effective management of Programme C.1 in accordance with the principles of results-based management (RBM) and the requirements of UNIDO's Member States.

### Contribution to expected impact

<i>Contribution</i>	<i>Performance indicators</i> <sup>1</sup>
UNIDO's strategies and activities under the thematic priority of Poverty Reduction through Productive Activities are developed, based on internationally-agreed goals and country needs, and are effectively monitored and assessed.	<ul style="list-style-type: none"> <li>Thematic strategies provide a clear link between UNIDO's activities, global goals (including the MDGs) and country needs.</li> </ul>

<sup>1</sup> Based on regular assessments and reporting in legislative documents, including in the Annual Report.

### Contribution to expected country-level outcomes

<i>Contribution to policy outcome</i>	<i>Performance indicators</i> <sup>1</sup>
UNIDO's strategies and activities under the thematic priority of Poverty Reduction through Productive Activities are directly linked to country-level priorities.	<ul style="list-style-type: none"> <li>Thematic strategies are regularly monitored and updated.</li> <li>Governments and intergovernmental bodies make use of UNIDO's thematic strategies.</li> </ul>

<sup>1</sup> Based on regular assessments and reporting in legislative documents, including in the Annual Report.

### Contribution to the management objective contained in UNIDO's Mission Statement

<i>Contribution</i>	<i>Performance indicators</i> <sup>1</sup>
<p>Activities undertaken by UNIDO under the thematic priority of Poverty Reduction through Productive Activities are efficient, effective and results-oriented.</p> <p>UNIDO's development services are regularly monitored and prompt corrective action is taken to facilitate achieving expected results.</p>	<ul style="list-style-type: none"> <li>All new projects and programmes include detailed RBM work plans and a comprehensive monitoring and evaluation system.</li> <li>Increase in the number of projects reaching milestones/targets as planned</li> </ul>

<sup>1</sup> Based on regular assessments and reporting in legislative documents, including in the Annual Report.

## **Programme Component C.1.2: Business, Investment and Technology Services**

### **General description**

This Programme provides a suite of related services to enhance the contribution of the private sector to industrial development and poverty reduction including by improving competitiveness, connecting domestic enterprises with global supply chains, enhancing business linkages and bolstering investment and technology promotion. As such, it seeks to:

- (a) Encourage the development of a vibrant private sector through the establishment of a conducive business environment; promote public-private partnerships and partnerships between the private sector, civil society and research institutions; build capacities of business membership organizations, in particular chambers of commerce and industry and business associations; provide assistance to the development of national and sectoral industrial upgrading, restructuring and competitiveness policies as well as support for the upgrading of SMEs on a pilot basis;
- (b) Promote the development of industrial clusters and business linkages in order for enterprises to complement their individual capabilities, jointly achieve economies of scale and increased negotiation ability, and increase their access to markets and resources. Particular emphasis will be placed on generating opportunities for the poor, as economic actors and consumers. To this end, pro-poor value chain development for the participation of small producers in more formal value chains will be facilitated;
- (c) Upgrade the capacities of national institutions and agencies involved in investment promotion to attract quality investment and enhance the positive impact of foreign direct investment on development goals. This will include a selection of tools for information, monitoring and analysis. The continued strengthening of the network of Subcontracting and Partnership Exchanges (SPXs) will provide SMEs with access to global opportunities for investment. Capacity-building and advisory services will be provided to investment promotion agencies (IPAs) and local private sector institutions. In addition, the Programme component will provide for the strengthening of UNIDO's network of Investment and Technology Promotion Offices (ITPOs) to further support IPAs and SPXs in accessing international investors, technology suppliers and buyers. The ITPOs will also promote opportunities for responsible foreign and domestic investment.

### **Objective**

To strengthen the contribution of the private sector to pro-poor industrial development through fostering a conducive business environment, especially for SMEs, promoting industrial clusters and business linkages, as well as facilitating responsible private investment and the adoption of improved technologies.

### Contribution to expected impact

<i>Contribution</i>	<i>Performance indicators</i> <sup>1</sup>
Growth and employment generated from business, investment and technology services provide economic opportunities and better living conditions for women and men.	<ul style="list-style-type: none"> <li>• Improved economic performance of enterprises (investment, sales, productivity, innovation, export).</li> <li>• Improved social performance of enterprises (employment, compliance with safety, health, quality and environmental regulations).</li> <li>• Growing number of entrepreneurial activities.</li> </ul>

<sup>1</sup> Based on project reporting and regular assessments and surveys.

### Contribution to expected country-level outcomes

<i>Contribution to policy outcome</i>	<i>Performance indicators</i> <sup>1</sup>
Industrial policies and business development strategies are future-oriented, encourage investment, and foster innovative and knowledge-based private sector development.	<ul style="list-style-type: none"> <li>• Improved policy and legal frameworks for industrial activities and investment.</li> <li>• Improved policy and legal frameworks for inter-firm collaboration, public-private ventures and inter-institutional coordination.</li> <li>• Increased advocacy and policy dialogue between the private sector and policymakers on related issues.</li> </ul>
<i>Contribution to institutional outcome</i>	<i>Performance indicators</i> <sup>2</sup>
Public and private institutions have the capacity to undertake future-oriented business development strategies, support SME clusters and business linkages, and support investment and technology transfer.	<ul style="list-style-type: none"> <li>• Increased use of advanced methodologies and anticipatory measures in strategy making processes.</li> <li>• Support institutions effectively support investment and business development.</li> <li>• National agencies and business development services (BDS) effectively support growing numbers of businesses.</li> <li>• Quality and quantity of services are regularly improved and updated.</li> </ul>

<sup>1</sup> Based on project reporting and regular assessments and surveys.

<sup>2</sup> Based on mapping, gap analysis and customer surveys.

## Programme Component C.1.3: Agribusiness and Rural Entrepreneurship Development

### General description

The majority of the poor in developing countries live in rural areas and depend on small-scale agriculture for their livelihood. Raising incomes and labour productivity in rural areas is therefore a rational pillar of any strategy aimed at a sustainable reduction of poverty. This implies raising agricultural output and reducing post-harvest losses, as raising agricultural productivity creates jobs and raises rural incomes; triggers growth in other sectors; expands domestic markets; improves food security and reduces rural-urban migration.

It also implies encouraging the labour force to engage in off-farm entrepreneurial activities where productivity is typically higher than in agriculture. Empirical evidence shows that, as an economy grows, the share of its domestic product originating in agricultural production tends to reduce – from around 50 per cent in the poorest countries to just a few per cent in the OECD economies. Yet the same data reveals that the added value from processing agricultural commodities takes on a growing importance in GDP as a country develops. This pattern is particularly evident where food processing activities are concerned.

This Programme component is designed to assist developing countries in overcoming the challenges faced in growing agribusiness and fostering rural entrepreneurship. In particular, it focuses on the development of value chains for agricultural commodities and the fostering of partnerships – public and private – to provide expertise, technology and finance for the expansion of such value chains. It also focuses on the challenges facing rural entrepreneurship, including skills development and knowledge services.

### Objective

To promote pro-poor business opportunities for rural populations through agribusiness and entrepreneurship development.

### Contribution to expected impact

<i>Contribution</i>	<i>Performance indicators</i> <sup>1</sup>
Growth and employment generated from agribusiness and entrepreneurship development provide economic opportunities and better living conditions for the rural poor.	<ul style="list-style-type: none"> <li>• Improved economic performance of agribusiness enterprises (investment, sales, productivity, innovation, export).</li> <li>• Improved social performance of agribusiness enterprises (employment, compliance with safety, health, quality and environmental regulations).</li> <li>• Increased income from growing numbers of entrepreneurial activities among rural populations.</li> </ul>

<sup>1</sup> Based on project reporting and regular assessments and surveys.

### Contribution to expected country-level outcomes

<i>Contribution to policy outcome</i>	<i>Performance indicators</i> <sup>1</sup>
Industrial policies and strategies encourage the development of agro-value chains and rural entrepreneurship.	<ul style="list-style-type: none"> <li>• Improvements in the policy, legal and regulatory environments.</li> </ul>
<i>Contribution to institutional outcome</i>	<i>Performance indicators</i> <sup>2</sup>
Institutions offer support services for agro-value chains and for potentially competitive rural entrepreneurs, on a sustainable basis.	<ul style="list-style-type: none"> <li>• Support institutions effectively support agro-value chains.</li> <li>• Support institutions support growing number of rural entrepreneurs.</li> </ul>

<sup>1</sup> Based on regular assessments and surveys.

<sup>2</sup> Based on mapping, gap analysis and customer surveys.

## Programme Component C.1.4: Women and Youth in Productive Activities

### General description

This Programme component addresses the distinct challenges faced by women and youth in participating in the productive sectors of the economy, especially in LDCs. The primary focus of the Programme component is on the knowledge, skills and technologies needed to enable these vulnerable groups to engage in productive activities, generate income, and thereby reduce poverty.

The specific tools and mechanisms employed include capacity-building for women and youth at policy, institutional and enterprise levels; the creation of an enabling environment for women entrepreneurs by strengthening business support services; support for youth entrepreneurship; helping women entrepreneurs to gain access to financial resources; and the promotion of clusters to facilitate access to information, technology and markets.

### Objective

To promote pro-poor industrial development through the participation of women and youth in productive activities.

### Contribution to expected impact

<i>Contribution</i>	<i>Performance indicators</i> <sup>1</sup>
Women and youth improve their income and living conditions by participating in productive activities.	<ul style="list-style-type: none"> <li>• Increased income from growing numbers of productive jobs for youth and women.</li> <li>• Increased quantifiable number of youth and women in the formal sector.</li> <li>• Improved social performance of enterprises.</li> </ul>

<sup>1</sup> Based on project reporting and regular assessments and surveys.

### Expected country-level outcomes

<i>Contribution to policy outcome</i>	<i>Performance indicators</i> <sup>1</sup>
Business policies and regulatory frameworks improve access to and participation in productive activities by women and youth.	<ul style="list-style-type: none"> <li>• Improved policy and legal frameworks for the participation of women and youth in productive activities.</li> <li>• Increased advocacy and policy dialogue between the private sector and policymakers on related issues.</li> </ul>
<i>Contribution to institutional outcome</i>	<i>Performance indicators</i> <sup>2</sup>
National, regional and local support structures support the participation of women and youth in productive activities.	<ul style="list-style-type: none"> <li>• Support institutions effectively support participation of women and youth in productive activities.</li> <li>• Support institutions are operating sustainably.</li> </ul>

<sup>1</sup> Based on regular assessments and surveys.

<sup>2</sup> Based on mapping, gap analysis and customer surveys.

## Programme Component C.1.5: Human Security and Post-crisis Rehabilitation

### General description

While crisis situations may arise from man-made or natural causes, one common factor is the serious threat to human security as a result of severely depleted productive capacities, environmental degradation, destroyed livelihoods, lack of physical or social infrastructure, and the erosion of social capital. One of the cornerstones of creating resilient societies and preventing crises is, inter alia, socio-economic development. This Programme component responds to such complex situations through activities that contribute to livelihoods and economic recovery as well as energy security and environmental preservation. It thus helps to build the resilience of institutions and of the productive sector in the face of serious challenges, as well as targeting the most vulnerable segments of the population, including youth and women.

### Objective

To support the recovery of productive capacities in countries emerging from natural or man-made crises, thereby enhancing the human security of vulnerable groups.

### Contribution to expected impact

<i>Contribution</i>	<i>Performance indicators</i> <sup>1</sup>
Productive structures of countries emerging from crises are rehabilitated and provide increased economic opportunities for vulnerable groups.	<ul style="list-style-type: none"> <li>• Increased income from growing numbers of entrepreneurial initiatives, in particular among vulnerable groups.</li> <li>• Improved social performance of companies (jobs created/preserved; expanding human capital base; job security).</li> </ul>

<sup>1</sup> Based on project reporting and regular assessments and surveys.

### Contribution to expected country-level outcomes

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

<sup>1</sup> Based on regular assessments and surveys.

<sup>2</sup> Based on mapping, gap analysis and customer surveys.

## **Programme C.2: Trade Capacity-building**

### **General description**

Participation in global trade is an important aspect of a developing country's strategic approach to sustainable industrial development. Trade enables countries to make use of their comparative and competitive advantages by placing their resources into those productive activities that provide the highest economic and social returns. Access to markets can lead to more jobs, higher incomes, and greater economic security, thus aiding the achievement of Millennium Development Goals (MDGs) 1, 3 and 8.

The costs of the fall in global trade as a result of the recent economic crisis have clearly demonstrated the role of trade and the importance of trade capacity-building. Trade volumes and prices fell by more than domestic output and prices, and those countries dependent on a small number of markets or commodities were particularly affected.

As the world economy revives, some of the reduction in global trade has been reversed. However, a development-driven approach to trade requires a strong focus on how this revival can support technological change, structural diversification, employment creation and poverty reduction. Developing countries, especially the most vulnerable amongst them, need flexibility and support to strengthen their production and trading capacities as part of broader development strategies.

One of the key challenges faced by industries in developing countries is how to qualify as suppliers and enter into national, regional and global value chains. 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.

Under this Programme, UNIDO supports developing countries in their efforts to offer competitive, safe, reliable and cost-effective products to world markets. This includes:

- (a) Identifying sectors and products with 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);
- (c) Assisting in upgrading manufacturing processes in sectors with high export potential to internationally acceptable levels;
- (d) Promoting industrial exports and supporting the creation of export consortia;
- (e) Defining CSR-related approaches and supportive policies and 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), the Food and Agriculture Organization of the United Nations (FAO), the International Trade Centre (UNCTAD/WTO), and the World Trade Organization (WTO).

With respect to conformity issues, UNIDO will assist developing countries to develop compliance infrastructure that will allow the implementation of WTO rules and agreements, such as those on technical barriers to trade (TBT) and sanitary and phytosanitary (SPS) measures. Since globally-recognized conformity assessment infrastructure and services are a precondition for effective trade

participation, UNIDO will work to develop the capacities of standards bodies, metrology, calibration and testing laboratories, inspection bodies, enterprise system management certification bodies, accreditation services, and other relevant institutions.

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 will 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; and ISO 50001, the energy management standard to which UNIDO contributed. Also of importance are European Union (EU) regulations on registration, evaluation, authorization and restriction of chemical substances (REACH); and carbon footprint labelling.

Global food safety concerns continue to make product traceability schemes a useful means of safeguarding exports. Further, given the increasing role played by private standards as well as the strengthened regulatory role taken by agencies such as the European Commission Directorate-General for Health and Consumers (DG-SANCO), and the Food and Drug Administration of the United States of America, 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 continue to be made to the implementation of the EU Economic Partnership Agreements (EPAs) with the African, Caribbean and Pacific (ACP) regions.

In this overall context, UNIDO will provide its trade capacity-building services through the following five interrelated programme components, namely programme direction and results-based management; competitive productive capacities for international trade; quality and compliance infrastructure; industrial export promotion 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**

Despite the challenge posed by the recent financial and economic crisis, African exports have displayed a positive growth trend, boosted by increased trade with Asia, particularly China and India. Nevertheless, the region is not yet reaping the full benefits of trading opportunities, with only 0.8 per cent of global manufactured exports emanating from the region in 2008. Even in the absence of a concluded Doha round of multilateral trade negotiations, there are a number of interlocking reasons for this. These include lack of productive capacity, inability to prove compliance of export products with international standards, and other constraints to integration into the multilateral trading system, such as health- and environment related standards.

In order to address these issues, UNIDO will continue to implement programmes on quality and conformity infrastructure development and on enterprise upgrading and modernization in a range of pilot countries and on a subregional basis. Building on UNIDO's West Africa Quality Programme, a similar programme in East Africa will be implemented and expanded. Other important subregional initiatives that will be carried out under this Programme component include support to the West African Economic and Monetary Union (UEMOA) countries for restructuring and upgrading, as well as support to African countries in the negotiation process related to the Economic Partnership Agreements (EPAs) with the European Union.



## **Arab Region**

The Arab region was particularly exposed to the global financial and economic crisis, with export demand decreasing in 2008-2009. Under this Programme component, UNIDO will focus on building economic resilience through economic diversification and innovation, as well as capacity-building for increased productivity and exports and the promotion of SME consortia. In the North African subregion, UNIDO will continue its focus on the opportunities for local industries in trade with the countries of the European Economic Area, including activities in private sector development, traceability for agro-industrial exports and improved quality management.

## **Asia and the Pacific**

Given the diverse range of countries in the Asia and Pacific region, the challenges faced in terms of participation in regional and global trade are varied. The region currently accounts for nearly one quarter of global manufactured exports. However, the pace of growth in exports is much stronger in continental Asia, and especially China, than elsewhere. A number of countries in the region are LDCs, lacking supply capacities for meaningful participation in trade. In order to improve the competitiveness of such countries, this Programme component will emphasize the establishment and enhancement of standards and conformity infrastructure, institutional capacities for supply chain management, information networking and technology development.

## **Europe and the NIS**

Under this Programme component, UNIDO will continue to assist countries in the region to participate in trade, particularly through a focus on upgrading value chains and to enhance the competitiveness of the agribusiness sector. Conformity assessment, standardization, certification, accessibility, traceability and quality control will be important aspects of UNIDO's efforts in this regard. A further area requiring attention in the biennium 2012-2013 will be compliance with international and private social and environmental standards.

## **Latin America and the Caribbean**

The region of Latin America and the Caribbean (LAC) has maintained its share of global manufacturing trade at a little under 5 per cent during the course of the past decade, with some countries and subregions taking greater advantage of free trade agreements than others. In this connection, UNIDO will tailor its development services under this Programme component to the specific needs of individual countries and groups in the LAC region. Emphasis will be given to strengthening integration at the subregional level, including the Andean subregion, the Caribbean, Central America, and MERCOSUR. Specific areas for focus in the biennium 2012-2013 will include the strengthening of quality systems to address technical issues of standards, metrology, testing and quality (SMTQ) as well as health-related issues and traceability; adoption of standards; modernization of technology to add value and increase competitiveness; and strengthening agro-industrial value chains.

## **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> <sup>1</sup>
Industries in developing countries 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"> <li>• Increased exports, in particular from poverty-relevant sectors.</li> <li>• Reduced rejection rates of exported products.</li> <li>• New products brought to the global market.</li> </ul>

<sup>1</sup> Based on regular assessments and reporting in legislative documents, including in the Annual Report.

## Expected country-level outcomes

<i>Policy outcome</i>	<i>Performance indicators</i> <sup>1</sup>
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"> <li>• Trade policies give priority to industrial development.</li> <li>• Effective policy dialogue between public and private sector.</li> <li>• Harmonized framework of trade-related institutions.</li> <li>• Consumers are effectively protected from substandard imports.</li> </ul>
<i>Institutional outcome</i>	<i>Performance indicators</i> <sup>1</sup>
Standardization and trade support institutions: Support organizations, adopt and diffuse international public and private industrial standards, provide trade-enabling assistance to enterprises seeking international market opportunities.	<ul style="list-style-type: none"> <li>• National and international standards are aligned and relevant to enterprises.</li> <li>• Support organizations serve increased numbers and types of enterprises.</li> <li>• Enterprises have access to necessary trade related services.</li> <li>• Enterprises are satisfied with quality of services.</li> </ul>

<sup>1</sup> Based on regular assessments and reporting in legislative documents, including in the Annual Report.

