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PROGRAMME AND BUDGETS 2014-2015*

Proposals of the Director General

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Abbreviations

AIDA	Accelerated Industrial Development of Africa
ASEAN	Association of Southeast Asian Nations
ASHI	after-service health insurance scheme
AU	African Union
AUC	African Union Commission
BAT	best available technique
BDS	business development services
BEP	best environmental practice
BMS	Buildings Management Services
BPR	business process re-engineering
B2B	business-to-business
CAF	Development Bank of Latin America
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
CEMAC	Economic and Monetary Community of Central Africa
CFC	chlorofluorocarbon
CSR	corporate social responsibility
CTBTO	Preparatory Commission for the Comprehensive Nuclear Test-Ban Treaty Organization
EC	European Commission
EGM	expert group meeting
EIF	Enhanced Integrated Framework
ERP	enterprise resource planning (system)
ESCAP	Economic and Social Commission for Asia and the Pacific
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
GEEW	gender equality and the empowerment of women
GEF	Global Environment Facility
GFSI	Global Food Safety Initiative
GHG	greenhouse gas
GS	General Service staff category
GWP	global warming potential
HACT	Harmonized Approach to Cash Transfers
HCM	human capital management
HCFC	hydrochlorofluorocarbon
HFC	hydrofluorocarbon
HR	human resource
HRM	human resource management
IADG	Internationally Agreed Development Goals
IAEA	International Atomic Energy Agency
ICSC	International Civil Service Commission
ICHET	International Centre for Hydrogen Energy Technologies
ICT	information and communications technology
IDSB	Industrial Demand-Supply Balance Database
IFAD	International Fund for Agricultural Development
IGO	intergovernmental organization
ILO	International Labour Organization
INDSTAT	industrial statistics
IPSAS	International Public Sector Accounting Standards
ITC	International Trade Centre (UNCTAD/WTO)

JI	joint implementation
LAC	Latin America and the Caribbean
LDC	least developed country
LED	local economic development
LME	large marine ecosystem
MDG	Millennium Development Goal
MEA	multilateral environmental agreement
MERCOSUR	Southern Common Market
MORSS	Minimum Operating Residential Security Standards
MOSS	Minimum Operating Security Standards
MP	Montreal Protocol
MSME	micro, small and medium enterprise
MTPF	medium-term programme framework
NEPAD	New Partnership for Africa's Development
ODS	ozone-depleting substances
OECD	Organisation for Economic Co-operation and Development
PCB	polychlorinated biphenyl
PCOR	Programme for Change and Organizational Renewal
PDQ	price, quality and delivery
POP	persistent organic pollutant
PPP	public-private partnership
QCPR	quadrennial comprehensive policy review of operational activities for development of the United Nations system
RBM	results-based management
RC	Resident Coordinator
RCM	Regional Coordination Mechanism
REAP	Responsible Entrepreneurs Achievement Programme
REC	Regional Economic Community
RPTC	regular programme of technical cooperation
SAARC	South Asian Association for Regional Cooperation
SIDS	small island developing States
SIECA	Secretariat for Central American Economic Integration
SDMX	statistical data and metadata exchange
SME	small and medium enterprise
SMTQ	standards, metrology, testing and quality
SPS	sanitary and phytosanitary standard
SRM	Supplier Relationship Management
SRA	Special Resources for Africa
SSC	South-South cooperation
TBT	technical barrier to trade
TC	technical cooperation
TEST	transfer of environmentally sound technologies
UEMOA	West African Economic and Monetary Union
UNAIDS	United Nations Programme on HIV/AIDS
UNCT	United Nations Country Team
UNCTAD	United Nations Conference on Trade and Development
UNDAF	United Nations Development Assistance Framework
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNDSS	United Nations Department of Safety and Security
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
UNOV	United Nations Office at Vienna
UNRC	United Nations Resident Coordinator
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women

VBO	VIC-based organization
VIC	Vienna International Centre
WIPO	World Intellectual Property Organization
WTO	World Trade Organization

EXECUTIVE SUMMARY

I. INTRODUCTION

1. In accordance with Article 14 of the Constitution and financial regulations 3.1 and 3.4, the Director General hereby submits his proposed programme and budgets for the biennium 2014-2015 to the Industrial Development Board, through the Programme and Budget Committee.
2. The preparation of the programme and budgets for 2014-2015 coincides with a period of transition not only within UNIDO but within the broader international development community itself. In UNIDO, the informal working group on the future, including programmes and resources, of UNIDO, established by the Industrial Development Board through decision IDB.39/Dec.7 in June 2011, is engaged in consultations on the formulation of a strategic guidance document for the Organization, while the next session of the Board is scheduled to elect a new Director General. At the last session of the Board, moreover, Member States agreed, through decision IDB.40/Dec.13, to hold the next session of the General Conference, scheduled for December 2013, in Lima, Peru. This would be the first time in twenty years that a session of the General Conference has been held outside Vienna. It is anticipated that Member States will use the opportunity of this historic event to renew their commitment to UNIDO and call for a strengthening of the Organization's mandate.
3. Outside UNIDO, the global community has intensified its efforts to ensure the full achievement of the Millennium Development Goals (MDGs), which were established at the turn of the millennium with a deadline of 2015. At the same time, extensive consultations have been initiated on the post-2015 development framework and the associated Sustainable Development Goals, which will gather momentum during the period covered by the present document and are expected to continue until the end of 2015.
4. Pending the conclusion of these processes, the Director General has proposed (document IDB.41/8-PBC.29/8) that the current medium-term programme framework (MTPF) 2010-2013, as adjusted in 2011 following its midterm review by the thirty-ninth session of the Industrial Development Board in November-December 2011, be extended until 2015. The programmatic framework contained in this document, with its focus on the three thematic priorities of poverty reduction through productive activities, trade capacity-building, and environment and energy, as well as the inclusion of several additional cross-cutting issues, is closely aligned with the objectives of the internationally agreed development goals, including the Millennium Development Goals as they relate to the mandate of UNIDO.
5. Reflecting the broad programmatic continuity implied by the proposed extension of the MTPF 2010-2013 to 2015, and retaining the explicit coherence between the various categories of UNIDO's strategic policy documents — i.e. the strategic long-term vision statement adopted by the General Conference in 2005 through resolution GC.11/Res.4, the MTPF and the programme and budgets — the present document retains essentially the same programmatic structure and content as the programme and budgets 2012-2013. The few adjustments that have been made, which will be described in greater detail below, are intended to address issues that the experience of the past two years has shown not to have been given sufficient consideration in the previous document, or new issues that have emerged in the intervening period.
6. The continued alignment between the programme and budgets 2014-2015 with the MTPF 2010-2013, as adjusted in its midterm review, has also allowed the retention of the framework for results-based management introduced in the programme and budgets 2012-2013. Specifically, the results framework in the present document, which is based on the expected country-level outcomes and impacts of UNIDO's services, remains aligned with the development and management objectives derived from UNIDO's Mission Statement, which are reproduced in the following box. The full Mission Statement is presented in Section V of this Executive Summary.

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.

7. In response to the recommendations of the Independent Evaluation on UNIDO's contribution to the Millennium Development Goals, conducted by the Organization, this document provides references to UNIDO's potential contribution to the Millennium Development Goals and its individual targets for the first time.

8. The past two years have witnessed a continued steady growth in the delivery of UNIDO's technical cooperation and other services in support of its mandate to promote the inclusive and sustainable industrial development of developing countries and countries with economies in transition. This continued high demand for UNIDO's services, which is also underlined by a continued inflow of high levels of voluntary contributions from Member States and other donors to finance these services, attests to the value attached to UNIDO's developmental contribution by its Member States and to the undiminished importance of its mandate. This was further emphasized in resolution 67/225 on industrial development cooperation adopted on 21 December 2012 by the United Nations General Assembly.

9. Notwithstanding the strong support that UNIDO has enjoyed from the majority of its Member States, the budget for 2014-2015 proposed in the present document has been formulated to take into account the impact of the withdrawal of certain Member States from UNIDO, and for the continued budgetary pressures facing Member States in the aftermath of the global financial and economic crisis.

10. Accordingly, and in line with the decision of the Industrial Development Board (IDB.39/Dec.7), the regular budget was prepared on the basis of a reduction by €7.9 million at current costs. This amount represents the contributions missing in future on account of Member States that withdrew from the Organization. The remaining resources were recosted to maintain their purchasing power in 2014-2015 and hence the impact of expected cost and price increases were added. Details of the assumptions are presented later in this summary.

11. Due to the constantly growing level of technical cooperation delivery the support cost reimbursement income is expected to further grow in 2014-2015, by 13.6 per cent.

12. In total, the proposed combined budgets represent a loss of purchasing power by 2.6 per cent. To achieve a more than 10 per cent increase in technical cooperation delivery in 2014-2015 with 2.6 per cent less resources is an indicator of the benefits of the Programme of Change and Organizational Renewal. Some of the specific measures included in the proposed budgets are a 15 per cent reduction in the number of director level positions, a seven per cent reduction in General Service support positions, and a sharp 19 per cent reduction in resources earmarked for staff travel.

II. FORMAT AND PRESENTATION

13. The programme and budgets 2014-2015 continues the process adopted in recent bienniums towards the formulation of fully programmatic budgets and the presentation of programmes in a thematic manner. It also retains the format adopted in the programme and budgets 2012-2013 with a programmatic structure comprising seven Major Programmes with an associated hierarchy of programmes and programme components. Similarly, the present document continues to align its results-based management framework to the revised MTPF 2010-2013 approved by the thirty-ninth session of the Industrial Development Board in June 2011, which the policymaking organs have been proposed to extend further to 2015 (IDB.41/8-PBC.29/8).

Major Programmes

14. The programme and budgets 2014-2015 is based on the same seven Major Programmes contained in the programme and budgets 2012-2013. These Major Programmes comprise:

Major Programme A Policymaking Organs

Major Programme B Executive Direction and Organizational Alignment

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

15. Major Programmes A and B continue to serve the requirements of the policymaking organs and of the executive management of UNIDO. Major Programme C 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 partnerships, quality assurance and outreach, including advocacy and external relations. 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 Vienna International Centre (VIC) complex. Major Programme G shows all indirect costs and joint services in which UNIDO participates.

Programmatic structure

16. The programmatic structure of the programme and budgets 2014-2015 also closely reflects that of the corresponding document for 2012-2013. A summary of the programmes and programme components covered across the Major Programmes is given below.

17. Major Programme A retains its two traditional programmes concerning the organization of meetings of the policymaking organs as well as providing a secretariat for the policymaking organs and maintaining the Organization's relations with its Member States. 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.

18. 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. Programme B.3 relates to legal services and is intended to ensure that all of UNIDO's activities and programmes comply with the Organization's legal framework. Programme B.4, which is related to internal oversight, aims to promote integrity through independent and objective internal audit services and investigations of alleged wrongdoings. Programme B.5, covering ethics and accountability, supports the development and implementation of UNIDO's ethics-related policies.

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

20. 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 comprises 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.

21. 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.

22. 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).

23. Programme C.4 contains five programme components relating to issues that cut across UNIDO's thematic priorities. The first two of these address the subject of South-South cooperation and support to the least developed countries (LDCs), respectively, and have been carried over from the programme and budgets 2012-2013. The remaining three programme components are new, underlining the high value that UNIDO will assign to these issues in the forthcoming biennium. These comprise Programme Component C.4.3 related to gender equality and the empowerment of women, Programme Component C.4.4 covering United Nations system wide coherence and delivering as one, and Programme Component C.4.5 addressing the increasingly important issue of the security of UNIDO personnel and operations. 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.

24. Major Programme D is the fourth of the Major Programmes included in the programme and budgets 2014-2015, and remains largely unchanged from its counterpart in the programme and budgets 2012-2013. It 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 partnerships and coordinates UNIDO's advocacy services and external relations. Programme D.1 covers strategic research and policy advisory services, while Programme D.2 focuses on quality assurance and outreach.

25. Programme D.1 contains five 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, while Programme Component D.1.4 covers the provision of accurate and internationally comparable industrial statistics to UNIDO stakeholders. Programme Component D.1.5, related to the UNIDO Institute for Capacity Development, is a new programme component introduced in the present document, which brings together the Organization's advanced training and capacity-building services in the field of policy advice.

26. 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, communication and external relations activities, aimed at generating an increased understanding of industrial development issues and of the role of UNIDO in this regard.

27. Major Programme E comprises the various support services required to ensure the effective operations of UNIDO. These are presented under five substantive programmes, E.1-E.5, covering human resource management, financial services, procurement and logistics, information and communication management, and the management of the new UNIDO enterprise resource planning (ERP) system. Of these, Programme E.3 is further subdivided into two programme components covering procurement services and logistics services. In addition, the Major Programme incorporates a sixth programme to provide direction and management for the other five programmes.

28. 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 (United Nations Office at Vienna (UNOV), UNIDO, International Atomic Energy Agency (IAEA) and Preparatory Commission for the Comprehensive Nuclear-Test-Ban Treaty Organization (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.

29. 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.

30. In addition to the seven Major Programmes, the programme and budgets 2014-2015 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

31. 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). The formulation of the programme and budgets for 2014-2015 has been guided by the mandate derived from these documents, as well as the medium-term programme framework 2010-2013, as adjusted at the time of its midterm review by the thirty-ninth session of the Industrial Development Board in June 2011.

International development goals

32. In preparing the programme and budgets 2014-2015, 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 will remain the most important of these, and while engaging actively in the processes that have been initiated to frame the post-2015 development agenda and a possible set of sustainable development goals (SDGs) in the following years, UNIDO will continue to ensure that its programmatic activities support the achievement of the MDGs 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).

33. Apart from the MDGs, a number of other internationally-agreed development goals will guide UNIDO's programmatic framework in 2014-2015. 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, the Fourth United Nations Conference on the Least Developed Countries (LDC IV) held in May 2011 in Istanbul, Turkey, and the United Nations Conference on Sustainable Development held in Rio de Janeiro, Brazil in June 2012.

34. 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 on substances that deplete the ozone layer, the Stockholm Convention on persistent organic pollutants, and the United Nations Framework Convention on Climate Change (UNFCCC).

United Nations coherence

35. The quadrennial comprehensive policy review (QCPR) of operational activities for development of the United Nations system, provided for in General Assembly resolution 67/226, operates as a framework for system-wide coherence in the provision of development services. UNIDO will take into account the principles of the QCPR in the implementation of the programme and budgets 2014-2015, and will take into account decision IDB.38/Dec.9 on the alignment of the medium-term programme framework with the QCPR, when formulating its next four-year MTPF. This, in turn, will be reflected in future iterations of the programme and budgets.

36. During the past number of years, UNIDO has also actively contributed to the Delivering as One 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. The introduction of the new Programme Component C.4.4 on United Nations coherence and Delivering as One in the present document underlines the importance that UNIDO assigns to this subject.

37. The Economic and Social Council requested the United Nations Development Group (UNDG) to conduct a review of existing funding modalities in support of the Resident Coordinator (RC) system, including of appropriate burden-sharing arrangements among relevant United Nations organizations, and to make recommendations to improve the provision of resources and support to the Resident Coordinator system at the country level, to be reported by the Secretary-General to ECOSOC.

38. The QCPR has also urged the United Nations development system to provide further financial, technical, and organizational support to the Resident Coordinator system, and has requested the Secretary-General, in consultation with the members of the United Nations development system, and based on the UNDG review, to submit concrete proposals on the modalities for the funding of the RC system to ECOSOC and the General Assembly in 2013.

39. The UNDG has conducted the review and prepared a set of recommendations on funding modalities, together with a budget proposal for the Resident Coordinator system. While the proposals have not yet been discussed or approved by ECOSOC it is already evident that the expectations for contributions by UNIDO in the magnitude of €1 million per annum cannot be accommodated within the constraints of the 2014-2015 biennial budget. UNIDO has communicated this situation to UNDG.

Field representation and decentralization

40. An implication of the "Delivering as One" 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. This trend towards a higher degree of

decentralization to the field was strengthened further in the programme and budgets 2012-2013 through the absorption of field operations support into Major Programme C, where it has remained in the present document.

Strategic partnerships

41. UNIDO's Mission Statement, incorporated into the revised MTPF 2010-2013 which forms the basis of the present document, 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 2014-2015.

42. Particular attention will continue to 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 empowerment of women to participate in the 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 resource-efficient and 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.

43. Within the United Nations system, UNIDO will 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. The Organization will also build on its role in supporting such system-wide coordination mechanisms as UN-Energy, UN-Water, and UN-Oceans. Beyond the United Nations system, UNIDO will also pursue the objective to strengthen partnerships with bilateral development cooperation agencies, the private sector, civil society and academia.

Results-based management, progress monitoring and risk tracking

44. The proposed programme and budgets 2014-2015 applies the results-based management (RBM) approach adopted in the previous biennium, including the maintenance of a clear linkage to the MTPF 2010-2013 as revised in 2011, inter alia by incorporating UNIDO's Mission Statement into MTPF. As in the case of the previous programme and budget document, the alignment of the programme structure of the revised MTPF 2010-2013 to the present document provides for a logical cascading down of the objectives and country-level outcomes to their respective programme components. This will facilitate results reporting by means of a uniform online project document integrated into the enterprise resource planning system, and based on the results framework in the present programme and budgets document.

Resource base

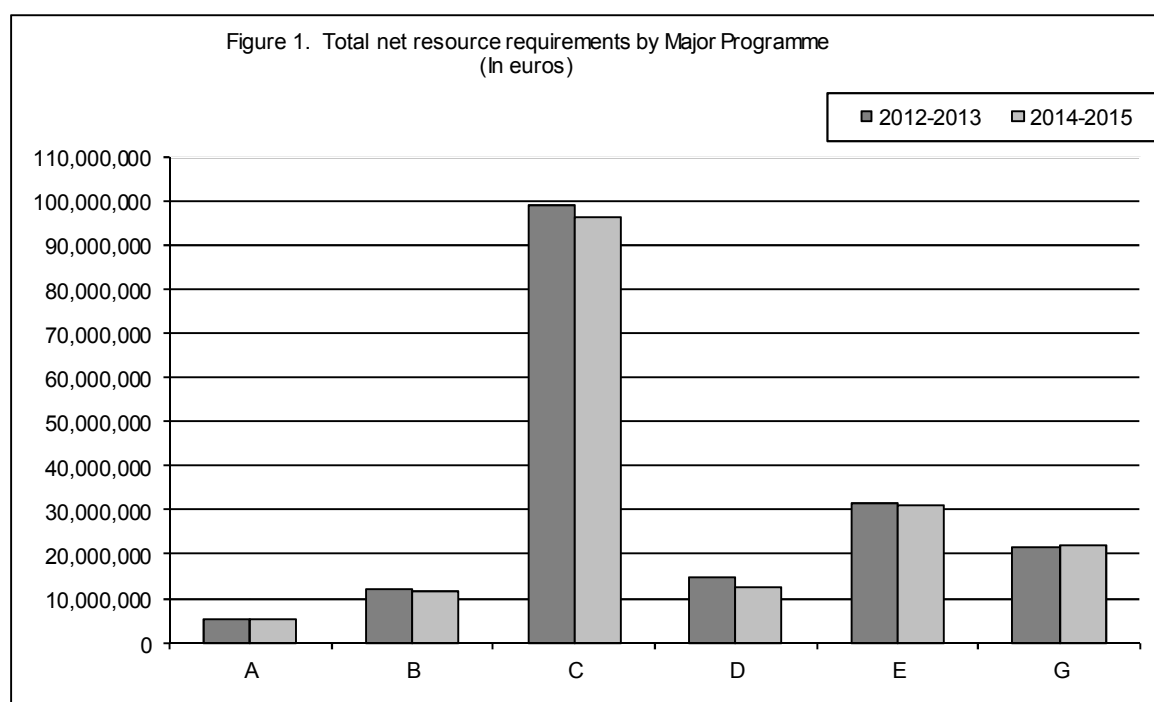
45. As in the previous biennium, the programmes proposed in the programme and budgets 2014-2015 will need to be undertaken within the limited resources at the disposal of the Organization. The Programme and Budgets, 2014-2015 are presented at a level of 2.6 per cent reduction rate, in real terms. However, the regular budget was reduced by 5.2 per cent, in compliance with the relevant decision of the Industrial Development Board (IDB.39/Dec.7).

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

47. 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).

48. 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 reimbursement by donors to partially compensate UNIDO for the support services rendered by it. These resources are used for supporting technical cooperation activities.

Comparison with the previous biennium by Major Programme



49. The comparison between the current biennium and the estimated requirements for the biennium 2014-2015 is based on 2012-2013 cost levels. The budgets of all Major Programmes have been significantly reduced except Major Programmes A, Policymaking Organs, and G, Indirect costs. Since the total budget and most Major Programmes are reduced, the particulars of each Major Programme are presented in the following analysis by indicating changes in their respective share of the total. 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

50. The resource level of Major Programme A (Policymaking Organs) has been increased from 2.7 per cent in the previous biennium to 2.9 per cent of the total budgets of the Organization.

Major Programme B

51. The proportion of total gross resources devoted to Major Programme B in the programme and budgets for 2014-2015 is budgeted to remain at 6.4 per cent. There is a reduction of 0.2 per cent in Programme B.1, Executive Direction and Strategic Management. On the other hand, there is a relative

increase of 0.1 per cent, each in the resource levels of Programme B.2, Evaluation and Programme B.4, Internal Oversight. This reflects primarily the maintenance or slight increase of resources for these programmes in a shrinking budget. The need for increased resource requirements for Evaluation is in keeping with the management objective to strengthen the assessment and evaluation initiatives of UNIDO. There is a slight increase in resource requirements for Internal Oversight needed mainly to cover field related audit travel as well as to procure software for evidence analysis and update the Audit Management software.

Major Programme C

52. There is a moderate decline in overall resources devoted to Major Programme C from 54.4 per cent to 54.3 per cent. This is mainly the result of minor realignment in resources to both Programme C.5, Field Operations Support and in Programme C.4, Cross-cutting Issues to realign and strengthen Field related activities. Consequently, the resources for Programme C.1, Poverty Reduction through Productive Activities and Programme C.3, Environment and Energy have been modestly reduced.

Major Programme D

53. The relative share of resources allocated to Major Programme D has been decreased in the programme and budgets from 8.0 per cent in 2012-2013 to 6.9 per cent in 2014-2015. The reduction was the direct consequence of the programme's streamlined management structure.

Major Programme E

54. Even though the budget allocated to this Major Programme decreased by more than half a million euros, the share of Major Programme E has increased in the total budget from 16.9 per cent to 17.3 per cent. This is mainly the result of the introduction of a new Programme E.5, Business and Systems Support that has been established to manage and coordinate ERP-related strategic and operational business needs in an efficient and cost-effective manner to ensure continuous improvement of UNIDO's operations.

Major Programme F

55. The proposed gross expenditure budget for Programme F.1 Common Buildings Management Services shows a decrease of €7,665,500 that results mainly from the reduction of the Vienna-based organizations cost shared budget of the Buildings Management Services by 10 per cent and upon the cancellation of planned savings from vacant posts. This reduction became possible as the refurbishment of the C building at the Vienna International Centre and other activities carried out in connection with the asbestos removal programme were completed.

56. During the 2014-2015 biennium the estimated contribution of UNIDO to the cost-shared activities of Common Buildings Management is expected to decrease from 15.604 per cent to 15.389 per cent. Thus, overall, there is a reduction in the contribution to Common Buildings Management for UNIDO by €818,130.

57. The proposed gross expenditure budget for Programme F.2 Joint Buildings Management has remained constant at €1,900,400.

Major Programme G

58. Indirect costs show an increase of €141,344 as a result of increases in resource requirements in Security and Safety Services of €536,600 that stem from the recosting methodology that is employed by United Nations Headquarters on all its budgets. The Security and Safety Services are managed by UNOV and form part of the United Nations Headquarters budget.

59. Further, there are additional increases in the amount of €381,121 that emanate mainly from the Contribution to Joint Activities within the United Nations system, where a new budget item of

€272,300 for the United Nations Resident Coordinator (UNRC) system has been included together with €59,000 representing additional resource requirements of the United Nations Department of Safety and Security (UNDSS) budget.

60. These major increases have offset most of the savings realized from the reduction of UNIDO's portion of the resources requirement of the common Buildings Management Service listed in Programme F above.