## Resources

### Resource estimates (in euros)

Posts			2012-2013 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
<b>47.05</b>	<b>20.50</b>	<b>67.55</b>	Staff costs	10,777,650	4,720,800	15,498,450
			Consultants	163,100		163,100
			Meetings	73,600		73,600
			Official travel	211,300		211,300
			Operating costs	161,300		161,300
			Information and comm. techn.	58,300		58,300
			RPTC/SRA	1,921,000		1,921,000
			<b>Total gross expenditure</b>	<b>13,366,250</b>	<b>4,720,800</b>	<b>18,087,050</b>
Technical cooperation (extrabudgetary)		<b>47,817,000</b>	Income	(226,200)		(226,200)
			<b>Total net resources</b>	<b>13,140,050</b>	<b>4,720,800</b>	<b>17,860,850</b>
			<b>Total resources (including extrabudgetary TC)</b>			<b>65,677,850</b>

## Programme Component C.2.1: Programme Direction and Results-based Management

### General description

Programme component C.2.1 will ensure the strategic development and deployment of services under the thematic priority of trade capacity-building.

Together with Programme components C.1.1 and C.3.1, it will also establish a systematic mechanism of progress monitoring and assessment for UNIDO's development services, by (i) developing and updating standards and formats for technical cooperation monitoring and reporting; (ii) reviewing the implementation of monitoring, reporting and risk-tracking systems; (iii) analysing programme portfolio reports and maintaining monitoring databases; and (iv) advising project managers and approval bodies on project risk profile and the need for special monitoring requirements.

### Objective

To ensure the effective management of Programme C.2 in accordance with the principles of results-based management (RBM) and the requirements of UNIDO's Member States.

### Contribution to expected impact

<i>Contribution</i>	<i>Performance indicators</i> <sup>1</sup>
UNIDO's strategies and activities under the thematic priority of trade capacity-building are developed, based on internationally-agreed goals and country needs, and are effectively monitored and assessed.	<ul style="list-style-type: none"> <li>Thematic strategies provide a clear link between UNIDO's activities, internationally-agreed goals (including the MDGs) and country needs.</li> </ul>

<sup>1</sup> Based on regular assessments and reporting in legislative documents, including in the Annual Report.

### Contribution to expected country-level outcome

<i>Contribution to policy outcome</i>	<i>Performance indicators</i> <sup>1</sup>
UNIDO's strategies and activities under the thematic priority of trade capacity-building are directly linked to country-level priorities.	<ul style="list-style-type: none"> <li>Thematic strategies are regularly monitored and updated.</li> <li>Governments and intergovernmental bodies make use of UNIDO's thematic strategies.</li> </ul>

<sup>1</sup> Based on regular assessments and reporting in legislative documents, including in the Annual Report.

### Contribution to the management objective contained in UNIDO's Mission Statement

<i>Contribution</i>	<i>Performance indicators</i> <sup>1</sup>
<p>Activities undertaken by UNIDO under the thematic priority of trade capacity-building are efficient, effective and results-oriented.</p> <p>UNIDO's development services are regularly monitored and prompt corrective action is taken to facilitate achieving expected results.</p>	<ul style="list-style-type: none"> <li>All new projects and programmes include detailed RBM work plans and a comprehensive monitoring and evaluation system.</li> <li>Increase in the number of projects reaching milestones/targets as planned.</li> </ul>

<sup>1</sup> Based on regular assessments and reporting in legislative documents, including in the Annual Report.

## Programme Component C.2.2: Competitive Productive Capacities for International Trade

### General description

This Programme component seeks to strengthen the productive capacities of developing countries, and to enable them to meet market requirements for quantity, quality, productivity and safety of their products and services. It 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 and benchmarking of competitive performances. 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 and productivity institutions offering targeted services to raise enterprise quality, safety, productivity and export capacity and qualify them as suppliers within global value chains. Particularly important will be the transfer of expert knowledge; development of tools, methodologies and good practices; as well as the undertaking of pilot demonstration projects to build local capacity and enable replication and scaling up. This includes assistance in setting up national and regional upgrading infrastructure; the building of competencies among auditors, consultants and staff of enterprises for upgrading and restructuring.

### 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> <sup>1</sup>
Businesses demonstrate improvements in their competitiveness, productivity, quality, safety and export capacity.	<ul style="list-style-type: none"> <li>Improved quality performance of companies, including standards implementation and certifications.</li> <li>Improved economic performance of companies (investment, sales, productivity, innovation, export).</li> <li>Improved social performance of companies (jobs created/preserved, better salaries, better safety, better qualified staff, employability, more job security).</li> </ul>

<sup>1</sup> Based on project reporting and regular assessments and surveys.

### Contribution to expected country-level outcomes

<i>Contribution to policy outcome</i>	<i>Performance indicators</i> <sup>1</sup>
Industrial and trade-related policies and strategies strengthen the competitiveness of industry on export and domestic markets.	<ul style="list-style-type: none"> <li>Improved policy and legal frameworks for industrial competitiveness.</li> <li>Increased advocacy and policy dialogue between the private sector and policymakers on related issues.</li> </ul>

<i>Contribution to institutional outcome</i>	<i>Performance indicators<sup>2</sup></i>
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"> <li>• BDS systems effectively support growing numbers of businesses.</li> <li>• Quality and quantity of services are regularly improved and updated.</li> <li>• BDS systems are operating sustainably.</li> </ul>

<sup>1</sup> Based on business surveys and regular assessments.

<sup>2</sup> Based on mapping, gap analysis and customer surveys.

### **Programme Component C.2.3: Quality and Compliance Infrastructure**

#### **General description**

This Programme component will develop national and regional legal and institutional frameworks for quality, standards, metrology, conformity assessment, accreditation and technical regulations. Metrology infrastructure is important for developing countries to establish measurement and traceability chains, while testing laboratories and inspection bodies allow for the checking of products and samples against compliance to international standards. It is also of crucial importance that such local conformity assessment infrastructure gains international recognition through the International Accreditation Forum (IAF) Mutual Recognition Arrangement or the International Laboratory Accreditation Corporation (ILAC) Mutual Recognition Arrangement. In addition to product and process standards, exporters frequently need to certify against international management system standards including ISO 9001, ISO 14001 and ISO 22000, as well as private standards. The Programme component also focuses on food safety compliance, in particular product traceability.

This Programme component thus aims at:

- (a) Enabling national standards bodies to offer services for 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 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 concerning, inter alia, quality, sustainability, environment, social accountability and safety;
- (d) Enabling national and regional accreditation schemes to assess the performance of local and regional laboratories, inspection and certification bodies;
- (e) Building capacities in consumer associations to promote consumer rights based on national policies and in line with international best practices;
- (f) Providing support for quality infrastructure development for the ACP countries signing the EU-EPAs;
- (g) Providing support for quality infrastructure development for least developed countries under the EIF initiative.

## Objective

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

## Contribution to expected impact

<i>Contribution</i>	<i>Performance indicators</i> <sup>1</sup>
Environmental and public health hazards are reduced and businesses comply with national and international standards.	<ul style="list-style-type: none"> <li>• Improved quality performance of companies (ISO certifications, such as ISO 9000; ISO 14000).</li> <li>• Improved protection against substandard imports.</li> <li>• Improved social performance of companies (jobs created/preserved; better salaries; better safety; better qualified staff; employability; more job security).</li> <li>• Improved environmental performance of companies (emissions, material efficiency, energy efficiency, local community protection, improved eco-efficient products).</li> </ul>

<sup>1</sup> Based on project reporting and regular assessments and surveys.

## Contribution to expected country-level outcomes

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

<sup>1</sup> Based on project reporting and regular assessments and surveys.

<sup>2</sup> Based on mapping, gap analysis and customer surveys.

## Programme Component C.2.4: Industrial Export Promotion and SME Consortia

### General description

Exporting is often a complex process for SMEs in developing countries, involving high risks and costs. This Programme component will assist in this regard by facilitating countries' efforts to promote industrial exports and create export consortia. A special emphasis will be given to the promotion of pro-poor consortia, including cooperatives and small producers of traditional food and handicraft products of regional origin. Upgrading, CSR and quality 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 will prioritize the diffusion of knowledge and the development of specialized skills through the organization of global and regional training, e-learning courses and by strengthening strategic alliances with national, regional and global organizations and by promoting South-South cooperation activities. The Programme is integrated both functionally and methodologically with UNIDO's activities in cluster and business linkages and with corporate social responsibility for market integration.

### Objective

To facilitate improved access to international markets for SMEs.

### Contribution to expected impact

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

<sup>1</sup> Based on project reporting and regular assessments and surveys.

### Contribution to expected country-level outcomes

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

<sup>1</sup> Based on business surveys and regular assessments.

<sup>2</sup> Based on mapping, gap analysis and customer surveys.

## Programme Component C.2.5: Corporate Social Responsibility for Market Integration

### General description

Enterprises in developing countries are confronted with an increasing number of national and international intergovernmental and private standards, which govern global supply chains. Such standards require adherence, not only to technical requirements, but increasingly also to the environmental and social principles of CSR. With the recent publication of the international guidance standard on social responsibility – ISO 26000 – SMEs in particular are likely to face even stronger pressure from higher tier firms in various value chains to adhere to socially and environmentally responsible business practices.

The need to adhere to these CSR 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.

This Programme component is integrated both functionally and methodologically with UNIDO's activities in cluster and business linkages as well as in industrial export promotion and SME consortia.

### Objective

To assist SMEs in meeting CSR-related standards and requirements in their home and export markets.

### Contribution to expected impact

<i>Contribution</i>	<i>Performance indicators</i> <sup>1</sup>
Enterprises demonstrate improvements in their social and environmental performance and meet related market requirements and regulations.	<ul style="list-style-type: none"> <li>Improved social performance of enterprises (more stable and safer working conditions, better workplace management, employability, enhanced employee satisfaction and morale, better relations with local communities).</li> <li>Improved environmental performance of enterprises (reduced emissions, material efficiency, energy efficiency, proper water and waste management, responsible sourcing).</li> </ul>

<sup>1</sup> Based on project reporting and regular assessments and surveys.

### Contribution to expected country-level outcomes

<i>Contribution to policy outcome</i>	<i>Performance indicators</i> <sup>1</sup>
Relevant public policy frameworks and incentive schemes are conducive to the uptake of responsible business principles among enterprises.	<ul style="list-style-type: none"> <li>Increased public policy frameworks and initiatives with explicit reference to CSR and SMEs.</li> <li>Increased advocacy and policy dialogue between the private sector and policymakers on CSR-related issues.</li> </ul>



<i>Contribution to institutional outcome</i>	<i>Performance indicators<sup>2</sup></i>
Public and private sector institutions support enterprises in adopting CSR approaches and in applying social and environmental accountability standards.	<ul style="list-style-type: none"> <li>• Relevant support institutions effectively assist growing numbers of SMEs on CSR uptake.</li> <li>• Quality and quantity of provided support services are regularly improved and match demand from SMEs.</li> </ul>

<sup>1</sup> Based on business surveys and regular assessments.

<sup>2</sup> Based on mapping, gap analysis and customer surveys.

### **Programme C.3: Environment and Energy**

#### **General description**

A fundamental challenge in industrial development is how to decouple the consumption of natural resources and the release of greenhouse gas emissions from economic growth, mitigating the negative effects of climate change and pollution. Through this Programme, UNIDO aims to promote resource-efficient and cleaner production, renewable energy for industrial applications, water and waste management, and other related improvements. In addition to the environmental benefits, such an approach increases the productivity of industry, encourages the creation of new and higher-value industries, allows greater access to global markets and ultimately reduces poverty by creating economic growth and employment in sectors that support environmental improvements and resource efficiency.

Profound changes are now evident in the way energy services are supplied, transformed, delivered and used. This Programme also addresses the need for energy access to drive the productive sectors in developing countries, which will be of central importance during 2012, which has been designated the International Year of Sustainable Energy for All by the sixty-fifth session of the United Nations General Assembly. Access to clean and modern sources of energy is key to successfully ensuring environmental protection, to greening industry and, indeed, to achieving all developmental objectives, including the MDGs.

At the heart of this Programme is the concept of sustainable development and mitigation of climate change, which are a key global development focus in the context of the United Nations Conferences on Climate Change, as well as the United Nations Conference on Sustainable Development in 2012. While the climate and environmental crises have their roots in the early industrialization of the developed world, many developed countries have begun to take significant steps to slow down, if not reverse, the trend towards unsustainability. Progress in this direction has been slower in developing countries, however, where less modern and less efficient technologies and operating practices result in higher levels of material and energy consumption than should be required by their production processes. This places developing countries at a considerable disadvantage. First, their patterns of production and consumption are not only environmentally unsustainable but also uncompetitive. Global competition increasingly calls for coupling the most efficient production and lowest costs with adherence to emerging international norms and standards in environmentally sustainable production, whether voluntary or mandatory.

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 developing countries must not be denied their 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. International concern over global climate change is increasing the attention being given to such 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. Working together with the United Nations Environment Programme (UNEP), a network of National Cleaner Production Centres (NCPCs) led the way in bridging global environmental concerns with country needs. The transformation of these bodies into Resource-efficient and Cleaner Production Centres (RECPCs) recognizes the value of promoting resource and energy efficiency, and offers a perspective that considers both economic value and environmental necessities.

UNIDO's Green Industry Initiative, carried out under this Programme, is a two-pronged agenda for sustainable industrial development. First, it covers the greening of industries, under which all industries continuously improve their resource productivity and environmental performance, through such practices as cleaner production, energy and water efficiency, and environmentally sound management of chemicals. Secondly, it aims to create green industries that deliver environmental goods and services, including for example waste management and recycling services, renewable energy technologies, and environmental analytical and advisory services.

This Programme also provides assistance to developing countries in implementing multilateral environmental agreements, such as the Montreal Protocol of the Vienna Convention with regard to the phasing-out of the production and consumption of ozone-depleting substances (ODS); the Stockholm Convention for the control and phase-out of persistent organic pollutants (POPs) and the United Nations Framework Convention on Climate Change (UNFCCC).

Against this background, UNIDO provides its support services in the environment and energy thematic priority area through four interrelated programme components, covering programme direction and results-based management; resource-efficient and low-carbon industrial production; clean energy access for productive use; and implementation of multilateral environmental agreements.

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

### **Sub-Saharan Africa**

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 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.

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. Nigeria and South Africa have a very large number of refrigeration and air-conditioning appliances running with HCFCs as refrigerants. UNIDO will be implementing HCFC Phase-out Management Plans (HPMPs) in these countries, as well as in Cameroon, Niger and Senegal, among other countries in the region. UNIDO also plans to develop and implement HCFC phase-out plans for Burkina Faso, Chad, Gabon, Guinea, Malawi and Togo.

## **Arab Region**

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 resource efficient and cleaner production, wastewater management, the transfer of environmentally sound technologies (TEST), 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. In Arab LDCs, the programme will focus on promoting the use of renewable energy to support productive activities.

In North Africa, UNIDO has a prominent lead in the integrated approach of transfer of environmentally sound technologies (TEST), which includes Egypt, Morocco and Tunisia. Following competitive bidding, the NCPCs of the participating countries have been selected to implement the TEST methodology, and UNIDO has conducted extensive training for staff of the NCPCs prior to implementation. In parallel to the implementation of national ODS reduction plans, individual investment projects are to be carried out to prepare the region for the HCFC consumption freeze in 2013. Among other countries, management plans are to be implemented in Bahrain, Egypt and Iraq.

## **Asia and the Pacific**

UNIDO will continue to 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. UNIDO will also support the TEST 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. UNIDO will continue to be involved in Montreal Protocol activities in the region by helping countries to implement management plans and other HCFC phase-out activities.

## **Europe and the NIS**

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.

The activities of UNIDO's resource efficient and cleaner production (RECP) network will remain a priority. The Organization will also continue to assist the governments of the region on water management issues 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.

In the period being considered, HCFC phase-out project activities are preparing for the planned HCFC consumption freeze in 2013, and the subsequent 10 per cent consumption reduction by

2015. To enable countries in this region to comply with their obligations under the Montreal Protocol, UNIDO will implement HPMPs and activities in a number of countries.

### Latin America and the Caribbean

UNIDO will continue to offer its services in the areas of resource efficient and cleaner 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 Latin America and the Caribbean region’s material resources for industrial production. In particular, the knowledge management system for cleaner production in the region will be further developed.

UNIDO will continue to assist a number of countries in reaching their compliance targets under the Montreal Protocol. Management plans and other phase-out activities will be implemented.

### Objective

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

### Expected Impact

<i>Impact</i>	<i>Performance indicators</i> <sup>1</sup>
Industries adopt resource-efficient and low-carbon patterns of production and growth, which contributes to mitigating environmental challenges and adapting to climate change.	<ul style="list-style-type: none"> <li>• Reduced industrial pollution.</li> <li>• Better use of natural resources.</li> <li>• Increased use of renewable energies.</li> <li>• Reduced ozone-depleting substances (ODS) and carbon dioxide (CO<sub>2</sub>) emissions.</li> </ul>

<sup>1</sup> Based on regular assessments and reporting in legislative documents, including in the Annual Report.

### Expected country-level outcomes

<i>Policy outcome</i>	<i>Performance indicators</i> <sup>1</sup>
Industrial sustainability policies and practices: Industrial policies, plans and regulations internalize environmental considerations and the sustainable use of goods and services.	<ul style="list-style-type: none"> <li>• Industrial policies define verifiable environmental objectives and comply with multilateral environmental conventions, protocols and agreements.</li> <li>• Legislation and enforcement mechanisms ensure compliance with environmental agreements.</li> <li>• Policies and regulations provide incentives for sustainability.</li> <li>• Energy policies give priority to energy efficiency and access to clean energy for productive energy use.</li> </ul>

<i>Institutional outcome</i>	<i>Performance indicators</i> <sup>1</sup>
Green industry support services: Public and private institutions support industry in complying with environmental agreements and provide services to mitigate negative industrial externalities and adapt to climate change.	<ul style="list-style-type: none"> <li>• Support organizations serve increased numbers and types of enterprises.</li> <li>• Environmental and other enterprise support services delivered in integrated manner.</li> <li>• Enterprises have increased access to clean energy.</li> <li>• Enterprises demonstrate increased energy efficiency.</li> <li>• Enterprises have adopted ODS-free technologies.</li> <li>• National institutions are effectively implementing international environmental agreements.</li> </ul>

<sup>1</sup> Based on regular assessments and reporting in legislative documents, including in the Annual Report.

## Resources

### Resource estimates (in euros)

Posts			2012-2013 estimates (after recosting)			
Professional	General Service	Total	Regular budget	Operational budget	Total	
77.75	39.05	116.80				
			Staff costs	19,650,255	6,360,550	26,010,805
			Consultants	383,100	1,256,600	1,639,700
			Meetings	204,000	478,000	682,000
			Official travel	597,800	2,230,400	2,828,200
			Operating costs	129,680	577,500	707,180
			RPTC/SRA	4,999,600		4,999,600
			<b>Total gross expenditure</b>	<b>25,964,435</b>	<b>10,903,050</b>	<b>36,867,485</b>
			Income	(334,200)		(334,200)
Technical cooperation (extrabudgetary)		142,895,700	<b>Total net resources</b>	<b>25,630,235</b>	<b>10,903,050</b>	<b>36,533,285</b>
			<b>Total resources (including extrabudgetary TC)</b>			<b>179,428,985</b>

## Programme Component C.3.1: Programme Direction and Results-based Management

### General description

Programme component C.3.1 will ensure the strategic development and deployment of the services provided under the thematic priority of environment and energy.