Others

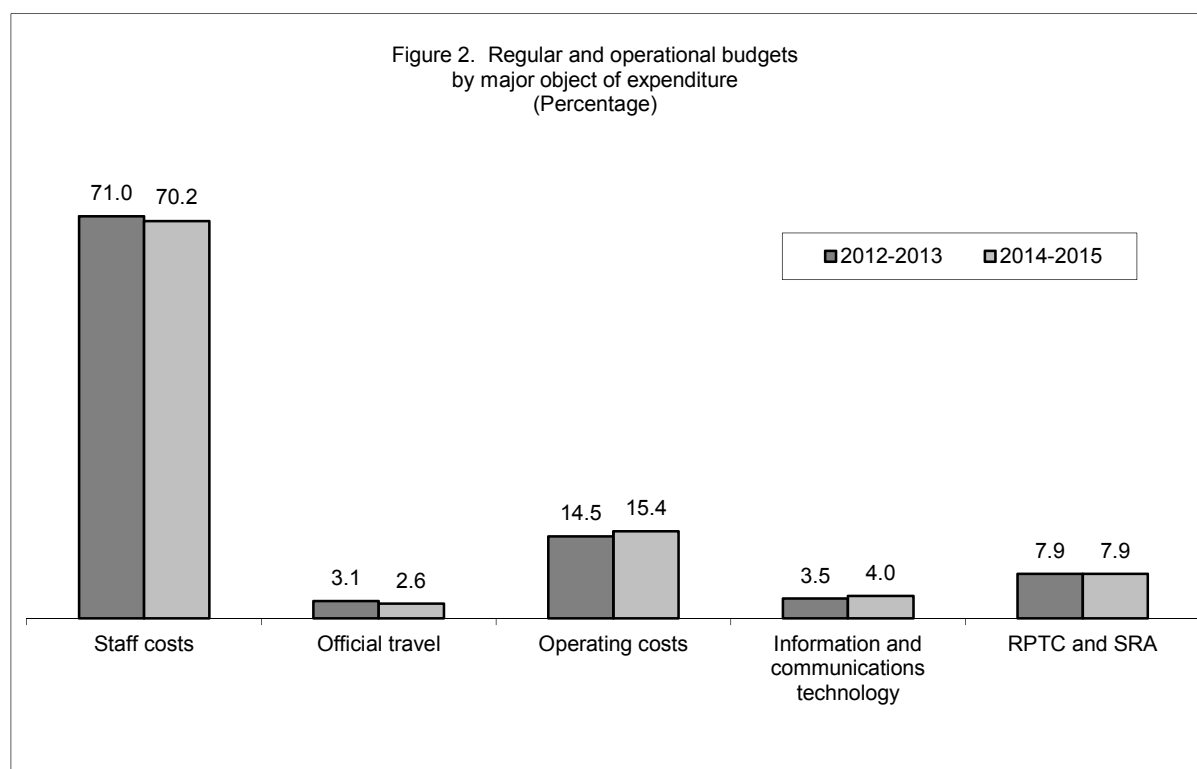
Regular Programme for Technical Cooperation (RPTC) and Special Resources for Africa

61. As in the biennium 2012-2013, the entire volume of the funds dedicated to the RPTC will be freely programmable in 2014-2015, in accordance with the priority accorded to Africa by the international development community and by UNIDO itself. In accordance with previous decision, the Special Resources for Africa (SRA) are maintained as a unique budget line to fund programme activities in Africa. In 2014-2015, the resource requirements for RPTC have been reduced by €476,480 to align with the overall reductions in the regular budget and hence preserve the six per cent share, as mandated by the UNIDO Constitution.

62. The resources allocated for RPTC/SRA in 2014-2015 will be €14.25 million before recosting. This compares to €14.73 million that was budgeted in the biennium 2012-2013.

Changes by major object of expenditure

63. 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 as follows by major object of expenditure.



Changes in staff costs and the post structure

64. The total number of posts has been decreased by 26. Details of the composition of posts are presented in table 5 and annex C.

65. At Headquarters the number of Director level posts has been reduced by five while increasing P-5 level posts by two. The Young Professional posts were upgraded to PS level.

66. In the General Service category, there has been a reduction by 22 posts.

67. As regards field representation, there has been an increase by six National Programme Officer posts compensated by reductions in the Director as well as all other Professional levels resulting in a net decrease of two in this category. One General Service post has also been reduced in the field.

68. Within the operational budget, in addition to the cost of established posts, budgets for Consultancy and Expert Group Meetings incorporate the mandatory utilization of a portion of the support cost reimbursement, resulting from implementation of projects funded by the Global Environment Facility (GEF), for monitoring and other portfolio specific activities.

Official travel

69. There is an overall decrease in official travel by €1,106,915, in line with the need for the Organization to reduce its resource requirements. From this reduction €352,215 has been deducted from the regular budget. The travel component that is attributable to the planned utilization of GEF support cost income continues to be included in the operational budget in alignment with the donor policy of GEF.

Operating costs

70. 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, translation and public information services, and have a direct impact on the relevant programmes.

71. The increased resource requirement under these operating costs is mainly due to the fact that there is an additional budget component of €272,300 that represents UNIDO's budgeted contribution to the costs of the United Nations Resident Coordinator system. Please refer to the earlier chapter on United Nations coherence for further details.

72. Moreover, there is an additional resources requirement included in the operating costs for security representing UNIDO's contribution to the common security and safety services budget of UNOV of €536,600 as well as €59,000 for Field office security that is managed by the United Nations Department of Safety and Security (UNDSS).

IV. BUDGET FRAMEWORK

Financing of the regular budget

73. The following analysis is presented at 2014-2015 costs, i.e. including the elements of revaluation and recosting.

74. The net requirements under the regular budget, which are financed by assessed contributions payable by Member States, have been budgeted at the level of 5.18 per cent reduction rate, in real terms. Total gross expenditures of €152,586,900 are partially funded by an anticipated income of €3,507,500, and the resulting amount of €149,079,400 constitutes the net requirements to be financed through assessed contributions.

75. 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 continues to be considerably lower than that of the previous biennium given the current global outlook on interest rates on the financial markets.

76. Due to the reduced estimated income level and the mandatory reduction of the net requirements, the gross regular budget expenditures at current rates had to be reduced by 5.8 per cent.

Financing of the operational budget

77. Total gross expenditures under the operational budget of €32,819,400 are similarly partially funded by miscellaneous income of €53,800. The resulting net requirements of €32,765,600 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 2012-2013 technical cooperation delivery estimates were originally calculated on the basis of US\$ 1 = €0.756. Revalued to the exchange rate applied in the present document (US\$ 1 = €0.778), the 2012-2013 delivery estimates amount to €281.0 million. The projected level for 2014-2015 amounts to €318.8 million, represents a significant increase.

78. 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.

79. Miscellaneous income earned under the operational budget constitutes mostly interest income and is subject to the same financial market considerations.

Estimated level of service delivery

80. 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.

81. The total estimated level of technical cooperation in the biennium 2014-2015 amounts to €318,798,500 (excluding RPTC). As stated above, this represents a significant increase over the estimated level applied for the biennium 2012-2013 (€281,038,813 after revaluation at US\$ 1 = €0.778).

Development of budget estimates

82. 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 2012-2013 and 2014-2015 are shown at the same cost levels as the biennial budget for 2012-2013. The budget estimates for the biennium 2014-2015 are then adjusted (recosted) to take into account the impact of inflation and other cost adjustments.

83. For the development of the budgetary estimates for the biennium 2014-2015, the following elements have been taken into consideration:

- (a) Approved budgets for 2012-2013;
- (b) Adjustments to the approved 2012-2013 budgets to allow comparison;
- (c) Resource requirements for 2014-2015 at 2012-2013 rates;
- (d) Inflation and other cost adjustments.

Approved budgets for 2012-2013 as the budget base

84. The programme and budgets for the biennium 2012-2013, as contained in document IDB.39/13/Rev.1 and approved by the General Conference in decision GC.14/Dec.19, detailed the resource requirements to implement the programmes of the Organization for the biennium 2012-2013. In line with that document, the budgets for the biennium 2012-2013 represent, under the regular budget, a net amount of €153,231,936 and €28,837,700 under the operational budget.

85. The General Conference, in decision GC.14/Dec.19 paragraph (c), approved an amount of €153,231,936 as the level of assessed contributions for 2012-2013.

86. In order to allow comparison at the programme and objects of expenditure levels, the resource levels, as presented and approved in document IDB.39/13/Rev.1, have been used as the comparative base for the resource requirements for 2014-2015.

87. Consequently, the comparative base for the regular budget is €153,231,936.

Adjustments to the budget base

88. The budget base has been restated to reflect minor changes in the programmatic structure as summarized earlier and hence it allows for a meaningful comparison of resource requirements for 2014-2015 with those of 2012-2013.

Resource requirements for 2014-2015 at 2012-2013 rates

89. The net regular budget estimates for the biennium 2014-2015 of €145,289,650 consist of a 5.18 per cent reduction, in real terms.

90. As a result of expected further decline in the interest rates and marginal decline in sales publications the estimated income under the regular budget shows a reduction of €1,135,900 and consequently, the gross expenditures under the regular budget have been reduced by €9,078,186.

91. The net operational budget estimates of €31,998,100 represent a growth of €3,160,400. As mentioned before, the increase is directly linked to increased technical cooperation delivery.

92. The vacancy factors assumed in the budgets for the biennium 2014-2015 remain at 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

93. The application of inflation and other cost adjustments to the 2014-2015 estimates (expressed at 2012-2013 rates) results in a recosting of these estimates to 2014-2015 rates.

94. This process consists of two steps. First, the resource requirements expressed at 2012-2013 rates are recosted to reflect the actual cost structures of 2012-2013. In the second step, the requirements are further adjusted in line with expected cost increases for 2014 and 2015.

95. The increase in financial requirements for 2014-2015 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.

96. It is important to emphasize that the conditions of service for staff are regulated by the provisions of the United Nations common system of salaries and entitlements. While UNIDO is part of the common system, it has little influence on the decision making process in respect of the elements and parameters of the system. At the same time, UNIDO is obliged to implement all changes in full. Such changes are fully incorporated in the current biennial budget proposal.

97. Accordingly, projections have been made to standard salary costs for the biennium 2014-2015 as per the category of duty stations reflecting the following anticipated cost increases.

98. In the Professional category, the proposed increase on in-grade increments of 0.6 per cent together with an annual increase expected on post adjustment index for Vienna of 1.2 per cent results in an effective annual increase of 1.8 per cent in 2013. Based on information received from the International Civil Service Commission (ICSC), an annual increase of 1.2 per cent in the post adjustment index together with in-grade increments of 0.6 per cent is expected for 2014. In 2015, annual increases in the post adjustment index of 1.0 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.

99. For General Service staff in Vienna, the salary increase is projected, based on published official index forecasts, at a level of 2.3 per cent per annum in 2013, comprising an average increase of 1.9 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 2014-2015, total annual increases of 2.4 and 2.3 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.

100. The level of common staff costs under regular and operational budgets has been estimated at an average 44.5 per cent (49.5 per cent in 2012-2013) of net Professional salaries and 32.6 per cent (34.5 per cent in 2012-2013) of General Service salaries for 2014-2015. 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.

101. The inflation rate for various non-staff objects of expenditure such as utilities, maintenance and supplies is based on forecasts of price index movements obtained from the Austrian Institute for Economic Research, Economist Intelligence Unit, the *World Economic Situation and Prospects 2013*, United Nations New York 2013, or on estimated inflation trends at the locations of field offices.

102. The cost of Common Services (except the Buildings Management Service), mostly covered under the Major Programme, Indirect Costs, normally increases by the level of cost increases under staff costs.

103. The average rate under the regular budget for net cost increases in the biennium 2014-2015 is 1.295 per cent per annum. The net amount required for recosting under the regular budget is €3,789,750.

Budgeting for non-euro expenditures

104. The Organization prepares and presents its budgets in euros. However, some 10 to 15 per cent of expenditures remain in other currencies, mainly in United States dollars. In order to estimate the required budgetary amounts in euros, the January to December 2012 average United Nations euro/dollar exchange rate, i.e. US\$ 1 = € 0.778, 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 2014-2015
for total operations
(In euros, at 2014-2015 costs)

Major Programme	Regular budget (net)	Operational budget (net)	Technical cooperation (extrabudgetary)	Total net estimates	Per cent of total estimates
A. Policymaking Organs	5,290,200	89,000		5,379,200	1.1%
B. Executive Direction and Organizational Alignment	11,506,610	279,300		11,785,910	2.3%
C. Thematic Priorities	71,677,043	26,510,400	318,798,500	416,985,943	83.1%
D. Strategic Research, Quality Assurance and Outreach	11,550,950	1,264,100		12,815,050	2.6%
E. Programme Support Services	27,368,650	4,676,600		32,045,250	6.4%
F. Buildings Management					0.0%
G. Indirect Costs	22,761,947			22,761,947	4.5%
Miscellaneous Income	(1,076,000)	(53,800)		(1,129,800)	
Total net requirements	149,079,400	32,765,600	318,798,500	500,643,500	100.0%

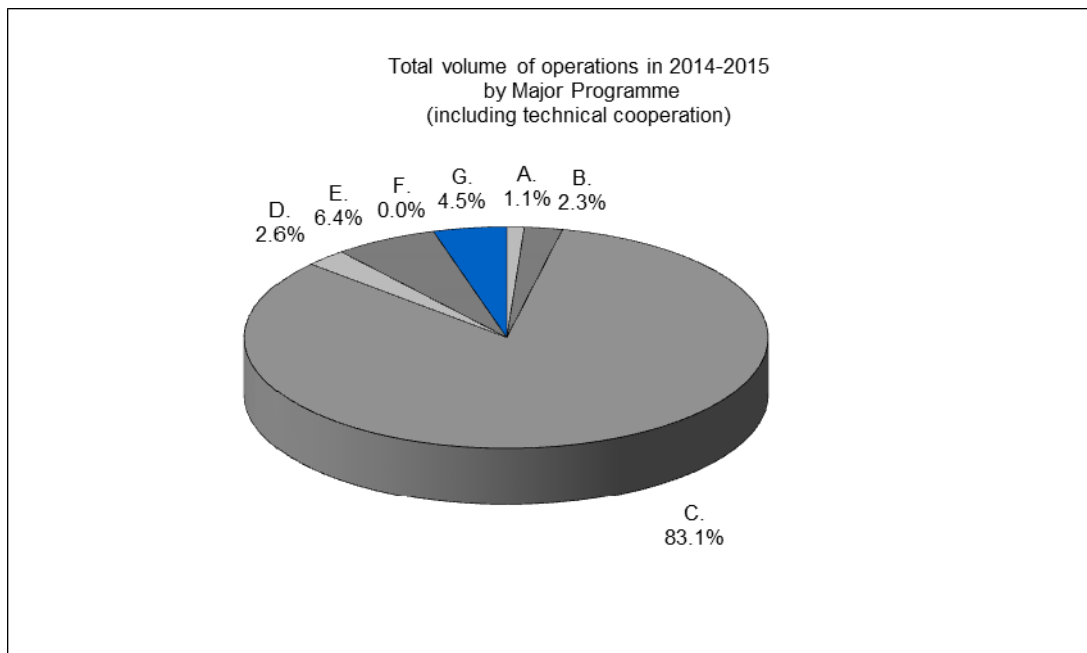


Table 2(a)
Summary of regular and operational budgets
(Excluding Major Programme F, Buildings Management)
(In euros)

	2012-2013 approved budget 1	2014-2015 resource growth at 2012-2013 rates 2	2014-2015 resource requirements at 2012-2013 rates 3	Recosting to 2014-2015 rates 4	2014-2015 resource requirements at 2014-2015 rates 5
Regular budget					
Expenditures	157,875,336	(9,078,186)	148,797,150	3,789,750	152,586,900
Income	(4,643,400)	1,135,900	(3,507,500)		(3,507,500)
Net requirements	153,231,936	(7,942,286)	145,289,650	3,789,750	149,079,400
Operational budget					
Expenditures	28,911,400	3,140,500	32,051,900	767,500	32,819,400
Income	(73,700)	19,900	(53,800)		(53,800)
Net requirements	28,837,700	3,160,400	31,998,100	767,500	32,765,600
Total regular and operational budgets	182,069,636	(4,781,886)	177,287,750	4,557,250	181,845,000
Rate of real growth (net)					
Regular budget		(5.2%)			
Operational budget		11.0%			
Combined		(2.6%)			

Table 2(b)
Technical cooperation delivery and support cost income estimates
(excluding Regular Programme activities)
(In euros)

	2012-2013		2012-2013	2014-2015 b/	
	Delivery	Support cost income	Delivery (revalued a/)	Delivery	Support cost income
UNDP – Main programme	98,300	9,430	101,161	2,100,600	210,100
Industrial Development Fund	40,875,200	4,892,210	42,064,690	26,833,700	3,070,100
Montreal Protocol	38,556,000	5,733,980	39,678,000	65,353,500	7,810,600
Global Environment Facility	84,079,100	7,634,070	86,525,846	88,711,100	8,750,000
Trust funds and others	109,483,100	9,464,230	112,669,116	135,799,600	12,874,200
Technical Services		116,120			50,600
Total	273,091,700	27,850,040	281,038,813	318,798,500	32,765,600

a/ Original estimate revalued with US\$ 1 = €0.778, the January to December 2012 average United Nations exchange rate.

b/ Calculated with US\$ 1 = €0.778, the January to December 2012 average United Nations exchange rate.

Table 3
Proposed expenditure and income
by Major Programme for 2014-2015 with comparative data for 2012-2013
(In euros)

Major Programme	2012-2013 approved budget a/ 1	2014-2015 resource growth at 2012-2013 rates 2	2014-2015 resource requirements at 2012-2013 rates 3	Recosting to 2014-2015 rates 4	2014-2015 resource requirements at 2014-2015 rates 5
<u>1. Regular and operational budgets</u>					
A. Policymaking Organs	5,133,440	96,160	5,229,600	149,600	5,379,200
Net requirements	5,133,440	96,160	5,229,600	149,600	5,379,200
B. Executive Direction and Organizational Alignment	12,006,260	(539,920)	11,466,340	319,570	11,785,910
C. Thematic Priorities	101,576,026	(2,843,213)	98,732,813	1,886,130	100,618,943
Income	(2,431,500)		(2,431,500)		(2,431,500)
Net requirements	99,144,526	(2,843,213)	96,301,313	1,886,130	98,187,443
D. Strategic Research, Quality Assurance and Outreach	14,858,000	(2,268,950)	12,589,050	226,000	12,815,050
Net requirements	14,858,000	(2,268,950)	12,589,050	226,000	12,815,050
E. Programme Support Services	31,550,007	(523,107)	31,026,900	1,018,350	32,045,250
Net requirements	31,550,007	(523,107)	31,026,900	1,018,350	32,045,250
F. Buildings Management	61,566,300	(7,665,500)	53,900,800	3,190,500	57,091,300
Income	(61,566,300)	7,665,500	(53,900,800)	(3,190,500)	(57,091,300)
Net requirements					
G. Indirect Costs	21,663,003	141,344	21,804,347	957,600	22,761,947
Miscellaneous Income	(2,285,600)	1,155,800	(1,129,800)		(1,129,800)
Total regular and operational budgets	182,069,636	(4,781,886)	177,287,750	4,557,250	181,845,000

(Continued next page)

Table 3 (continued)
Proposed expenditure and income
by Major Programme for 2014-2015 with comparative data for 2012-2013
(In euros)

Major Programme	2012-2013 approved budget a/ 1	2014-2015 resource growth at 2012-2013 rates 2	2014-2015 resource requirements at 2012-2013 rates 3	Recosting to 2014-2015 rates 4	2014-2015 resource requirements at 2014-2015 rates 5
2. Regular budget					
A. Policymaking Organs	5,047,940	96,160	5,144,100	146,100	5,290,200
Net requirements	5,047,940	96,160	5,144,100	146,100	5,290,200
B. Executive Direction and Organizational Alignment	11,732,260	(539,920)	11,192,340	314,270	11,506,610
C. Thematic Priorities	78,460,026	(5,709,713)	72,750,313	1,358,230	74,108,543
Income	(2,431,500)		(2,431,500)		(2,431,500)
Net requirements	76,028,526	(5,709,713)	70,318,813	1,358,230	71,677,043
D. Strategic Research, Quality Assurance and Outreach	13,646,000	(2,268,950)	11,377,050	173,900	11,550,950
Net requirements	13,646,000	(2,268,950)	11,377,050	173,900	11,550,950
E. Programme Support Services	27,326,107	(797,107)	26,529,000	839,650	27,368,650
Net requirements	27,326,107	(797,107)	26,529,000	839,650	27,368,650
F. Buildings Management	61,566,300	(7,665,500)	53,900,800	3,190,500	57,091,300
Income	(61,566,300)	7,665,500	(53,900,800)	(3,190,500)	(57,091,300)
Net requirements					
G. Indirect Costs	21,663,003	141,344	21,804,347	957,600	22,761,947
Miscellaneous Income	(2,211,900)	1,135,900	(1,076,000)		(1,076,000)
Total regular budget	153,231,936	(7,942,286)	145,289,650	3,789,750	149,079,400
3. Operational budget					
A. Policymaking Organs	85,500		85,500	3,500	89,000
Net requirements	85,500		85,500	3,500	89,000
B. Executive Direction and Organizational Alignment	274,000		274,000	5,300	279,300
C. Thematic Priorities	23,116,000	2,866,500	25,982,500	527,900	26,510,400
Net requirements	23,116,000	2,866,500	25,982,500	527,900	26,510,400
D. Strategic Research, Quality Assurance and Outreach	1,212,000		1,212,000	52,100	1,264,100
Net requirements	1,212,000		1,212,000	52,100	1,264,100
E. Programme Support Services	4,223,900	274,000	4,497,900	178,700	4,676,600
Net requirements	4,223,900	274,000	4,497,900	178,700	4,676,600
Miscellaneous Income	(73,700)	19,900	(53,800)		(53,800)
Total operational budget	28,837,700	3,160,400	31,998,100	767,500	32,765,600

a/ Reflects budget adjustments to the base.

Table 4(a)
Proposed expenditure and income
by major object of expenditure for 2014-2015 with comparative data for 2012-2013
(Excluding Major Programme F, Buildings Management)
(In euros)

Major object of expenditure	2012-2013 approved budget 1	2014-2015 resource growth at 2012-2013 rates 2	2014-2015 resource requirements at 2012-2013 rates 3	Recosting to 2014-2015 rates 4	2014-2015 resource requirements at 2014-2015 rates 5
1. Regular and operational budgets					
1 Staff costs	132,634,030	(5,680,213)	126,953,817	2,555,250	129,509,067
2 Official travel	5,754,815	(1,106,915)	4,647,900	162,400	4,810,300
3 Operating costs	27,129,805	652,602	27,782,407	1,312,700	29,095,107
4 Information and communications technology	6,542,180	673,320	7,215,500	299,700	7,515,200
5 RPTC and Special Resources for Africa	14,725,906	(476,480)	14,249,426	227,200	14,476,626
Income	(4,717,100)	1,155,800	(3,561,300)		(3,561,300)
Total net regular and operational budgets	182,069,636	(4,781,886)	177,287,750	4,557,250	181,845,000
2. Regular budget					
1 Staff costs	106,616,030	(8,675,913)	97,940,117	1,904,050	99,844,167
2 Official travel	3,524,415	(352,215)	3,172,200	109,900	3,282,100
3 Operating costs	26,466,805	(246,898)	26,219,907	1,248,900	27,468,807
4 Information and communications technology	6,542,180	673,320	7,215,500	299,700	7,515,200
5 RPTC and Special Resources for Africa	14,725,906	(476,480)	14,249,426	227,200	14,476,626
Income	(4,643,400)	1,135,900	(3,507,500)		(3,507,500)
Total net regular budget	153,231,936	(7,942,286)	145,289,650	3,789,750	149,079,400
3. Operational budget					
1 Staff costs	26,018,000	2,995,700	29,013,700	651,200	29,664,900
2 Official travel	2,230,400	(754,700)	1,475,700	52,500	1,528,200
3 Operating costs	663,000	899,500	1,562,500	63,800	1,626,300
Income	(73,700)	19,900	(53,800)		(53,800)
Total net operational budget	28,837,700	3,160,400	31,998,100	767,500	32,765,600

Table 4(b)
Annual proposed expenditure and income
by major object of expenditure for 2014-2015
(Excluding Major Programme F, Buildings Management)
(In euros)

Major object of expenditure	2014 resource requirements at 2014 rates 1	2015 resource requirements at 2015 rates 2	2014-2015 resource requirements at 2014-2015 rates 3
1. Regular and operational budgets			
1 Staff costs	64,060,727	65,448,340	129,509,067
2 Official travel	2,333,650	2,476,650	4,810,300
3 Operating costs	14,074,669	15,020,438	29,095,107
4 Information and communications technology	3,700,850	3,814,350	7,515,200
5 RPTC and Special Resources for Africa	6,860,361	7,616,265	14,476,626
Income	(1,573,900)	(1,987,400)	(3,561,300)
Total net regular and operational budgets	89,456,357	92,388,643	181,845,000
2. Regular budget			
1 Staff costs	49,420,777	50,423,390	99,844,167
2 Official travel	1,619,200	1,662,900	3,282,100
3 Operating costs	13,255,769	14,213,038	27,468,807
4 Information and communications technology	3,700,850	3,814,350	7,515,200
5 RPTC and Special Resources for Africa	6,860,361	7,616,265	14,476,626
Income	(1,547,000)	(1,960,500)	(3,507,500)
Total net regular budget	73,309,957	75,769,443	149,079,400
3. Operational budget			
1 Staff costs	14,639,950	15,024,950	29,664,900
2 Official travel	714,450	813,750	1,528,200
3 Operating costs	818,900	807,400	1,626,300
Income	(26,900)	(26,900)	(53,800)
Total net operational budget	16,146,400	16,619,200	32,765,600

Table 5
Posts established under the regular and operational budgets
2012-2013 and 2014-2015
(Excluding Major Programme F, Buildings Management)

A. Total UNIDO	2012-2013			2014-2015			Increase/ decrease
	RB	OB	Total	RB	OB	Total	
<u>Professional and above</u>							
Director General	1.0	–	1.0	1.0	–	1.0	–
Director	32.0	7.0	39.0	25.0	8.0	33.0	-6.0
P-5	51.0	12.0	63.0	51.0	13.0	64.0	1.0
P-4	68.0	8.0	76.0	63.0	9.0	72.0	-4.0
PS (P-2/P-3)	77.0	10.0	87.0	79.0	18.0	97.0	10.0
YP (P-1)	6.0	4.0	10.0	–	–	–	-10.0
NP (National Programme Officer)	2.0	33.0	35.0	2.0	39.0	41.0	6.0
Subtotal	237.0	74.0	311.0	221.0	87.0	308.0	-3.0
General Service	255.75	71.75	327.50	230.50	74.00	304.50	-23.00
GRAND TOTAL	492.75	145.75	638.50	451.50	161.00	612.50	-26.00
B. Headquarters (including offices at New York, Geneva and Brussels)							
	2012-2013			2014-2015			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	2.0	28.0	20.0	3.0	23.0	-5.0
P-5	38.0	4.0	42.0	39.0	5.0	44.0	2.0
P-4	65.0	6.0	71.0	63.0	7.0	70.0	-1.0
PS (P-2/P-3)	74.0	8.0	82.0	79.0	16.0	95.0	13.0
YP (P-1)	6.0	4.0	10.0	–	–	–	-10.0
NP (National Programme Officer)	–	–	–	–	–	–	–
Subtotal	210.0	24.0	234.0	202.0	31.0	233.0	-1.0
General Service	185.75	53.75	239.50	161.50	56.00	217.50	-22.00
GRAND TOTAL	395.75	77.75	473.50	363.50	87.00	450.50	-23.00
C. Field Offices							
	2012-2013			2014-2015			Increase/ decrease
	RB	OB	Total	RB	OB	Total	
<u>Professional and above</u>							
Director	6.0	5.0	11.0	5.0	5.0	10.0	-1.0
P-5	13.0	8.0	21.0	12.0	8.0	20.0	-1.0
P-4	3.0	2.0	5.0	–	2.0	2.0	-3.0
PS (P-2/P-3)	3.0	2.0	5.0	–	2.0	2.0	-3.0
YP (P-1)	–	–	–	–	–	–	–
NP (National Programme Officer)	2.0	33.0	35.0	2.0	39.0	41.0	6.0
Subtotal	27.0	50.0	77.0	19.0	56.0	75.0	-2.0
General Service	70.00	18.00	88.00	69.00	18.00	87.00	-1.00
GRAND TOTAL	97.00	68.00	165.00	88.00	74.00	162.00	-3.00

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

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

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: Programme A.1, Meetings of the Policymaking Organs, and Programme A.2, Policymaking Organs Secretariat and Relations with Member States. The Member States are the main constituency of the Major Programme, which complements Programme Component D.2.3, Advocacy and External Relations. 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. Furthermore, quarterly briefings for Member States and briefings organized on a whole range of topical issues have become an established practice. 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 and other stakeholders.

Objective

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

Resources

Major Programme A: Policymaking Organs

Resource estimates (in euros)

Posts			2014-2015 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
5.00	3.00	8.00	Staff costs	1,863,100		1,863,100
			Consultants	43,800		43,800
			Official travel	72,500		72,500
			Operating costs	3,310,800	89,000	3,399,800
			Total gross expenditure	5,290,200	89,000	5,379,200
			Total net resources	5,290,200	89,000	5,379,200

Major Programme A: Policymaking Organs

By programme

	Posts		Regular and operational budgets	Technical cooperation (extrabudgetary)	Total
	P	GS			
A.1. Meetings of the Policymaking Organs			3,476,800		3,476,800
A.2. Policymaking Organs Secretariat and Relations with Member States	5.00	3.00	1,902,400		1,902,400
A. Total major programme	5.00	3.00	5,379,200		5,379,200

Programme A.1: Meetings of the Policymaking Organs

General description

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

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

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

Objective

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 inter-sessional meetings.

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

<i>Contribution</i>	<i>Performance indicator</i> ¹
Policy dialogue on industrial development strategies and multilateral development cooperation, in support of poverty reduction, inclusive growth and environmental sustainability.	<ul style="list-style-type: none"> • Enhanced cooperation and dialogue with Member States leading to a strengthening of the Organization's mandate and guidance for the formulation of effective industrial development services.

¹ Based on reports and proceedings of the policymaking organs.

Resources

Programme A.1: Meetings of the Policymaking Organs

Resource estimates (in euros)

Posts			2014-2015 estimates (after recosting)		
Professional	General Service	Total	Regular budget	Operational budget	Total
0.00	0.00	0.00	Staff costs	90,800	90,800
			Consultants	31,300	31,300
			Official travel	30,600	30,600
			Operating costs	3,235,100	89,000
					3,324,100
			Total gross expenditure	3,387,800	89,000
			Total net resources	3,387,800	89,000
					3,476,800

Programme A.2: Policymaking Organs Secretariat and Relations with Member States

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 programme serves to facilitate deliberations and decision-making of the policymaking organs and to maintain effective and strengthened relations with Member States, Permanent Missions accredited

to UNIDO, non-member States and regional groups with a view to increasing awareness and support 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 a smooth and effective conduct of meetings through the provision of timely and high-quality services and legislative documents. It provides regular briefings to Permanent Missions on UNIDO's activities and on complex matters that require legislative action.

Objective

To facilitate deliberations and decision-making of the policymaking organs and to liaise 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> ¹
Sound environment for deliberations and decision-making of policymaking organs.	<ul style="list-style-type: none"> Optimized provision of legislative documentation and conference services to Member States. Responsive, efficient and effective liaison with Member States.

¹ Based on reports and proceedings of policymaking organs.

Resources

Programme A.2: Policymaking Organs Secretariat and Relations with Member States

Resource estimates (in euros)

Posts			2014-2015 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
5.00	3.00	8.00	Staff costs	1,772,300		1,772,300
			Consultants	12,500		12,500
			Official travel	41,900		41,900
			Operating costs	75,700		75,700
			Total gross expenditure	1,902,400		1,902,400
			Total net resources	1,902,400		1,902,400

MAJOR PROGRAMME B: EXECUTIVE DIRECTION AND ORGANIZATIONAL ALIGNMENT

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

Major Programme B: Executive Direction and Organizational Alignment

Resource estimates (in euros)

Posts			2014-2015 estimates (after recosting)			
Professional	General Service	Total	Regular budget	Operational budget	Total	
20.15	16.50	36.65	Staff costs	9,336,910	279,300	9,616,210
			Consultants	323,900		323,900
			Meetings	20,700		20,700
			Official travel	1,018,500		1,018,500
			Operating costs	612,600		612,600
			Information and comm. techn.	194,000		194,000
			Total gross expenditure	11,506,610	279,300	11,785,910
			Total net resources	11,506,610	279,300	11,785,910

Major Programme B: Executive Direction and Organizational Alignment

By programme

	Posts		Regular and operational budgets	Technical cooperation (extrabudgetary)	Total
	P	GS			
B.1. Executive Direction and Strategic Management	8.15	9.50	6,761,510		6,761,510
B.2. Evaluation	4.00	3.00	1,785,700		1,785,700
B.3. Legal Services	3.00	2.00	1,306,900		1,306,900
B.4. Internal Oversight	4.00	2.00	1,578,700		1,578,700
B.5. Ethics and Accountability	1.00	0.00	353,100		353,100
B. Total Major Programme	20.15	16.50	11,785,910		11,785,910

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 relevant medium-term programme frameworks (MTPF), 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> ¹
Public policies, economic strategies and multilateral development cooperation promote patterns of industrial development for poverty reduction, inclusive globalization and environmental sustainability.	<ul style="list-style-type: none"> Effective multilateral debate and cooperation in related fields.

¹ Based on assessments and surveys.

Resources

Programme B.1: Executive Direction and Strategic Management

Resource estimates (in euros)

Posts			2014-2015 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
8.15	9.50	17.65	Staff costs	4,895,510		4,895,510
			Consultants	225,400		225,400
			Meetings	20,700		20,700
			Official travel	856,300		856,300
			Operating costs	580,800		580,800
			Information and comm. techn.	182,800		182,800
			Total gross expenditure	6,761,510		6,761,510
			Total net resources	6,761,510		6,761,510

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> ¹
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.	<ul style="list-style-type: none"> 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.

¹ 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 with the public and private sector. 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 with the public and private sector, 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> ¹
Improved positioning of UNIDO in the multilateral context and responsiveness as a provider of multilateral development services.	<ul style="list-style-type: none"> • Increased recognition and acceptance of UNIDO's core mandates and development objective as an important contribution to the international development agenda. • Improved positioning of UNIDO with external actors from the public, private and civil society sectors, as a responsive and effective provider of multilateral development services.

¹ Based on legislative documents, United Nations documents and reports, 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 and to organizational learning to enhance the impact, effectiveness, efficiency and sustainability of UNIDO's technical cooperation programmes and related policy advisory, convening and normative 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 objectives by providing learning for competence development and excellence, measuring and reporting on results for results-orientation, providing information on lessons learned and arising opportunities for innovativeness, and validating results for accountability.

Objective

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

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

<i>Contribution</i>	<i>Performance indicators</i> ¹
<p>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.</p> <p>Partners in developing countries use evaluation skills for improved management of development initiatives.</p>	<ul style="list-style-type: none"> Improved development policies and strategies for industrial development. Effective multilateral debate and cooperation in fields related to sustainable industrialization and growth. Traceable contributions of UNIDO's project evaluation to global knowledge generation in the field of sustainable industrial development. National stakeholders imparted with evaluation related skills.

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

¹ Based on reports of the policymaking organs.

Resources

Programme B.2: Evaluation

Resource estimates (in euros)

Posts			2014-2015 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
4.00	3.00	7.00	Staff costs	1,721,900		1,721,900
			Consultants	20,800		20,800
			Official travel	31,000		31,000
			Operating costs	12,000		12,000
			Total gross expenditure	1,785,700		1,785,700
			Total net resources	1,785,700		1,785,700

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 UNIDO Director General.

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

Objective

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

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

<i>Contribution</i>	<i>Performance indicators</i> ¹
Sound legal footing of the Organization's activities and effective defence of the Organization's rights, positions and interests in contractual or litigation matters.	<ul style="list-style-type: none"> • Absence of errors or disputes in connection with legal advice. • Legal inputs provided in a clear manner. • Total liabilities are minimized compared to total claims made against the Organization. • Absence of instances where the status, privileges and immunities of the Organization and its officials are challenged or not maintained.

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

Resources

Programme B.3: Legal Services

Resource estimates (in euros)

Posts			2014-2015 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
3.00	2.00	5.00	Staff costs	970,200	279,300	1,249,500
			Consultants	33,300		33,300
			Official travel	10,300		10,300
			Operating costs	13,800		13,800
			Total gross expenditure	1,027,600	279,300	1,306,900
			Total net resources	1,027,600	279,300	1,306,900

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 whistle-blowers 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> ¹
Improved transparency, accountability, results, integrity and stakeholders' trust in the Organization.	<ul style="list-style-type: none"> • Number of UNIDO operations audited, including at least two country audits per year. • Number of allegation cases reviewed and concluded.

¹ Based on Internal Oversight data.

Resources

Programme B.4: Internal Oversight

Resource estimates (in euros)

Posts			2014-2015 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
4.00	2.00	6.00	Staff costs	1,418,900		1,418,900
			Consultants	44,400		44,400
			Official travel	100,200		100,200
			Operating costs	4,000		4,000
			Information and comm. techn.	11,200		11,200
			Total gross expenditure	1,578,700		1,578,700
			Total net resources	1,578,700		1,578,700

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

¹ Based on periodic reports from the Focal Point on Ethics and Accountability.

Resources

Programme B.5: Ethics and Accountability

Resource estimates (in euros)

Posts			2014-2015 estimates (after recosting)		
Professional	General Service	Total	Regular budget	Operational budget	Total
1.00	0.00	1.00	Staff costs	330,400	330,400
			Official travel	20,700	20,700
			Operating costs	2,000	2,000
			Total gross expenditure	353,100	353,100
			Total net resources	353,100	353,100

MAJOR PROGRAMME C: THEMATIC PRIORITIES

General description

This Major Programme provides, within the scope of the constitutional mandate of UNIDO, 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: Regional Programmes and Cross-cutting issues, and reinforced by Programme C.5: Field Operations Support.

Moreover, a number of affiliated services are embedded within the Programmes C.1 to C.4 to ensure suitable resource allocations for the development and design of the Organization's technical cooperation activities, an effective coordination and reporting structure for these activities, and their results-oriented implementation.

Objective

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

Resources

Major Programme C: Thematic Priorities

Resource estimates (in euros)

Posts			2014-2015 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
211.85	175.00	386.85	Staff costs	51,350,337	21,909,700	73,260,037
			Consultants	73,500	1,342,700	1,416,200
			Meetings	337,700	192,500	530,200
			Official travel	1,544,300	1,528,200	3,072,500
			Operating costs	5,304,080	1,537,300	6,841,380
			Information and comm. techn.	1,022,000		1,022,000
			RPTC/SRA	14,476,626		14,476,626
			Total gross expenditure	74,108,543	26,510,400	100,618,943
Technical cooperation (extrabudgetary)	318,798,500		Income	(2,431,500)		(2,431,500)
			Total net resources	71,677,043	26,510,400	98,187,443
			Total resources (including extrabudgetary TC)			416,985,943

Major Programme C: Thematic Priorities

By programme

	Posts		Regular and operational budgets	Technical cooperation (extrabudgetary)	Total
	P	GS			
C.1. Poverty Reduction through Productive Activities	74.70	29.15	31,235,626	85,658,000	116,893,626
C.2. Trade Capacity-building	48.90	18.70	17,506,267	53,709,000	71,215,267
C.3. Environment and Energy	76.95	37.80	33,433,426	179,423,500	212,856,926
C.4. Regional Programmes and Cross-cutting Issues	11.30	1.35	4,804,124	8,000	4,812,124
C.5. Field Operations Support	0.00	88.00	11,208,000		11,208,000
C. Total Major Programme	211.85	175.00	98,187,443	318,798,500	416,985,943

Programme C.1: Poverty Reduction through Productive Activities

General description

The reduction of poverty remains an overriding objective of UNIDO's technical cooperation; the specific contribution of the Organization within the United Nations system is predicated on the argument that long-lasting solutions can be found in the creation of employment and incomes, particularly for vulnerable segments of the society and in rural areas.

The creation of value by small and medium enterprises or by smallholder communities can in the long-run convert existing assets such as a youthful workforce, minerals, ores, land, or agricultural commodities into new economic wealth and social progress. The expansion of productive activities for the vulnerable social groups can lift them out of poverty and malnutrition.

Increasingly, economic activities are embedded in a web of relationships, in clusters and along value chains and at a time of rapid advancements in science and technology and international flows of trade and investment, growing competitive pressures place new demands on industrial organization. A model of "romanticized poverty", characterized by self-reliance, a focus on local markets or low-input farming cannot deliver the jobs and incomes necessary to improve livelihoods, expand choices, and offer altogether a path out of poverty for the larger, typically younger, populations and for other marginalized social groups.

A critical challenge therefore is to link small producers such as entrepreneurs, farmers and service providers along supply chains with larger firms in inclusive value chains: to promote, in other words, sustainable economic interactions that offer economic returns to large buyers and investors but also social returns by creating opportunities for social inclusion and wealth creation in rural communities, or in SME clusters.

The expansion of inclusive value chains calls for a host of inputs and collaboration between science, technology, industry, and providers of numerous services in logistics, quality control, market access and financial capital.

In keeping with global trends, Programme C.1 deliberately aims at leveraging public and private investment through targeted technical assistance interventions; when it comes to unlocking public capital, the programme builds on the advocacy role of Programme D.1, Strategic Research and Policy Advisory Services, focusing on diversification policies; where private and public capital is leveraged through partnerships for the commercialization of new knowledge.

The programme provides an integrated range of services in entrepreneurship, skill development, vocational training towards productive work for women, youth and other vulnerable groups (including

ethnic minorities and migrant workers); technology advice; the promotion of SME clusters and development of value chains; upgrading in traditional sectors; and assistance in the mobilization of investment finance.

Finally, Programme C.1 further mainstreams the sustainability dimension across the entire spectrum of its operations: social sustainability will be addressed through a renewed focus on the economic inclusion of vulnerable groups and the promotion of social standards while joint initiatives with Programme C.3, Environment and Energy, will deploy cross-disciplinary teams around greening value chains and creating green jobs, measuring carbon footprints, and promoting increased synergies in the food-energy-water nexus in general.

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

Sub-Saharan Africa

Buoyed by a young population, the largest land reserves of any continent, growing flows of private investment and high prices of agricultural commodities and minerals, Africa has grown at a rapid pace since the beginning of the millennium. However, the continent is also home to some of the most vulnerable communities in fragile eco-systems affected by climatic changes and desertification, exposed to natural disasters, or prone to recurrent civil unrest. The emphasis therefore will be on diversification policies and strategies to address human security challenges and build resilience amongst the populations at risk. Particular emphasis will be placed on generating opportunities for the poor, women and men and the youth as economic actors and consumers.

The programme will continue supporting the implementation of the African Agribusiness and Agro-Industries Development Initiative (3ADI) within the Action Plan for the Accelerated Industrial Development of Africa (AIDA). Launched at Abuja in 2010, the 3ADI programme has seen a steady expansion of its geographic scope during 2012-2013 and a growing recognition amongst leading agribusiness development initiatives in the continent under the umbrella of the Comprehensive African Agriculture Development Plan. Prospects for 2014-2015 include an explicit articulation of 3ADI with other instruments such as the network of Investment Promotion Agencies and the technology upgrading programme, and an upscaling drive through partnerships with private corporations and investment funds.

The Programme on Poverty Reduction through Productive Activities will also support the implementation of the Business Plan for the Pharmaceutical Manufacturing Plan for Africa (PMPA).

Arab Region

The popular upheaval that ignited several countries in 2011-2012 reflected to a large extent a simmering discontent over the lack of jobs and income opportunities for youth. The programme will focus on job creation through entrepreneurship development and vocational training; the creation, rehabilitation or expansion of productive sectors; and the strengthening of enterprises and institutions to meet increasingly stringent quality and food safety standards. The UNIDO Arab Programme strategy for poverty reduction in most affected countries will continue to target post-recovery programmes with specific focus on job creation schemes.

The promotion of the concept of green growth as a regional strategy remains an important concept for fostering economic growth and development, while ensuring that natural assets continue to provide the resources and environmental services on which our well-being relies.

The programme will continue to contribute to the UNDG strategy for Arab states by supporting processes and institutions of dynamic transition. This support includes a strategic approach towards poverty reduction strategies serving key transition processes and reforms toward the

development of integrated industrial policy frameworks in alignment with the process of transformational change taking place in the Arab Region.

UNIDO has prioritized support for the Arab youth as positive force for transformative change, and will focus on measures to reduce unemployment (particularly among youth and women) in connection with the decent work agenda and bearing in mind the nexus with food security and climate change.

In line with the outcomes of the First and Second Arab Summits on Economic and Social Development held in 2009 and 2011 respectively, the programme will continue to contribute to the “Joint UN Response with Partners Advocating for Inclusive Growth and Job Creation”, especially in the areas of youth policy and regulatory reforms related to SME development. This will enable UNIDO to identify and promote productive sector strategies as well as public investment promotion and rural entrepreneurship development measures necessary for the achievement of positive human development outcomes and poverty reduction goals.

Asia and the Pacific

The region of Asia and the Pacific includes industrialized, middle income, emerging, landlocked, small island and least developed countries. While sustained growth in the past decades has significantly increased income per capita and reduced the people under poverty, the region is still home to nearly half of the world’s absolute poor.

In the biennium 2014-2015, The UNIDO Programme on Poverty Reduction through Productive Activities will focus on promoting the inclusive growth of industries operating in international, intraregional and domestic markets. UNIDO’s services will support the transformation of industrial structures to enable the countries of the region to adjust to the changing comparative and competitive advantages. Emphasis will also be given to increasing the role of women in the formal economy, and to strengthening national capabilities for the development of industrial policies, the enhancement of institutional infrastructure, the promotion of investment and technology, the efficient use of resources, the strengthening of industrial organizations and business associations, and the development of entrepreneurship and technical skills particularly among the youth.

Europe and the Newly Independent States (NIS)

All countries in the region belong to the middle-, or upper middle-income group except two, Kyrgyzstan and Tajikistan. The region is rich in natural resources but is witnessing rising poverty and inequality within and among countries, and high levels of social and economic exclusion.

The programme will therefore continue to support government efforts in pursuing strategies for sustainable economic growth, improving competitiveness, and diversification of the economic base, as well as social and economic inclusion. New initiatives launched in 2014-2015 will target job creation for youth, women, ethnic minorities and migrants through skill upgrading and the promotion of SMEs, entrepreneurship, business linkages and networks, technology upgrading, especially in traditional industries such as culture-based and food related industries as well as the automotive industry. Projects will address the need of new entrepreneurs for access to finance and will help with setting up special purpose funds for youth business start-ups with local financial institutions.

Agro-industry projects will promote job and income creation for the rural population through the increased utilization of locally grown and processed food, efficiency growth through the introduction of modern and cost saving technologies, product diversification and packaging, and through marketing and supplying these products effectively to national, regional and global markets. Increasing processing and marketing of local agricultural and food products will contribute to improved quality of life and food security for many poor families.

Latin America and the Caribbean (LAC)

Most of the economies in Latin America belong to the middle-income category, while some are global players in the agribusiness sector with large outputs of commodities such as soya, sugar cane, maize, timber, or red meat. Most of the countries of the region nevertheless remain plagued by large pockets of poverty and limited employment opportunities, in particular in rural areas.

The programme will therefore offer differentiated services across the region: it will pursue successful initiatives in SME cluster development and the outward orientation of SMEs in export consortia; it will develop and implement inclusive value chains for rural communities. In the Andean region for instance, the programme will concentrate on products such as cocoa, quinoa and wool products. It will also support the promotion of creative industries and the handicraft sector, in particular in the Caribbean region.

The UNIDO Industrial Knowledge Bank will continue to promote South-South cooperation among the countries of LAC. New partnerships will be secured to provide more assistance in poverty reduction and productive employment initiatives.

Objective

To support poverty reduction and the creation of employment and income opportunities for all segments of society through socially inclusive industrial development, especially through the promotion of small and medium-sized enterprises and agribusiness.

Contribution to the Millennium Development Goals

Programme C.1 contributes to MDG 1 (eradicating extreme poverty and hunger), MDG 3 (promoting gender equality and empowerment of women) and MDG 8 (developing a global partnership for development).

Expected impact

<i>Programmatic impact</i>	<i>Performance indicators</i> ¹
Women and men are equally empowered to generate and increase their income by engaging in competitive industrial activities.	<ul style="list-style-type: none">• Increased job opportunities, in particular for the target groups of the poor, women and youth.• New enterprises created.• Increases in turnover and exports of target groups.• Increases in labour productivity in target groups.

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

Expected country-level outcomes

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

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

Resources

Programme C.1: Poverty Reduction through Productive Activities

Resource estimates (in euros)

Posts			2014-2015 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
74.70	29.15	103.85	Staff costs	17,619,252	6,005,585	23,624,837
			Consultants	73,500	254,900	328,400
			Meetings	143,600	48,500	192,100
			Official travel	62,100	253,400	315,500
			Operating costs	152,600		152,600
			RPTC/SRA	6,912,389		6,912,389
			Total gross expenditure	24,963,441	6,562,385	31,525,826
Technical cooperation (extrabudgetary)			Income	(290,200)		(290,200)
	85,658,000		Total net resources	24,673,241	6,562,385	31,235,626
			Total resources (including extrabudgetary TC)			116,893,626

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 services under 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.

With regard to quality assurance and monitoring, the programme component will coordinate the operation of a harmonized quality assurance system for all activities covered by Programme C.1. from “quality at entry” to “quality at delivery”. It will also ensure that UNIDO staff members adhere to established RBM-based quality standards at all stages of the technical cooperation programme/project cycle.

Communication and promotion of the strategies and activities of Programme C.1 within UNIDO, the United Nations system and the public at large will also be ensured. Close cooperation with other international organizations engaged in complementary focus areas, including FAO, IFAD, ILO, WHO and UNAIDS and UN Women, is expected to improve funding for both parties. Further discussions with donors will be undertaken in order to ensure that the required funding for the programmes developed under this thematic priority will be made available.

In a similar vein, the programme component will initiate and facilitate advocacy activities on specific issues regarding the thematic priority “Poverty Reduction through Productive Activities”.

Objective

To ensure the effective management and promotion of Programme C.1 in accordance with the requirements of UNIDO’s Member States and to support the effective operation of Programme C.1 through the mobilization of the required resources and in accordance with high quality standards and RBM principles.

Contribution to expected impact

<i>Contribution</i>	<i>Performance indicators</i> ¹
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"> Thematic strategies provide a clear link between UNIDO’s activities, global goals (including the MDGs) and country needs.

¹ 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> ¹
UNIDO’s strategies and activities under the thematic priority of Poverty Reduction through Productive Activities effectively support regional and national strategies.	<ul style="list-style-type: none"> New policies, strategies, laws, regulations approved or enacted. Number of enterprises positively affected by the policy changes.
<i>Contribution to institutional outcome</i>	<i>Performance indicators</i> ¹
UNIDO’s strategies and activities under the thematic priority of Poverty Reduction through Productive Activities help strengthen national capacities to promote inclusive growth.	<ul style="list-style-type: none"> Number of policy implementers trained.