Together with Programme components C.1.1 and C.2.1, it will also establish a systematic mechanism of progress monitoring and assessment for UNIDO's development services, by (i) developing and updating standards and formats for technical cooperation monitoring and reporting; (ii) reviewing the implementation of monitoring, reporting and risk-tracking systems; (iii) analysing programme portfolio reports and maintaining monitoring databases; and (iv) advising project managers and approval bodies on project risk profile and the need for special monitoring requirements.

### Objective

To ensure the effective management of Programme C.3 in accordance with the principles of results-based management (RBM) and the requirements of UNIDO's Member States.

### Contribution to expected impact

<i>Contribution</i>	<i>Performance indicators</i> <sup>1</sup>
UNIDO's strategies and activities under the thematic priority of environment and energy are developed, based on internationally-agreed goals and country needs, and are effectively monitored and assessed.	<ul style="list-style-type: none"> <li>• Thematic strategies provide a clear link between UNIDO's activities, internationally-agreed goals (including the MDGs) and country needs.</li> </ul>

<sup>1</sup> Based on regular assessments and reporting in legislative documents, including in the Annual Report.

### Contribution to expected country-level outcomes

<i>Contribution to policy outcome</i>	<i>Performance indicators</i> <sup>1</sup>
UNIDO's strategies and activities under the thematic priority of environment and energy are directly linked to country-level priorities.	<ul style="list-style-type: none"> <li>• Thematic strategies are regularly monitored and updated.</li> <li>• Governments and intergovernmental bodies make use of UNIDO's thematic strategies.</li> </ul>

<sup>1</sup> Based on regular assessments and reporting in legislative documents, including in the Annual Report.

### Contribution to the management objective contained in UNIDO's Mission Statement

<i>Contribution</i>	<i>Performance indicators</i> <sup>1</sup>
<p>Activities undertaken by UNIDO under the thematic priority of environment and energy are efficient, effective and results-oriented.</p> <p>UNIDO's development services are regularly monitored and prompt corrective action is taken to facilitate achieving expected results.</p>	<ul style="list-style-type: none"> <li>• All new projects and programmes include detailed RBM workplans and a comprehensive monitoring and evaluation system.</li> <li>• Increase in the number of projects reaching milestones/targets as planned.</li> </ul>

<sup>1</sup> Based on regular assessments and reporting in legislative documents, including in the Annual Report.

## Programme Component C.3.2: Resource-efficient and Low-carbon Industrial Production

### General description

Industrial environmental management in developing countries is tending to shift towards preventive techniques, or cleaner production. This entails changing production processes to avoid the generation of wastes and emissions, generally also improving productivity. Today's most pressing global environmental problems, including climate change, also bring a focus on the productive use of natural resources, including the use of energy, materials and water to reduce the carbon intensity of industrial production. This process is being further enhanced through the switch to clean energy sources such as renewables or fossil fuels with a lower carbon intensity.

Under this Programme component, UNIDO will promote the application of resource-efficient and cleaner production methods, techniques and policies, as a starting point for achieving resource-efficient and low-carbon industrial development. 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. This Programme component also aims to assist developing countries in building up their environmental goods and services sectors, with a particular focus on strengthening their recycling industries.

In addition, this Programme component will 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 context, 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 consumption of natural resources, greenhouse gas and other emissions and industrial wastes in industrial processes.

### Contribution to expected impact

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

<sup>1</sup> Based on project reporting and regular assessments and surveys.

### Contribution to expected country-level outcomes

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

<sup>1</sup> Based on regular assessments and surveys.

<sup>2</sup> Based on mapping, gap analysis and customer surveys.

### Programme Component C.3.3: Clean Energy Access for Productive Use

#### General description

Broadening access to modern and reliable energy supplies is a prerequisite for economic and social development in the developing economies. This has been recognized by the General Assembly in its resolution 65/151, designating 2012 as the International Year of Sustainable Energy for All. To promote sustainable economic development, this energy must be used to promote productive uses that create jobs and greater income generation opportunities. This Programme component therefore aims to increase access to clean energy supplies, especially those based on renewable energy, to support the development of productive capacities in rural and urban areas.

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 in developing countries 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. In view of the rapidly rising costs of these fuels, enhanced use of renewable energy technologies would not only improve the local environment, but also increase the productivity and competitiveness of the SMEs. It would also offset unreliable energy supplies from national grids.

In addition, 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 access to clean energy for productive uses and industrial applications by SMEs and other users.

#### Contribution to expected impact

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

<sup>1</sup> Based on project reporting and regular assessments and surveys.



## Contribution to expected country-level outcomes

<i>Contribution to policy outcome</i>	<i>Performance indicators</i> <sup>1</sup>
Government policies, legal frameworks and incentives structures are conducive to the increased use of clean energy, in particular renewable energy.	<ul style="list-style-type: none"> <li>• Improved policy and legal frameworks for the increased use of clean energy.</li> <li>• Use of clean energy is mainstreamed into rural / urban electrification and industrialization strategies.</li> </ul>

<sup>1</sup> Based on regular assessments and surveys.

<i>Contribution to institutional outcome</i>	<i>Performance indicators</i> <sup>1</sup>
Public and private organizations promote clean and renewable energy sources on a sustainable basis, and facilitate development of clean and renewable energy markets.	<ul style="list-style-type: none"> <li>• Clean energy systems support growing numbers of businesses and are accompanied by BDS.</li> <li>• Quality and quantity of energy services are regularly improved, and investments (private as well as public sector) into clean energy systems are growing.</li> <li>• Number of companies manufacturing renewable energy components and equipment, and providing operational/maintenance services is growing.</li> </ul>

<sup>1</sup> Based on mapping, gap-analysis and customer surveys.

### Programme Component C.3.4: Implementation of Multilateral Environmental Agreements

#### General description

Governments in developing countries and countries with economies in transition are now parties to a number of multilateral environmental agreements (MEAs). Many 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 (ODS); the Stockholm Convention for the control and phase-out of persistent organic pollutants (POPs); and the United Nations Framework Convention on Climate Change (UNFCCC).

Where ODS are concerned, the Programme component assists the 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 supports them in meeting the set targets of tonnages of ODS to be eliminated. During the period 2012-2013, this Programme component will focus in particular on the complete phase-out of methyl bromide. In addition, it will focus on developing overarching strategies and implementing activities to reduce the use and production of hydrochlorofluorocarbons (HCFCs). The development and implementation of strategies for the destruction of ODS will also be a central aim, as will further strengthening of institutions in the countries concerned.

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.

The climate change element of this Programme component aims at supporting countries with both the mitigation and adaptation approaches embedded in the UNFCCC. The former involves 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 involves assisting countries to adapt to the unavoidable levels of climate change.

Apart from Montreal Protocol activities, 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);
- (c) Maximize and promote carbon finance potential to support technology transfer and know-how in industrial energy efficiency and renewable energy for industrial application.

### Objective

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

### Contribution to expected impact

<i>Contribution</i>	<i>Performance indicators</i> <sup>1</sup>
Countries to be in compliance with commitments under the Montreal Protocol, Stockholm Convention and the UNFCCC.	<ul style="list-style-type: none"> <li>• Compliance with reduction targets established for ODS production and consumption.</li> <li>• Maintaining zero consumption of ozone depleting substances phased out in 2010.</li> <li>• Increased industry-related transfer of environmentally sound technologies.</li> </ul>

<sup>1</sup> Based on project reporting and regular assessments and surveys.

### Contribution to expected country-level outcomes

<i>Contribution to policy outcome</i>	<i>Performance indicators</i> <sup>1</sup>
Government policies, legal frameworks and incentives structures are in line with internationally agreed environmental conventions and obligations.	<ul style="list-style-type: none"> <li>• Amendments to the Montreal Protocol and ODS legislation in place.</li> <li>• Compliance with reduction targets established for ODS production and consumption.</li> <li>• Maintaining zero consumption of ozone depleting substances phased out in 2010.</li> <li>• Compliance with Stockholm Convention deadlines.</li> <li>• Increased number of industry-related CDM projects.</li> </ul>
<i>Contribution to institutional outcome</i>	<i>Performance indicators</i> <sup>2</sup>
National institutions assure country compliance with the Stockholm Convention and facilitate climate change mitigation and adaptation.	<ul style="list-style-type: none"> <li>• Increasing number of enterprises using non-ODS based production technologies.</li> <li>• Increasing number of countries finalize and implement their national implementation plans (NIPs).</li> <li>• Institutions effectively support growing numbers of industry-related CDM projects.</li> </ul>

<sup>1</sup> Based on regular assessments and surveys.

<sup>2</sup> Based on mapping, gap analysis and customer surveys.

### Programme C.4: Cross-cutting Issues

#### General description

This Programme encompasses two particular issues which cut across UNIDO's activities in all of its thematic priorities, namely South-South cooperation and support to the least developed countries (LDCs). These issues are regarded as cross-cutting due to the evident complementarities and synergies in relation to other major programmes.

#### Objective

To define and coordinate UNIDO strategies and technical cooperation activities for South-South and triangular cooperation, as well as the needs and requirements of LDCs in industrial development.

#### Contribution to the development objective contained in UNIDO's Mission Statement

<i>Contribution</i>	<i>Performance indicators</i> <sup>1</sup>
Productive capacities are improved and poverty is reduced through the contribution of activities focused on South-South cooperation and on the least developed countries.	<ul style="list-style-type: none"> <li>• Improved, economic, social and environmental performance of industrial sectors.</li> </ul>

<sup>1</sup> Based on regular assessments and reporting in legislative documents, including in the Annual Report.

## Resources

### Resource estimates (in euros)

Professional	Posts		2012-2013 estimates (after recosting)			
	General Service	Total		Regular budget	Operational budget	Total
<b>10.80</b>	<b>1.90</b>	<b>12.70</b>	Staff costs	2,157,970	1,105,315	3,263,285
			Consultants	41,500		41,500
			Meetings	41,900		41,900
			Official travel	515,800		515,800
			Operating costs	18,600		18,600
			RPTC/SRA	856,500		856,500
			<b>Total gross expenditure</b>	<b>3,632,270</b>	<b>1,105,315</b>	<b>4,737,585</b>
Technical cooperation (extrabudgetary)		<b>0</b>	Income	(59,600)		(59,600)
			<b>Total net resources</b>	<b>3,572,670</b>	<b>1,105,315</b>	<b>4,677,985</b>
			<b>Total resources (including extrabudgetary TC)</b>			<b>4,677,985</b>

### Programme Component C.4.1: South-South Cooperation

#### General description

South-South and triangular cooperation is an area of development cooperation that aims at mobilizing and sharing the wealth of knowledge and capacity of the South with other parts of the developing world, in order to promote and facilitate their effective participation in the global economy. In recent years, South-South cooperation has gained significant recognition as an important strategy for development in light of the fast-paced economic, social and technological progress that has been made by several developing countries, and the growing recognition of the contribution that these countries can make to the global development agenda. Furthermore, fundamental changes in global manufacturing have strengthened the rationale for South-South cooperation, such that it is now regarded as a practical opportunity for developing countries to assist each other in building productive and prosperous economies.

UNIDO's South-South cooperation activities aim at contributing to sustainable poverty reduction and industrial development in developing countries and LDCs, by promoting increased investment, technical cooperation, technology transfer and trade among countries of the South. Through such activities, UNIDO has established itself as a key partner in South-South and triangular cooperation and continues to work with other key players, such as the United Nations Development Programme (UNDP) Special Unit for South-South Cooperation and the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS).

This Programme component focuses on ensuring continued support and assistance to developing countries by further mainstreaming South-South and triangular cooperation for sustainable industrial development. This will be achieved using various approaches, for example, through the UNIDO Centres for South-South Industrial Cooperation in Beijing and New Delhi, through the establishment of further South-South centres as appropriate; and through partnerships with the private sector and research institutions.

#### Objective

To stimulate the development of mutual partnerships and exchange of technical and managerial knowledge and capacity between emerging countries of the South and other developing countries.

### Contribution to the expected impacts of Programmes C.1, C.2 and C.3

<i>Contribution</i>	<i>Performance indicators</i> <sup>1</sup>
Developing countries are enabled to reduce poverty, improve their productive capacities and benefit from increased access to international markets, by making use of cost-effective and resource-efficient technologies and best practice from the “South”.	<ul style="list-style-type: none"> <li>• Improved overall economic performance (foreign direct investment (FDI), productivity, exports, innovation, decent jobs created).</li> <li>• Increased use by developing countries of knowledge and technologies emanating from South-South cooperation activities.</li> </ul>

<sup>1</sup> Based on project reporting and regular assessments and surveys.

### Contribution to the expected country-level outcomes of Programmes C.1, C.2 and C.3

<i>Contribution to policy outcomes</i>	<i>Performance indicators</i> <sup>1</sup>
South-South and triangular cooperation in the form of technology transfer, investment and innovation systems are key features of industrial policies and strategies of developing countries.	<ul style="list-style-type: none"> <li>• Improved policy and legal frameworks for South-South industrial investment, innovation and technology transfer.</li> <li>• Increased policy dialogue and advocacy on the role of South-South and triangular cooperation for industrial development.</li> </ul>
<i>Contribution to institutional outcomes</i>	<i>Performance indicators</i> <sup>2</sup>
Public and private institutions support foreign and domestic enterprises and investors in South-South investment projects and technology transfer on a sustainable basis.	<ul style="list-style-type: none"> <li>• Increased domestic resources allocated towards South-South cooperation.</li> <li>• Business development service (BDS) institutions and systems are operational and provide support to businesses.</li> </ul>

<sup>1</sup> Based on regular assessments and surveys.

<sup>2</sup> Based on mapping, gap analysis and customer surveys.

## Programme Component C.4.2: Support to the Least Developed Countries

### General description

Over the last decade, LDCs as a group have experienced an unprecedented boom with average growth rates of seven per cent per annum between 2000 and 2007. However, with the onset of the very severe global economic and financial crisis that has engulfed a large number of countries in the world, LDCs also experienced a slowdown in economic activity, transmitted mainly through trade channels. LDCs still comprise the poorest countries in the world with poverty rates as high as 50 per cent of the population. They continue to face immense structural weakness and low productive capacities, which ultimately perpetuate poverty and under-development. There are currently 48 LDCs, with 33 in Africa, 14 in Asia and the Pacific and one in Latin America and the Caribbean.

As the decade for the Brussels Programme of Action draws to a close, LDCs have undoubtedly witnessed an unprecedented period of economic growth on the back of favourable terms of trade for primary commodities, particularly between 2000 and 2007. However, this trend was uneven and came to an abrupt end when prices of food commodities and energy increased sharply in 2008. As a result, there is a renewed need for LDCs to work toward economic diversification and move away from trade in commodities and raw materials. This poses a significant challenge for most LDCs and therefore

support to LDCs remains a cross-cutting theme for all UNIDO activities. It also continues to be closely linked to South-South and triangular cooperation, with most programmes directed at LDCs.

This Programme component is based on a number of key initiatives drawing on the outcomes of regular consultations with LDCs through conferences of ministers of industry hosted by UNIDO. The most recent conference held in Vienna in December 2009, in collaboration with UN-OHRLLS, resulted in a plan of action to help LDCs in their efforts to emerge from the crisis and move towards a more sustainable path to industrial development. It also served as the first preparatory meeting for the Fourth United Nations Conference on Least Developed Countries to be held in Turkey in 2011. This plan of action, in addition to the African Agribusiness and Agro-Industries Development Initiative (3ADI) adopted at the High-level Conference on the Development of Agribusiness and Agro-Industries in Africa in March 2010, and the AU Action Plan for the Accelerated Industrial Development of Africa (AIDA) adopted by AU Governments in October 2008, will continue to guide UNIDO's support towards LDCs. Although the 3ADI and the AIDA frameworks do not only target LDCs, the main thrust of activities will be geared towards the development of these countries. The main focus will be on poverty reduction through agribusiness and agro-industries development, private sector development, policy advisory support and trade capacity-building. These initiatives will be implemented in collaboration with other programmatic components and special efforts will be made to mobilize increased resources for LDC-based activities.

### Objective

To provide strategies and services for the sustainable development of LDCs.

### Contribution to the expected impacts of Programmes C.1, C.2 and C.3

<i>Contribution</i>	<i>Performance indicators</i> <sup>1</sup>
<p>Least developed countries reduce poverty and diversify their economies by developing a sustainable industrial base.</p> <p>Least developed countries increase their share of regional and global trade in manufactures.</p>	<ul style="list-style-type: none"> <li>• Improved overall economic performance (productivity, investments, exports, innovation, decent jobs created).</li> <li>• Improved environmental performance (emissions, energy efficiency).</li> <li>• Increased use of renewable energy for productive activities (in kilowatt hours and in percentage share of renewable energy in rural electrification).</li> </ul>

<sup>1</sup> Based on project reporting and regular assessments and surveys.

### Contribution to the expected country-level outcomes of Programmes C.1, C.2 and C.3

<i>Contribution to policy outcomes</i>	<i>Performance indicators</i> <sup>1</sup>
<p>Industrial policies and strategies encourage sustainable knowledge-based industrial development in LDCs.</p>	<ul style="list-style-type: none"> <li>• Improved policy and legal frameworks for LDCs in industrial activities.</li> <li>• Increased policy dialogue between the private sector and policymakers on related issues.</li> </ul>
<i>Contribution to institutional outcomes</i>	<i>Performance indicators</i> <sup>2</sup>
<p>Governments of LDCs have the capacity to develop, implement and monitor industrial policies, strategies and programmes.</p>	<ul style="list-style-type: none"> <li>• Increased use of advanced methodologies and measures in policymaking processes.</li> <li>• BDS institutions and systems are operational and provide support to businesses.</li> </ul>

<sup>1</sup> Based on regular assessments and surveys.

<sup>2</sup> Based on mapping, gap analysis and customer surveys.

## Programme C.5: Field Operations Support

### General description

The Programme ensures that the UNIDO field network, consisting of regional and country offices and UNIDO Desks (including focal point offices), receives optimum financial and General Service (GS) staff support. The scope of this Programme is restricted to providing an effective structure for decentralized operations in the form of support personnel and office infrastructure. Capturing and monitoring the field operating costs, in line with the changing and increasing field structure, is essential and can best be achieved by grouping these resources under an individual programme.

### Objective

To provide the UNIDO field network with efficient operational support.

### Contribution to the achievement of UNIDO's Mission Statement

<i>Contribution</i>	<i>Performance indicators</i> <sup>1</sup>
UNIDO field network provides efficient, cost-effective, transparent and timely operational support services.	<ul style="list-style-type: none"> <li>Level of operational effectiveness, demonstrated efficiency in all related services, and positive responses from clients.</li> </ul>

<sup>1</sup> Based on regular assessments and reporting in legislative documents, including in the Annual Report.