¹ 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> ¹
Activities undertaken by UNIDO under the thematic priority of Poverty Reduction through Productive Activities are efficient, effective and results-oriented. UNIDO's development services are regularly monitored and prompt corrective action is taken to achieve results.	<ul style="list-style-type: none"> All new projects and programmes include a detailed logframe, complete with RBM workplans and a comprehensive risk management system.

¹ 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 component provides a suite of related services to enhance the contribution of the private sector to poverty reduction through sustainable industrial development. UNIDO interventions take place at the policy, institutional and enterprise levels. The programme component supports environments conducive to doing business and investing, where new enterprises are created easily; existing enterprises, and mainly SMEs, improve their competitiveness and link up with markets for acquisition of skills, technology, finance, and partnerships. The growth of SMEs and their viability, in turn, ensures the creation of jobs and higher living standards for men and women, the youth and disadvantaged groups, thereby reducing inequalities.

As such, this programme component seeks to:

- (a) Encourage increased government support for inclusive private sector development policies that are identified, formulated, implemented and monitored through public-private dialogue. Direct policy advice and implementation assistance will be provided to simplify market entry and to level the playing field for men and women; thereby creating conditions that stimulate entrepreneurial dynamism and encourage investment both by domestic firms and by foreign investors. Public and private stakeholders will be assisted in taking advantage of forward looking, knowledge-based and innovative approaches and methodologies in identifying and assessing policy options, formulating road maps and implementation strategies. Particular emphasis will be placed on supporting public-private partnerships and partnerships between the private sector, civil society and research institutions. The capacities of business membership organizations, especially chambers of commerce and industry, will be built to ensure high quality representation of the private sector in dialogues and partnerships;
- (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, inclusive 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. Linking the entrepreneurs with financial institutions to structure the right amount and mix of funding sources for the individual project will also be a crucial element of UNIDO’s programmes for inclusive business and investment promotion;

(d) As a complement to the SME development programmes, to implement UNIDO’s Business Partnership Programme which aims at strengthening linkages between trade and investment partners (producers and buyers) for enhanced development impact. This will include South-South Cooperation whenever possible. Sector specific programmes, for example in the automotive components, textiles, food-processing and information and communications technologies (ICT) industries, will permit SMEs and potential entrepreneurs to benefit from the technological and managerial expertise of large corporations, thereby enhancing their productivity and international competitiveness, and promoting the generation of employment and income opportunities;

(e) Address the distinct challenges faced by the pharmaceutical manufacturing industry in the local production of essential medicines, vaccines, diagnostics and medical devices in developing and least developed countries. These include insufficient regulatory oversight, policy incoherence that can penalize local actors compared to importers, restricted availability of skilled human resources and know-how for producing in compliance with current Good Manufacturing Practice (cGMP), inadequate access to affordable long term investment capital, limited product portfolios and fragmented demand that can limit the ability of companies to achieve efficient production. The programme component will provide a combination of policy and institutional level capacity-building activities designed to assist governments establish an enabling environment for the development of the sector, support related business membership organizations to become effective advocates for their members and to act as portals through which industry best practices can be disseminated, and on a pilot basis support companies striving for sustainable international standards. The programme component will also support the implementation of the Business Plan for the Pharmaceutical Manufacturing Plan for Africa (PMPA) and North-South and South-South collaboration in local production. Particular emphasis will be placed on generating opportunities for the poor, women and men and the youth as economic actors and consumers.

Objective

To strengthen the contribution of the private sector to inclusive industrial development through fostering conducive business and investment environments and the implementation of support and partnership programmes, especially for SMEs, entrepreneurship development, responsible investments and technology promotion and diffusion.

Contribution to expected impact

<i>Contribution</i>	<i>Performance indicators</i> ¹
Growth and employment generated through businesses and investments provide economic opportunities and higher living standards for women and men, particularly the poor, youth and other disadvantaged groups.	<ul style="list-style-type: none"> • Improved economic performance of enterprises (investment, sales, productivity, innovation, export). • Improved social performance of enterprises (employment, compliance with safety, health, quality and environmental regulations). • Growing number of entrepreneurial activities.

¹ 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> ¹
Private sector development policies are future-oriented knowledge based and encourage entrepreneurship, investment and innovation by men and women.	<ul style="list-style-type: none"> • Improved policy and legal frameworks for private sector industrial activities and investment. • Improved policy and legal frameworks for inter-firm collaboration, public-private ventures and inter-institutional coordination. • Increased advocacy and policy dialogue between the private sector and policymakers.
<i>Contribution to institutional outcome</i>	<i>Performance indicators</i> ²
Public and private institutions have the capacity to provide gender sensitive support to businesses and investors, and facilitate business linkages, investment and technology transfer.	<ul style="list-style-type: none"> • Increased use of advanced methodologies and anticipatory measures in strategy making processes. • Institutions effectively support investment and business development. • Growing numbers of SMEs avail themselves of support services. • Quality and quantity of services are regularly improved and updated.

¹ Based on project reporting and regular assessments and surveys.

² Based on mapping, gap analysis and customer surveys.

Contribution to the Millennium Development Goals

Programme Component C.1.2. contributes to MDG 1 (eradicating extreme poverty and hunger), Target 1.B (full and productive employment and decent work for all), as well as to MDG 8 (developing a global partnership for development), Target 8.E. (providing access to affordable essential drugs in developing countries), Target 8.F (access to new technologies), and market access.

Programme Component C.1.3: Agribusiness and Rural Entrepreneurship Development

General description

Most of the agricultural output in low-income countries is left unprocessed and targets local markets. It misses out economic opportunities at several levels: post-harvest losses claim up to 40 per cent of the production of perishable commodities, a figure that has been remarkably stable for decades; low levels of labour productivity and limited employment generation make farming unattractive to the youth and contribute to rural-urban migrations; price fluctuations around the time of harvest add to the vulnerability of smallholder farmers and undermine their food security.

The programme component on Agribusiness and Rural Entrepreneurship Development aims at adding value to agricultural commodities at various points of the chain of economic transactions that links input providers, farmers, traders, processors, providers of logistic services (including warehousing and cold storage), distributors and retailers.

The dominant conceptual framework remains that of agribusiness value chains: comprehensive analyses offer a rigorous base for the deployment of specialized services targeting the weaker links of the chain: agricultural mechanization, modern processing technologies, packaging of perishable products, as well as supporting initiatives to build human capital and raise total factor productivity:

focused vocational training and skill development activities, and broad-based curriculum development programmes.

The 2014-2015 biennium will see a growing emphasis on nutrition and qualitative aspects of food processing as a critical element of food security, and on sustainability aspects of agro-based value chains: water management (as agriculture absorbs the larger share of countries' freshwater resources), greenhouse gas emissions, and innovative adaptation to climate change as a means of strengthening the resilience of smallholder farmers.

Objective

To promote sustainable, inclusive business opportunities for the rural poor through agribusiness and entrepreneurship development.

Contribution to expected impact

<i>Contribution</i>	<i>Performance indicators</i> ¹
Employment and income opportunities generated along agribusiness value chains contribute to improved livelihoods and food security amongst the rural poor.	<ul style="list-style-type: none"> • New enterprises created. • Increases in turnover, exports of the target group. • Increases in labour productivity in the target group.

¹ 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> ¹
Industrial policies and strategies encourage the development of agribusiness value chains and rural entrepreneurship.	<ul style="list-style-type: none"> • Number of policies, strategies, laws or regulations approved or enacted.
<i>Contribution to institutional outcome</i>	<i>Performance indicators</i> ²
Institutions effectively support the creation of value along agribusiness value chains.	<ul style="list-style-type: none"> • Greater reliance on participatory, value chain-based mechanisms amongst public institutions. • Institutions able to drive alignment of public and private investment in agribusiness.

¹ Based on regular assessments and surveys.

² Based on mapping, gap analysis and customer surveys.

Contribution to the Millennium Development Goals

Programme Component C.1.3. contributes to MDG 1 (eradicating extreme poverty and hunger), Target 1.B (full and productive employment and decent work for all), as well as to MDG 3 (promoting gender equality and empowerment of women).

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. Although women and youth are not a homogenous group and their circumstances vary according to age, class, education, ethnicity, location

and other cultural- and socio-economic characteristics, it is widely acknowledged that women and youth bear a disproportionate burden of global poverty. Large and growing youth unemployment threatens sustainable development and social stability, and women continue to experience barriers in almost every aspect of economic life. Women suffer from persistent social and cultural discrimination and unequal access to and control over assets and services.

The primary focus of the programme component is on the knowledge, skills, technologies and business support services needed to enable women and youth to engage in productive activities, generate income, and thereby reduce poverty.

The capacity of national governments to develop policies towards an enabling environment for economic growth that is gender- and age- responsive is addressed through this programme component. At the institutional level, the programme component also deals with capacity-building by improving education systems, training institutions and technology-business centres to enhance the quality of their services towards women and youth so that they are equipped with the knowledge, skills and attitudes to seize economic opportunities, gain control of their lives and exert influence in society. Gender equality is promoted by increasing opportunities for both girls and boys to make life choices that go beyond limiting norms about gender, for example through education and the ability to make vocational choices that combat gender divisions in the labour market. The programme component also concentrates on the creation of an enabling environment for women entrepreneurs; support for youth entrepreneurship; and the promotion of clusters and partnerships to facilitate access to information, technology and markets for women and youth.

Objective

To facilitate the increased participation of women and youth in productive activities, and enable them to benefit from these activities in ways that recognize the value of their contributions, respect their dignity and improve their ability to bring about positive change in society through improved access to economic resources and opportunities.

Contribution to expected impact

<i>Contribution</i>	<i>Performance indicators</i> ¹
Women and youth improve their position, income and living conditions by participating in productive activities.	<ul style="list-style-type: none"> • Growing number of women and youth engage in productive jobs as employees or entrepreneurs. • Increased number of youth and women in the formal sector and at higher levels of the value chain. • Improved social performance of enterprises.

¹ Based on project reporting and regular assessments and surveys.

Contribution to expected country-level outcomes

<i>Contribution to policy outcomes</i>	<i>Performance indicators</i> ¹
Industrial policies and strategies incorporate a gender perspective promoting gender equality and women’s empowerment in productive sectors in accordance with national development plans, policies and strategies.	<ul style="list-style-type: none"> • Improved policy and legal frameworks for gender equality and women’s empowerment in industrial activities. • Industrial policies set quantifiable and gender-disaggregated objectives to identify and address women’s specific needs. • Increased advocacy and policy dialogue between the private sector and policymakers on related issues.
<i>Contribution to institutional outcome</i>	<i>Performance indicators</i> ²
Solutions generated for strengthened capacity of national and local institutions to support the participation of women and youth in productive activities.	<ul style="list-style-type: none"> • National and local institutions effectively and sustainably support participation of women and youth in productive activities. • Increased participation of women and youth in related institutions and associations.

¹ Based on regular assessments and surveys.

² Based on mapping, gap analysis and customer surveys.

Contribution to the Millennium Development Goals

Programme Component C.1.4. contributes to MDG 1 (eradicating extreme poverty and hunger), Target 1.B (full and productive employment and decent work for all, including women and young people), as well as to MDG 3 (promoting gender equality and the empowerment of women).

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

General description

Natural and man-made crises strike the developing world with a disturbing regularity. They undermine socio-economic progress in many ways: they destroy capital, both human and physical; they disrupt livelihoods, economic activity and the functioning of markets; they trigger massive dislocations of populations; and they exacerbate vulnerabilities and food insecurities amongst the rural poor in particular.

Programme Component C.1.5, Human Security and Post-Crisis Rehabilitation, contributes to the restoration of livelihoods devastated by conflicts and natural disasters by creating economic opportunities for the affected populations — internally displaced persons, demilitarized groups or simply civilians striving to rebuild their lives after a flood or a prolonged period of internal strife.

Objective

To enhance the human security of vulnerable groups by raising skills for greater (self-) employability and rehabilitating productive capacities.

Contribution to expected impact

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

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

¹ Based on regular assessments and surveys.

² Based on mapping, gap analysis and customer surveys.

Contribution to the Millennium Development Goals

Programme Component C.1.5. contributes to MDG 1 (eradicating extreme poverty and hunger), Target 1.B (full and productive employment and decent work for all).

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.

One of the key challenges faced by industries in developing countries is how to enter as suppliers 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 standards and technical regulations, as well as social, environmental and corporate social responsibility (CSR) guidelines.

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) Analysing and assessing trends in trade 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 (SPS) measures as well as buyers' requirements;
- (b) Implementing efficient and result-orientated projects that lead to sustainable infrastructure and services in the realm of standardization, metrology, accreditation, conformity assessment, technical regulation, and SPS measures, in particular with regard to food safety and consumer protection;
- (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; and
- (e) Assisting SMEs in achieving social, ethical and environmental sustainability through CSR-related requirements to integrate into local and global supply chains.

Since a globally recognized quality 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.

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 engage in partnerships with relevant institutions to support trade capacity and reduce rejections of products from developing countries, particularly in agro-industrial sectors, where food safety and sustainability concerns of are paramount.

Promoting export consortia in developing countries is 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.

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

Sub-Saharan Africa

Despite the challenge posed by the financial and economic crisis that erupted in 2008 and continues to affect the global economy, 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 its trading opportunities, especially in manufactured exports. 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, other similar programmes will be launched. Other important initiatives that will be carried out under this programme include supporting the Economic and Monetary Community of Central Africa (CEMAC) as well as the West African Economic and Monetary Union (UEMOA).

Arab Region

The Arab region has been particularly exposed to several crises (financial, economic and political), which have led to a slowdown in exports, foreign direct investment, and other economic indicators. Under this programme UNIDO will therefore continue to 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 export consortia. In North Africa, UNIDO will continue to focus on the opportunities available to local industries for trade with the countries of the European Economic Area, and will promote private sector development, traceability for agro-industrial exports and improved quality management.

Within the framework of the Aid for Trade initiative the programme will promote the strengthening of the infrastructure required to meet international and local standards and technical regulations, and to assess the conformity of the goods and services throughout agribusiness value chains. A specific focus on SMEs in rural areas will be explored to strengthen the capacities of rural entrepreneurs with regard to standardization and conformity assessment in compliance with WTO rules and regulations.

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 accounted for almost 40 per cent of global manufactured exports in 2010. 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 least developed countries (LDCs), lacking supply capacities for meaningful participation in trade.

In order to improve the competitiveness of such countries, this programme 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

UNIDO will continue to assist countries in the region to meet international standards that will improve their participation in cross-border trade, particularly through a focus on value chains and enhancing export potential and competitiveness. Conformity assessment, standardization, certification, and quality control will be important aspects of UNIDO's efforts in this regard. A further area requiring attention will be compliance with international and private social and environmental standards.

UNIDO will enable the modernization of local industries by strengthening private sector development and competitiveness, particularly for SMEs. Project activities will focus on supporting manufacturers and suppliers to comply with quality standards and will explore the problems that SMEs face, and subsequently help them to upgrade their performance through direct counselling and shop-floor training to bring their capacities in line with existing quality requirements. Specifically, UNIDO will examine the ability of countries in the region to meet internationally accepted standards related to trade and will formulate action plans to strengthen the conformity assessment systems for trade enhancement. Continuing projects will target the development of competitive supply or value chains in the textile and automotive component industries. Training will also be provided for government officials, policymakers, quality management professionals and trade and industry leaders engaged in trade policy and institutional development processes.

UNIDO assistance will further focus on supporting the modernization of national statistical offices (NSOs) of the region in order to enable them to produce timely and internationally comparable statistics relevant for benchmarking production and specialization patterns.

Provision of training in this area will include capacity-building for governments, leading to better monitoring of production patterns and trade performance.

Latin America and the Caribbean

The region has maintained its share of global manufacturing trade at a little under five per cent during the course of the past decade, with some countries and sub-regions taking greater advantage of free trade agreements than others. In this connection, UNIDO will tailor its development services under this programme to the specific needs of individual countries and economic groups in the various subregions. Emphasis will be given to strengthening economic integration at the subregional level, including the Andean Community, the Caribbean Community (CARICOM), the Secretariat for Central American Integration (SIECA), and the Southern Common Market (MERCOSUR) regional groups. Specific areas for focus in the biennium 2014-2015 will include the strengthening of the national quality infrastructure (standards, metrology, conformity assessment), as well as traceability systems, upgrading and modernization of enterprises to add value and increase competitiveness, and strengthening agro-industrial value chains.

At the regional level, the Programme will aim to establishing a closer partnership with the CELAC — the Community of Latin American and Caribbean States — in the field of productive transformation and innovation for the creation of sustainable employment.

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.

Contribution to the Millennium Development Goals

Programme C.2 contributes to MDG 1 (eradicating extreme poverty and hunger), MDG 3 (promoting gender equality and empowerment of women) and MDG 8 (developing a global partnership for development).

Expected impact

<i>Impact</i>	<i>Performance indicators</i> ¹
Industries are enabled to produce and trade goods and services that meet international public and private standards, and benefit increasingly from globalization.	<ul style="list-style-type: none">• Increased exports.• Reduced rejection rates of exported products.• New products brought to the regional and global markets.

¹ 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> ¹
International standards and compliance: Policies and regulations enhance opportunities for international industrial cooperation and rule-based, non-discriminatory patterns of trade.	<ul style="list-style-type: none"> • Trade policies give priority to industrial development. • Effective policy dialogue between public and private sector, including consumers. • Harmonized policy framework on quality, technical regulations, food safety and trade. • Consumers are effectively protected from substandard imports.
<i>Institutional outcome</i>	<i>Performance indicators</i> ¹
Standardization and trade support institutions: Support organizations, adopt and disseminate international public and private standards and technical regulations, and provide trade-enabling assistance to enterprises seeking to supply international market opportunities.	<ul style="list-style-type: none"> • National and international standards are aligned (harmonized) and relevant to enterprises. • Support organizations serve increased numbers and types of enterprises. • Enterprises have access to necessary trade related services. • Enterprises are satisfied with quality of services.

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

Resources

Programme C.2: Trade Capacity-building

Resource estimates (in euros)

Posts			2014-2015 estimates (after recosting)			
Professional	General Service	Total	Regular budget	Operational budget	Total	
48.90	18.70	67.60	Staff costs	9,677,455	5,757,675	15,435,130
			Consultants		150,900	150,900
			Meetings	48,000	14,000	62,000
			Official travel	26,900	144,900	171,800
			Operating costs	50,300		50,300
			RPTC/SRA	1,862,337		1,862,337
			Total gross expenditure	11,664,992	6,067,475	17,732,467
Technical cooperation (extrabudgetary)			Income	(226,200)		(226,200)
	53,709,000		Total net resources	11,438,792	6,067,475	17,506,267
			Total resources (including extrabudgetary TC)			71,215,267

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.

With regard to quality assurance and monitoring, the programme component will coordinate the operation of a harmonized quality assurance system for all activities covered by Programme C.2. from “quality at entry” to “quality at delivery”. It will also ensure that UNIDO staff members adhere to established RBM-based quality standards at all stages of the technical cooperation programme/project cycle.

Communication and promotion of the strategies and activities of Programme C.2 within UNIDO, the United Nations system and the public at large will also be ensured. Close cooperation with other international organizations engaged in complementary focus areas, including ITC, UNCTAD, WIPO and WTO is expected to improve funding for both parties. Further discussions with donors will be undertaken in order to ensure that the required funding for the programmes developed under this thematic priority will be made available.

In a similar vein, the component will initiate and facilitate advocacy activities on specific issues regarding the thematic priority of trade capacity-building.

Objective

To ensure the effective management and promotion of Programme C.2 in accordance with the requirements of UNIDO’s Member States and to support the effective operation of Programme C.2 through the mobilization of the required resources and in accordance with high quality standards and RBM principles.

Contribution to expected impact

<i>Contribution</i>	<i>Performance indicators</i> ¹
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"> Thematic strategies provide a clear link between UNIDO’s activities, internationally agreed goals (including the MDGs) and country needs.

¹ 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> ¹
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"> Thematic strategies are regularly monitored and updated. Governments and intergovernmental bodies make use of UNIDO’s thematic strategies.

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

¹ 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 aims at strengthening the capacities of developing countries for trade, and specifically at enabling them to meet market requirements for quantity, quality, safety and the social/environmental sustainability of their products and services. Adapting pro-actively to international developments in environmental protection, the greening agenda and sustainability, energy, and food safety and security, the component builds on cross-linkages with other programme components in order to facilitate the competitiveness and market access of the beneficiary industries. Hence, the services under this programme component are undertaken by fostering strong cooperation with other UNIDO programmes as well as with external partners, including South-South cooperation.

Based on a thorough analysis of comparative advantages, including factors such as natural endowments, available skills, capacities to access and absorb technologies and the availability of relevant support infrastructures or their potential to be strengthened, selected value chains will be targeted for support towards improved trade performance. This will be done predominantly through support to regional and national institutions offering targeted services to upgrade enterprise quality, safety, productivity and export capacity and enable them to better integrate into local, regional and global supply or value chains.

As necessary, the programme component will also intervene at policy level, especially to improve the policy dialogue between the private sector and governments on issues related to trade competitiveness, as well as at the micro level through the strengthening of support services such that enterprises with improved capacities can increase their market share and/or reach out to new markets, create higher quality and more sustainable manufacturing jobs.

This programme component thus aims to:

- (a) Provide assistance in setting up and upgrading national and regional business support institutions in quality, productivity and trade compliance;
- (b) Implement demonstration programmes for enterprises to enable them to better integrate into local, regional or international supply or value chains including upgrading plans for price, quality and delivery of products and services in manufacturing sectors such as food processing, textile and garments, leather, wood processing, pharmaceuticals and engineering industries;
- (c) Build technical competencies (trainers, consultants, enterprises staff, auditors) to assist companies in meeting international standards, technical regulations, and private standards, including traceability systems.

Food safety is one of the key market requirements for international trade of food and agribusiness products. Under this programme component, UNIDO will help developing countries to strengthen their food safety compliance capacities with a focus on private as well as global food safety standards.

The services provided by UNIDO will include policy reforms and streamlining of national food safety and sanitary and phytosanitary (SPS) standards, institutional capacity-building in food safety training, certification and consulting, and benchmarking national food safety schemes. UNIDO will continue to cooperate with international partners in the food safety domain such as Codex Alimentarius and the Global Food Safety Initiative (GFSI).

Objective

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

Contribution to expected impact

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

¹ Demonstrated in pilot projects and assessed through regular surveys.

Contribution to expected country-level outcomes

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

¹ Based on business surveys and regular assessments.

² Based on mapping, gap analysis and customer surveys.

Contribution to the Millennium Development Goals

Programme Component C.2.2. contributes to MDG 1 (eradicating extreme poverty and hunger), Target 1.B (full and productive employment and decent work for all), as well as to MDG 8 (developing a global partnership for development) in the area of market access.

Programme Component C.2.3: Quality and Compliance Infrastructure

General description

The programme component aims to implement efficient and result-orientated projects that lead to sustainable infrastructure and services in the realm of standardization, metrology, accreditation, conformity assessment, technical regulation, and SPS measures collectively referred to as quality infrastructure. In addition, the programme component aims to increase the knowledge base at the international level, and amongst partners and beneficiaries, regarding the role of standardization and quality for trade through such activities as research, advocacy and information dissemination, inter alia through the issuance of relevant publications.

Against this background, the programme component provides the following specific services:

- (a) Quality system evaluation and quality policy development: Role clarification, leading to an appropriate multi-layered governance structure amongst the organizations that make up the quality system is crucial for the sustainability of the whole system. Project design will be based on an analysis of the current quality infrastructure, and the future situation as articulated in a quality policy. The latter will be developed and agreed to if it does not already exist;
- (b) Basic quality infrastructure development: Conformity assessment services and the implementation of technical regulations and SPS measures will not be effective if the basic elements of the national quality infrastructure (NQI) are not in place, namely standards, metrology and accreditation. Before conformity assessment services are developed, the interventions will ensure that these three basic elements are available at an appropriate level;
- (c) Conformity assessment: The provision of conformity assessment services enhances export capacities and the quality of imports by ensuring compliance with public or private standards, technical regulations and SPS measures. UNIDO services to support capacity development in this area will consist of a general approach combined with a specific technological input depending on the defined needs of individual countries for inspection bodies, testing laboratories, certification bodies and calibration laboratories, as well as the accreditation of these bodies to international standards;
- (d) Technical regulation framework: Technical regulation in developing countries is to a large extent realized by mandatory standards and mandatory certification, rather than modern technical regulation and market surveillance. This situation has a negative effect on trade. These out-of-date systems need to be modernized, and the services provided under this programme component will focus on technical regulation regime evaluation, policy and legislation development, market surveillance and import inspection system development in parallel with NQI development;
- (e) Food safety control (in the SPS domain): The food and feed supply chain is governed by SPS measures, food safety standards and private standards of the major purchasers such as multinational and other retail organizations and the so-called “farm to fork” approach for traceability. Hence, this programme component will provide the whole range of required interventions, such as SPS policy development and implementation, laboratory capacity development (for the testing of water, soil, fertilizers, pesticides and pesticide residues, heavy metals, aflatoxins, food and feeds, etc.), traceability systems for the food supply chain, consultancy to implement food safety related management systems, establishment of certification bodies for food safety management systems, implementation of transport and warehousing management systems to ensure continued integrity of foods and feeds from field to market, and the establishment or strengthening of competent authorities;
- (f) Building and upgrading national and regional accreditation bodies: The performance of local and regional laboratories, inspection and certification bodies needs to be assessed and approved by accreditation bodies. In this process it is crucial that the developing country

accreditation bodies gain international recognition through the International Accreditation Forum (IAF) Mutual Recognition Arrangement or the International Laboratory Accreditation Corporation (ILAC) Mutual Recognition Arrangement;

(g) Quality Awareness and Promotion: The sustainability of the quality infrastructure depends on the demand for its services. In many developing countries and economies in transition, quality awareness among consumers and manufacturers needs to be built-up side by side with infrastructure development. In cooperation with national and regional associations, awareness raising and promotion activities will be undertaken in the form of quality awards, regular campaigns and support to educational institutions to include quality in the their curricula. Awareness of the role of standards and quality will be built into public procurement agencies and financial institutions, who can provide additional incentives for companies to attain internationally accepted standards of quality for their products.

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. To increase local and foreign consumer safety as well as the domestic and international trade flows.

Contribution to expected impact

<i>Contribution</i>	<i>Performance indicators</i> ¹
Businesses comply with national, international and private standards as well as technical regulations, leading to increased trade opportunities and lower risk to consumers, workers and the environment.	<ul style="list-style-type: none"> • Improved quality performance of companies. • Improved protection against substandard imports. • Improved social performance of companies (jobs created/preserved; better salaries; better safety; better qualified staff; employability; more job security). • Improved environmental performance of companies (emissions, material efficiency, energy efficiency, local community protection, improved eco-efficient products).

¹ Demonstrated in pilot projects and assessed through regular surveys.

Contribution to expected country-level outcomes

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

¹ Based on business surveys and regular assessments.

² Based on mapping, gap analysis and customer surveys.

Contribution to the Millennium Development Goals

Programme Component C.2.3. contributes to MDG 1 (eradicating extreme poverty and hunger), Target 1.B (full and productive employment and decent work for all), as well as to MDG 8 (developing a global partnership for development) in the area of market access.

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 programme component is integrated both functionally and methodologically with UNIDO's activities in cluster and business linkages and with corporate social responsibility for market integration, and includes two main areas of intervention:

- (a) The creation of export and origin consortia in different sectors, including cooperatives and small producers of traditional food and handicraft products, by identifying and promoting typical products that can be identified with a country, a region or a geographical area;
- (b) The insertion of micro, small and medium enterprises (MSMEs) into regional and global value chains through sustainable supplier development measures linking buyers and suppliers in priority and strategic supply chains.

Through the delivery of technical cooperation and policy advice, the programme component will facilitate the diffusion of knowledge and the development of specialized skills through the organization of global and regional training, e-learning courses and demonstration activities in these areas. This will enable the enterprises supported by the programme component to complement their individual capabilities, jointly achieve economies of scale, increased negotiation ability and scope, and increase their access to resources and markets within a conducive institutional environment fostering cluster to cluster and business-to-business (B2B) linkages. In line with the pro-poor framework, emphasis will continue to be placed on local economic development (LED) generating opportunities for the poor, as economic actors, workers and consumers. To this end, pro-poor value chain development will support the integration of small producers into “formal” value chains.

Objective

To facilitate the inclusion of small producers and suppliers into formal value chains for improved access to international markets through the development of export/origin consortia with a view to promote and generate increased income, job opportunities and pro-poor growth.

Contribution to expected impact

<i>Contribution</i>	<i>Performance indicators</i> ¹
Export/origin consortia of micro, small and medium enterprises (MSMEs) provide economic opportunities for small producers to access domestic and export markets and achieve economies of scale and better living conditions for the poor.	<ul style="list-style-type: none"> • Improved economic, social and environmental performance of MSMEs and access to domestic and export markets. • Inclusive integration of small suppliers into formal supply chains and with local public and private institutions and service providers. • Increased job opportunities and employability prospects in particular for youth and women. • Increased and equitable levels of income from productive activities at the local level.

¹ 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> ¹
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"> • Improved policy and legal frameworks for inter-firm collaboration and export and origin consortia including Geographical indication. • Increased advocacy and policy dialogue between the private sector and policymakers on clusters and business linkages among enterprises for market access.

¹ Based on business surveys and regular assessments.

<i>Contribution to institutional outcome</i>	<i>Performance indicators</i> ¹
Public and private institutions support MSMEs in creating and export/origin consortia on a sustainable basis and their integration into global value chains.	<ul style="list-style-type: none"> • Support institutions effectively assist growing numbers of business to form clusters, networks and both export and origin consortia. • Quality and quantity of services are regularly improved and updated. • Support institutions are operating sustainably. • Small producers have access to services to enable them to enter formal supply chains of buyers and retailers.

¹ Based on mapping, gap analysis and customer surveys.

Contribution to the Millennium Development Goals

Programme Component C.2.4. contributes to MDG 1 (eradicating extreme poverty and hunger), Target 1.B (full and productive employment and decent work for all), as well as to MDG 8 (developing a global partnership for development) in the area of market access.

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

General description

The programme component assists MSMEs in developing countries to integrate into global value chains by responding to social, ethical and environmental sustainability regulations and standards that play an increasingly important part on sourcing and buying decisions of governments, investors buyers and consumers in addition to the more traditional price, quality and delivery (PQD) variables. With MSMEs representing more than 90 per cent of all businesses in most developing countries, their adherence to sustainability principles and 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.

The programme component will further develop methodologies and tools to ensure that MSMEs are able to comply with market requirements and build their capacities to tap into the potential competitive advantage and market opportunities through their integration into domestic and global value chains. It will also support the upgrading of the UNIDO Responsible Entrepreneurs Achievement Programme (REAP) training and monitoring tool, complemented with assessment and upgrading systems, and promote the diffusion of knowledge and the development of specialized skills through global and regional capacity-building programmes and by strengthening its strategic alliances with global buyers and among national and regional organizations and enterprises.

Objective

To assist MSMEs in achieving social, ethical and environmental sustainability and respond to CSR-related requirements to integrate into local and global supply chains.

Contribution to expected impact

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

¹ 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> ¹
Relevant public policy frameworks and incentive schemes are conducive to the uptake of responsible business principles amongst MSMEs.	<ul style="list-style-type: none"> Increased public policy frameworks and initiatives with explicit reference to sustainability and CSR for MSMEs. Increased advocacy and policy dialogue between the private sector and policymakers on sustainability and CSR related issues.
<i>Contribution to institutional outcome</i>	<i>Performance indicators</i> ²
Public and private sector institutions support MSMEs in adopting CSR approaches and in applying to social and environmental sustainability standards.	<ul style="list-style-type: none"> Relevant support institutions effectively assist a growing numbers of MSMEs on sustainability and CSR uptake. Quality and quantity of provided support services are regularly improved to improve sustainability of supply chains.

¹ Based on business surveys and regular assessments.

² Based on mapping, gap analysis and customer surveys.

Contribution to the Millennium Development Goals

Programme Component C.2.5. contributes to MDG 1 (eradicating extreme poverty and hunger), Target 1.B. (achieving of full and productive employment and decent work for all), MDG 7 (ensuring environmental sustainability), as well as to MDG 8 (developing a global partnership for development) in the area of market access.

Programme C.3: Environment and Energy

General description

Industrial and economic growth is fuelled by an increasing demand for energy and natural resources that strains the renewal and assimilative capacities of the natural environment. Thus it is fair to say that producing and using energy and other natural resources efficiently from sustainable sources, thereby easing the pressure on the natural environment, is a precondition for sustainable development. Energy and the environment constitute the two most important pillars of sustainable development. These two pillars are high on the global policy agenda and need to be addressed in tandem.

At the Rio+20 Conference in June 2012 the global community acknowledged the need to further mainstream sustainable development at all levels, integrating the economic, social and environmental dimensions of sustainable development and recognizing their interlinkages. They also recognized that poverty eradication, changing unsustainable and promoting sustainable patterns of consumption and production, and protecting and managing the natural resource base are the overarching objectives of, and essential requirements for, sustainable development. The global community has also supported the United Nations Secretary-General's initiative on Sustainable Energy for All, and its three interlinked objectives of promoting universal energy access, doubling energy efficiency and doubling the share of renewable energy in the overall energy mix by 2030.

The Rio+20 outcome document highlights the fact that eradicating poverty is the greatest global challenge facing the world today and an indispensable requirement for sustainable development. The intertwined nature of energy, environment and industrial growth in the modern context puts UNIDO in a unique position to mainstream clean, efficient and low-emission energy technologies into its thematic priorities.

Given the present trends in consumption and population growth, it is clear that our planet cannot continue to withstand the growing levels of pollution and resource extraction without a continuation of the adverse consequences that have become evident over the past few decades. Adjustments are therefore needed in both the developed and developing countries. The international concern over global climate change is increasing the attention being given to these issues. The impacts of climate change may be particularly severe for developing countries, including 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 failures could occur simultaneously in many countries, creating a potentially unmanageable food scarcity.

The promotion of renewable energy and energy efficiency markets and industry at a systemic level plays an integral role in addressing the challenges of energy poverty, energy security and climate change simultaneously. That is, economic development can only be achieved if there is access to sustainable, affordable and locally relevant clean energy solutions to power productive and related activities. Standards in industrial energy efficiency and renewable energy can be instrumental in achieving national and international energy and trade objectives as they represent policy-driven market-based tools that are voluntary in nature, but enhance the competitiveness of industry and facilitate international trade and fair market access. However, policymakers and the private sector in developing countries face numerous challenges in implementing such standards, including effective conformity assessment services as well as technical know-how on how to adopt them.

UNIDO has long recognized that energy and environmental issues related to industry must be addressed effectively and comprehensively. The Organization has also long promoted preventive approaches, including energy and resource efficiency and cleaner production in industrial development. While national and sectoral initiatives are being developed, UNIDO can promote the harmonization of international standards and stimulate their adoption. In this connection, UNIDO has recently launched its Green Industry Platform initiative and the ISO 50001 Energy Management Systems standard as a flagship tool for policymakers promoting industrial energy efficiency measures. UNIDO also has been actively involved in assisting Governments of developing countries that are signatories to the Montreal Protocol to comply with their requirements to phase out ozone depleting substances (ODS) through transferring non-ODS based technologies and supporting them to meet the set targets of tonnages of ODS to be eliminated.

UNIDO believes that green industry is a two-pronged agenda for sustainable industrial development. Firstly, it covers the greening of industries, under which all industries continuously improve their resource productivity and environmental performance, through such practices as cleaner production, Reduce, Reuse & Recycle (3R), energy and water efficiency, and the environmentally sound management of chemicals. Secondly, it aims to create green industries, that deliver environmental

goods and services in an industrial manner, including for example waste management and recycling services, renewable energy technologies, environmental analytical and advisory services. Green Industry therefore is pivotal as the sector strategy for green growth and green economy in the manufacturing and related productive sectors. Capacity-building activities and the transfer of environmentally friendly technologies gives the beneficiaries the opportunity to adopt more energy and resource efficient methods, and improve the quality of their products.

Resource efficiency applies equally to materials, energy and water. It reduces greenhouse gas emissions from energy generation and use, materials extraction and processing, transportation and waste disposal. Sustainable industrial energy strategies that include the adoption of renewable energy sources as well as energy efficiency are thus critical for addressing climate change by moving economies onto a lower carbon and climate resilient growth path. Given the strong linkages between access to reliable and affordable energy and the achievement of the MDGs, UNIDO's energy strategy focuses on enhancing the competitiveness of industries by reducing their energy intensity and by promoting their viability, particularly in rural areas, by increasing the availability of energy based on renewable sources for productive uses.

Intensified competition for scarce resources, including water, energy, materials and land, may have impacts beyond the industrial context, since environmental degradation and climate change may also intensify already worrying trends, such as desertification, sea-level rise, more frequent severe weather events and shortages of freshwater. In the worst case-scenarios, this could lead to uncontrollable migration flows and civil or cross-border conflict. Resource efficiency and low-carbon economic development can thus lessen the pressures and help to avert potential causes of social conflict.

Similarly, crop yields and terrestrial and aquatic ecosystems are affected by the depletion of the ozone layer. As more ultraviolet light from the sun reaches the earth's surface more damage is done to the environment. Increased exposure to UV light is also directly detrimental to human health, as cases of skin cancer, cataracts and immune system suppression are on the rise. Protecting the ozone layer and helping it to recover is thus a matter of extreme importance. UNIDO's assistance to developing countries in eliminating the use and production of ODS under the aegis of the Montreal Protocol on substances that deplete the ozone layer contributes to the protection of the ozone layer and ensures countries meet their compliance targets under the Montreal Protocol, while also showcasing a path to sustainable industrial growth.

UNIDO aims to integrate energy efficiency into enterprises' existing management structures for continual improvement and daily operations. For this, UNIDO is focusing on energy management systems and standards on the one hand, and on energy system optimization on the other. UNIDO will continue to promote and support the deployment of low carbon and advanced process technologies that combine energy efficiency with the principles of product quality, sustainability and cost-effectiveness.

With this programmatic approach, UNIDO has started to focus on benchmarking, monitoring, reporting and verification frameworks, in order to enable enterprises and governments to measure the performance and demonstrate the benefits of their projects and investments in energy efficiency. This is essential to secure the sustained support of top management and policy-makers for the continual improvement and upgrading of industrial energy efficiency at enterprise and country levels.

While all industrial sectors have a role to play in reducing their resource use intensities and waste and pollution levels, a special focus is needed for the environmental goods and services sector. This covers the businesses that supply environmental technologies and services, including for example, waste recovery, reuse and recycling, water and wastewater management, waste treatment and disposal, renewable energies, energy efficient process technologies, and environmental rehabilitation services. This environmental services sector requires special attention as it plays a key role in the transfer, adaptation and replication of environmentally sound technologies. Against this background, UNIDO provides its support services in the thematic priority programme on environment and energy through three interrelated programme components, covering resource efficient and low-carbon industrial production, clean energy access for productive use, and capacity-building for the implementation of

multilateral environmental agreements. The strong interrelationships between these three programme components will be given greater emphasis through the Green Industry Platform.

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

Africa

The energy scenario in most parts of Africa is characterized by a 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 renewable energy resources that remain largely untapped. For example, only seven per cent of its hydropower 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 power generation in rural areas, promoting industrial energy efficiency, strengthening national capacities and policies, and forging South-South cooperation. In pursuing these objectives, due account will be given to the outcomes of recent expert group meetings on biofuels and renewable energy in Addis Ababa and Dakar, respectively, as well as the High Level Forum in Accra that witnessed the adoption of the ECOWAS regional renewable energy and energy efficiency policies by the ministers of energy from the ECOWAS countries.

UNIDO has successfully established the ECOWAS Center for Renewable Energy and Energy Efficiency (ECREEE). This centre plays a pivotal role in knowledge sharing, encouraging South-South cooperation and successfully implementing projects in the region in collaboration with or on behalf of UNIDO and its other partners. UNIDO plans to replicate this programmatic approach and launch two further regional centres in SADC and in the East African Community.

Nine African countries have established cleaner production programmes or centres with UNIDO support, and collectively demonstrated that resource efficient and cleaner production is applicable and beneficial to enterprises on the continent. Building on this foundation, a further expansion is foreseen across Africa, in partnership with such institutions as the African Roundtable on Sustainable Consumption and Production.

UNIDO is currently engaged in supporting national phase-out plans for hydrochlorofluorocarbons (HCFCs) in 30 countries in the region, most of them least-developed countries, such as Burkina Faso, Central African Republic, Chad, Equatorial Guinea, Guinea Bissau, Madagascar, Malawi, Senegal, Sierra Leone, Somalia, Togo and Zambia. In addition, the Organization is implementing a demonstration project on the environmentally responsible disposal of stockpiles of ozone-depleting substances and ODS-containing equipment in Nigeria, as well as a project for six African countries (Burundi, Cameroon, Central African Republic, Gabon, Republic of the Congo, Guinea) on ODS waste management and disposal. In order to strengthen UNIDO's visibility and build up a programmatic environmental strategy, a regional approach in twenty-two Sub-Saharan African countries is being implemented in 2013 by the Organization. The customized country- and regional-level approach will help the beneficiaries to implement their national HCFC Phase-out Management Plans in 2014-2015 and beyond.

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.

UNIDO has integrated the measures outlined in the outcome document of the Rio+20 Conference in its strategy and will also continue the promotion and implementation of the Resource Efficient and Cleaner Production (RECP) Programme in the Arab region as preventive environmental strategies to processes, products and services. The practical application of RECP in different industrial sectors promotes the greening of industry and increases efficiency while reducing risks to humans and the environment and generating employment and income opportunities.

UNIDO has succeeded in establishing sustainable Cleaner Production Centres in Egypt, Lebanon and Morocco. The existing NCPC programme covering these three countries will be expanded and UNIDO will explore potential programmes for regional renewable energy strategies taking into consideration the outcomes of the World Future Energy Summit held in January 2013 in Abu Dhabi.

In North Africa, UNIDO has a prominent lead in the integrated approach to the transfer of environmentally sound technologies, 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 Arab LDCs, the Programme will focus on promoting the use of renewable energy to support productive activities.

Since 2008 UNIDO has been assisting several countries in the region (Algeria, Bahrain, Egypt, Iraq, Jordan, Kuwait, Libya, Morocco, Oman, Qatar, Saudi Arabia, Somalia, Sudan, Syria, Tunisia and Yemen) to develop strategies and implement the first stage of the national HCFC Phase-out Management Plans. In cooperation with the respective national ozone units and UNEP, UNIDO has been mapping out and implementing activities on how the consumption freeze and 10 per cent reduction of HCFCs are to be achieved by 2013 and 2015 respectively. Most countries have targeted their foam manufacturing sector or individual foam production lines in the refrigeration manufacturing sector. Furthermore to complement these plans, individual investment projects for the conversion of production lines have also been developed for the air-conditioning manufacturing sectors. Regarding the selection of alternatives to HCFCs, there is a heightened focus on introducing and adopting technologies with low global-warming potential. However, in several countries where the ambient temperatures are very high, no immediate alternatives are currently available and new gases are being tested that could promise a solution for the future. A demonstration project for ODS waste management and disposal in Algeria and a regional demonstration project in Lebanon are currently being developed.

Asia and the Pacific

The Asia and Pacific region is facing severe environmental deterioration due to a combination of factors such as high population density and growth, rapid industrialization and urbanization, natural disasters and poverty.

UNIDO will continue to promote and scale up its Green Industry Initiative by integrating economic development, environment management and industrial energy efficiency, particularly

in countries with advanced levels of industrialization, and in meeting targets of multilateral agreements.

Given the huge opportunities to make the energy intensive manufacturing sector more competitive and efficient, UNIDO will promote energy management standards and renewable energy including transfer of modern environmentally sound and renewable energy technologies where appropriate, particularly for the industries related to heating and cooling applications in middle income countries.

In low-income countries and LDCs, and including the Pacific Island countries, the main focus will be on regional cooperation and programmes for food safety, renewable energy and climate change.

UNIDO's largest portfolio of projects related to the Montreal Protocol in the Asia and the Pacific region is in China (more than 90 completed and 14 ongoing projects), but countries such as the Democratic People's Republic of Korea, India, Indonesia, Myanmar, Pakistan and the Philippines also benefit from ongoing Montreal Protocol projects in various sectors.

Europe and the NIS

To address climate change and other energy-related issues, UNIDO will support countries to implement their obligations under international environmental agreements, such as the Montreal Protocol and Stockholm Convention. More specifically, UNIDO will focus its capacity-building assistance in the areas of mitigating global warming and the reduction of greenhouse gases (GHG) emissions, persistent organic pollutants (POPs) and ozone depleting substances (ODS). These efforts will continue to be combined with institutional capacity development measures and awareness raising activities.

UNIDO will continue to provide assistance for the disposal of polychlorinated biphenyl (PCB) stockpiles in an efficient and environmentally sound manner. This will build on previous experiences gained in the development of nationwide systems to mobilize all concerned local stakeholders to implement the PCB related obligations under the Stockholm Convention.

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. One relevant example is the ongoing UNIDO-GEF4 project "Improving energy efficiency and promoting renewable energy in the agro-food and other small and medium enterprises (SMEs)" in Ukraine. UNIDO has similar projects on energy efficiency and renewable energy in several other countries, including Albania, Armenia, the former Yugoslav Republic of Macedonia and Moldova. The International Centre for Hydrogen Technologies (ICHET) in Istanbul, Turkey, will continue its research on the use and application of hydrogen as a renewable source of energy through demonstration projects in the region and worldwide.

Resource efficiency and cleaner production will remain a priority programme in the region. UNIDO's activities will be expanded through the establishment of new National Cleaner Production Centers (NCPCs) and the strengthening of the existing NCPCs. UNIDO will also continue to contribute towards waste and water management, including the application of environmentally sound technologies, such as eco-remediation measures, to minimize water and pollution discharges. In addition, UNIDO will strengthen national capacities for pursuing sustainable green industry growth.

In the context of the Montreal Protocol, UNIDO has ongoing HCFC Phase-out Management plans in the following countries: Albania, Bosnia and Herzegovina, Croatia, Mongolia, Serbia, the former Yugoslav Republic of Macedonia, Turkmenistan and Turkey. Besides the country specific programmes, UNIDO currently has two ongoing regional Montreal Protocol projects.

One is targeting the replacement of CFC centrifugal chillers in Croatia, Montenegro, Romania, Serbia and the former Yugoslav Republic of Macedonia, and the other one formulating a strategy for the disposal and destruction of ozone-depleting substances, with the bilateral component of the Czech Republic, in Bosnia and Herzegovina, Croatia, Montenegro and Turkmenistan. The region is a good example for the cooperation between UNIDO's Montreal Protocol programme and the Global Environment Facility (GEF). With the financial support of GEF, two projects are being implemented in the Russian Federation aimed at the phase-out of chlorofluorocarbon (CFC) consumption in the manufacture of aerosol metered dose inhalers and the phase-out of HCFCs and the promotion of hydrofluorocarbon (HFC)-free energy efficient refrigeration and air-conditioning systems.

UNIDO will implement sustainable energy projects that promote social inclusion of disadvantaged groups, including Roma, the jobless, people with low education levels and those living in disadvantaged regions, through the provision of training and knowledge sharing, leading to improvements in competences, job creation and living conditions.

Latin America and the Caribbean

The natural wealth and abundance of the region's different ecosystems form an important base for the development of its economies and the improvement of its people's quality of life. However, the overexploitation of these resources, reinforced more recently by the effects of climate change, is resulting in their rapid depletion and in serious damage to the natural environment. While these general conditions prevail in varying degrees throughout the Latin America and Caribbean (LAC) region, the overall environmental stress in the region underlines the fact that poverty reduction and sustainable industrial development will only be achieved if environmental and social concerns are properly integrated into industrial strategies, policies and plans, with shared responsibilities at all levels of private and public institutions in the region.

UNIDO has further developed its energy and environment portfolio in the LAC region, with new projects in renewable energy technologies, industrial energy efficiency and cross cutting themes. UNIDO will also continue to offer its services in the areas of resource efficient and cleaner production. One relevant example is the Regional Observatory for Renewable Energy in Latin America and the Caribbean, which acts as platform to promote renewable energy, in particular for productive uses and industrial applications. A total of 20 countries in the LAC region have endorsed the programme and activities have already started in eight of them.

UNIDO will focus on promoting sustainable patterns of energy use in SMEs through renewable energy, such as fuel-switching from fossil fuels to locally available renewable sources. In designing any such action, the local conditions and needs as well as the available resources and capacities will be carefully considered. Interventions for industrial applications of SMEs will consider all types of energy uses including motive power and process heat for low or high temperature applications.

The global resource efficient and cleaner production network was created with the specific aim to capture and disseminate best practices for resource efficiency and cleaner production, in particular among NCPCs. The knowledge management system for cleaner production for the LAC region will be integrated and expanded into a global system using new ICT platforms.

Activities in the field of green growth indicators will be further pursued in cooperation with the Organisation for Economic Co-operation and Development (OECD) and the Development Bank of Latin America (CAF).

UNIDO has completed nearly 70 projects in eight different Central and South American countries to eliminate the use of CFCs in domestic and commercial refrigerators. Currently, UNIDO is engaged in the implementation of HCFC phase-out plans in eight countries in the region: Argentina, Ecuador, Guatemala, Honduras, Mexico, Nicaragua, Suriname, and Venezuela (Bolivarian Republic of). The Organization has also cultivated a strong relationship with

Caribbean countries and completed over 15 Montreal Protocol projects in Barbados, Cuba, Dominican Republic and Jamaica for the phase-out of CFCs in the refrigeration sector and the use of methyl bromide as a fumigant in agriculture. UNIDO is currently responsible for the implementation of the HCFC Phase-out Management Plan of Bahamas, Saint Lucia and Saint Vincent and the Grenadines.

Objective

To reduce environmental impacts through the increased use of renewable energies, the adoption of energy efficient practices in industry and cleaner production practices, policies and techniques, and other environmentally sustainable processes and technologies.