### Resources

#### Resource estimates (in euros)

Posts			2012-2013 estimates (after recosting)			
Professional	General Service	Total	Regular budget	Operational budget	Total	
<b>0.00</b>	<b>89.00</b>	<b>89.00</b>	Staff costs	3,168,200	734,400	3,902,600
			Operating costs	8,280,000		8,280,000
			<b>Total gross expenditure</b>	<b>11,448,200</b>	<b>734,400</b>	<b>12,182,600</b>
			Income	(1,521,300)		(1,521,300)
			<b>Total net resources</b>	<b>9,926,900</b>	<b>734,400</b>	<b>10,661,300</b>

## **MAJOR PROGRAMME D: STRATEGIC RESEARCH, QUALITY ASSURANCE AND OUTREACH**

### **General description**

The Major Programme comprises two programmes: D.1 Strategic Research and Policy Advisory Services and D.2 Quality Assurance and Outreach.

Within the scope of the constitutional objectives of UNIDO and pursuant to the decisions of the policymaking organs, the Major Programme undertakes applied research and policy advice and collects industrial statistics and thus aims at further strengthening UNIDO's global normative role in sustainable industrial development. In addition, the Major Programme contributes to the rigour of technical programmes by aligning technical cooperation programme and project approval with UNIDO's quality assurance framework. It is further responsible for conceptualizing, developing and managing UNIDO's relationships with donor governments and other existing and potential donor organizations, as well as for advocating the role of industry as an instrument for poverty reduction and environmental sustainability. Specifically, the Major Programme serves to:

- (a) Offer timely, relevant and evidence-based applied analysis of industrial development and provide strategic industrial policy advice to Member States and international and regional organizations;
- (b) Provide accurate and internationally comparable industrial statistics for use by the international community, national governments, knowledge institutions, business associations as well as internal stakeholders;
- (c) Provide regional analyses and effective interaction with regional and country stakeholders on a regular basis;
- (d) Enhance the quality and effectiveness of UNIDO's operations by managing and supporting the programme and project approval process;
- (e) Develop and maintain relations with donors, identify further potential donors for the funding of UNIDO's services, and apply appropriate funding modalities;
- (f) 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 and facilitate advocacy activities on specific issues related to the role and priorities of UNIDO.

### **Objective**

To support policymakers, knowledge institutions and other global stakeholders in industrial policy processes through relevant and rigorous analysis of industrial development, industrial statistics and industrial policy advice;

To ensure that a growing volume of resources is mobilized for high-quality UNIDO development services;

To support the effective operation of UNIDO's programmes through increased awareness and understanding of UNIDO's role and activities in international development cooperation.



### Contribution to the development objective contained in UNIDO's Mission Statement

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

<sup>1</sup> Based on regular assessments and reporting in legislative documents, including in the Annual Report.

### Contribution to the management objective contained in UNIDO's Mission Statement

<i>Contribution</i>	<i>Performance indicators</i> <sup>1</sup>
Donors and financing institutions are aware of the importance of sustainable industrial production for income generation and poverty reduction and support related programmes.	<ul style="list-style-type: none"> <li>• Demonstrated improvements in quality of project documents.</li> <li>• Increased value of a diversified portfolio of funded programme and project proposals.</li> </ul>

<sup>1</sup> Based on regular assessments and reporting in legislative documents, including in the Annual Report.

### Resources

#### Resource estimates (in euros)

Posts			2012-2013 estimates (after recosting)			
Professional	General			Regular	Operational	Total
	Service	Total		budget	budget	
<b>34.00</b>	<b>29.00</b>	<b>63.00</b>	Staff costs	12,245,600	1,212,000	13,457,600
			Consultants	884,700		884,700
			Meetings	286,400		286,400
			Official travel	764,900		764,900
			Operating costs	761,000		761,000
			Information and comm. techn.	32,600		32,600
			RPTC/SRA	414,800		414,800
			<b>Total gross expenditure</b>	<b>15,390,000</b>	<b>1,212,000</b>	<b>16,602,000</b>
			<b>Total net resources</b>	<b>15,390,000</b>	<b>1,212,000</b>	<b>16,602,000</b>

#### By programme

	Posts		Regular and operational budgets	Technical cooperation (extrabudgetary)	TOTAL
	P	GS			
D.1. Strategic Research and Policy Advisory Services	19.50	18.00	10,044,150		10,044,150
D.2. Quality Assurance and Outreach	14.50	11.00	6,557,850		6,557,850
<b>D. Total major programme</b>	<b>34.00</b>	<b>29.00</b>	<b>16,602,000</b>		<b>16,602,000</b>

## Programme D.1 Strategic Research and Policy Advisory Services

### Objective

To provide timely, relevant and evidence-based applied analysis of industrial development and strategic industrial policy advice to Member States and international and regional organizations.

### General description

The programme rests on two integrated pillars: (i) an analytical pillar, and (ii) an advisory pillar.

The analytical pillar generates systematic data and diagnosis of issues, trends, determinants and consequences of national, regional and international processes of industrialization. It keeps abreast of the intellectual and academic discussion, as well as the economic, technological, environmental and policy trends that influence industrial development. It particularly draws on UNIDO's unique time series of industrial statistics. The Programme component also develops the diagnostic tools required to apply acquired knowledge to concrete national situations. These analyses and methodologies are then subjected to a process of continuous assessment and improvement based on the experiences gained from their application to field cases.

The advisory pillar translates findings and lessons learned from research into strategic industrial development policy recommendations and related technical cooperation activities for supporting national governments in their policymaking processes, as well as for feeding into an informed debate at regional and international forums. Under this Programme, UNIDO helps ministries and other public institutions to analyse the industrial performance of their countries and develop a vision of industry's role in economic development and what choices need to be made to enact that vision. By comparing and aggregating experiences and collective learning, the programme also identifies common constraints and difficulties, as well as documenting successful experiences that are then shared across regions and continents in events convened by the Organization. Since sustainable industrial development requires local ownership and management of policymaking processes, the Programme also facilitates public-private interactions and builds local capacity through training and institutional support. Lessons from advice and capacity-building experiences are being fed back into analytical work.

### Resources

#### Resource estimates (in euros)

Posts			2012-2013 estimates (after recosting)		
Professional	General Service	Total	Regular budget	Operational budget	Total
<b>19.50</b>	<b>18.00</b>	<b>37.50</b>			
			Staff costs	6,610,650	7,756,250
			Consultants	800,200	800,200
			Meetings	265,300	265,300
			Official travel	576,200	576,200
			Operating costs	222,200	222,200
			Information and comm. techn.	9,200	9,200
			RPTC/SRA	414,800	414,800
			<b>Total gross expenditure</b>	<b>8,898,550</b>	<b>10,044,150</b>
			<b>Total net resources</b>	<b>8,898,550</b>	<b>10,044,150</b>

## Programme Component D.1.1: Programme Direction and Results-based Management

### General description

Programme component D.1.1 will ensure the development and deployment of UNIDO's strategic research and policy advisory services, as well as the direction of the quality assurance and outreach functions of Major Programme D, in keeping with the principles of results-based management.

### Objective

To ensure the effective management of Major Programme D in accordance with the principles of results-based management and the requirements of UNIDO's Member States.

### Contribution to the development objective contained in UNIDO's Mission Statement

<i>Contribution</i>	<i>Performance indicators</i> <sup>1</sup>
UNIDO's strategic research and policy advisory services are based on internationally-agreed goals and country needs, and are effectively monitored and assessed.	<ul style="list-style-type: none"> <li>Strategic research and policy advisory services are clearly aligned to global goals (including the MDGs) and country needs.</li> </ul>

<sup>1</sup> Based on regular assessments and reporting in legislative documents, including in the Annual Report.

### Contribution to the management objective contained in UNIDO's Mission Statement

<i>Contribution</i>	<i>Performance indicators</i> <sup>1</sup>
Activities undertaken by UNIDO in strategic research, quality assurance and outreach are efficient, effective and results-oriented.	<ul style="list-style-type: none"> <li>All new programmes and activities in strategic research, policy advisory services and advocacy include detailed RBM work plans and a comprehensive monitoring and evaluation system.</li> <li>Increase in the number of projects reaching milestones/targets as planned.</li> </ul>

<sup>1</sup> Based on regular assessments and reporting in legislative documents, including in the Annual Report.

### Contribution to the expected country-level outcomes of Programmes C.1, C.2 and C.3

<i>Contribution to policy outcome</i>	<i>Performance indicators</i> <sup>1</sup>
UNIDO's strategic and policy advisory services are directly linked to country-level priorities.	<ul style="list-style-type: none"> <li>Number of countries making use of UNIDO's strategic research and policy advice.</li> <li>Number of intergovernmental organizations making use of UNIDO's strategic research and policy advice.</li> </ul>

<sup>1</sup> Based on regular assessments and reporting in legislative documents, including in the Annual Report.

## **Programme Component D.1.2: Global, Regional and Thematic Research and Analysis**

### **General description**

The global research and analysis dimension of the Programme component addresses international trends and issues that have an impact on industrial development at the national level as well as topics that have a bearing on global industrialization. The former consist of issues such as the global financial crisis, international agreements to address climate change or new trends in the international relocation of production, while the latter include questions such as the impact of trade restrictions by certain countries or the effect of specific discoveries or innovations. During the biennium, UNIDO's global research and diagnosis will specifically focus on the connections between technological change, environmental sustainability and industrial 'greening' and will provide analytical support and policy recommendations for the Organization's global forum activities.

The regional research and analysis part of the Programme component focuses on key trends and issues affecting or resulting from regional industrialization processes. Emphasis is put on issues related to trade, production and market integration and division of labour as well as on technological and financial cooperation. The research also seeks to identify potential economic and political complementarities that foster additional productive integration. During the biennium, studies are planned that examine and benchmark regional industrial development performance and compare within and across regions the impact of specific policy initiatives. Regional research and analyses will feed into the deliberations of relevant conferences and forums. Regions may include groupings of countries or specific areas or locations within a country.

The thematic segment of the research and analysis Programme component will provide the empirically-based conceptual framework for both analyses and policy advisory services. Research will thereby concentrate on industrial structural change, examining patterns of subsectoral productivity differentials and growth and the role of investment and technology in determining those patterns. The research and analysis Programme component will also address questions related to what types of industrial policies, patterns or structural shifts are most conducive to poverty reduction, international trade expansion, energy efficiency or environmental sustainability. Typologies of countries will be developed based on the relation between structural change dimensions and poverty, trade, environment and energy considerations. These typologies are expected to be used for identifying industrial development strategies and providing policy advisory services. Another major thematic research will be the *Industrial Development Report*, UNIDO's periodical flagship publication.

In order to expand the knowledge base of UNIDO's research and analysis efforts, it is planned to establish a UNIDO Capacity-building Institute as a resource centre for generating, disseminating and sharing industrial development knowledge in collaboration with external partners. The Institute is expected to use three main modalities to achieve its objectives: (i) networking and partnering, (ii) joint research and (iii) training. Networking will seek to expand specialized expertise through organizing joint conferences, meetings and knowledge exchange and by providing sounding boards and knowledge resources. Joint research will deepen networking relations by focusing knowledge generation on issues that are in the programmatic focus of the Institute. Training will provide opportunities to disseminate specialized knowledge and build capacity among policymakers, while at the same time learning from their practical experience.

### **Objective**

To generate solid analytical foundations and knowledge in support of industrial development strategies, policies, programmes and projects, as well as UNIDO's global forum activities.

### Contribution to the development objective contained in UNIDO's Mission Statement

<i>Contribution</i>	<i>Performance indicators</i> <sup>1</sup>
Improved framework for enhancing productive and international trade capacity, reducing poverty and increasing energy efficiency and environmental sustainability at the global, regional and national levels.	<ul style="list-style-type: none"> <li>• Clearer understanding of the role of industrialization on expanding sustainable productive capacities as assessed by peer organizations and individuals.</li> </ul>

<sup>1</sup> Based on regular assessments and reporting in legislative documents, including in the Annual Report.

### Contribution to the expected country-level outcomes of Programmes C.1, C.2 and C.3

<i>Contribution to policy outcomes</i>	<i>Performance indicators</i> <sup>1</sup>
Formulation of regional and national industrial strategies, policies, programmes and projects that are increasingly based on sound empirical and analytical foundations.	<ul style="list-style-type: none"> <li>• UNIDO research findings and policy recommendations are used by countries and regions in their policymaking process.</li> <li>• Successful country and regional experiences illustrated by UNIDO research and analysis are used by Member States to support sustainable industrial development.</li> <li>• Traceable contributions of UNIDO's research to global knowledge generation in the field of sustainable industrial development.</li> </ul>
<i>Contribution to institutional outcomes</i>	<i>Performance indicators</i> <sup>1</sup>
Enhanced capabilities in national governments, private sector firms and associations in support of industrial development.	<ul style="list-style-type: none"> <li>• UNIDO research findings and policy recommendations are used by specific organizations in their policymaking process.</li> <li>• Institutional improvements in terms of quality and speed of policy-related decision-making.</li> </ul>

<sup>1</sup> Based on regular assessments and surveys.

### Programme Component D.1.3: Policy Advisory Services

#### General description

The policy advisory services Programme component provides Member States with two principal services: (i) Strategic industrial policy (SIP) advice, especially in the diagnostic and design stages of the industrial policymaking process, and (ii) capacity-building activities, focusing on enabling and upgrading public and private institutions to fulfil their respective roles and take over full control of industrial policymaking.

SIP refers to the position in which a country wishes its manufacturing industry to be at a point in time in the future or vis-à-vis the rest of the world. The Programme component provides information and knowledge, as well as advice on governance and coordination mechanisms for preparing the diagnosis for, and design of a strategic industrial policy. At the diagnosis stage advice is provided on industrial activities that may carry a competitive advantage, on domestic and international analytical expertise, and on the local and international actors that could be involved in the industrialization process. The advice may take the form of direct consultations or strategic design documents. Advice is also provided regarding the organization and necessary mechanisms to ensure a transparent, participatory and inclusive diagnostic phase. At the design phase, intelligence gathering is focused on identifying specific programmes, projects and policy instruments, as well as preparing detailed industry and

feasibility studies. Proposing and facilitating appropriate governance and coordination diagnostic architecture, including the required institutions, committees and forms of private-public-academic partnerships, is the other major activity at this stage.

Capacity-building activities at the diagnostic and design stages include training activities on, among others, how to prepare strategic design documents, set up industrial development programmes and projects, including feasibility studies, and on the range of industrial policy instruments and how to use them. Capacity-building also includes establishing specialized units, agencies, business associations and other public or private institutional structures, necessary for managing not only the design, but also the implementation stage of the policymaking process. Building consultative competences and mutual trust between public and private sectors through multi-sector dialogue or informal mechanisms is yet another aspect of the Programme component's policy advisory services.

### Objective

To provide sound industrial policy and strategy advice, as well as advanced training and relevant capacity-building activities.

### Contribution to the development objective contained in UNIDO's Mission Statement

<i>Contribution</i>	<i>Performance indicators</i> <sup>1</sup>
Better inclusion of criteria related to improving productive and international trade capacity, reducing poverty and increasing energy efficiency and environmental sustainability in national industrial strategies, policies, programmes and projects.	<ul style="list-style-type: none"> <li>Impact of industrial policy on output, value added or international trade expansion; reduction of greenhouse gas (GHG) emissions, increases in energy efficiency and/or poverty reduction.</li> </ul>

<sup>1</sup> Based on regular assessments and reporting in legislative documents, including in the Annual Report.

### Contribution to the expected country-level outcomes of Programmes C.1, C.2 and C.3

<i>Contribution to policy outcomes</i>	<i>Performance indicators</i> <sup>1</sup>
Improved industrial strategy, policy programmes' and projects' content and processes.	<ul style="list-style-type: none"> <li>Quality of strategic design documents and prepared analyses.</li> <li>Extent of participation by stakeholders in the policymaking process.</li> <li>Extent of approval of the policymaking process by stakeholders.</li> </ul>
<i>Contribution to institutional outcomes</i>	<i>Performance indicators</i> <sup>1</sup>
Enhanced individual, organizational and institutional capabilities in national governments and ministries, private sector firms and associations.	<ul style="list-style-type: none"> <li>Learning and course evaluations by participants in training courses.</li> <li>Effectiveness and efficiency evaluations of organizations involved.</li> <li>Number and depth of relevant laws and regulations passed.</li> </ul>

<sup>1</sup> Based on regular assessments and surveys.

## Programme Component D.1.4: Industrial Statistics

### General description

The industrial statistics Programme component is designed to implement the United Nations mandate given to UNIDO for maintaining international industrial statistics databases and disseminating industrial data globally as well as to meet the internal needs of statistics for the Organization's research and technical cooperation activities.

The programme broadly covers (i) the maintenance and updating of international industrial statistics databases with structural business data, compilation and dissemination of industrial data through annual publication of the *International Yearbook of Industrial Statistics*, INDSTAT and IDSB databases in CD-ROM and online data portal of the Statistical Country Brief; statistical support to the research and other programmes of the Organization; (ii) methodological and analytical products based on statistical research and experience of maintaining internationally comparable statistics; (iii) contributions to the development and implementation of international statistical standards and methodology as a member of the Committee of Coordination of Statistical Activities of International Organizations (CCSA) in the field of industrial statistics; participation in the international statistical data and metadata exchange (SDMX) programme; and (iv) technical cooperation services to countries of developing and transitional economies in the field of industrial statistics.

### Objective

To provide accurate and internationally comparable industrial statistics to the international community, national governments, knowledge institutions, business associations and other stakeholders of UNIDO.

### Contribution to the development objective contained in UNIDO's Mission Statement

<i>Contribution</i>	<i>Performance indicators</i> <sup>1</sup>
High-quality industrial data made available to international agencies, national governments, private sector, knowledge institutions and other stakeholders in industrial development.	<ul style="list-style-type: none"> <li>• Increased number and size of UNIDO statistical products available to national governments, private sector and knowledge institutions.</li> <li>• Increased number of data requests received by UNIDO from international data users.</li> <li>• Increased use of in-house statistics by UNIDO technical programmes.</li> <li>• Increased number of statistical and analytical products disseminated by organizations.</li> </ul>

<sup>1</sup> Based on regular assessments and reporting in legislative documents, including in the Annual Report.

**Contribution to the expected country-level outcomes of Programmes C.1, C.2 and C.3**

<i>Contribution to policy outcomes</i>	<i>Performance indicators</i> <sup>1</sup>
Industrial analyses and strategies are based on sound statistical and analytical foundations.	<ul style="list-style-type: none"> <li>• Increased number of countries represented in UNIDO databases.</li> <li>• Increased production and dissemination of country and internationally comparable cross-country data on policy relevant indicators.</li> <li>• Increased access to UNIDO databases and statistical products required for formulation of evidence based development policies.</li> <li>• Increased number of National Statistical Offices (NSOs) receiving UNIDO advisory services and technical assistance.</li> <li>• Increased number of visits to UNIDO statistical web pages in both the Intranet and Internet.</li> </ul>
<i>Contribution to institutional outcomes</i>	<i>Performance indicators</i> <sup>1</sup>
Improved performance of national statistical offices in producing timely and reliable industrial statistics relevant to national development goals, policy, and issues.	<ul style="list-style-type: none"> <li>• Number of recipient countries and national agencies using UNIDO statistical products, training and advisory services.</li> <li>• Increased number of statistical surveys for producing relevant, timely, accurate and gender-disaggregated industrial data.</li> </ul>

<sup>1</sup> Based on regular assessments and surveys.

**Programme D.2: Quality Assurance and Outreach**

**General description**

The Programme contributes to the development of technical programmes and the operational effectiveness of UNIDO's technical cooperation activities by managing and supporting the approval process for these activities. It further manages UNIDO's relationships with donors and potential donors, and coordinates the Organization's communication with external stakeholders. The Programme contains three programme components: Programme component D.2.1 Donor Relations; Programme component D.2.2 Quality Assurance; and Programme component D.2.3 Advocacy.

**Objective**

To support the effective operation of UNIDO's programmes through increased awareness and understanding of UNIDO's role and activities in international development cooperation; to manage and support the approval process for UNIDO's technical cooperation activities, and to mobilize required resources.



## Resources

### Resources estimates (in euros)

Posts			2012-2013 estimates (after recosting)			
Professional	General Service	Total	Regular budget	Operational budget	Total	
<b>14.50</b>	<b>11.00</b>	<b>25.50</b>	Staff costs	5,634,950	66,400	5,701,350
			Consultants	84,500		84,500
			Meetings	21,100		21,100
			Official travel	188,700		188,700
			Operating costs	538,800		538,800
			Information and comm. techn.	23,400		23,400
			<b>Total gross expenditure</b>	<b>6,491,450</b>	<b>66,400</b>	<b>6,557,850</b>
			<b>Total net resources</b>	<b>6,491,450</b>	<b>66,400</b>	<b>6,557,850</b>

### Programme Component D.2.1: Donor Relations

#### General description

The Programme component conceptualizes, develops and manages UNIDO's relationships with donors and potential donors, and thereby seeks to mobilize resources for the Organization's development services. To this end, it establishes a thorough understanding of the policies and priorities of donors, identifies shared areas of interest, and promotes and guides the development and growth of strategic cooperation opportunities with these partners. It is also responsible for monitoring the financial resources available for programming purposes.

During the biennium 2012-2013, efforts under this Programme component aim at increasing contributions to the three thematic priorities of the Organization, especially, but not only, from governmental donors. This will include efforts to ensure that UNIDO continues to participate in, and obtains funding from, an increasing number of multi-donor trust funds and other funding sources.

#### Objective

The maintenance of strong partnerships with present and potential donors in order to grow the volume of resources mobilized for effective development services across UNIDO's three thematic priorities.

#### Contribution to the management objective contained in UNIDO's Mission Statement

<i>Contribution</i>	<i>Performance indicators</i> <sup>1</sup>
Donors and other sources of support for UNIDO's programmes recognize the importance of productive industrial activities for sustainable development and poverty reduction and provide an increasing level of resources.	<ul style="list-style-type: none"> <li>Annual level of funds mobilized increased to the range of \$200 – 220 million by 2013.</li> </ul>

<sup>1</sup> Based on regular assessments and reporting in legislative documents, including in the Annual Report.

### **Programme Component D.2.2: Quality Assurance**

#### **General description**

This Programme component is responsible for managing and supporting the programme and project approval process. It provides for “quality at entry” in harmony with the “quality at delivery” function of Programme components C.1.1, C.2.1 and C.3.1.

In the biennium 2012-2013, efforts under this Programme component will mainly aim at enhancing the design quality of UNIDO’s technical cooperation programmes, projects and related services by (i) providing guidance on, and training in, the consistent application of design methodologies and tools across the Organization; (ii) facilitating the appraisal process; and (iii) supporting the operation of the internal programme/project approval bodies and following up on their decisions.

#### **Objective**

To ensure that UNIDO’s development services conform to internationally recognized principles and are of high-quality design.

#### **Contribution to the management objective contained in UNIDO’s Mission Statement**

<i>Contribution</i>	<i>Performance indicators</i> <sup>1</sup>
UNIDO services meet established quality standards and address the specific needs of stakeholders.	<ul style="list-style-type: none"> <li>• Demonstrated improvements in the design of project documents.</li> <li>• Increase in the number of projects reaching milestones/targets as planned.</li> </ul>

<sup>1</sup> Based on regular assessments and reporting in legislative documents, including in the Annual Report.

### **Programme Component D.2.3: Advocacy**

#### **General description**

This Programme component coordinates UNIDO’s advocacy and communication activities, aimed at enhancing the Organization’s visibility and image among key stakeholders, particularly its Member States, and at generating an increased international understanding and appreciation of the work of UNIDO in the general public. Based on a comprehensive 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) drawing on a broad array of communication and outreach techniques, including liaising with the media, promotional material, Internet presence and social media, as well as the Goodwill Ambassador Programme. Furthermore, this Programme component provides advocacy support to high-profile global and regional UNIDO conferences and international campaigns related to sustainable industrial development. It also oversees UNIDO’s communications with specific advocacy and communications-related entities of the United Nations system, and ensures 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 the development objective contained in UNIDO's Mission Statement<sup>1</sup>**

<i>Contribution</i>	<i>Performance indicators</i>
Key stakeholders and the general public are aware and support UNIDO's mission to reduce poverty through sustainable industrial development, characterized by equal opportunities for all countries to grow a flourishing industrial sector, to increase participation in international trade and to safeguard their environment.	<ul style="list-style-type: none"> <li>• Improved visibility among and support by Member States.</li> <li>• Positive feedback from key stakeholders.</li> <li>• Increased recognition of industrial development as key response to global development challenges.</li> </ul>

<sup>1</sup> Based on regular assessments and reporting in legislative documents, including in the Annual Report.

**Contribution to the management objective contained in UNIDO's Mission Statement**

<i>Contribution</i>	<i>Performance indicators<sup>1</sup></i>
Improved awareness on how UNIDO brings global expertise and experience to address complex development challenges through integrated and high-impact services and increasing support for UNIDO's development objective, mission, mandate, programmes and activities.	<ul style="list-style-type: none"> <li>• Improved public outreach, based on media coverage, recorded enquiries, requests for publications, and recorded public debate.</li> <li>• Improved use of UNIDO's web-based communication services.</li> <li>• Positive feedback from development-related groups and opinion-makers.</li> </ul>

<sup>1</sup> Based on regular assessments and reporting in legislative documents, including in the Annual Report.

## MAJOR PROGRAMME E: PROGRAMME SUPPORT SERVICES

### General description

This Major Programme provides operational support for the management of UNIDO and the implementation of its technical cooperation programmes. In this context, the Major Programme comprises five specific Programmes: Human Resource Management; Financial Services; Procurement and Logistics; Information and Communication Management Services; and Direction and Management. Through these Programmes, the Major Programme will formulate policies and procedures, and provide strategic guidance, direction and support services to all entities of the Secretariat, in each of its areas of responsibility. The Major Programme also plays a supporting role in transitioning UNIDO to a new enterprise resource planning (ERP) system and the implementation of standards such as the International Public Sector Accounting Standards (IPSAS).

In this way, the Major Programme will contribute directly to the successful implementation of UNIDO's technical cooperation activities and other development services, 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 the provision of financial management, communications, travel, and inventory and records management services, all of which directly or indirectly support technical cooperation delivery and other development services.

### Objective

In accordance with UNIDO's management objective, to ensure the efficient and effective delivery of services to support UNIDO's activities, and to support sound change management.

### Resources

#### Resources estimates (in euros)

Posts			2012-2013 estimates (after recosting)			
Professional	General Service	Total	Regular budget	Operational budget	Total	
<b>42.00</b>	<b>104.25</b>	<b>146.25</b>				
			Staff costs	21,962,800	4,223,900	26,186,700
			Consultants	243,000		243,000
			Official travel	283,700		283,700
			Operating costs	1,426,320		1,426,320
			Information and comm. techn.	4,776,500		4,776,500
			<b>Total gross expenditure</b>	<b>28,692,320</b>	<b>4,223,900</b>	<b>32,916,220</b>
			<b>Total net resources</b>	<b>28,692,320</b>	<b>4,223,900</b>	<b>32,916,220</b>

#### By programme

	Posts		Regular and operational budgets	Technical cooperation (extrabudgetary)	TOTAL
	P	GS			
E.1. Human Resource Management	11.00	24.25	6,982,400		6,982,400
E.2. Financial Services	10.00	34.00	7,479,320		7,479,320
E.3. Procurement and Logistics	9.00	27.00	8,784,100		8,784,100
E.4. Information and Communication Management	10.00	14.00	8,203,100		8,203,100
E.5. Direction and Management	2.00	5.00	1,467,300		1,467,300
<b>E. Total major programme</b>	<b>42.00</b>	<b>104.25</b>	<b>32,916,220</b>		<b>32,916,220</b>

## **Programme E.1: Human Resource Management**

### **General description**

This Programme will continue to develop the human resource management (HRM) 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 for matters related to human resource (HR) 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; adherence to the Policy on Gender Equality and the Empowerment of Women, aimed at achieving gender balance in all categories of staff; management and support to the Organization's performance management and staff appraisal system; 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, including medical, temporary disability and life insurance; the internal administration of justice; the recruitment and administration of project personnel as well as consultants engaged in the implementation of technical cooperation programmes; and associated reporting.

For the biennium 2012-2013, 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, organizational values and competencies;
- (b) Continued development of staff learning programmes based on a learning policy that promotes skills upgrading and professional growth;
- (c) Continuous effective communication and dialogue between staff and management and constructive staff-management relations;
- (d) Proactive efforts to achieve gender balance in all categories of staff, and particularly at professional and higher categories.

### **Objective**

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

### Contribution to the management objective contained in UNIDO's Mission Statement

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

<sup>1</sup> Based on feedback from clients, recruitment statistics, HR records, training plans, HR policies and related reporting in the Annual Report and other legislative documents.

### Resources

#### Resources estimates (in euros)

Posts			2012-2013 estimates (after recosting)			
Professional	General Service	Total	Regular budget	Operational budget	Total	
<b>11.00</b>	<b>24.25</b>	<b>35.25</b>	Staff costs	5,302,600	1,469,200	6,771,800
			Consultants	133,000		133,000
			Official travel	65,200		65,200
			Operating costs	12,400		12,400
			<b>Total gross expenditure</b>	<b>5,513,200</b>	<b>1,469,200</b>	<b>6,982,400</b>
			<b>Total net resources</b>	<b>5,513,200</b>	<b>1,469,200</b>	<b>6,982,400</b>

### Programme E.2: Financial Services

#### General description

This Programme supports the 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 as well as draft agreements 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 implementation where possible, with the introduction of Harmonized Approach to Cash Transfers (HACT). 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 enabled the Programme to produce more transparent financial reports to UNIDO's management and stakeholders. As UNIDO has adopted the transitional provisions permitted by IPSAS for first-time adopters in some areas, efforts will be made during the biennium to ensure full compliance in areas where the transitional clause was adopted. In addition, the programme will transition the finance system into the new ERP system.

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 the management objective contained in UNIDO's Mission Statement

<i>Contribution</i>	<i>Performance indicators</i> <sup>1</sup>
Overall financial integrity, credibility and transparency of the financial resources of the Organization.	<ul style="list-style-type: none"> <li>• Unqualified opinion by the External Auditors on IPSAS compliant financial statements.</li> <li>• Effective support for the implementation of the ERP in relevant areas.</li> <li>• Statutory deadlines met for biennial budgets and annual financial statements.</li> <li>• Timely issuance of TC-related financial instruments.</li> <li>• Minimum downward variation of average interest rates on investments relative to average market rates.</li> </ul>

<sup>1</sup> Based on feedback from clients, external audit reports, correspondence log, financial performance control system (FPCS), decisions of the policymaking organs, and related reporting in the Annual Report and other legislative documents.

### Resources

#### Resources estimates (in euros)

Posts			2012-2013 estimates (after recosting)			
Professional	General Service	Total	Regular budget	Operational budget	Total	
<b>10.00</b>	<b>34.00</b>	<b>44.00</b>	Staff costs	5,485,400	1,882,500	7,367,900
			Consultants	46,900		46,900
			Official travel	60,600		60,600
			Operating costs	3,920		3,920
			<b>Total gross expenditure</b>	<b>5,596,820</b>	<b>1,882,500</b>	<b>7,479,320</b>
			<b>Total net resources</b>	<b>5,596,820</b>	<b>1,882,500</b>	<b>7,479,320</b>

### Programme E.3: Procurement and Logistics

#### General description

This Programme provides the wide range of support services required by UNIDO for its 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 application of 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 United Nations organizations through jointly negotiated agreements with travel agents and airlines; and communications costs will be optimized by the introduction of modern means of telecommunications 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

##### Resources estimates (in euros)

Posts			2012-2013 estimates (after recosting)			
Professional	General Service	Total	Regular budget	Operational budget	Total	
9.00	27.00	36.00				
			Staff costs	5,454,000	872,200	6,326,200
			Consultants	52,000		52,000
			Official travel	40,100		40,100
			Operating costs	1,082,200		1,082,200
			Information and comm. techn.	1,283,600		1,283,600
			<b>Total gross expenditure</b>	<b>7,911,900</b>	<b>872,200</b>	<b>8,784,100</b>
			<b>Total net resources</b>	<b>7,911,900</b>	<b>872,200</b>	<b>8,784,100</b>

#### Programme Component E.3.1: Procurement Services

##### General description

This Programme component provides for the acquisition of equipment, services and works in support of UNIDO technical cooperation programmes and other development services. It is also responsible for the acquisition of equipment, services and works required for the maintenance and repair of buildings of the Vienna International Centre (VIC), for the operations of the VIC catering service, as well as for ongoing works such as the removal of asbestos from the VIC complex. Activities under this Programme also involve assistance and guidance in the preparation of technical specifications, tendering, and technical and commercial evaluation in respect of requisitions. In addition, the Programme provides regular training activities and the operation of the Procurement Helpdesk.



## Objective

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

### Contribution to the management objective contained in UNIDO's Mission Statement

<i>Contribution</i>	<i>Performance indicators</i> <sup>1</sup>
Efficient, cost-effective, transparent and timely procurement of goods and services required by the Organization.	<ul style="list-style-type: none"> <li>• Minimization of claims and cases of non-performance by vendors.</li> <li>• Rollout of ERP-supported procurement and contracting processes and systems.</li> <li>• Positive feedback by clients.</li> </ul>

<sup>1</sup> Based on established procurement rules, feedback from clients, audit/legal reports, statistical reporting, FPCS, and related reporting in the Annual Report and other legislative documents.

## Programme Component E.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 meeting and sustaining the requirements of IPSAS, 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 in UNIDO offices at headquarters and in the field. The Programme component will also 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 also continue to be facilitated.

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 VIC-based organizations (VBOs) to achieve a reduction of travel costs through jointly negotiated agreements with travel agents and airlines and an increase in the quality of travel services. In conjunction with the ERP, the Programme component will support the modernization of archiving and registry records.

### Objective

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

**Contribution to the management objective contained in UNIDO’s Mission Statement**

<i>Contribution</i>	<i>Performance indicators</i> <sup>1</sup>
Efficient, cost-effective, transparent and timely logistics services as required by the Organization.	<ul style="list-style-type: none"> <li>• Positive feedback from clients.</li> <li>• Effectiveness in maintenance of complete and up-to-date inventory records for headquarters, field offices and technical cooperation projects.</li> <li>• Effective support for the implementation of the ERP in relevant areas.</li> </ul>

<sup>1</sup> Based on the UNIDO rules governing logistics, feedback from clients and continuous quality monitoring.

**Programme E.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 in line with the Programme for Change and Organizational Renewal (PCOR). 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, achieve the PCOR goal of Growth with Quality 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 2012-2013 will be on enabling PCOR by playing a key role in the implementation and central management of the new ERP system, providing support for the management framework requirements for the increased adoption of RBM principles and evidence-based performance management systems, providing field support and total IT connectivity of staff, and learning programmes. Emphasis will also be given to supporting the implementation of the internal control framework, and the public advocacy function.

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

**Objective**

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

### Contribution to the management objective contained in UNIDO's Mission Statement

<i>Contribution</i>	<i>Performance indicators</i> <sup>1</sup>
Reliable, cost-effective, user-friendly and network-connected ICT facilities and services as required by the Organization.	<ul style="list-style-type: none"> <li>• Minimization of claims and positive feedback from clients.</li> <li>• Effective support for implementation of the ERP system.</li> <li>• Demonstrated effectiveness in all related services.</li> </ul>

<sup>1</sup> Based on feedback from clients, helpdesk statistics, and continuous quality monitoring.

### Resources

#### Resources estimates (in euros)

Posts			2012-2013 estimates (after recosting)		
Professional	General Service	Total	Regular budget	Operational budget	Total
<b>10.00</b>	<b>14.00</b>	<b>24.00</b>	Staff costs	4,352,200	4,352,200
			Official travel	34,600	34,600
			Operating costs	323,400	323,400
			Information and comm. techn.	3,492,900	3,492,900
			<b>Total gross expenditure</b>	<b>8,203,100</b>	<b>8,203,100</b>
			<b>Total net resources</b>	<b>8,203,100</b>	<b>8,203,100</b>

### Programme E.5: Direction and Management

#### General description

In accordance with UNIDO's management objective, this 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.

#### Objective

To ensure the efficient and effective delivery of services to support UNIDO's activities, promote a culture of accountability and transparency, and to support sound change management.

**Contribution to the management objective contained in UNIDO's Mission Statement**

<i>Contribution</i>	<i>Performance indicators</i> <sup>1</sup>
UNIDO's technical cooperation and other development services receive adequate assistance from efficient and effective support and security services.	<ul style="list-style-type: none"> <li>• Minimization of claims and positive feedback from clients.</li> <li>• Effective support for implementation of the ERP system.</li> <li>• Enhanced safety and security.</li> <li>• Improved transparency of procedures and accountability of staff.</li> <li>• Demonstrated effectiveness in all related services.</li> </ul>

<sup>1</sup> 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, continuous quality monitoring, and related reporting in the Annual Report and other legislative documents.

**Resources**

**Resources estimates (in euros)**

<b>Posts</b>			<b>2012-2013 estimates (after recosting)</b>		
Professional	General Service	Total	Regular budget	Operational budget	Total
<b>2.00</b>	<b>5.00</b>	<b>7.00</b>	Staff costs	1,368,600	1,368,600
			Consultants	11,100	11,100
			Official travel	83,200	83,200
			Operating costs	4,400	4,400
			<b>Total gross expenditure</b>	<b>1,467,300</b>	<b>1,467,300</b>
			<b>Total net resources</b>	<b>1,467,300</b>	<b>1,467,300</b>

## MAJOR PROGRAMME F: BUILDINGS MANAGEMENT

### Programmes F.1 and F.2: Common Buildings Management and Joint Buildings Management

#### General description

The Major Programme, and its two constituent programmes F.1 and F.2, provide for the management and administration of the operations, maintenance, repair and replacement of buildings and related installations and equipment in the VIC complex. This responsibility is derived under the terms of the Memorandum of Understanding on Common Services agreed by the VBOs, namely the International Atomic Energy Agency (IAEA), the United Nations Office at Vienna (UNOV), the Preparatory Commission for the Comprehensive Nuclear Test-Ban Treaty Organization (CTBTO) and UNIDO. These services are provided by UNIDO on behalf of, and with financial resources contributed by, the VBOs.