Contribution to the Millennium Development Goals

Programme C.3 contributes to MDG 7 (ensuring environmental sustainability).

Expected impact

<i>Impact</i>	<i>Performance indicators</i> ¹
Industries adopt energy and resource-efficient production techniques using low carbon renewable technologies for sustainable development, ODS-free and climate-resilient patterns of production and growth, which contributes to mitigating GHGs to protect the Ozone Layer, and adapting to climate change, while improving productivity.	<ul style="list-style-type: none"> • Reduction in tonnes of GHGs. • Better use of natural resources. • Increased use of renewable energies. • Increased industrial competitiveness through energy conservation. • Reduced ozone-depleting substances (ODS) and CO2 emissions.

¹ 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> ¹
<p>Industrial, energy and environmental policies, plans and regulations internalize environmental considerations and the sustainable use of goods and services.</p> <p>Countries adopt policies to increase energy conservation and security through a more diverse energy mix.</p>	<ul style="list-style-type: none"> • Industrial policies with verifiable environmental objectives and comply with multilateral environmental conventions, protocols and agreements. • Legislation and enforcement mechanisms ensure compliance with environmental agreements. • Policies and regulations provide incentives for sustainable development. • Energy policies give priority to energy efficiency, renewable energy and access to low carbon and low emission technologies for productive energy uses. • Energy supplies are less dependent on fossil fuels, reducing the economic, political and environmental impacts.

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

<i>Institutional outcome</i>	<i>Performance indicators</i> ¹
Public and private institutions support industry in complying with environmental agreements, reduce energy consumption, provide services to mitigate negative industrial externalities and adapt to climate change.	<ul style="list-style-type: none"> • Support organizations serve increased numbers and types of enterprises. • Environmental and other enterprise support services delivered in integrated manner. • Private Service providers emerge and develop. • Enterprises have access to renewable energy supply. • Enterprises demonstrate increased energy efficiency and energy conservation practices. • Enterprises have adopted ODS-free technologies. • National institutions are effectively implementing international energy and environment standards and agreements.

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

Resources

Programme C.3: Environment and Energy

Resource estimates (in euros)

Posts			2014-2015 estimates (after recosting)			
Professional	General Service	Total	Regular budget	Operational budget	Total	
76.95	37.80	114.75	Staff costs	17,248,345	8,116,915	25,365,260
			Consultants		874,500	874,500
			Meetings	130,600	124,500	255,100
			Official travel	46,600	673,700	720,300
			Operating costs	153,180	1,537,300	1,690,480
			RPTC/SRA	4,861,986		4,861,986
			Total gross expenditure	22,440,711	11,326,915	33,767,626
Technical cooperation (extrabudgetary)			Income	(334,200)		(334,200)
	179,423,500		Total net resources	22,106,511	11,326,915	33,433,426
			Total resources (including extrabudgetary TC)			212,856,926

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 services 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.

In line with the reduction in the regular budget funds the programme seeks to use a regional approach with an increased focus on LDCs and small island developing States (SIDS). The programme acknowledges the BRICS as technical and financial partners and seeks their support for transfer of technologies and best practices.

With regard to quality assurance and monitoring, the programme component will coordinate the operation of a harmonized quality assurance system for all activities covered by Programme C.3. from “quality at entry” to “quality at delivery”. It will also ensure that UNIDO staff members adhere to established RBM-based quality standards at all stages of the technical cooperation programme/project cycle.

Communication and promotion of the strategies and activities of Programme C.3., within UNIDO, the United Nations system and the public at large will also be ensured. Close cooperation with other international organizations engaged in complementary focus areas, and UNEP in particular, is expected to improve funding for both parties. Further discussions with donors will be undertaken in order to ensure that the required co-funding for the large-scale programmes developed under this thematic priority will be made available, possibly through the establishment of relevant multi-donor trusts fund. It is expected that efforts will also continue with key interested donors to put in place an efficient mechanism for strategic cooperation for promoting cleaner and sustainable production. This programme component will also aim to strengthen further the existing close cooperation with the Montreal Protocol, the European Union and the Global Environment Facility (GEF) in support of the priority area covered by Programme C.3.

In a similar vein, the component will initiate and facilitate advocacy activities on specific issues regarding the thematic priority environment and energy.

Objective

To ensure the effective management and promotion of Programme C.3 in accordance with the requirements of UNIDO’s Member States and to support the effective operation of Programme C.3 through the mobilization of the required resources and in accordance with high quality standards and RBM principles.

Contribution to expected impact

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

¹ Based on regular assessments and surveys.

Contribution to expected country-level outcomes

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

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

Contribution to management objective contained in UNIDO’s Mission Statement

<i>Contribution</i>	<i>Performance indicators</i> ¹
<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"> • All new projects and programmes include detailed RBM work plans and a comprehensive monitoring and evaluation system. • Increase in the number of projects reaching milestones/targets as planned.

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

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

General description

In many developing countries, environmental management in the industrial sector has started to shift to preventive techniques, or cleaner production. This is based on changing the production processes, or their products and services, to avoid the generation of wastes and emissions, which generally also improves productivity. Today’s most pressing global environmental problems, including climate change, necessitate a renewed focus on the productive use of natural resources, including the use of energy, materials and water to reduce, both directly and indirectly, the carbon intensity of industrial production. This process is being further enhanced through the switch to renewable energy sources and/or fossil fuels with 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, low-carbon and climate resilient industrial development. This will be complemented by targeted measures to enhance industrial energy efficiency. There is growing recognition by the private sector, and industry in particular, that energy is a manageable production cost and a strategic determinant of corporate competitiveness, as was highlighted by the development of the ISO 50001 Energy Management System Standard within a record timeframe by a group of more than 40 countries. Additionally, the programme component will focus on the productive use of water, and the environmentally sound management of chemicals.

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

The programme component will continue to promote renewable energy technologies for low-carbon industrial production. With significant advancement in renewable energy technologies there is a paradigm shift in the final use of the energy produced. For example, concentrated parabolic solar panels now enable the generation of heat and energy that can be used for industrial purposes.

The levels of water consumption by the industrial sector will also continue to increase with expanding production, as will the amounts and toxicity of the effluents it discharges to water bodies. This will become particularly critical in many developing countries, which are already suffering from shortages of water that might increase with climate change. Under this programme component, UNIDO will therefore also provide assistance to countries to protect their water resources (both national and those

shared with other countries), from discharges of industrial effluents, and to increase industrial water productivity and reduce excessive water consumption by industry. In this 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 supplies 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>Contribution</i>	<i>Performance indicators</i> ¹
Businesses adopt cleaner, resource and energy efficient and low-carbon production methods, energy from renewable resources in order to reduce risks to the environment, climate and public health.	<ul style="list-style-type: none"> Improved environmental performance of companies (emissions, material efficiency, energy efficiency, local community protection and eco-efficient products). Improved economic performance of companies (investment, sales, productivity, innovation, export).

¹ Based on regular assessments and surveys.

Contribution to expected country-level outcomes

<i>Contributions to policy outcome</i>	<i>Performance indicators</i> ¹
<ul style="list-style-type: none"> Government policies, legal frameworks and incentives structures are conducive to resource efficient and energy efficient low-carbon production. 	<ul style="list-style-type: none"> Improved policy and legal frameworks for resource efficient and low-carbon production. 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).

¹ Based on regular assessments and surveys.

<i>Contribution to institutional outcome</i>	<i>Performance indicators</i> ¹
<ul style="list-style-type: none"> Public and private service providers support business and other stakeholders with the adoption of resource efficient and low carbon production methods on a sustainable basis. 	<ul style="list-style-type: none"> Environmental support services effectively support growing numbers of businesses and are integrated with other BDS. Quality and quantity of services are regularly improved and updated. Environmental support services are operating sustainably.

¹ Based on mapping, gap analysis and customer surveys.

Contribution to the Millennium Development Goals

Programme Component C.3.2. contributes to MDG 7 (ensuring environmental sustainability) and its Target 7.A. (integrating the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources).

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

General description

Enhancing access to modern and reliable energy supplies is widely regarded as a prerequisite for economic and social development in the developing economies. To promote sustainable economic development, this energy must be used to promote productive uses that create jobs and greater income generation opportunities for local communities.

Given the growing gap in demand and supply of energy, renewable energy has assumed a critical role in meeting the rising demand for energy, especially by industry in developing countries. Several renewable energy technologies have emerged as economically viable and environmentally friendly options, which if suitably adopted, can meet the growing energy needs of industry, and particularly those of SMEs.

This programme component prioritizes the promotion of renewable energy in line with Member States' needs and UNIDO's mandate, with the overall objective to enable developing countries and economies in transition to embark on a green growth pathway by increasing the availability and use of renewable energy for productive uses.

Under this programme component UNIDO will, in particular, promote access to energy for productive uses in rural areas and industrial applications of renewable energy in energy-intensive manufacturing SMEs, which have requirements for motive power and process heat for low or high temperature applications. Currently, SMEs satisfy the great majority of these requirements through electricity derived from fossil fuels or from the direct combustion of such fuels, in the form of furnace oil, kerosene or coal. 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.

Furthermore, UNIDO will support national and regional planners and decision makers in putting in place policy and regulatory frameworks conducive to an increased use of 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.

In doing so, the strategy will build on UNIDO's existing renewable energy project portfolio, which covers over fifty countries and includes renewable energy technologies such as solar, wind, small hydro and various biomass and biogas applications.

Besides building technical capacity and implementing demonstration projects, the focus during 2014-2015 will be on leveraging external financing as well as on dissemination and replication. This will ensure that the greatest possible impacts can be achieved with respect to sustainable industrial development, energy security, poverty reduction and mitigation of greenhouse gas (GHG) emissions.

Objective

To enable developing countries and economies in transition to achieve an increased competitiveness through the use of renewable energy, thus achieving sustainable low-carbon industrial development.

Contribution to expected impact

<i>Contribution</i>	<i>Performance indicators</i> ¹
An increased use from renewable energy sources for productive use and industrial applications.	<ul style="list-style-type: none"> Increased productive use through renewable energy (in kilowatt hours and in percentage share of renewable energy in rural electrification and process heat applications in SMEs). Economic benefits from increased use of renewable energies (new businesses; jobs; incomes). Improved environmental performance of companies (reduced greenhouse gas emissions).

¹ 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> ¹
Government policies, legal frameworks and incentives structures are conducive to an increased use of renewable energies, in particular for production purposes.	<ul style="list-style-type: none"> Improved policy and legal frameworks for the increased use of renewable energy. Renewable energy gets mainstreamed into rural/urban electrification and industrialization strategies.

¹ Based on regular assessments and surveys.

<i>Contribution to institutional outcome</i>	<i>Performance indicators</i> ¹
Public and private organizations promote renewable energy sources on a sustainable basis, and facilitate development of renewable energy markets.	<ul style="list-style-type: none"> Investments (private as well as public) into renewable energy are growing. Renewable energy systems support growing numbers of businesses. Growing number of companies manufacture renewable energy components and equipment, and provide operation and maintenance services.

¹ Based on mapping, gap analysis and customer surveys.

Contribution to the Millennium Development Goals

Programme Component C.3.3. contributes to MDG 7 (ensuring environmental sustainability) and its Target 7.A. (integrating the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources).

Programme Component C.3.4: Capacity-building for the Implementation of Multilateral Environmental Agreements

General description

Over the years, governments in developing countries and countries with economies in transition have become parties to many multilateral environmental agreements (MEAs). A number of these have a strong industrial component in their implementation requirements, and through this programme

component UNIDO will assist these governments to implement three such MEAs in particular: the Montreal Protocol of the Vienna Convention with regard to the phasing-out of the production and consumption of ozone-depleting substances (ODSs); the Stockholm Convention for the control and phase-out of persistent organic pollutants (POPs); and the United Nations Framework Convention on Climate Change (UNFCCC).

With respect to ODSs, there is a need to phase out the production and consumption of such substances, which lead to the depletion of the ozone layer and consequently to the continuing degradation of human health and the natural environment. The Vienna Convention and its Montreal Protocol provide a response to that need. A primary objective of the Montreal Protocol is to ensure the smooth and sustainable transition from ODS based to non-ODS based technologies and the promotion of innovative technologies based on ozone-friendly substances and clean manufacturing processes. The following industrial sectors are mainly targeted: refrigeration and air conditioning, foam manufacturing, methyl bromide (agriculture), aerosols, solvents, metered dose inhalers and the destruction of ODS.

This programme component assists the governments of developing countries that are signatories to the Montreal Protocol to comply with its requirements through transferring non-ODS based technologies to them and supporting them to meet the set targets of tonnages of ODS to be eliminated. To date, UNIDO has implemented over 1200 Montreal Protocol projects in developing countries, contributing to the phase-out of 70,287 ODP tones of the world's total consumption.

During 2014-2015, this programme component will focus on the elimination of methyl bromide and hydrochlorofluorocarbons (HCFCs) as well as the finalization of projects on the environmentally responsible disposal of stockpiles of ozone-depleting substances and ODS-containing equipment, both at a regional level and in individual countries. A key element to be addressed in this period is to ensure that the 2015 compliance targets for the Montreal Protocol (100 per cent phase-out of methyl bromide and 10 per cent phase-out of HCFCs) are met in accordance with the specific phase-out strategies that UNIDO has developed for the countries under its portfolio.

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

In cooperation with the Multilateral Fund of the Montreal Protocol and the Global Environment Facility (GEF), UNIDO has launched pilot projects in the Gambia, Morocco and Viet Nam whereby GEF finances energy efficiency components linked to the replacement of HCFC-based installations. Through the promotion of updated non-ODS technologies with low global warming potential (GWP), UNIDO will support these countries in achieving the objectives both of the Montreal Protocol and the UNFCCC. These activities will involve reducing greenhouse gas emissions through energy efficiency measures, as well as the elimination of HCFCs, which have a high GWP. UNIDO plans on replicating such GEF projects in other countries in the future.

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

- (a) Support host country capacity and institution-building to enable and maximize opportunities for technology transfer and carbon financing for investment in environmental

projects in the industrial sector, through the clean development mechanism (CDM) or joint implementation (JI);

(b) Promote carbon projects and support the development of new and innovative partnerships between carbon market participants (such as buyers and sellers of emission reductions); and

(c) Maximize and promote carbon finance potential to support technology transfer and know-how in industrial energy efficiency and renewable energy for industrial application.

Under the Stockholm Convention, governments are also obliged to use best available techniques (BAT) and best environmental practices (BEP) strategies to reduce or eliminate unintentional POPs emissions as by-products from sources such as waste incinerators, power generation facilities, and energy intensive industrial sectors. UNIDO has significantly expanded its contribution to the implementation of the Stockholm Convention in recent years and based on the experience and expertise accumulated through these activities will further strengthen its activities in the area of POPs in the coming years, inter alia through on-going projects and others awaiting approval from the Global Environment Facility under its fifth replenishment period which began in 2010.

Objective

- To transfer non-ODS based technologies to developing countries (Article 5 countries) within the deadlines of the phase-out schedule set by the Montreal Protocol.
- To build the capacities of government offices and relevant national authorities responsible for the implementation of the Montreal Protocol.
- To support Member States in meeting their obligations under the major multilateral environmental agreements such as the Stockholm Convention and UNFCCC.

Contribution to expected impact

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

¹ Based on project reporting and regular assessments and surveys.

Contribution to expected country-level outcomes

<i>Contribution to policy outcomes</i>	<i>Performance indicators¹</i>
<p>Assisted countries comply with their obligations under the Montreal Protocol (MP), Stockholm Convention and the UNFCCC.</p> <p>Countries with projects under UNIDO implementation are in compliance with the 2013 Freeze and 2015 10 per cent HCFC phase-out target.</p> <p>Countries with projects under UNIDO implementation are in compliance with the 2015 100 per cent methyl bromide phase-out target.</p> <p>Direct climate impact of conversion is better than status quo.</p>	<ul style="list-style-type: none"> • Number of countries with projects (under UNIDO implementation) in compliance with the HCFC MP control measures in 2013 and 2015. • Number of countries with projects (under UNIDO implementation) in compliance with the methyl bromide 100 per cent MP control measure in 2015. • Direct CO₂ emissions reduced through UNIDO's conversion activities (in CO₂eqt). • Number of manufacturing companies converted to alternative technologies.
<i>Contribution to institutional outcome</i>	<i>Performance indicators²</i>
<p>Countries developed required legislations and analysed the market effect.</p> <p>Countries with effective quota system or licensing system in place.</p>	<ul style="list-style-type: none"> • Number of countries with projects (under UNIDO implementation) signing relevant amendments to the Montreal Protocol and putting ODS legislation in place. • Reduced consumption tonnage of ODSs.
<p>Enhanced institutional infrastructure with more technical and administrative capabilities (national ozone unit), increased coordination, highly improved and reliable ODS database maintained by the national ozone unit, enhanced facilitation in the exchange of information with other Parties to the Montreal Protocol.</p> <p>National institutions assure country compliance with the Stockholm Convention and facilitate climate change mitigation and adaptation.</p>	<ul style="list-style-type: none"> • Compliance with Montreal Protocol and Stockholm Convention reporting obligations. • Increasing the number of countries finalize and implement their National Implementation Plans (NIPs). • Institutions effectively support growing numbers of industry-related CDM projects.

¹ Based on regular assessments and surveys.

² Based on mapping, gap analysis and customer surveys.

Contribution to the Millennium Development Goals

Programme Component C.3.4. contributes to MDG 7 (ensuring environmental sustainability) and its Target 7.A. (integrating the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources).

Programme C.4: Regional Programmes and Cross-cutting Issues

General description

Within the overall framework of Major Programme C, Programme C.4 will ensure the programmatic coherence of UNIDO's technical cooperation and service delivery both at the regional and country level, and within the Organization's participation in the United Nations' Delivering as One approach at the country level. The programme will provide the effective link between UNIDO's technical branches and the field offices for field and staff compacts, ensuring proper integration between headquarters and the field offices. As such, the programme will contribute towards ensuring that UNIDO services are based on (i) strategic demand management, (ii) enhancing relationship management with Member States and (iii) monitoring country portfolios through an effective linkage between UNIDO's thematic

priorities and national and regional development priorities. Notwithstanding the substantive differences in geographical coverage, the three functions of the programme will ensure a systematic approach in (i) identifying the development needs and formulating related strategic response, (ii) building consensus and maintaining effective interaction with Member States, and (iii) facilitating knowledge building on emerging development patterns including donor priorities and lessons learned in technical cooperation management through evaluations and other sources.

The programmatic issues which cut across UNIDO's activities in all of its thematic priorities within this programme include (i) South-South cooperation (SSC), (ii) support to the least developed countries (LDCs), and (iii) gender equality and the empowerment of women (GEEW). These issues are regarded as cross-cutting due to the evident complementarities and synergies in relation to other Major Programmes and their significance for all UNIDO activities. In promoting these cross-cutting issues, the programme will also cover strategic and focused UNIDO engagement with the BRICS countries (Brazil, China, India, Russian Federation, and South Africa) for successful political economic and technical cooperation. These countries are increasingly important as a driving force behind SSC, particularly in helping LDCs to engage in participatory partnerships and transfers of skills and expertise.

This programme will also retain the responsibility for coordinating UNIDO country-level and regional activities towards United Nations system-wide coherence in the context of the United Nations reform process and maintaining a dialogue with the relevant bodies of the United Nations Development Group (UNDG) on these matters. In doing so, UNIDO will engage fully in mechanisms such as common country assessment (CCA) and United Nations Development Assistance Framework (UNDAF) and Delivering as One processes, ensuring a greater United Nations system-wide inter-agency coherence and the effective positioning of UNIDO services within United Nations country-level and regional initiatives. In this regard, UNIDO will actively participate at the country and regional levels as part of the United Nations Country Teams (UNCTs) and UNDG Regional Teams ensuring that UNIDO activities are in line with the Millennium Development Goals (MDGs) and other Internationally Agreed Development Goals (IADGs).

Recent development trends have strongly recognized the importance of private sector development and the need to forge business partnerships with a special focus on SMEs. With a view to facilitating their integration into national and global value chains, UNIDO will seek to establish strategic business partnerships with various private sector institutions to maximize the scope and synergies between UNIDO and the private sector for the promotion of direct investments, technology transfer diffusion and the strengthening of public-private partnerships.

Taking into consideration the great importance of providing safety and security for UNIDO personnel, property and operations, the programme is also responsible for safety and security issues both in Headquarters and in the field. The programme coordinates the Organization's response in the field of safety and security, develops cooperation with the United Nations Security Management System, provides all relevant actors with advice, guidance and assistance, and works to ensure that all Minimum Operating Security Standards (MOSS)/Minimum Operating Residential Security Standards (MORSS) related security responsibilities in UNIDO are fulfilled.

Objective

To define and coordinate UNIDO's services in the context of its thematic programme priorities and related cross-cutting issues through an active coordination with UNIDO field offices, to enhance the development impact of the Organization's services through inclusive business partnerships with the private sector, and to provide adequate security for UNIDO personnel, property and operations.

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

<i>Contribution</i>	<i>Performance indicators</i> ¹
<p>Harmonized demand based project and programme development, implementation and monitoring/evaluation processes at regional and country levels in coordination with all technical branches and field offices of the organization, as well as effective relationship management with Member States, United Nations partners and other stakeholders.</p> <p>Adequate security for UNIDO personnel, property and operations.</p>	<ul style="list-style-type: none"> • Level of effectiveness and efficiency of service delivery inclusive of cross-cutting themes and private sector partnerships development within the framework of the thematic priorities and MTPF 2010-2013. • Harmonized participation in United Nations system-wide processes and effective UNIDO position. • Level of effectiveness and efficiency of UNIDO security services.

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

Resources

Programme C.4: Regional Programmes and Cross-cutting Issues

Resource estimates (in euros)

Posts			2014-2015 estimates (after recosting)			
Professional	General Service	Total	Regular budget	Operational budget	Total	
11.30	1.35	12.65	Staff costs	2,106,485	1,116,925	3,223,410
			Consultants		62,400	62,400
			Meetings	15,500	5,500	21,000
			Official travel	241,500	456,200	697,700
			Operating costs	19,300		19,300
			RPTC/SRA	839,914		839,914
			Total gross expenditure	3,222,699	1,641,025	4,863,724
Technical cooperation (extrabudgetary)		8,000	Income	(59,600)		(59,600)
			Total net resources	3,163,099	1,641,025	4,804,124
			Total resources (including extrabudgetary TC)			4,812,124

Programme Component C.4.1: South-South Cooperation

General description

South-South and triangular cooperation is a dynamic and innovative area of development cooperation that aims at mobilizing and sharing the wealth of knowledge, skills, solutions, resources, capacity and Southern developmental approaches within countries of the South. Possible involvement and assistance of the development partners from the North may also help capitalize on their development experience. South-South and triangular cooperation is an effective complement to North-South cooperation, and is guided by the following principles: mutual benefit, respect for national sovereignty, national ownership and independence, equality, and non-conditionality and non-interference in domestic affairs.

The programme component provides for UNIDO to contribute at different levels to the international efforts at South-South cooperation, playing active roles as a global advocate and promoter, as a partner-builder and matchmaker of developmental stakeholders and partnerships, as a convener of international platforms for industrial development policy dialogue, and as an implementer of technical

cooperation activities in its mandated competencies. In addition, the programme component will build the Organization’s capacity as a global monitor of South-South industrial cooperation.

This programme component focuses on ensuring continued support and assistance to developing countries by implementing and enhancing the role of UNIDO in the South-South and triangular cooperation modalities through technical cooperation and global forum activities.

Objective

To systematically deliver and enhance UNIDO’s services and promotion of South-South cooperation to Member States and to implement the UNIDO Operational Strategy for South-South and Triangular Cooperation.

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

<i>Contribution</i>	<i>Performance indicators</i> ¹
<ul style="list-style-type: none"> Increased numbers of linkages, engagement and cooperation activities between developing countries of the South enabling productive partnerships for mutual advancement. Design and implementation of strategies to create awareness to operationalize Southern technologies and solutions, as well as successful developmental approaches. 	<ul style="list-style-type: none"> Increased number of South-South and triangular partnerships and a subsequently increased number of implemented technical cooperation projects. Improved technology transfer and diffusion, skills/knowledge upgrade with social wealth creation based on the South-South and triangular cooperation modalities.

¹ 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 outcome</i>	<i>Performance indicators</i> ¹
<ul style="list-style-type: none"> South-South and triangular cooperation in the form of technology transfer and diffusion, investment, innovation and regional cooperation featured in the national industrial or sectoral policies, strategies and international dialogues. 	<ul style="list-style-type: none"> Improved national, industrial or sectoral policy frameworks and infrastructure for South-South and triangular dialogue, exchange and cooperation for creating South-based solutions. Increased allocation of domestic resources for investment promotion towards South-South cooperation.
<i>Contribution to institutional outcome</i>	<i>Performance indicators</i> ²
<ul style="list-style-type: none"> Institutional support for public and private sector partnership enhanced through SSC and triangular cooperation to foster cooperation. Completion of the coordination system for institutional capacity-building for UNIDO South-South and triangular cooperation. 	<ul style="list-style-type: none"> Improved PPP between stakeholders and networking for South-South and triangular cooperation. Strengthened relations with relevant South-South and triangular cooperation stakeholders in the United Nations system. A fully implemented UNIDO Operational Strategy for South-South and triangular cooperation.

¹ Based on regular assessments and surveys.

² Based on mapping, gap analysis and customer surveys.

Contribution to the Millennium Development Goals

Programme Component C.4.1. contributes to MDG 8 (developing a global partnership for development) and its Target 8.F. (access to new technologies).

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

General description

Many LDCs have witnessed a period of reasonable economic growth in recent times, however they still continue to have high poverty levels, weak institutional infrastructure and productive capacities.

At present, 49 countries have been designated as LDCs, of which 34 are in Africa, 14 in Asia and one in Latin America. UNIDO's support to the LDCs merits a special focus and cuts across all of the Organization's thematic priorities. UNIDO's programmes in the LDCs are also strongly linked to South-South/triangular cooperation. The programme component draws its directions from several sources, including intergovernmental conferences, United Nations-led inter-agency initiatives, or G-77 initiatives.

A major source of guidance for UNIDO's activities in support of the LDCs is the Istanbul Programme of Action (IPoA) endorsed by the Fourth United Nations Conference on the Least Developed Countries (LDC IV), which took place in Istanbul, Turkey, in May 2011. The IPoA provides a comprehensive road map in support of the LDCs. The IPoA's overarching goal is to overcome the structural challenges faced by the LDCs in order to reduce poverty and achieve the internationally agreed development goals, with a special focus on MDGs. It specifically aims to enable half of the LDCs to meet the criteria for graduation by 2020. Further, it sets the contours of the priority needs and sets the approach to further attain the structural transformation of their economies during 2012-2020. The IPoA lists eight development priorities: (i) productive capacity; (ii) agriculture; (iii) food security and rural development; (iv) trade and commodities; (v) human and social development; (vi) multiple crises and other emerging challenges; (vii) mobilizing financial resources for development and capacity-building; and (viii) governance at all levels.

In response to the IPoA's first priority, which relates to the strengthening of productive capacities in LDCs, UNIDO has formulated a strategy that was endorsed by the LDC Ministerial Conference held in Vienna in November 2011. This strategy seeks to address three main issues, which are in line with the IPoA: from commodities to products; helping vulnerable communities; and strengthening the regional industrial infrastructure.

The strategy has been further refined into regional components to address the specific needs of the LDCs in the various regions.

Sub-Saharan Africa

UNIDO activities in African LDCs are based on guidance provided by the Conference of the African Ministers of Industry (CAMI). At the express request of African Union Commission, UNIDO has taken the lead in the development of the Implementation Strategy for the Implementation of the Plan Action for the Accelerated Industrial Development of Africa (AIDA), including related annexes on funds mobilization, monitoring and a coordination mechanism.

The Action Plan encompasses key industrial development programmes and projects, including industrial policy and institutional capacity-building, upgrading of productive and trade capacities, promotion of infrastructure and energy development for industrial processes and industrial innovation. AIDA is the latest UNIDO programme initiative that has been developed and endorsed by the African Heads of State and Government to guide Africa's industrialization efforts.

Encompassing a total of 20 programmes and 52 projects, the AIDA Implementation Strategy presents a broad menu of activities that can be implemented by UNIDO in line with its mandate.

However, it is proposed, in this regard to initially focus on: Agro-industries development; renewable energy development; industrial policy; industrial upgrading and modernization; and investment promotion.

Asia and the Pacific

UNIDO will base its intervention in Asia on the UNIDO LDC strategy but also on regional initiatives targeting specific Asian LDCs and small island states. UNIDO will also work closely with regional organizations and commissions such as the Association of Southeast Asian Nations (ASEAN), the South Asian Association for Regional Cooperation (SAARC) and the Economic and Social Commission for Asia and the Pacific (ESCAP). Most UNIDO programmes in the Asian LDCs address trade capacity-building, energy solutions and climate change issues.

Latin America and the Caribbean

The LDC strategy will form the basis for UNIDO’s involvement in the sole LDC in the LAC region, Haiti.

Objective

To assist LDCs in enhancing their productive capacities by implementing an increased number of high-quality projects and programmes.

To support the strengthening of the institutional framework for sustainable development in LDCs through the provision of strategic planning and policy services.

To assist the African Union Commission in the implementation of AIDA and other regional strategies targeting LDCs.

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

<i>Contribution</i>	<i>Performance indicators</i> ¹
Increased participation of LDCs in the global production system and the global trade regime; creation of a sustainable industrial base for poverty reduction, employment generation and wealth creation (with emphasis on women and youth).	<ul style="list-style-type: none"> • Growth in competitive industrial production. Increased trade and investment flows. • Opportunities created for increased participation in economic activities to move up in value chains and resulting social benefits.

¹ 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 outcome</i>	<i>Performance indicators¹</i>
Strategies and policies in place for knowledge-based sustainable industrial development in LDCs.	<ul style="list-style-type: none"> • Improved legal and policy frameworks in place for industrial activities in LDCs. • Enhanced public-private sector partnerships, appropriate mechanisms, networks established with stakeholders.
<i>Contribution to institutional outcome</i>	<i>Performance indicators²</i>
Enhanced capabilities and capacities in LDCs to design, implement and monitor policies and strategies for sustainable industrial development.	<ul style="list-style-type: none"> • Increased application of advanced methodologies in processes leading to formulation of policies. • Institutional systems in place and operational to provide efficient services to businesses for enterprise development. • Methodologies developed for programme monitoring enabling to achieve developmental impact.

¹ Based on regular assessments and surveys.

² Based on mapping, gap analysis and customer surveys.

Contribution to the Millennium Development Goals

Programme Component C.4.2. contributes to MDG 8 (developing a global partnership for development) and its Target 8.B. (addressing the special needs of the least developed countries).

Programme Component C.4.3: Gender Equality and the Empowerment of Women

General description

UNIDO recognizes that gender equality and the empowerment of women¹ has a significant positive impact on sustained economic growth and sustainable industrial development, which are drivers of poverty reduction and social integration. The Organization pursues the programmatic goals of gender equality and the empowerment of women both collectively within the United Nations system and individually as the specialized agency of the United Nations mandated to advance the well-being of women and men in all countries through inclusive and sustainable industrial development and industrial development cooperation. In line with the system-wide policy established by the United Nations Chief Executives Board for Coordination (CEB), UNIDO considers gender mainstreaming as a key strategy for achieving gender equality and the empowerment of women.

UNIDO's policy on gender equality and the empowerment of women provides the overall guidelines for establishing a gender mainstreaming strategy that:

- Ensures that a gender perspective is reflected in its programmes, policies and organizational practices;
- Advances the overall goal of gender equality and the empowerment of women, particularly the economic empowerment of women;
- Benefits from the diversity of experiences and expertise within the United Nations system to advance the internationally agreed development goals related to gender equality; and

- Accelerates the Organization’s efforts to achieve the goal of gender balance, in particular at decision-making levels.

In order to advance the organizational commitments of UNIDO to gender mainstreaming, this programme component will focus on corresponding qualitative adjustment in the policies and organizational culture of the Secretariat, and in substantive programmes and projects. Gender equality and women’s empowerment in UNIDO’s substantive programmes and projects should be understood not only as promoting women’s equal access to and accumulation of productive resources, but also as improving the social context in which such access to productive sectors and accumulation of assets occurs, the extent to which human rights are realized, and the degree to which sustainable change towards gender equality in political and social institutions is being affected.

Objective

Programme Component C.4.3 will ensure that a gender perspective is reflected in all organizational practices, policies and programmes through the implementation of UNIDO’s Policy on Gender Equality and the Empowerment of Women.

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

<i>Contribution</i>	<i>Performance indicators</i> ¹
All organizational practices, policies and programmes reflect a gender perspective.	<ul style="list-style-type: none"> • Number and quality of gender responsive industrial economic and environmental policies, plans and programmes implemented among governments, institutions and private sector entities.

¹ Based on project reporting and regular assessments and surveys.

Contributions 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> ¹
Government policies, legal frameworks and incentive structures are conducive to gender equality and the empowerment of women.	<ul style="list-style-type: none"> • More and improved policy and legal frameworks for gender mainstreaming and the equal representation of women in industry related processes.
<i>Contribution to institutional outcomes</i>	<i>Performance indicators</i> ²
Public and private industrial organizations and institutions promote gender-responsive strategies.	<ul style="list-style-type: none"> • Services performed by national and local organizations and institutions effectively support gender equality and the empowerment of women.

¹ Based on regular assessments and surveys.

² Based on mapping, gap analysis and customer surveys.

Contribution to the Millennium Development Goals

Programme Component C.4.3. contributes to MDG 3 (promoting gender equality and empowerment of women).

Programme Component C.4.4: United Nations Coherence and Delivering as One

General description

The past six years have witnessed significant progress in the efforts of the United Nations to enhance the coherence of its development-oriented activities based on General Assembly resolution 62/208 on the triennial comprehensive policy review of operational activities (2007 TCPR) and the Delivering as One initiative. During this period, UNIDO contributed actively both to developing the Delivering as One approach, and to its effective implementation in the pilot and self-starter countries. The recent thematic evaluation of UNIDO's contribution in the One United Nations mechanisms revealed that the participation of UNIDO was positive for the Organization and that the benefits had outweighed the costs.

The independent evaluation (IE) of lessons learned from Delivering as One mandated by the General Assembly resolution 62/2008 of 2007 and subsequent resolutions on system-wide coherence (62/277 of 2008, 63/311 of 2009 and 64/289 of 2010) to inform the General Assembly at its 66th session was completed in June 2012. It shows that improved coordination and coherence of United Nations development activities at country level through the Delivering as One approach have increased national ownership and leadership, and delivered better results on strategic crosscutting issues such human rights and gender equality, as well as in areas such as economic development and the environment. While the independent evaluation marked the end of the pilot phase, the 2012 General Assembly resolution on the quadrennial comprehensive policy review of United Nations operational activities for development (2012 QCPR) has institutionalized the Delivering as One approach globally and defined the framework of the second generation of the Delivering as One initiative. The Busan partnership for effective development cooperation will also have a great bearing on the globally institutionalized Delivering as One. The Delivering as One community has grown with additional 32 countries. UNDG estimates that a further 100 certified programme countries will adopt the Delivering as One approach by 2014.

This programme component is responsible for coordinating UNIDO country-level and regional activities towards United Nations system-wide coherence in the context of the United Nations reform process and maintaining a dialogue with the relevant UNDG bodies on these matters, in interaction with Programme Component B.1.2, which addresses these issues at the strategic inter-agency level.

Objective

To ensure United Nations system-wide inter-agency coherence and the effective positioning of UNIDO services within United Nations country-level and regional initiatives in the context of the Delivering as One initiative.

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

<i>Contribution</i>	<i>Performance indicators</i> ¹
Harmonized United Nations initiatives demonstrate enhanced consideration of UNIDO positions in alignment with national/regional inclusive and sustainable industrial development needs and priorities.	<ul style="list-style-type: none"> • Level of recognition and acceptance of UNIDO role and business model specificities in United Nations coherence mechanisms. • Increased size of UNIDO TC activities with potential funding from One Fund mechanisms at the country level. • Increased number of MOUs signed at country level enabling entry to United Nations trust fund mechanisms.

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

<i>Contribution to policy outcome</i>	<i>Performance indicators¹</i>
Industrial policies and strategies in programme countries embrace a more strategic, systematic and transformative approach for better inter-agency policy coherence and more effective results for human development.	<ul style="list-style-type: none"> • Extent to which UNDAF policy outcomes and outputs reflect the analysis of industrial policy gaps in the CCA/equivalent analysis. • Extent to which the UNDAF Results Framework clearly specifies roles and responsibilities of UNIDO and its partners in delivering industrial policy-related outputs and contributing to policy-related outcomes. • Increased UNIDO engagement in advocacy and policy dialogue between UNCT and national governments.
<i>Contribution to institutional outcome</i>	<i>Performance indicators¹</i>
Public and private partner institutions progressively implement a relatively large share of UNIDO TC components in One Programmes/UNDAPs of Delivering as One programme countries in line with established CEB/UNDG guidelines on harmonized business practices.	<ul style="list-style-type: none"> • Extent to which the revised HACT framework incorporates UNIDO business model specificities. • Increased involvement of national implementation partners (NIPs) and other United Nations agencies for harmonized operations reinforcing the added value of system-wide coherence.

¹ Based on regular assessments and surveys.

Programme Component C.4.5: Security of UNIDO Personnel and Operations

General description

In the current global context characterized by the unprecedented security challenge when the United Nations system organizations have become the special targets of terrorism and crime, and situation in many countries where UNIDO operates has deteriorated leading to political and social instability and unrest, the security of UNIDO personnel and operations has become the prerequisite for successful and sustainable UNIDO performance. This programme aims to ensure the security of UNIDO personnel and operations both at Headquarters and in the field, including MOSS compliance of the UNIDO field offices and operations, secure and safe travel and missions of UNIDO staff and personnel, implementation of United Nations security policies and guidelines, security of UNIDO programmes, projects and different events organized by UNIDO, enhancing the security culture of UNIDO personnel through security training and awareness, and effective coordination with other members of the United Nations Security Management System.

In accordance with the major principle of the United Nations Security Management System that there should be “no programme without security and no security without resources”, the main focus of UNIDO activities in the field of security for 2014-2015 will be on integrating security into UNIDO projects and programmes. The UNIDO Accountability Framework for Security Management (AFSM) stipulates that the Director General ensures that safety and security are core components of all programmes and activities, and that security risk assessments are considered and given due priority from the start of all planning processes.

Integration of security into UNIDO projects and programmes is critical for their sustainability and overall TC delivery since UNIDO has many projects and programmes in countries with unpredictable and challenging security situations.

Objective

To ensure the security of UNIDO personnel and operations both at Headquarters and in the field and integrate security into UNIDO programmes and projects.

Contribution to the expected impact of Programmes C.1, C.2, and C.3 and other programmes

<i>Contribution</i>	<i>Performance indicators</i>
Security support to UNIDO operations and programmes, integration of security in UNIDO activities.	<ul style="list-style-type: none"> Increased number of UNIDO programmes and projects with security component. Number of projects and activities in countries with security level 3 and above.

Programme C.5: Field Operations Support

General description

This dedicated programme continues to support the UNIDO field network, consisting of regional and country offices, UNIDO Desks, and UNIDO's presence through focal points, by capturing operational and General Service (GS)-related financial requirements. The scope of the programme is restricted to provide 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, remains essential and can best be achieved by grouping these resources under a separate individual programme.

Objective

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

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

Resources

Programme C.5: Field Operations Support

Resource estimates (in euros)

Posts			2014-2015 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
0.00	88.00	88.00	Staff costs	4,698,800	912,600	5,611,400
			Official travel	1,167,200		1,167,200
			Operating costs	4,928,700		4,928,700
			Information and comm. techn.	1,022,000		1,022,000
			Total gross expenditure	11,816,700	912,600	12,729,300
			Income	(1,521,300)		(1,521,300)
			Total net resources	10,295,400	912,600	11,208,000

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, offers policy advice and collects industrial statistics, thus aiming 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 the approval of UNIDO's technical cooperation programmes and projects with the Organization's quality assurance framework. It is further responsible for conceptualizing, developing and managing UNIDO's partnerships with donor institutions and other existing and potential donor organizations, as well as for advocating the role of industry as an instrument for inclusive and sustainable economic growth and poverty reduction. Furthermore, under this Major Programme, UNIDO consolidates its learning resources and training capacities in the framework of the UNIDO Institute for Capacity Development.

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) Enhance the quality and effectiveness of UNIDO's operations by managing and supporting the programme and project approval process;
- (d) Develop and maintain relations with donors, identify further potential donors for the funding of UNIDO services, and apply appropriate funding modalities; and
- (e) 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, training and outreach activities on specific issues regarding the three thematic 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 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> ¹
Public policies, economic strategies and multilateral development cooperation promoting region/country-specific industrial development that reduces poverty and promotes an inclusive globalization process and environmental sustainability.	<ul style="list-style-type: none"> • Effective multilateral debate and regional cooperation in fields related to sustainable industrialization and growth. • Improved economic, social and environmental performance of industrial sectors.

¹ Based on 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> ¹
Donors, financing institutions and relevant private sector stakeholders 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"> • Demonstrated improvements in quality of project documents. • Increased value of a diversified portfolio of funded programme and project proposals.

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

Resources

Major Programme D: Strategic Research, Quality Assurance and Outreach

Resource estimates (in euros)

Posts			2014-2015 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
28.00	20.50	48.50	Staff costs	9,282,850	1,264,100	10,546,950
			Consultants	837,000		837,000
			Meetings	263,200		263,200
			Official travel	410,200		410,200
			Operating costs	754,700		754,700
			Information and comm. techn.	3,000		3,000
			Total gross expenditure	11,550,950	1,264,100	12,815,050
			Total net resources	11,550,950	1,264,100	12,815,050

Major Programme D: Strategic Research, Quality Assurance and Outreach

By programme

		Posts		Regular and operational budgets	Technical cooperation (extrabudgetary)	Total
		P	GS			
D.1.	Strategic Research and Policy Advisory Services	17.60	15.50	8,194,150		8,194,150
D.2.	Quality Assurance and Outreach	10.40	5.00	4,620,900		4,620,900
D.	Total Major Programme	28.00	20.50	12,815,050		12,815,050

Programme D.1: Strategic Research and Policy Advisory Services

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 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 learnt 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 fora. Under this programme, UNIDO helps ministries and other public institutions to analyse their industrial performance 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, and documents successful experiences that are then shared across regions and continents in events convened by the Organization. Since sustainable industrial development involves 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 fed back into analytical work.

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.

Resources

Programme D.1: Strategic Research and Policy Advisory Services

Resource estimates (in euros)

Posts			2014-2015 estimates (after recosting)			
Professional	General Service	Total	Regular budget	Operational budget	Total	
17.60	15.50	33.10	Staff costs	5,839,350	1,123,000	6,962,350
			Consultants	676,700		676,700
			Meetings	216,600		216,600
			Official travel	209,500		209,500
			Operating costs	126,000		126,000
			Information and comm. techn.	3,000		3,000
			Total gross expenditure	7,071,150	1,123,000	8,194,150
			Total net resources	7,071,150	1,123,000	8,194,150

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 (RBM).

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> ¹
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"> Strategic research and policy advisory services are clearly aligned to global goals (including the MDGs) and country needs.

¹ 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> ¹
Activities undertaken by UNIDO in strategic research, quality assurance and outreach are efficient, effective and results-oriented.	<ul style="list-style-type: none"> 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. Increase in the number of projects reaching milestones/targets as planned.

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

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

Programme Component D.1.2: 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 regional and national levels as well as topics that have a bearing on global industrialization. The former consist of issues such as the economic downturn in OECD economies, international efforts to enhance sustainable development or

new trends in the international relocation of production, while the latter include questions such as the impact of manufacturing growth by certain countries or the effect of specific discoveries or innovations. It consists of issues and key trends affecting or resulting from regional industrialization processes that may have a global impact. Emphasis in this case is put on questions related to trade, production and market integration and division of labour as well as on technological and financial cooperation. During the biennium, UNIDO's global research and diagnosis will specifically focus on the connections between technological change, social and environmental sustainability and employment generation, and will provide analytical support and policy recommendations for the Organization's global forum activities.

The thematic segment of the 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 scope for employment generation determined by those patterns. The 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, employment generation or environmental sustainability. Typologies of countries will be developed based on the relation between structural change dimensions and social, economic and environment considerations. The potential for green industrialization and what industries contribute more to carbon emission reductions is a key issue in this context. These typologies are expected to be used for identifying industrial development strategies and providing policy advisory services. Another major thematic research output will be the *Industrial Development Report*, UNIDO's periodical flagship publication.

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> ¹
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"> • Clearer understanding of the role of industrialization on expanding sustainable productive capacities as assessed by peer organizations and individuals.

¹ 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> ¹
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"> • Recommendations arising from the findings of UNIDO research are used by countries and regions in their policymaking process. • Successful country and regional experiences illustrated by UNIDO research and analysis are used by Member States to support sustainable industrial development. • Traceable contributions of UNIDO's research to global knowledge generation in the field of sustainable industrial development.

<i>Contribution to institutional outcomes</i>	<i>Performance indicators</i> ¹
Enhanced capabilities in national governments, private sector firms and associations in support of industrial development.	<ul style="list-style-type: none"> • Recommendations arising from the findings of UNIDO research are used by specific organizations in their policymaking process. • Institutional improvements in terms of quality and speed of policy-related decision-making.

¹ 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 advice, especially in the diagnostic, design and assessment stages of the industrial policymaking process; and
- (ii) Strategic industrial intelligence and governance support, which focuses on building institutional capacity in key public and private sector institutions in the design and implementation of industrial policies.

Strategic industrial policy embodies the aspiration of a country in terms of the position its manufacturing sector ought to be at a point in time in the future or vis-à-vis the rest of the world. The programme component provides successful experiences, as well as advice on the governance and coordination mechanisms for preparing the diagnosis for, and design of, an industrial strategy/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. Advice is also provided regarding the mechanisms needed to ensure a transparent, participatory and inclusive diagnostic phase. Finally, at the monitoring phase, intelligence gathering is focused on identifying the causal chains that underline specific programmes, projects and policy instruments, as well as supporting the formulation of impact assessment studies.

Strategic industrial intelligence and governance addresses the challenges of weak institutional capacity, lack of information and insufficient public-private sector dialogue that policymakers face in their attempts to design and implement evidence-based policies. The programme component focuses on capacity-building activities like awareness raising seminars, training and the establishment of observatories and specialized industrial intelligence units in key government and private sector agencies. These units, making use of the broad range of UNIDO's analytical tools developed under Programme Component D.1.2, are the driving force in the generation of industrial intelligence in the form of industrial diagnosis, industrial reports, sectoral and value chain analysis and industrial strategy/policy documents. On this basis, the programme component aims at creating public-private platforms for dialogue and facilitating the participation of centres of knowledge in the policy debate. Through these initiatives South-South institutional cooperation is boosted through knowledge and experience sharing.

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> ¹
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"> 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.

¹ 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> ¹
Improved content of industrial strategy and policy programmes and processes.	<ul style="list-style-type: none"> Number of evidence-based industrial diagnosis, reports, strategies and policies. Extent of participation by private stakeholders in the policymaking process. Extent of approval of the policymaking process by stakeholders.
<i>Contribution to institutional outcomes</i>	<i>Performance indicators</i> ¹
Enhanced individual, organizational and institutional capabilities in national governments and ministries, private sector firms and associations.	<ul style="list-style-type: none"> Learning and evaluations by participants in seminars, study tours and training courses. Extent of formal integration of intelligence units in the structure of host institutions. Effectiveness and efficiency evaluations of organizations involved. Number and depth of relevant policy statements (strategies, laws and regulations) endorsed.

¹ 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 component broadly covers:

- (i) The maintenance and updating of international industrial statistics databases with structural business data, the compilation and dissemination of industrial data through the annual publication of the International Yearbook of Industrial Statistics and the biannual publication World Statistics on Mining and Utilities, the Industrial Statistics Database (INDSTAT) and Industrial Demand-Supply Balance (IDSB) databases on CD-ROM, the online data portal of the Statistical Country Brief, the newly developed statistical data warehouse and the quarterly report on world manufacturing production, as well as 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> ¹
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"> • Increased number and size of UNIDO statistical products available to national governments, private sector and knowledge institutions. • Increased number of data requests received by UNIDO from international data users. • Increased use of in-house statistics by UNIDO technical programmes. • Increased number of statistical and analytical products disseminated by organizations.

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

Contributions to expected country-level outcomes of Programmes C.1, C.2 and C.3

<i>Contribution to policy outcomes</i>	<i>Performance indicators</i> ¹
Industrial analyses and strategies are based on sound statistical and analytical foundations.	<ul style="list-style-type: none"> • Increased number of countries represented in UNIDO databases. • Increased production and dissemination of country and internationally comparable cross-country data on policy relevant indicators. • Increased access to UNIDO databases and statistical products required for formulation of evidence-based development policies. • Increased number of National Statistical Offices (NSOs) receiving UNIDO advisory services and technical assistance. • Increased number of visits to UNIDO statistical web pages in both the Intranet and Internet.

<i>Contribution to institutional outcomes</i>	<i>Performance indicators</i> ¹
Improved performance of national statistical offices in producing timely and reliable industrial statistics relevant to national development goals, policies, and issues.	<ul style="list-style-type: none"> • Number of recipient countries and national agencies using UNIDO statistical products, training and advisory services. • Increased number of statistical surveys for producing relevant, timely, accurate and gender-disaggregated industrial data.

¹ Based on regular assessments and surveys.

Programme Component D.1.5: UNIDO Institute for Capacity Development

General description

The UNIDO Institute for Capacity Development provides learning opportunities for policymakers, industrial development practitioners, researchers and people working in the industrial development community as well as students who aspire to a career in that field. It is engaged in the following activities:

- Training and education: to increase the knowledge and skills of stakeholders to enable them to engage more effectively in industrial development processes;
- Joint research: to initiate research projects in collaboration with individuals and institutions to propose innovative solutions and to improve the implementation of international best practices in industrial development projects;
- Knowledge-sharing: to share UNIDO's experience with academics, policymakers, practitioners and other industrial development stakeholders;
- Policy dialogue: to develop effective channels of communication between experts, government officials, senior policymakers, academia and other stakeholders; and
- Strategic networking and partnerships: to link UNIDO activities with partner institutions for sustainable industrial policy design and management.