The costs of operating, maintaining and repairing the buildings and their integrated and added installations continue to increase with the ageing of the VIC complex, which was constructed in 1974-1979. Necessary repairs and maintenance work are carried out on a regular basis in accordance with commitments made to the Government of Austria, the owner of the complex, and to ensure the safe and reliable operation of the buildings.

#### 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 local buildings regulations and standards as well as the VIC operating licence conditions.

#### Contribution to the management objective contained in UNIDO's Mission Statement

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

<sup>1</sup> Based on feedback from clients, Buildings Management Services (BMS) statistics, project and evaluation reports, financial statements, building codes/rules/standards, and continuous quality monitoring.

## Resources

### Resources estimates (in euros)

Posts			2012-2013 estimates (after recosting)		
Professional	General Service	Total	Regular budget	Operational budget	Total
<b>9.00</b>	<b>125.00</b>	<b>134.00</b>	Staff costs	18,570,100	18,570,100
			Consultants	187,000	187,000
			Official travel	20,300	20,300
			Operating costs	42,788,900	42,788,900
			<b>Total gross expenditure</b>	<b>61,566,300</b>	<b>61,566,300</b>
			Income	(61,566,300)	(61,566,300)
			<b>Total net resources</b>		

### Programme F.1: Common Buildings Management

### Resources estimates (in euros)

Posts			2012-2013 estimates (after recosting)		
Professional	General Service	Total	Regular budget	Operational budget	Total
<b>9.00</b>	<b>122.00</b>	<b>131.00</b>	Staff costs	18,155,200	18,155,200
			Consultants	187,000	187,000
			Official travel	20,300	20,300
			Operating costs	41,303,400	41,303,400
			<b>Total gross expenditure</b>	<b>59,665,900</b>	<b>59,665,900</b>
			Income	(59,665,900)	(59,665,900)
			<b>Total net resources</b>		

2012-2013 estimates (after recosting)	
	Regular budget
Established posts	16,204,900
After-service medical coverage	172,600
Career development training	53,500
General temporary assistance	702,100
Overtime and night differential	1,016,100
Consultant fees and travel	187,000
Hospitality	6,000
Travel on official business	20,300
Rental and maintenance of premises	22,141,200
Utilities	18,314,000
Rental and maintenance of furniture, equipment and vehicles	137,000
Miscellaneous general operating expenses	31,400
Printing and binding	2,000
Supplies and materials	349,500
Capital goods	328,300
<b>Total gross expenditure</b>	<b>59,665,900</b>

Other VBOs' contribution to common operations	(39,756,430)
UNIDO contribution to common operations	(7,350,570)
Other contributions to common operations	(9,558,900)
Savings on vacant posts	(3,000,000)
<b>Total income</b>	<b>(59,665,900)</b>
<b>Total net resources</b>	

### Programme F.2: Joint Buildings Management

#### Resources estimates (in euros)

Posts			2012-2013 estimates (after recosting)		
Professional	General Service	Total	Regular budget	Operational budget	Total
<b>0.00</b>	<b>3.00</b>	<b>3.00</b>	Staff costs	414,900	414,900
			Operating costs	1,485,500	1,485,500
			<b>Total gross expenditure</b>	<b>1,900,400</b>	<b>1,900,400</b>
			Income	(1,900,400)	(1,900,400)
			<b>Total net resources</b>		

2012-2013 estimates (after recosting)	
	Regular budget
Established posts	398,400
Overtime and night differential	16,500
Rental and maintenance of premises	1,369,000
Capital goods	116,500
<b>Total gross expenditure</b>	<b>1,900,400</b>
Other VBOs' contribution to common operations	(1,159,090)
UNIDO contribution to common operations	(741,310)
<b>Total income</b>	<b>(1,900,400)</b>
<b>Total net resources</b>	

## MAJOR PROGRAMME G: INDIRECT COSTS

### Programme G.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 Vienna International Centre and hence it participates in joint and common services with the other Vienna-based organizations. Furthermore, UNIDO's contributions to joint activities with United Nations bodies and to the after-service health insurance scheme (ASHI) 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) – 13.82 per cent;
- (c) Joint language training (UNOV) – per enrolled staff;
- (d) UNIDO contribution to common buildings management – 15.604 per cent;
- (e) Reimbursement to the Major Repair Fund – 15.604 per cent;
- (f) UNIDO contribution to joint buildings management (conference technicians and operating costs) – 39 per cent;
- (g) Language and documentation services (UNOV) –share based on workload;
- (h) Security and safety services (UNOV) – 15.604 per cent;
- (i) Contribution to joint activities with various United Nations bodies – average 1.1 per cent;
- (j) 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 2010-2011 costs) under contributions to the cost-shared services has decreased by €230,620 (1.1 per cent) as outlined in the paragraphs below.

An increase in the amount of €189,638 for the UNIDO contribution to ASHI applicable to retired staff is estimated on the basis of actual costs incurred in 2010 and additional estimated costs of mandatory retirements in 2011, 2012 and 2013. The decrease of €31,920 for joint medical services mainly results from the reduction of the non-recurrent costs contained in the 2010-2011 budget estimates relating to the purchase of an off-the-shelf management information system for VIC Medical Services. The increase of €48,700 for joint language training results from the change in policy on financial support from 50 per cent to 100 per cent reimbursement for United Nations official languages and from zero to 50 per cent reimbursement for German language as well as the introduction of intensive language training and furthermore, from increased exam fees for language exams.

The decrease of €60,610 for common buildings management services results from the decrease in the overall estimated costs of the service and from a decrease in the UNIDO share from 15.71 per cent to 15.604 per cent. The increase of €109,460 for the reimbursement to Major Repair Fund results from the increased level of proposed programmes and their financial requirements from €3,524,600 to



€4,250,000 in the 2012-2013 biennium, being slightly offset by the reduced cost-sharing ratio for UNIDO from 15.71 per cent as contained in the 2010-2011 budget estimates to 15.604 per cent reflected in the 2012-2013 budget estimates. A slight increase of €1,160 for the UNIDO contribution to joint buildings management services mainly reflects the increase in the UNIDO share from 35 per cent to 39 per cent, being mainly offset by a decreased level of general operating costs as well as of the purchase of capital goods.

A decrease of €79,200 for language and documentation services reflects the lower level of utilization mainly for editing, reproduction and distribution services experienced over the past years.

A decrease of €258,696 for common security and safety services results from the reduction of non-recurrent costs relating to security equipment contained in the 2010-2011 budget estimates and a reduction in the UNIDO share from 15.71 per cent to 15.604 per cent.

The increase of €50,198 for the contribution to joint activities with various United Nations bodies mainly results from the increase in the rate of exchange of the US dollar vis-à-vis the euro from 0.683 to 0.756 amounting to about €146,500 being offset by the real decrease of €96,302.

A decrease of €174,350 for the joint communication services provided by UNOV mainly reflects a decreased volume of services requested and a further reduction in 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 estimates (in euros)

Posts			2012-2013 estimates (after recosting)		
Professional	General Service	Total	Regular budget	Operational budget	Total
<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	Staff costs	5,406,058	5,406,058
			Operating costs	15,743,450	15,743,450
			Information and comm. techn.	618,000	618,000
			<b>Total gross expenditure</b>	<b>21,767,508</b>	<b>21,767,508</b>
			<b>Total net resources</b>	<b>21,767,508</b>	<b>21,767,508</b>

<b>2012-2013 estimates (after recosting)</b>	
	Regular budget
After-service medical coverage	4,805,138
Joint medical services (IAEA)	534,020
Joint language training	66,900
UNIDO contribution to common BMS	7,350,570
Reimbursement to Major Repair Fund	663,180
UNIDO contribution to joint BMS	741,300
Language and documentation services	1,880,500
Security and safety services (UNOV)	3,495,700
Contribution to joint activities with United Nations bodies	1,612,200
Joint communications services (UNOV)	618,000
<b>Total gross expenditure</b>	<b>21,767,508</b>
<b>Total income</b>	
<b>Total net resources</b>	<b>21,767,508</b>

## SPECIAL RESOURCES FOR AFRICA

### General description

Regional and subregional programmes and projects are developed and supported through Special Resources for Africa. The basis for these programmes are drawn, inter alia, from the African Union Plan of Action for the Accelerated Industrial Development of Africa (AIDA) (endorsed by the AU Heads of State Summit in January 2008) and its Implementation Strategy subsequently adopted by the Conference of African Ministers of Industry (CAMI) in October 2008; the Ministerial Declaration of the LDCs' Conference on "Aid for Trade: An Industrial Agenda for LDCs" in November 2008; the Ministerial Declaration of the LDCs' Conference on "Impact of the Global Economic Crisis on the LDCs' Productive Capacities and Trade Prospects: Threats and Opportunities" in December 2009; and the declaration of the High-level Conference on the Development of Agribusiness and Agro-industries in Africa, held in Abuja, Nigeria, in March 2010.

These funds will mostly 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 States; the provision of policy advisory services at the country level; support for Africa-related global forum activities and expert group meetings (EGMs); and support for the organs of the African Union, Regional Economic Communities (RECs) and the New Partnership for Africa's Development (NEPAD). The resources will also be used to facilitate work under the Industry, Trade and Market Access (ITMA) Cluster, under which UNIDO, as a convener of this cluster, will implement 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 placed on 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, as adjusted, 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 agreed upon within the framework of the 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, research and development, and technological development; (vi) financing and resource mobilization; and (vii) sustainable development.

Under the thematic priority of trade capacity-building, UNIDO will engage in a number of activities, including (i) the provision of supply-side support to LDCs; (ii) support for programmes in industrial upgrading and modernization, technology transfer, SME cluster development, investment promotion, quality management, and traceability.

Within the thematic priority of environment and energy, emphasis will be placed on (i) increasing affordable access to clean energy by demonstrating the potential of renewable energy and accelerating rural electrification; (ii) promoting energy efficiency especially in industrial complexes; (iii) strengthening national capacities and policies in support of green industry; (iv) forging South-South cooperation; and (v) the implementation of environment-related programmes on POPs and large marine ecosystems.

### Objective

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

### Contribution to the development objective contained in UNIDO's Mission Statement

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

<sup>1</sup> Based on regular assessments and reporting in legislative documents, including in the Annual Report.

### Contribution to the expected country-level outcomes of Programmes C.1, C.2 and C.3

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

<sup>1</sup> Based on regular assessments and reporting in legislative documents, including in the Annual Report.

## REGULAR PROGRAMME OF TECHNICAL COOPERATION

### General description

This section sets out the programmatic description and resources of the Regular Programme of Technical Cooperation. In accordance with the programmatic approach, specific resource allocations are presented in the relevant Major Programmes under which the activities are to be implemented.

As provided 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 broader United Nations development system.

In accordance with the MTPF 2010-2013, as adjusted, the implementation of the Programme will continue to enable UNIDO to focus its activities on its three thematic priorities – poverty reduction through productive activities, trade capacity-building, and environment and energy – as well as on relevant cross-cutting issues.

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

- (a) Preparatory activities, including needs assessments, to enable UNIDO to develop programmes or projects based on its thematic priorities and the needs of recipient countries;
- (b) Upstream and analytical activities, including joint projects with research institutions, to support the development of UNIDO priority programmes and innovative initiatives;
- (c) Global forum activities directly linked to the development of priority programmes, through mechanisms such as seminars, workshops and symposiums;
- (d) Seed funding or bridging funds for activities in furtherance of United Nations coherence, 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, 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 development objective contained in UNIDO's Mission Statement**

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

<sup>1</sup> Based on regular assessments and reporting in legislative documents, including in the Annual Report.

**Contribution to the management objective contained in UNIDO's Mission Statement**

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

<sup>1</sup> Based on regular assessments and reporting in legislative documents, including in the Annual Report.

## MISCELLANEOUS INCOME

Estimated miscellaneous income for 2012-2013 amounts to €2,211,900 in the regular budget and €73,700 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 2011, 2012 and 2013, estimates of €2,127,900 under the regular budget and €73,700 in the operational budget are budgeted for 2012-2013. Similarly to provisions approved for the previous biennium, any eventual shortfall in 2012-2013 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 at 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 €155,890 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 2010-2011 costs)

	2010-2011 revised estimates		2012-2013 estimates	
	Sales publications revolving fund	Miscellaneous income	Sales publications revolving fund	Miscellaneous income
Gross sales	81,860	81,860	84,000	84,000
Revolving fund balance of the preceding biennium	264,910		171,890	
<b>Total</b>	<b>346,770</b>	<b>81,860</b>	<b>255,890</b>	<b>84,000</b>
Less expenses against revenue				
Travel	31,000		6,000	
Advertising and publications	11,330		10,000	
Printing			20,000	
Translation			10,000	
Contributions, joint/common activities	100,000			
Miscellaneous	3,550		4,000	
Consultants	29,000		40,000	
Equipment/materials			10,000	
<b>Total expenses</b>	<b>174,880</b>	<b>–</b>	<b>100,000</b>	<b>–</b>
<b>BALANCE IN SALES PUBLICATIONS REVOLVING FUND (at the end of each biennium)</b>	<b>171,890</b>		<b>155,890</b>	
<b>NET REVENUE</b>		<b>81,860</b>		<b>84,000</b>

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. Contributions to a joint UNIDO-World Bank publication on successful cases of industrial development in Africa have been made in 2011.

**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	2010-2011 approved budget a/ 1	2012-2013 resource growth at 2010-2011 rates 2	2012-2013 resource requirements at 2010-2011 rates 3	Recosting to 2012- 2013 rates 4	2012-2013 resource requirements at 2012-2013 rates 5	Per cent of total budget		
						2010-2011 6	2012-2013 7	
<b>Expenditure</b>								
<b>A</b>	<b>POLICYMAKING ORGANS</b>							
A.1	Meetings of the Policymaking Organs	3,672,550	7,000	3,679,550	114,700	3,794,250	2.0%	2.0%
A.2	PMO Secretariat and Member Relations	1,749,600		1,749,600	42,000	1,791,600	0.9%	0.9%
	<b>Subtotal</b>	<b>5,422,150</b>	<b>7,000</b>	<b>5,429,150</b>	<b>156,700</b>	<b>5,585,850</b>	<b>2.9%</b>	<b>2.9%</b>
<b>B</b>	<b>EXECUTIVE DIRECTION AND STRATEGIC MANAGEMENT</b>							
B.1	Executive Direction and Strategic Management	7,726,400	180,900	7,907,300	86,700	7,994,000	4.2%	4.1%
B.2	Evaluation	1,527,000	192,100	1,719,100	39,700	1,758,800	0.8%	0.9%
B.3	Legal Services	1,248,000	(1,200)	1,246,800	27,300	1,274,100	0.7%	0.7%
B.4	Internal Oversight	1,478,540	(40)	1,478,500	39,500	1,518,000	0.8%	0.8%
B.5	Ethics and Accountability	41,100	490,800	531,900	18,600	550,500	0.0%	0.3%
	<b>Subtotal</b>	<b>12,021,040</b>	<b>862,560</b>	<b>12,883,600</b>	<b>211,800</b>	<b>13,095,400</b>	<b>6.5%</b>	<b>6.7%</b>
<b>C</b>	<b>THEMATIC PRIORITIES</b>							
C.1	Poverty Reduction through Productive Activities	31,387,615	346,895	31,734,510	654,030	32,388,540	17.0%	16.7%
C.2	Trade Capacity-building	18,636,580	(989,980)	17,646,600	440,450	18,087,050	10.1%	9.3%
C.3	Environment and Energy	29,814,657	6,088,803	35,903,460	964,025	36,867,485	16.1%	19.0%
C.4	Cross-cutting Issues	12,280,940	(7,684,000)	4,596,940	140,645	4,737,585	6.7%	2.4%
C.5	Field Operations Support	10,320,945	1,093,855	11,414,800	767,800	12,182,600	5.6%	6.3%
	<b>Subtotal</b>	<b>102,440,737</b>	<b>(1,144,427)</b>	<b>101,296,310</b>	<b>2,966,950</b>	<b>104,263,260</b>	<b>55.5%</b>	<b>53.7%</b>
<b>D</b>	<b>STRATEGIC RESEARCH, QUALITY ASSURANCE AND OUTREACH</b>							
D.1	Strategic Research and Policy Advisory Services	6,005,270	3,806,730	9,812,000	232,150	10,044,150	3.3%	5.2%
D.2	Quality Assurance and Outreach	5,074,420	1,324,080	6,398,500	159,350	6,557,850	2.7%	3.4%
	<b>Subtotal</b>	<b>11,079,690</b>	<b>5,130,810</b>	<b>16,210,500</b>	<b>391,500</b>	<b>16,602,000</b>	<b>6.0%</b>	<b>8.5%</b>
<b>E</b>	<b>PROGRAMME SUPPORT SERVICES</b>							
E.1	Human Resource Management	6,886,610	(7,160)	6,879,450	102,950	6,982,400	3.7%	3.6%
E.2	Financial Services	7,497,320	(117,700)	7,379,620	99,700	7,479,320	4.1%	3.9%
E.3	Procurement and Logistics	8,665,290	(61,990)	8,603,300	180,800	8,784,100	4.7%	4.5%
E.4	Information and Communication Management	8,218,900	(230,200)	7,988,700	214,400	8,203,100	4.5%	4.2%
E.5	Direction and Management	1,322,600	119,400	1,442,000	25,300	1,467,300	0.7%	0.8%
	<b>Subtotal</b>	<b>32,590,720</b>	<b>(297,650)</b>	<b>32,293,070</b>	<b>623,150</b>	<b>32,916,220</b>	<b>17.7%</b>	<b>16.9%</b>
<b>G</b>	<b>INDIRECT COSTS</b>							
G.1	Contribution to Shared Services and Other Indirect Costs	21,072,228	(230,620)	20,841,608	925,900	21,767,508	11.4%	11.2%
	<b>Subtotal</b>	<b>21,072,228</b>	<b>(230,620)</b>	<b>20,841,608</b>	<b>925,900</b>	<b>21,767,508</b>	<b>11.4%</b>	<b>11.2%</b>
<b>TOTAL expenditure (excl. Major Programme F)</b>		<b>184,626,565</b>	<b>4,327,673</b>	<b>188,954,238</b>	<b>5,276,000</b>	<b>194,230,238</b>	<b>100.0%</b>	<b>100.0%</b>
<b>F</b>	<b>BUILDINGS MANAGEMENT</b>							
F.1	Common Buildings Management	62,132,180	(5,475,380)	56,656,800	3,009,100	59,665,900	96.8%	96.9%
F.2	Joint Buildings Management	2,028,600	(205,000)	1,823,600	76,800	1,900,400	3.2%	3.1%
<b>TOTAL expenditure (Major Programme F)</b>		<b>64,160,780</b>	<b>(5,680,380)</b>	<b>58,480,400</b>	<b>3,085,900</b>	<b>61,566,300</b>	<b>100.0%</b>	<b>100.0%</b>

(Continued next page)

a/ Reflects budget adjustments to the base.

Table 1 (continued)

Programme	2010-2011 approved budget a/ 1	2012-2013 resource growth at 2010-2011 rates 2	2012-2013 resource requirements at 2010-2011 rates 3	Recosting to 2012- 2013 rates 4	2012-2013 resource requirements at 2012-2013 rates 5	Per cent of total budget	
						2010-2011 6	2012-2013 7
<b>Income</b>							
A POLICYMAKING ORGANS							
<b>Subtotal</b>						<b>0.0%</b>	<b>0.0%</b>
B EXECUTIVE DIRECTION AND STRATEGIC MANAGEMENT							
<b>Subtotal</b>						<b>0.0%</b>	<b>0.0%</b>
C THEMATIC PRIORITIES							
C.1 Poverty Reduction through Productive Activities	77,380	185,820	263,200	27,000	290,200	0.0%	0.1%
C.2 Trade Capacity-building	147,780	57,320	205,100	21,100	226,200	0.1%	0.1%
C.3 Environment and Energy	164,440	138,760	303,200	31,000	334,200	0.1%	0.2%
C.4 Cross-cutting Issues	176,100	(122,000)	54,100	5,500	59,600	0.1%	0.0%
C.5 Field Operations Support	1,534,700	(154,700)	1,380,000	141,300	1,521,300	0.8%	0.8%
<b>Subtotal</b>	<b>2,100,400</b>	<b>105,200</b>	<b>2,205,600</b>	<b>225,900</b>	<b>2,431,500</b>	<b>1.1%</b>	<b>1.3%</b>
D STRATEGIC RESEARCH, QUALITY ASSURANCE AND OUTREACH							
<b>Subtotal</b>						<b>0.0%</b>	<b>0.0%</b>
E PROGRAMME SUPPORT SERVICES							
<b>Subtotal</b>						<b>0.0%</b>	<b>0.0%</b>
G INDIRECT COSTS							
<b>Subtotal</b>						<b>0.0%</b>	<b>0.0%</b>
Miscellaneous income	3,729,300	(1,443,700)	2,285,600		2,285,600	64.0%	48.5%
<b>TOTAL income (excl. Major Programme F)</b>	<b>5,829,700</b>	<b>(1,338,500)</b>	<b>4,491,200</b>	<b>225,900</b>	<b>4,717,100</b>	<b>65.1%</b>	<b>49.7%</b>
F BUILDINGS MANAGEMENT							
F.1 Common Buildings Management	62,132,180	(5,475,380)	56,656,800	3,009,100	59,665,900	96.8%	96.9%
F.2 Joint Buildings Management	2,028,600	(205,000)	1,823,600	76,800	1,900,400	3.2%	3.1%
<b>TOTAL income (Major Programme F)</b>	<b>64,160,780</b>	<b>(5,680,380)</b>	<b>58,480,400</b>	<b>3,085,900</b>	<b>61,566,300</b>	<b>100.0%</b>	<b>100.0%</b>
<b>NET GRAND TOTAL</b>	<b>178,796,865</b>	<b>5,666,173</b>	<b>184,463,038</b>	<b>5,050,100</b>	<b>189,513,138</b>		

a/ Reflects budget adjustments to the base

Annex A

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

Programme	2010-2011 approved budget a/ 1	2012-2013 resource growth at 2010-2011 rates 2	2012-2013 resource requirements at 2010-2011 rates 3	Recosting to 2012- 2013 rates 4	2012-2013 resource requirements at 2012-2013 rates 5	Per cent of total budget		
						2010-2011 6	2012-2013 7	
<b>Expenditure</b>								
<b>A POLICYMAKING ORGANS</b>								
A.1 Meetings of the Policymaking Organs	3,590,250	7,000	3,597,250	111,500	3,708,750	2.2%	2.2%	
A.2 PMO Secretariat and Member Relations	1,749,600		1,749,600	42,000	1,791,600	1.1%	1.1%	
<b>Subtotal</b>	<b>5,339,850</b>	<b>7,000</b>	<b>5,346,850</b>	<b>153,500</b>	<b>5,500,350</b>	<b>3.3%</b>	<b>3.3%</b>	
<b>B EXECUTIVE DIRECTION AND STRATEGIC MANAGEMENT</b>								
B.1 Executive Direction and Strategic Management	7,726,400	180,900	7,907,300	86,700	7,994,000	4.8%	4.8%	
B.2 Evaluation	1,527,000	192,100	1,719,100	39,700	1,758,800	0.9%	1.1%	
B.3 Legal Services	977,600	(1,200)	976,400	23,700	1,000,100	0.6%	0.6%	
B.4 Internal Oversight	1,478,540	(40)	1,478,500	39,500	1,518,000	0.9%	0.9%	
B.5 Ethics and Accountability	41,100	490,800	531,900	18,600	550,500	0.0%	0.3%	
<b>Subtotal</b>	<b>11,750,640</b>	<b>862,560</b>	<b>12,613,200</b>	<b>208,200</b>	<b>12,821,400</b>	<b>7.3%</b>	<b>7.8%</b>	
<b>C THEMATIC PRIORITIES</b>								
C.1 Poverty Reduction through Productive Activities	26,042,715	293,930	26,336,645	399,460	26,736,105	16.1%	16.2%	
C.2 Trade Capacity-building	14,966,700	(1,846,170)	13,120,530	245,720	13,366,250	9.2%	8.1%	
C.3 Environment and Energy	25,017,890	405,875	25,423,765	540,670	25,964,435	15.5%	15.7%	
C.4 Cross-cutting Issues	9,372,370	(5,820,850)	3,551,520	80,750	3,632,270	5.8%	2.2%	
C.5 Field Operations Support	9,623,945	1,052,855	10,676,800	771,400	11,448,200	5.9%	6.9%	
<b>Subtotal</b>	<b>85,023,620</b>	<b>(5,914,360)</b>	<b>79,109,260</b>	<b>2,038,000</b>	<b>81,147,260</b>	<b>52.5%</b>	<b>49.1%</b>	
<b>D STRATEGIC RESEARCH, QUALITY ASSURANCE AND OUTREACH</b>								
D.1 Strategic Research and Policy Advisory Services	5,370,220	3,304,280	8,674,500	224,050	8,898,550	3.3%	5.4%	
D.2 Quality Assurance and Outreach	4,856,410	1,475,790	6,332,200	159,250	6,491,450	3.0%	3.9%	
<b>Subtotal</b>	<b>10,226,630</b>	<b>4,780,070</b>	<b>15,006,700</b>	<b>383,300</b>	<b>15,390,000</b>	<b>6.3%</b>	<b>9.3%</b>	
<b>E PROGRAMME SUPPORT SERVICES</b>								
E.1 Human Resource Management	5,422,810	(7,160)	5,415,650	97,550	5,513,200	3.4%	3.3%	
E.2 Financial Services	5,634,120	(117,700)	5,516,420	80,400	5,596,820	3.5%	3.4%	
E.3 Procurement and Logistics	7,808,290	(61,990)	7,746,300	165,600	7,911,900	4.8%	4.8%	
E.4 Information and Communication Management	8,218,900	(230,200)	7,988,700	214,400	8,203,100	5.1%	5.0%	
E.5 Direction and Management	1,322,600	119,400	1,442,000	25,300	1,467,300	0.8%	0.9%	
<b>Subtotal</b>	<b>28,406,720</b>	<b>(297,650)</b>	<b>28,109,070</b>	<b>583,250</b>	<b>28,692,320</b>	<b>17.6%</b>	<b>17.4%</b>	
<b>G INDIRECT COSTS</b>								
G.1 Contribution to Shared Services and Other Indirect Costs	21,072,228	(230,620)	20,841,608	925,900	21,767,508	13.0%	13.2%	
<b>Subtotal</b>	<b>21,072,228</b>	<b>(230,620)</b>	<b>20,841,608</b>	<b>925,900</b>	<b>21,767,508</b>	<b>13.0%</b>	<b>13.2%</b>	
<b>TOTAL expenditure (excl. Major Programme F)</b>	<b>161,819,688</b>	<b>(793,000)</b>	<b>161,026,688</b>	<b>4,292,150</b>	<b>165,318,838</b>	<b>100.0%</b>	<b>100.0%</b>	
<b>F BUILDINGS MANAGEMENT</b>								
F.1 Common Buildings Management	62,132,180	(5,475,380)	56,656,800	3,009,100	59,665,900	96.8%	96.9%	
F.2 Joint Buildings Management	2,028,600	(205,000)	1,823,600	76,800	1,900,400	3.2%	3.1%	
<b>TOTAL expenditure (Major Programme F)</b>	<b>64,160,780</b>	<b>(5,680,380)</b>	<b>58,480,400</b>	<b>3,085,900</b>	<b>61,566,300</b>	<b>100.0%</b>	<b>100.0%</b>	

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a/ Reflects budget adjustments to the base.

Table 2 (continued)

Programme	2010-2011 approved budget a/ 1	2012-2013 resource growth at 2010-2011 rates 2	2012-2013 resource requirements at 2010-2011 rates 3	Recosting to 2012- 2013 rates 4	2012-2013 resource requirements at 2012-2013 rates 5	Per cent of total budget	
						2010-2011 6	2012-2013 7
<b>Income</b>							
A POLICYMAKING ORGANS							
<b>Subtotal</b>						<b>0.0%</b>	<b>0.0%</b>
B EXECUTIVE DIRECTION AND STRATEGIC MANAGEMENT							
<b>Subtotal</b>						<b>0.0%</b>	<b>0.0%</b>
C THEMATIC PRIORITIES							
C.1 Poverty Reduction through Productive Activities	77,380	185,820	263,200	27,000	290,200	0.0%	0.2%
C.2 Trade Capacity-building	147,780	57,320	205,100	21,100	226,200	0.1%	0.1%
C.3 Environment and Energy	164,440	138,760	303,200	31,000	334,200	0.1%	0.2%
C.4 Cross-cutting Issues	176,100	(122,000)	54,100	5,500	59,600	0.1%	0.0%
C.5 Field Operations Support	1,534,700	(154,700)	1,380,000	141,300	1,521,300	0.9%	0.9%
<b>Subtotal</b>	<b>2,100,400</b>	<b>105,200</b>	<b>2,205,600</b>	<b>225,900</b>	<b>2,431,500</b>	<b>1.3%</b>	<b>1.5%</b>
D STRATEGIC RESEARCH, QUALITY ASSURANCE AND OUTREACH							
<b>Subtotal</b>						<b>0.0%</b>	<b>0.0%</b>
E PROGRAMME SUPPORT SERVICES							
<b>Subtotal</b>						<b>0.0%</b>	<b>0.0%</b>
G INDIRECT COSTS							
<b>Subtotal</b>						<b>0.0%</b>	<b>0.0%</b>
Miscellaneous income	3,110,100	(898,200)	2,211,900		2,211,900	59.7%	47.6%
<b>TOTAL income (excl. Major Programme F)</b>	<b>5,210,500</b>	<b>(793,000)</b>	<b>4,417,500</b>	<b>225,900</b>	<b>4,643,400</b>	<b>61.0%</b>	<b>49.1%</b>
F BUILDINGS MANAGEMENT							
F.1 Common Buildings Management	62,132,180	(5,475,380)	56,656,800	3,009,100	59,665,900	96.8%	96.9%
F.2 Joint Buildings Management	2,028,600	(205,000)	1,823,600	76,800	1,900,400	3.2%	3.1%
<b>TOTAL income (Major Programme F)</b>	<b>64,160,780</b>	<b>(5,680,380)</b>	<b>58,480,400</b>	<b>3,085,900</b>	<b>61,566,300</b>	<b>100.0%</b>	<b>100.0%</b>
<b>NET GRAND TOTAL</b>	<b>156,609,188</b>		<b>156,609,188</b>	<b>4,066,250</b>	<b>160,675,438</b>		

a/ Reflects budget adjustments to the base

Annex A

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

Programme	2010-2011 approved budget a/ 1	2012-2013 resource growth at 2010-2011 rates 2	2012-2013 resource requirements at 2010-2011 rates 3	Recosting to 2012-2013 rates 4	2012-2013 resource requirements at 2012-2013 rates 5	Per cent of total budget	
						2010-2011 6	2012-2013 7
<b>Expenditure</b>							
A POLICYMAKING ORGANS							
A.1 Meetings of the Policymaking Organs	82,300		82,300	3,200	85,500	0.4%	0.3%
<b>Subtotal</b>	<b>82,300</b>		<b>82,300</b>	<b>3,200</b>	<b>85,500</b>	<b>0.4%</b>	<b>0.3%</b>
B EXECUTIVE DIRECTION AND STRATEGIC MANAGEMENT							
B.3 Legal Services	270,400		270,400	3,600	274,000	1.2%	0.9%
<b>Subtotal</b>	<b>270,400</b>		<b>270,400</b>	<b>3,600</b>	<b>274,000</b>	<b>1.2%</b>	<b>0.9%</b>
C THEMATIC PRIORITIES							
C.1 Poverty Reduction through Productive Activities	5,344,900	52,965	5,397,865	254,570	5,652,435	23.4%	19.6%
C.2 Trade Capacity-building	3,669,880	856,190	4,526,070	194,730	4,720,800	16.1%	16.3%
C.3 Environment and Energy	4,796,767	5,682,928	10,479,695	423,355	10,903,050	21.0%	37.7%
C.4 Cross-cutting Issues	2,908,570	(1,863,150)	1,045,420	59,895	1,105,315	12.8%	3.8%
C.5 Field Operations Support	697,000	41,000	738,000	(3,600)	734,400	3.1%	2.5%
<b>Subtotal</b>	<b>17,417,117</b>	<b>4,769,933</b>	<b>22,187,050</b>	<b>928,950</b>	<b>23,116,000</b>	<b>76.4%</b>	<b>80.0%</b>
D STRATEGIC RESEARCH, QUALITY ASSURANCE AND OUTREACH							
D.1 Strategic Research and Policy Advisory Services	635,050	502,450	1,137,500	8,100	1,145,600	2.8%	4.0%
D.2 Quality Assurance and Outreach	218,010	(151,710)	66,300	100	66,400	1.0%	0.2%
<b>Subtotal</b>	<b>853,060</b>	<b>350,740</b>	<b>1,203,800</b>	<b>8,200</b>	<b>1,212,000</b>	<b>3.7%</b>	<b>4.2%</b>
E PROGRAMME SUPPORT SERVICES							
E.1 Human Resource Management	1,463,800		1,463,800	5,400	1,469,200	6.4%	5.1%
E.2 Financial Services	1,863,200		1,863,200	19,300	1,882,500	8.2%	6.5%
E.3 Procurement and Logistics	857,000		857,000	15,200	872,200	3.8%	3.0%
<b>Subtotal</b>	<b>4,184,000</b>		<b>4,184,000</b>	<b>39,900</b>	<b>4,223,900</b>	<b>18.3%</b>	<b>14.6%</b>
G INDIRECT COSTS							
<b>Subtotal</b>						<b>0.0%</b>	<b>0.0%</b>
<b>TOTAL expenditure (excl. Major Programme F)</b>	<b>22,806,877</b>	<b>5,120,673</b>	<b>27,927,550</b>	<b>983,850</b>	<b>28,911,400</b>	<b>100.0%</b>	<b>100.0%</b>
F BUILDINGS MANAGEMENT							
<b>TOTAL expenditure (Major Programme F)</b>							

(Continued next page)

a/ Reflects budget adjustments to the base.

Table 3 (continued)

Programme	2010-2011 approved budget a/ 1	2012-2013 resource growth at 2010-2011 rates 2	2012-2013 resource requirements at 2010-2011 rates 3	Recosting to 2012-2013 rates 4	2012-2013 resource requirements at 2012-2013 rates 5	Per cent of total budget	
						2010-2011 6	2012-2013 7
<b>Income</b>							
A POLICYMAKING ORGANS							
<b>Subtotal</b>						<b>0.0%</b>	<b>0.0%</b>
B EXECUTIVE DIRECTION AND STRATEGIC MANAGEMENT							
<b>Subtotal</b>						<b>0.0%</b>	<b>0.0%</b>
C THEMATIC PRIORITIES							
<b>Subtotal</b>						<b>0.0%</b>	<b>0.0%</b>
D STRATEGIC RESEARCH, QUALITY ASSURANCE AND OUTREACH							
<b>Subtotal</b>						<b>0.0%</b>	<b>0.0%</b>
E PROGRAMME SUPPORT SERVICES							
<b>Subtotal</b>						<b>0.0%</b>	<b>0.0%</b>
G INDIRECT COSTS							
<b>Subtotal</b>						<b>0.0%</b>	<b>0.0%</b>
Miscellaneous income	619,200	(545,500)	73,700		73,700	100.0%	100.0%
<b>TOTAL income (excl. Major Programme F)</b>	<b>619,200</b>	<b>(545,500)</b>	<b>73,700</b>		<b>73,700</b>	<b>100.0%</b>	<b>100.0%</b>
F BUILDINGS MANAGEMENT							
<b>TOTAL income (Major Programme F)</b>							
<b>NET GRAND TOTAL</b>	<b>22,187,677</b>	<b>5,666,173</b>	<b>27,853,850</b>	<b>983,850</b>	<b>28,837,700</b>		

a/ Reflects budget adjustments to the base

Annex B

Table 1. Regular and operational budget expenditure and income by Programme and major object of expenditure at 2010-2011 rates  
(In euros)

Programme	Staff costs		Official travel		Operating costs		Information and communication technology		RPTC and SRA activities		Total expenditure		Income		Net requirements	
	2010 - 2011 a/	2012 - 2013	2010 - 2011 a/	2012 - 2013	2010 - 2011 a/	2012 - 2013	2010 - 2011 a/	2012 - 2013	2010 - 2011 a/	2012 - 2013	2010 - 2011 a/	2012 - 2013	2010 - 2011 a/	2012 - 2013	2010 - 2011 a/	2012 - 2013
<b>A POLICYMAKING ORGANS</b>																
A.1 Meetings of the Policymaking Organs	118,700	124,400	9,700	9,500	3,544,150	3,545,650									3,672,550	3,679,550
A.2 PMO Secretariat and Member Relations	1,692,000	1,692,000			57,600	57,600									1,749,600	1,749,600
<b>Subtotal</b>	<b>1,810,700</b>	<b>1,816,400</b>	<b>9,700</b>	<b>9,500</b>	<b>3,601,750</b>	<b>3,603,250</b>									<b>5,422,150</b>	<b>5,429,150</b>
<b>B EXECUTIVE DIRECTION AND STRATEGIC MANAGEMENT</b>																
B.1 Executive Direction and Strategic Management	6,497,800	6,639,700	707,800	728,400	424,700	409,400	96,100	129,800							7,726,400	7,907,300
B.2 Evaluation	1,485,400	1,677,700	30,600	30,000	11,000	11,400									1,527,000	1,719,100
B.3 Legal Services	1,221,800	1,221,600	12,300	12,300	13,900	12,900									1,248,000	1,246,800
B.4 Internal Oversight	1,407,000	1,407,000	61,400	64,200	5,940	4,200		4,200							1,478,540	1,478,500
B.5 Ethics and Accountability	41,100	510,900	20,000	20,000	1,000	1,000									41,100	531,900
<b>Subtotal</b>	<b>10,653,100</b>	<b>11,456,900</b>	<b>812,100</b>	<b>854,900</b>	<b>455,540</b>	<b>437,800</b>	<b>100,300</b>	<b>134,000</b>							<b>12,021,040</b>	<b>12,883,600</b>
<b>C THEMATIC PRIORITIES</b>																
C.1 Poverty Reduction through Productive Activities	24,072,915	24,209,930	310,500	464,900	87,020	142,500			6,917,180	6,917,180					31,310,235	31,471,310
C.2 Trade Capacity-building	16,317,880	15,362,500	242,900	200,600	146,300	154,000	56,100	56,100	1,873,400	1,873,400					18,488,800	17,441,500
C.3 Environment and Energy	23,661,800	27,647,080	570,000	2,684,100	691,857	681,280			4,891,000	4,891,000					29,650,217	35,600,260
C.4 Cross-cutting Issues	10,426,940	3,246,440	856,500	489,800	154,800	18,000			842,700	842,700					12,104,840	4,542,840
C.5 Field Operations Support	3,849,845	3,904,600	6,471,100	7,510,200	7,551,077	8,505,980	56,100	56,100	14,524,280	14,524,280					8,786,245	10,034,800
<b>Subtotal</b>	<b>78,329,380</b>	<b>74,370,550</b>	<b>1,979,900</b>	<b>3,839,400</b>	<b>7,551,077</b>	<b>8,505,980</b>	<b>56,100</b>	<b>56,100</b>	<b>14,524,280</b>	<b>14,524,280</b>					<b>100,340,337</b>	<b>99,090,710</b>
<b>D STRATEGIC RESEARCH, QUALITY ASSURANCE AND OUTREACH</b>																
D.1 Strategic Research and Policy Advisory Services	5,283,170	8,639,900	174,300	543,400	138,500	215,500	5,100	9,000	404,200	404,200					6,005,270	9,812,000
D.2 Quality Assurance and Outreach	4,011,020	5,676,800	456,200	179,000	601,000	520,100	6,200	22,600							5,074,420	6,398,500
<b>Subtotal</b>	<b>9,294,190</b>	<b>14,316,700</b>	<b>630,500</b>	<b>722,400</b>	<b>739,500</b>	<b>735,600</b>	<b>11,300</b>	<b>31,600</b>	<b>404,200</b>	<b>404,200</b>					<b>11,079,690</b>	<b>16,210,500</b>
<b>E PROGRAMME SUPPORT SERVICES</b>																
E.1 Human Resource Management	6,768,950	6,805,650	81,900	61,800	35,760	12,000									6,886,610	6,879,450
E.2 Financial Services	7,461,600	7,318,300	34,000	57,400	1,720	3,920									7,497,320	7,379,620
E.3 Procurement and Logistics	6,214,450	6,303,700	44,800	38,000	1,278,640	1,026,000	1,127,400	1,235,600							8,665,290	8,603,300
E.4 Information and Communication Management	4,512,600	4,282,300	32,800	32,800	333,500	311,400	3,340,000	3,362,200							8,218,900	7,988,700
E.5 Direction and Management	1,237,300	1,358,900	78,900	78,900	6,400	4,200									1,322,600	1,442,000
<b>Subtotal</b>	<b>26,194,900</b>	<b>26,068,850</b>	<b>272,400</b>	<b>268,900</b>	<b>1,656,020</b>	<b>1,357,520</b>	<b>4,467,400</b>	<b>4,597,800</b>							<b>32,590,720</b>	<b>32,293,070</b>
<b>G INDIRECT COSTS</b>																
G.1 Contribution to Shared Services and Other Indirect Costs	5,022,440	5,228,858			15,283,838	15,021,150	765,950	591,600							21,072,228	20,841,608
<b>Subtotal</b>	<b>5,022,440</b>	<b>5,228,858</b>			<b>15,283,838</b>	<b>15,021,150</b>	<b>765,950</b>	<b>591,600</b>							<b>21,072,228</b>	<b>20,841,608</b>
Miscellaneous income																
<b>TOTAL (excl. Major Programme F)</b>	<b>131,304,710</b>	<b>133,258,258</b>	<b>3,704,600</b>	<b>5,695,100</b>	<b>29,287,725</b>	<b>29,661,300</b>	<b>5,401,050</b>	<b>5,411,100</b>	<b>14,928,480</b>	<b>14,928,480</b>					<b>178,796,865</b>	<b>184,463,038</b>
<b>F BUILDINGS MANAGEMENT</b>																
F.1 Common Buildings Management	18,076,100	17,850,500	17,300	19,300	44,038,780	38,787,000									62,132,180	56,656,800
F.2 Joint Buildings Management	410,300	413,600	1,618,300	1,410,000	1,618,300	1,410,000									2,028,600	1,823,600
<b>TOTAL (Major Programme F)</b>	<b>18,486,400</b>	<b>18,264,100</b>	<b>17,300</b>	<b>19,300</b>	<b>45,657,080</b>	<b>40,197,000</b>									<b>64,160,780</b>	<b>58,480,400</b>

a/ Reflects budget adjustments to the base.

Annex B

Table 2. Regular budget expenditure and income by Programme and major object of expenditure at 2010-2011 rates  
(In euros)

Programme	Staff costs		Official travel		Operating costs		Information and communication technology		RPTC and SRA activities		Total expenditure		Income		Net requirements	
	2010 - 2011 a/	2012 - 2013	2010 - 2011 a/	2012 - 2013	2010 - 2011 a/	2012 - 2013	2010 - 2011 a/	2012 - 2013	2010 - 2011 a/	2012 - 2013	2010 - 2011 a/	2012 - 2013	2010 - 2011 a/	2012 - 2013	2010 - 2011 a/	2012 - 2013
<b>A POLICYMAKING ORGANS</b>																
A.1 Meetings of the Policymaking Organs	1 18,700	124,400	9,700	9,500	3,461,850	3,463,350					3,590,250	3,597,250	3,590,250	3,597,250		
A.2 PMO Secretariat and Member Relations	1,692,000	1,692,000			57,600	57,600					1,749,600	1,749,600	1,749,600	1,749,600		
<b>Subtotal</b>	<b>1,810,700</b>	<b>1,816,400</b>	<b>9,700</b>	<b>9,500</b>	<b>3,519,450</b>	<b>3,520,950</b>					<b>5,339,850</b>	<b>5,346,850</b>	<b>5,339,850</b>	<b>5,346,850</b>		
<b>B EXECUTIVE DIRECTION AND STRATEGIC MANAGEMENT</b>																
B.1 Executive Direction and Strategic Management	6,497,800	6,639,700	707,800	728,400	424,700	409,400	96,100	129,800			7,726,400	7,907,300	7,726,400	7,907,300		
B.2 Evaluation	1,483,400	1,677,700	30,600	30,000	11,000	11,400					1,527,000	1,719,100	1,527,000	1,719,100		
B.3 Legal Services	951,400	951,200	12,300	12,300	13,900	12,900					977,600	976,400	977,600	976,400		
B.4 Internal Oversight	1,407,000	1,407,000	61,400	64,200	5,940	3,100	4,200	4,200			1,478,540	1,478,500	1,478,540	1,478,500		
B.5 Ethics and Accountability	41,100	510,900	20,000	20,000		1,000					41,100	531,900	41,100	531,900		
<b>Subtotal</b>	<b>10,382,700</b>	<b>11,186,500</b>	<b>812,100</b>	<b>854,900</b>	<b>455,540</b>	<b>437,800</b>	<b>100,300</b>	<b>134,000</b>			<b>11,750,640</b>	<b>12,613,200</b>	<b>11,750,640</b>	<b>12,613,200</b>		
<b>C THEMATIC PRIORITIES</b>																
C.1 Poverty Reduction through Productive Activities	18,728,015	18,812,065	310,500	464,900	87,020	142,500			6,917,180	6,917,180	26,042,715	26,336,645	25,965,335	26,073,445		
C.2 Trade Capacity-building	12,648,000	10,836,430	242,900	200,600	146,300	154,000	56,100	56,100	1,873,400	1,873,400	14,966,700	13,120,530	14,818,920	12,915,430		
C.3 Environment and Energy	19,432,390	19,840,185	570,000	567,300	124,500	125,280			4,891,000	4,891,000	25,017,890	25,423,765	24,853,450	25,120,565		
C.4 Cross-cutting Issues	7,518,370	2,201,020	856,500	489,800	18,000				842,700	842,700	9,372,370	3,551,520	9,196,270	3,497,420		
C.5 Field Operations Support	3,152,845	3,166,600			6,471,100	7,510,200			14,524,280	14,524,280	9,623,945	10,676,800	8,089,245	9,296,800		
<b>Subtotal</b>	<b>61,479,620</b>	<b>54,856,300</b>	<b>1,979,900</b>	<b>1,722,600</b>	<b>6,983,720</b>	<b>7,949,980</b>	<b>56,100</b>	<b>56,100</b>	<b>14,524,280</b>	<b>14,524,280</b>	<b>85,023,620</b>	<b>79,109,260</b>	<b>82,923,220</b>	<b>76,903,660</b>		
<b>D STRATEGIC RESEARCH QUALITY ASSURANCE AND OUTREACH</b>																
D.1 Strategic Research and Policy Advisory Services	4,648,120	7,502,400	174,300	543,400	138,500	215,500	5,100	9,000	404,200	404,200	5,370,220	8,674,500	5,370,220	8,674,500		
D.2 Quality Assurance and Outreach	3,793,010	5,610,500	456,200	179,000	601,000	520,100	6,200	22,600			4,856,410	6,332,200	4,856,410	6,332,200		
<b>Subtotal</b>	<b>8,441,130</b>	<b>13,112,900</b>	<b>630,500</b>	<b>722,400</b>	<b>739,500</b>	<b>735,600</b>	<b>11,300</b>	<b>31,600</b>	<b>404,200</b>	<b>404,200</b>	<b>10,226,630</b>	<b>15,006,700</b>	<b>10,226,630</b>	<b>15,006,700</b>		
<b>E PROGRAMME SUPPORT SERVICES</b>																
E.1 Human Resource Management	5,305,150	5,341,850	81,900	61,800	35,760	12,000					5,422,810	5,415,650	5,422,810	5,415,650		
E.2 Financial Services	5,598,400	5,455,100	34,000	57,400	1,720	3,920					5,634,120	5,516,420	5,634,120	5,516,420		
E.3 Procurement and Logistics	5,357,450	5,446,700	44,800	38,000	1,278,640	1,026,000	1,127,400	1,235,600			7,808,290	7,746,300	7,808,290	7,746,300		
E.4 Information and Communication Management	4,512,600	4,282,300	32,800	32,800	333,500	311,400	3,340,000	3,362,200			8,218,900	7,988,700	8,218,900	7,988,700		
E.5 Direction and Management	1,237,300	1,358,900	78,900	78,900	6,400	4,200					1,322,600	1,442,000	1,322,600	1,442,000		
<b>Subtotal</b>	<b>22,010,900</b>	<b>21,884,850</b>	<b>272,400</b>	<b>268,900</b>	<b>1,656,020</b>	<b>1,357,520</b>	<b>4,467,400</b>	<b>4,597,800</b>			<b>28,406,720</b>	<b>28,109,070</b>	<b>28,406,720</b>	<b>28,109,070</b>		
<b>G INDIRECT COSTS</b>																
G.1 Contribution to Shared Services and Other Indirect Costs	5,022,440	5,228,858			15,283,838	15,021,150	765,950	591,600			21,072,228	20,841,608	21,072,228	20,841,608		
<b>Subtotal</b>	<b>5,022,440</b>	<b>5,228,858</b>			<b>15,283,838</b>	<b>15,021,150</b>	<b>765,950</b>	<b>591,600</b>			<b>21,072,228</b>	<b>20,841,608</b>	<b>21,072,228</b>	<b>20,841,608</b>		
Miscellaneous income																
<b>TOTAL (excl. Major Programme F)</b>	<b>109,147,490</b>	<b>108,085,808</b>	<b>3,704,600</b>	<b>3,578,300</b>	<b>28,638,068</b>	<b>29,023,000</b>	<b>5,401,050</b>	<b>5,411,100</b>	<b>14,928,480</b>	<b>14,928,480</b>	<b>161,819,688</b>	<b>161,026,688</b>	<b>156,609,188</b>	<b>156,609,188</b>		
<b>F BUILDINGS MANAGEMENT</b>																
F.1 Common Buildings Management	18,076,100	17,850,500	17,300	19,300	44,038,780	38,787,000					62,132,180	56,656,800	62,132,180	56,656,800		
F.2 Joint Buildings Management	410,300	413,600			1,618,300	1,410,000					2,028,600	1,823,600	2,028,600	1,823,600		
<b>TOTAL (Major Programme F)</b>	<b>18,486,400</b>	<b>18,264,100</b>	<b>17,300</b>	<b>19,300</b>	<b>45,657,080</b>	<b>40,197,000</b>					<b>64,160,780</b>	<b>58,480,400</b>	<b>64,160,780</b>	<b>58,480,400</b>		

a/ Reflects budget adjustments to the base.



Annex B

Table 3. Operational budget expenditure and income by Programme and major object of expenditure at 2010-2011 rates  
(In euros)

Programme	Staff costs			Official travel			Operating costs			Information and communication technology			RPTC and SRA activities			Total expenditure			Income			Net requirements			
	2010-2011 a/	2012-2013	2013	2010-2011 a/	2012-2013	2013	2010-2011 a/	2012-2013	2013	2010-2011 a/	2012-2013	2013	2010-2011 a/	2012-2013	2013	2010-2011 a/	2012-2013	2013	2010-2011 a/	2012-2013	2013	2010-2011 a/	2012-2013	2013	
A POLICYMAKING ORGANS																									
A.1 Meetings of the Policymaking Organs		82,300	82,300																				82,300	82,300	82,300
<b>Subtotal</b>		<b>82,300</b>	<b>82,300</b>																				<b>82,300</b>	<b>82,300</b>	<b>82,300</b>
B EXECUTIVE DIRECTION AND STRATEGIC MANAGEMENT																									
B.3 Legal Services	270,400	270,400	270,400																				270,400	270,400	270,400
<b>Subtotal</b>	<b>270,400</b>	<b>270,400</b>	<b>270,400</b>																				<b>270,400</b>	<b>270,400</b>	<b>270,400</b>
C THEMATIC PRIORITIES																									
C.1 Poverty Reduction through Productive Activities	5,344,900	5,397,865																					5,344,900	5,397,865	
C.2 Trade Capacity-building	3,669,880	4,526,070																					3,669,880	4,526,070	
C.3 Environment and Energy	4,229,410	7,806,895		2,116,800																			4,796,767	10,479,695	
C.4 Cross-cutting Issues	2,908,570	1,045,420																					2,908,570	1,045,420	
C.5 Field Operations Support	697,000	738,000																					697,000	738,000	
<b>Subtotal</b>	<b>16,849,760</b>	<b>19,514,250</b>		<b>2,116,800</b>																			<b>17,417,117</b>	<b>22,187,050</b>	
D STRATEGIC RESEARCH, QUALITY ASSURANCE AND OUTREACH																									
D.1 Strategic Research and Policy Advisory Services	635,050	1,137,500																					635,050	1,137,500	
D.2 Quality Assurance and Outreach	218,010	66,300																					218,010	66,300	
<b>Subtotal</b>	<b>853,060</b>	<b>1,203,800</b>																					<b>853,060</b>	<b>1,203,800</b>	
E PROGRAMME SUPPORT SERVICES																									
E.1 Human Resource Management	1,463,800	1,463,800																					1,463,800	1,463,800	
E.2 Financial Services	1,863,200	1,863,200																					1,863,200	1,863,200	
E.3 Procurement and Logistics	857,000	857,000																					857,000	857,000	
<b>Subtotal</b>	<b>4,184,000</b>	<b>4,184,000</b>																					<b>4,184,000</b>	<b>4,184,000</b>	
G INDIRECT COSTS																									
<b>Subtotal</b>																									
Miscellaneous income																									
<b>TOTAL (excl. Major Programme F)</b>	<b>22,157,220</b>	<b>25,172,450</b>		<b>2,116,800</b>																			<b>(619,200)</b>	<b>(73,700)</b>	<b>(73,700)</b>
																							<b>22,806,877</b>	<b>27,927,550</b>	<b>27,853,850</b>
F BUILDINGS MANAGEMENT																									
<b>TOTAL (Major Programme F)</b>																									

a/ Reflects budget adjustments to the base.

Annex C

Staffing by Major Programme and Programme

Programme	Professional and above			General service		
	Regular budget	Operational budget	Total	Regular budget	Operational budget	Total
	1	2	3	4	5	6
<b>A</b>	<b>POLICYMAKING ORGANS</b>					
A.2	5.00		5.00	3.00		3.00
<b>Subtotal</b>	<b>5.00</b>	<b>0.00</b>	<b>5.00</b>	<b>3.00</b>	<b>0.00</b>	<b>3.00</b>
<b>B</b>	<b>EXECUTIVE DIRECTION AND STRATEGIC MANAGEMENT</b>					
B.1	12.00		12.00	12.00		12.00
B.2	4.00		4.00	3.00		3.00
B.3	2.00	1.00	3.00	2.00		2.00
B.4	4.00		4.00	2.00		2.00
B.5	1.00		1.00	1.00		1.00
<b>Subtotal</b>	<b>23.00</b>	<b>1.00</b>	<b>24.00</b>	<b>20.00</b>	<b>0.00</b>	<b>20.00</b>
<b>C</b>	<b>THEMATIC PRIORITIES</b>					
C.1	51.70	23.70	75.40	25.50	7.30	32.80
C.2	28.60	18.45	47.05	14.85	5.65	20.50
C.3	58.60	19.15	77.75	24.40	14.65	39.05
C.4	6.10	4.70	10.80	1.75	0.15	1.90
C.5				71.00	18.00	89.00
<b>Subtotal</b>	<b>145.00</b>	<b>66.00</b>	<b>211.00</b>	<b>137.50</b>	<b>45.75</b>	<b>183.25</b>
<b>D</b>	<b>STRATEGIC RESEARCH, QUALITY ASSURANCE AND OUTREACH</b>					
D.1	17.50	2.00	19.50	13.50	4.50	18.00
D.2	14.50		14.50	10.50	0.50	11.00
<b>Subtotal</b>	<b>32.00</b>	<b>2.00</b>	<b>34.00</b>	<b>24.00</b>	<b>5.00</b>	<b>29.00</b>
<b>E</b>	<b>PROGRAMME SUPPORT SERVICES</b>					
E.1	10.00	1.00	11.00	15.25	9.00	24.25
E.2	8.00	2.00	10.00	24.00	10.00	34.00
E.3	7.00	2.00	9.00	25.00	2.00	27.00
E.4	10.00		10.00	14.00		14.00
E.5	2.00		2.00	5.00		5.00
<b>Subtotal</b>	<b>37.00</b>	<b>5.00</b>	<b>42.00</b>	<b>83.25</b>	<b>21.00</b>	<b>104.25</b>
<b>G</b>	<b>INDIRECT COSTS</b>					
<b>Subtotal</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL (excl. Major Programme F)</b>	<b>242.00</b>	<b>74.00</b>	<b>316.00</b>	<b>267.75</b>	<b>71.75</b>	<b>339.50</b>
<b>F</b>	<b>BUILDINGS MANAGEMENT</b>					
F.1	9.00		9.00	122.00		122.00
F.2				3.00		3.00
<b>TOTAL (Major Programme F)</b>	<b>9.00</b>	<b>0.00</b>	<b>9.00</b>	<b>125.00</b>	<b>0.00</b>	<b>125.00</b>