The UNIDO Institute offers a range of learning options. Its joint research programme fosters collaboration between UNIDO and leading academic institutions to implement joint research projects. Its PhD programme builds partnerships with recognized universities and/or research institutions stimulating rigorous theoretical and empirical research studies that meet the requirements for PhD dissertations in the field of industrial development. Its education support programme aims to improve teaching and learning methods by developing courses and degree programmes in industrial development. The executive training programme enables senior government officials to learn from leading UNIDO practitioners and world class academics. The summer programme offers a dynamic mix of traditional and innovative learning methods for young professionals while the Institute's distance learning programme supports residential thematic trainings organized by PTC branches and reaches out to a global audience through targeted e-learning courses.

Objective

To enhance the quality of industrial policy by generating, disseminating and sharing world class knowledge resources and build capacities for sustainable industrial development, poverty reduction and accelerated economic growth.

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

<i>Contribution</i>	<i>Performance indicators</i> ¹
Improved capacities for managing productive capacity processes and international trade, reducing poverty and increasing efficiency and environmental sustainability at the global and regional levels.	<ul style="list-style-type: none"> Better understanding of industrial development processes and better quality of industrial policy.
Development of high quality knowledge products and organization of capacity-building programmes.	<ul style="list-style-type: none"> Number and quality of knowledge products developed. Number and quality of capacity-building programmes implemented.

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

Contributions to expected country-level outcomes of Programmes C.1, C.2 and C.3

<i>Contribution to policy outcomes</i>	<i>Performance indicators</i> ¹
Enhanced human capacities in governments, private sector, industry associations, think tanks and academia.	<ul style="list-style-type: none"> Number of capacity-building activities conducted. Number of participants involved in the activities conducted. Feedback from participants on relevance and quality of activities conducted.

¹ 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 operational effectiveness of UNIDO's technical cooperation activities by managing and supporting the approval process for these activities. It further manages UNIDO's partnerships with donors and potential donors, and coordinates the Organization's communication with external stakeholders. The programme contains three programme components: (i) Donor Partnerships, (ii) Quality Assurance and (iii) Advocacy and External Relations.

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; manage and support the programme formulation and approval process for UNIDO's technical cooperation activities, and mobilize required resources.

Resources

Programme D.2: Quality Assurance and Outreach

Resource estimates (in euros)

Posts			2014-2015 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
10.40	5.00	15.40	Staff costs	3,443,500	141,100	3,584,600
			Consultants	160,300		160,300
			Meetings	46,600		46,600
			Official travel	200,700		200,700
			Operating costs	628,700		628,700
			Total gross expenditure	4,479,800	141,100	4,620,900
			Total net resources	4,479,800	141,100	4,620,900

Programme Component D.2.1: Donor Partnerships

General description

The programme component conceptualizes, develops and manages UNIDO's partnerships 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 donor governments and institutions, 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 2014-2015, efforts under this programme component aim at increasing contributions to the thematic priority areas of UNIDO, especially, but not only, from governmental donors. This will include efforts to ensure that the Organization continues to participate in, and obtains funding from, an increasing number of multi-donor trust funds and other funding sources.

Objective

To maintain strong partnerships with present and potential donors in order to increase the volume of resources mobilized for effective development services across UNIDO's thematic priority areas.

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

<i>Contribution</i>	<i>Performance indicators</i> ¹
UNIDO widens its geographic scope and increases its programme volume to serve more countries and people.	<ul style="list-style-type: none"> Increased volume of programmes, particularly in previously under-served areas. Broader donor base, including governmental and private sector partners.

¹ 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> ¹
Donors and other sources of support of 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"> Annual level of funds mobilized increased in accordance with forecasted levels.

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

Programme Component D.2.2: Quality Assurance

General description

The programme component contributes to the operational effectiveness of UNIDO's technical cooperation activities by ensuring a high quality of UNIDO's interventions at the design stage and throughout implementation. The programme component is also responsible for managing and supporting the approval process by spearheading the appraisal of technical cooperation interventions and ensuring overall coherence between operations and the strategic objectives of the Organization. The appraisal and coherence-related functions are in support of Programme Components C.1.1, C.2.1 and C.3.1.

In the biennium 2014-2015, efforts under this programme component aim at:

- (i) Providing guidance on, and training in, the consistent application of good design methodologies and tools across the Organization;
- (ii) Facilitating the quality management of UNIDO's interventions at the design stage and during implementation; and
- (iii) Supporting the operation of the internal programme and project approval bodies and following up on their decisions.

Objective

The aim is to ensure that the expected results of UNIDO's interventions are of high quality, achievable and realistic, thus ensuring that they can be characterized as effective development interventions.

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

<i>Contribution</i>	<i>Performance indicators</i> ¹
Industrial policies, strategies and technical cooperation interventions are based on internationally recognised criteria for development effectiveness and are based on sound technical foundations.	<ul style="list-style-type: none"> Improved overall performance of industrial development interventions.

¹ 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> ¹
Promoting high-quality “delivering as One UNIDO” whenever multidisciplinary approaches are to be applied.	<ul style="list-style-type: none"> Increasing incidence of effective in-house collaborations in multi-disciplinary interventions.

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

Programme Component D.2.3: Advocacy and External Relations

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

<i>Contribution</i>	<i>Performance indicators</i> ¹
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"> Improved visibility among and support by Member States. Positive feedback from key stakeholders. Increased recognition of industrial development as key response to global development challenges.

¹ 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> ¹
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">• Improved public outreach, based on media coverage, recorded enquiries, requests for publications, and recorded public debate.• Improved use of UNIDO's web-based communication services.• Positive feedback from development-related groups and opinion-makers.

¹ 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 six specific programmes: Human Resource Management; Financial Services; Procurement and Logistics; Information and Communications Technology; Business and Systems Support; 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 further enhancing UNIDO's 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 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 sufficient level of services to support UNIDO's activities.

Resources

Major Programme E: Programme Support Services

Resource estimates (in euros)

Posts			2014-2015 estimates (after recosting)			
Professional	General Service	Total	Regular budget	Operational budget	Total	
43.00	89.50	132.50	Staff costs	20,275,450	4,676,600	24,952,050
			Consultants	205,800		205,800
			Official travel	236,600		236,600
			Operating costs	1,002,000		1,002,000
			Information and comm. techn.	5,648,800		5,648,800
			Total gross expenditure	27,368,650	4,676,600	32,045,250
			Total net resources	27,368,650	4,676,600	32,045,250

Major Programme E: Programme Support Services

By programme

		Posts		Regular and operational budgets	Technical cooperation (extrabudgetary)	Total
		P	GS			
E.1.	Human Resource Management	10.00	20.50	6,341,450		6,341,450
E.2.	Financial Services	11.00	31.00	7,539,400		7,539,400
E.3.	Procurement and Logistics	10.00	23.00	8,132,500		8,132,500
E.4.	Information and Communications Technology	5.00	9.00	4,579,380		4,579,380
E.5.	Business and Systems Support	5.00	3.00	4,277,720		4,277,720
E.6.	Direction and Management	2.00	3.00	1,174,800		1,174,800
E.	Total Major Programme	43.00	89.50	32,045,250		32,045,250

Programme E.1: Human Resource Management

General description

This programme will continue to develop and formulate specific human resource management (HRM) policies and procedures of UNIDO and to provide support to the other Major Programmes in meeting their human resource management requirements, including 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 continue to interact with other organizations of the United Nations common system, and serve as the official interlocutor of UNIDO with the International Civil Service Commission (ICSC), Chief Executive Board for Coordination (CEB) HR Network, UNJSPF, and health insurance providers.

The programme will continue to be organized functionally in two programme components for matters related to human resource (HR) recruitment, planning and development, and those related to personnel administration and employee services. Following the implementation of the respective human capital management (HCM) modules of UNIDO's new ERP system the first programme component will include within the provisions of the relevant policies. HR planning and staffing with respect to all categories of UNIDO human capital; job analysis and classification; the implementation of the training plan and learning policy aimed at upgrading and updating managerial, technical and functional competencies; management and support to the Organization's performance management system; maintenance and analysis of HR data and trends and associated reporting. Accordingly, the other programme component 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 and organizational policies; the maintenance of the official personnel records; the provision of comprehensive social security and pension fund services to active and retired staff in accordance with the regulations and rules of the UNJSPF, the in-service and after-service group health, temporary disability and life insurance schemes; the coordination of the internal system of justice, and the provision of staff counselling services.

In 2014-2015, the programme will continue to identify and promote the implementation of qualitative improvements in human resource management in specific areas, namely:

- (a) Evidence-based performance management, including 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 harmonization of conditions of service of UNIDO field staff with the conditions of service of field staff of other United Nations organizations in the context of the Delivering as One and Delivering as one UNIDO initiatives;

(d) Reform of the formal internal system of justice;

(e) Implementation of talent outreach measures to attract qualified human capital.

Objective

While securing the highest standards of efficiency, competence and integrity, and with due regard to the importance of recruiting staff on a wide and equitable geographical basis and promoting a gender balance, to provide UNIDO, in a timely manner, with appropriately qualified and motivated staff for the fulfilment of its mandate.

Contribution to UNIDO's management objective

<i>Contribution</i>	<i>Performance indicators</i> ¹
Motivated and competent staff, demonstrating geographical and gender diversity and adherence to UNIDO staff values. Qualified pool of experts for programme areas.	<ul style="list-style-type: none"> • Timely staffing for established posts at Headquarters and in the field. • Updated HRM policies reflecting best practices relevant to UNIDO. • Efficient and effective provision of continuous operational HR-related services. • Pool of experts to meet demands for human capital in programme areas completed.

¹ 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

Programme E.1: Human Resource Management

Resource estimates (in euros)

Posts			2014-2015 estimates (after recosting)			
Professional	General Service	Total	Regular budget	Operational budget	Total	
10.00	20.50	30.50	Staff costs	4,618,150	1,549,200	6,167,350
			Consultants	119,300		119,300
			Official travel	47,600		47,600
			Operating costs	7,200		7,200
			Total gross expenditure	4,792,250	1,549,200	6,341,450
			Total net resources	4,792,250	1,549,200	6,341,450

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 financial resources, including the payroll

of headquarters, field staff and project experts; 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, including 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, including where possible, the extensions to national implementation. The programme also ensures compliance with donor budgeting and reporting requirements.

This programme is also intricately involved in the discussion and implementation of the Harmonized Approach to Cash Transfers (HACT) and is a member of the respective advisory committee. In addition, this programme liaises with and is actively engaged in the harmonization of business practices among United Nations agencies.

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 its revenue recognition of voluntary contribution and the management and recording of project assets, the programme will be heavily engaged in 2014-2015 in phasing out the temporary provisions.

Moreover, after the implementation of the ERP System, the programme will continue to consolidate and stabilize certain features of the solution, particularly in the area of report generation and budget planning.

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

The resource base for the programme has been reduced in comparison to the previous biennium as a result of anticipated efficiency gains to be garnered from simplification and streamlining of financial and banking operations. This notwithstanding, the programme will contribute to the deliberations of the United Nations system inter-agency consultative processes, in particular the Finance and Budget Network of the High-level Committee on Management.

Objective

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

Contribution to UNIDO's management objective

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

¹ Based on feedback from clients, external audit reports, correspondence log, decisions of the policymaking organs, and related reporting in the Annual Report and other legislative documents.

Resources

Programme E.2: Financial Services

Resource estimates (in euros)

Posts			2014-2015 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
11.00	31.00	42.00	Staff costs	5,431,100	2,020,700	7,451,800
			Consultants	41,700		41,700
			Official travel	42,000		42,000
			Operating costs	3,900		3,900
			Total gross expenditure	5,518,700	2,020,700	7,539,400
			Total net resources	5,518,700	2,020,700	7,539,400

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.

The programme also enhances the responsiveness and quality of general support services for all UNIDO activities. The application of Supplier Relationship Management (SRM) and related procedures will facilitate the effectiveness of the procurement and asset 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.

Contribution to UNIDO's management objective

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

Resources

Programme E.3: Procurement and Logistics

Resource estimates (in euros)

Posts			2014-2015 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
10.00	23.00	33.00	Staff costs	4,983,200	1,106,700	6,089,900
			Consultants	33,300		33,300
			Official travel	33,000		33,000
			Operating costs	883,300		883,300
			Information and comm. techn.	1,093,000		1,093,000
			Total gross expenditure	7,025,800	1,106,700	8,132,500
			Total net resources	7,025,800	1,106,700	8,132,500

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 Headquarters-related requirements. 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 services, as well as for ongoing works such as the removal of asbestos from the VIC complex. Activities under this programme component also involve assistance and guidance in the preparation of technical specifications, terms of reference and scope of works, tendering, and technical and commercial evaluation in respect of procurement. In addition, the programme component provides regular training activities and the operation of the Procurement Helpdesk.

Objective

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

¹ 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, as well as attaining optimal efficiency and control in the management of UNIDO property with the implementation of the new ERP-SAP.

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 introduce the online travel management for online booking of tickets by staff, thereby streamlining the operation and promoting efficiency and effectiveness. It will further 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.

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

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

Programme E.4: Information and Communications Technology

General description

This programme is responsible for providing efficient and effective information and communications technology (ICT) services and support required to implement UNIDO's programme of work, and to facilitate the Organization's efforts to promote decentralization and expand its field presence through the provision of ICT strategy, policies, stable infrastructure management, security, state of the art tools, and a high level of customer support at Headquarters and the field.

IT support is a key enabler for increasing operational efficiencies by providing efficient and cost-effective IT infrastructure at Headquarters and the field. As such, the principal focus of the Programme in 2014-2015 will be to manage, support and monitor the IT infrastructure and operations, desktop management, databases, ERP technical infrastructure, legacy systems, learning programmes, field network and provide uninterrupted IT connectivity to all stakeholders through a combination of internal and external ICT service providers, including a shift towards outsourcing options.

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

Objective

To ensure an efficient and effective utilization of ICT support services to improve UNIDO's operations.

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

<i>Contribution</i>	<i>Performance indicators</i> ¹
Reliable, cost-effective, user-friendly and network-connected ICT facilities and uninterrupted services as required by the Organization.	<ul style="list-style-type: none"> Minimization of ICT incidents and positive feedback from customers. Ensuring efficient, uninterrupted and effective ICT infrastructure for the Organization. Provision of the state of the art ICT tools and devices. Demonstrated effectiveness in all ICT-related services.

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

Resources

Programme E.4: Information and Communications Technology

Resource estimates (in euros)

Posts			2014-2015 estimates (after recosting)		
Professional	General Service	Total	Regular budget	Operational budget	Total
5.00	9.00	14.00	Staff costs	2,545,000	2,545,000
			Official travel	17,600	17,600
			Operating costs	103,000	103,000
			Information and comm. techn.	1,913,780	1,913,780
			Total gross expenditure	4,579,380	4,579,380
			Total net resources	4,579,380	4,579,380

Programme E.5: Business and Systems Support

General description

This programme manages the integrated Enterprise Resource Planning (ERP) solution and ensures that it supports the business processes of the Organization in order to realize the Programme for Change and Organizational Renewal (PCOR) benefits. Under the principles of “Growth with Quality” and “Delivering as One UNIDO”, which were set by the UNIDO mission statement, PCOR is bringing major benefits to the Organization, such as enabling UNIDO to better deliver to recipients’ needs, better meet the expectations of donors and Member States and enhance an efficient and proactive working environment.

The principal focus of the programme in 2014-2015 will be to ensure that, in close cooperation with key stakeholders, the ERP solution continues to meet the Organization’s business and operational needs. The programme will ensure that these requirements are addressed in the ERP system in a holistic, systematic and cost-effective manner following best practices, thus contributing to the overall efficiency and effectiveness of the Organization.

The programme’s primary functions are to plan, coordinate and implement business and systems improvements, optimize existing processes and introduce ERP-and process-related changes to ensure a functioning and integrated solution. These requirements will be addressed and prioritized under the guidance of the Business and Systems Improvement Board and in consultation with Business Key Users as well as the Information and Communications Technology programme responsible for providing, among others, the technical infrastructure of the ERP solution, thus ensuring a continuous alignment between the business and ERP operations.

Furthermore, the programme will deal with the ERP provider and manage the ERP-related contracts, such as licenses and outsourced services. It will act as the focal point on all ERP-related matters within the Organization and interactions with other United Nations and intergovernmental organizations.

Objective

To manage and coordinate ERP-related strategic and operational business needs in an efficient and cost-effective manner to ensure continuous improvement of UNIDO’s operations.

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

<i>Contribution</i>	<i>Performance indicators</i> ¹
Efficient and cost-effective support to the Organization’s business operations and processes to improve the overall quality and effectiveness of UNIDO services.	<ul style="list-style-type: none"> • Provision of uninterrupted ERP services to all stakeholders. • Operational needs of business are met in an efficient and cost effective manner. • Continuous improvements of the operations to increase organizational effectiveness. • Timely and accurate reporting on all aspects of the Organization’s operations, such as technical cooperation activities (financial, results/impact, risks, etc.), human resources, procurement, finance, etc. in a consistent manner.

¹ Extracted from PCOR Benefits — key performance indicators.

Resources

Programme E.5: Business and Systems Support

Resource estimates (in euros)

Posts			2014-2015 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
5.00	3.00	8.00	Staff costs	1,625,400		1,625,400
			Official travel	10,300		10,300
			Information and comm. techn.	2,642,020		2,642,020
			Total gross expenditure	4,277,720		4,277,720
			Total net resources	4,277,720		4,277,720

Programme E.6: Direction and Management

General description

In accordance with UNIDO's management objective, this programme identifies and determines the strategic direction and goals, providing leadership, coordination and effective and efficient management, in the broad areas of human resources, finance and budgets, information and communication management, ERP, operational support and common services, including management of the buildings and catering operations on behalf of the VBOs.

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> ¹
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"> • Minimization of claims and positive feedback from clients. • Effective support for implementation of the ERP system. • Enhanced safety and security. • Improved transparency of procedures and accountability of staff. • Demonstrated effectiveness in all related services.

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

Resources

Programme E.6: Direction and Management

Resource estimates (in euros)

Posts			2014-2015 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
2.00	3.00	5.00	Staff costs	1,072,600		1,072,600
			Consultants	11,500		11,500
			Official travel	86,100		86,100
			Operating costs	4,600		4,600
			Total gross expenditure	1,174,800		1,174,800
			Total net resources	1,174,800		1,174,800

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>
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">• Optimization of operational management, administration and cost-effectiveness.• Minimization of claims regarding building maintenance and repairs as well as replacement of installations and equipment.• Safe, reliable and resource-efficient operation and modernization of the VIC complex.

Resources

Major Programme F: Buildings Management

Resource estimates (in euros)

Posts			2014-2015 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
6.00	105.00	111.00	Staff costs	16,987,500		16,987,500
			Consultants	104,100		104,100
			Official travel	20,000		20,000
			Operating costs	39,979,700		39,979,700
			Total gross expenditure	57,091,300		57,091,300
			Income	(57,091,300)		(57,091,300)
			Total net resources			

Programme F.1: Common Buildings Management

Programme F.1: Common Buildings Management

Resource estimates (in euros)

Posts			2014-2015 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
6.00	102.00	108.00	Staff costs	16,546,900		16,546,900
			Consultants	104,100		104,100
			Official travel	20,000		20,000
			Operating costs	38,430,900		38,430,900
			Total gross expenditure	55,101,900		55,101,900
			Income	(55,101,900)		(55,101,900)
			Total net resources			

Programme F.1: Common Buildings Management

2014-2015 estimates (after recosting)	
	Regular budget
Established posts	14,725,600
After-service medical coverage	222,200
Career development training	22,900
General temporary assistance	732,000
Overtime and night differential	838,000
Consultant fees and travel	104,100
Hospitality	6,200
Travel on official business	20,000
Rental and maintenance of premises	19,960,800
Utilities	17,710,100
Rental and maint. of furnit., equipm. and vehicles	142,600
Miscellaneous general operating expenses	32,700
Printing and binding	2,000
Supplies and materials	370,600
Capital goods	212,100
Total gross expenditure	55,101,900
Other VBOs' contribution to common operations	(38,119,480)
UNIDO contribution to common operations	(6,933,220)
Other contributions to common operations	(10,049,200)
Total income	(55,101,900)
Total net resources	

Programme F.2: Joint Buildings Management

Programme F.2: Joint Buildings Management

Resource estimates (in euros)

Posts			2014-2015 estimates (after recosting)		
Professional	General Service	Total	Regular budget	Operational budget	Total
0.00	3.00	3.00			
			Staff costs	440,600	440,600
			Operating costs	1,548,800	1,548,800
			Total gross expenditure	1,989,400	1,989,400
			Income	(1,989,400)	(1,989,400)
			Total net resources		

Programme F.2: Joint Buildings Management

2014-2015 estimates (after recosting)	
	Regular budget
Established posts	423,300
Overtime and night differential	17,300
Rental and maintenance of premises	1,425,200
Capital goods	123,600
Total gross expenditure	1,989,400
Other VBOs' contribution to common operations	(1,153,930)
UNIDO contribution to common operations	(835,470)
Total income	(1,989,400)
Total net resources	

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, a cost item, the budget of which has been increasing steadily in value and significance, as well as the after-service health insurance scheme, are shown under this Programme.

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

- (a) After-service health insurance (ASHI) — per retired staff;
- (b) Joint medical services (IAEA) — 13.82 per cent;
- (c) Joint language training (UNOV) — per enrolled staff;
- (d) UNIDO contribution to common buildings management — 15.389 per cent;
- (e) Reimbursement to the Major Repair Fund — 15.389 per cent;
- (f) UNIDO contribution to joint buildings management (conference technicians and operating costs) — 42 per cent;
- (g) Language and documentation services (UNOV) — share based on workload;
- (h) Security and safety services (UNOV) — 15.389 per cent;
- (i) Contribution to joint activities with various United Nations bodies;
- (j) Joint communication services (UNOV) — 27.2 per cent.

The resource estimates under each of the above items are presented in the summary table. The total budgeted expenditure (at 2012-2013 costs) under contributions to the cost-shared services has increased by € 141,544 (0.65 per cent) as shown under the paragraphs below.

An increase in the amount of €105,962 under UNIDO contribution to ASHI applicable to retired staff is estimated on the basis of actual costs incurred in 2012 and additional estimated costs of mandatory retirements in 2013, 2014 and 2015.

The decrease of €818,130 under common buildings management services results mainly from the completion of the refurbishment of the C building at the VIC as well as a slight decrease in UNIDO's share from 15.604 per cent to 15.389 per cent. The decrease of €120,779 under reimbursement to Major Repair Fund is the result of the reduction of the total financial requirement of the Fund by €1,450,800, consequently leading to lower contribution required of all VBOs. Additionally, the contribution to the fund by UNIDO will be further reduced on account of lower cost share ratio from 15.604 per cent as contained in 2012-2013 budget estimates to 15.389 per cent reflected in the 2014-2015 budget estimates.

A slight increase of €56,870 under UNIDO contribution to Joint Buildings Management Services mainly reflects the increase in the UNIDO share from 39 per cent to 42 per cent.

The increase of €536,600 under Common Security and Safety Services results from the budget methodology employed by UNOV and the United Nations Secretariat where established positions are recosted after approval of budget has been granted by the General Assembly. In this case, 160 security and safety staff positions of UNOV were recosted at end of 2012, which effectively adjusted upwards the original appropriation.

The increase of €381,121 under contribution to joint activities with various United Nations bodies results from inclusion of €272,300 for the United Nations Resident Coordinator system, as elaborated in the executive summary; while the remaining €108,821 mainly result from a 6 per cent over expenditure above the biennial budget of 2012-2013 in the United Nations wide Jointly Financed Field operation security costs budget of the UNDSS- United Nations Department of Safety and Security. Further, UNIDO plans to contribute to the Joint United Nations treasury advisory services, including bank rating 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 F – Buildings Management.

Programme G.1: Contribution to Shared Services and Other Indirect Costs

Resource estimates (in euros)

Posts			2014-2015 estimates (after recosting)			
Professional	General Service	Total		Regular budget	Operational budget	Total
0.00	0.00	0.00	Staff costs	5,629,920		5,629,920
			Operating costs	16,484,627		16,484,627
			Information and comm. techn.	647,400		647,400
			Total gross expenditure	22,761,947		22,761,947
			Total net resources	22,761,947		22,761,947

Programme G.1: Contribution to Shared Services and Other Indirect Costs

2014-2015 estimates (after recosting)	
	Regular budget
After-service medical coverage	5,009,800
Joint medical services (IAEA)	550,120
Joint language training	70,000
UNIDO contribution to common BMS	6,934,340
Reimbursement to Major Repair Fund	542,401
UNIDO contribution to joint BMS	835,470
Language and documentation services	1,887,195
Security and safety services (UNOV)	4,224,100
Contribution to joint activities with United Nations bodies	2,061,121
Joint communications services (UNOV)	647,400
Total gross expenditure	22,761,947
Total income	
Total net resources	22,761,947

SPECIAL RESOURCES FOR AFRICA

General description

Regional and subregional programmes and projects are developed, supported and sustained through Special Resources for Africa (SRA). The basis for these programmes are drawn, inter alia, from the Regional Coordination Mechanism (RCM) in Africa providing a framework for coordinating United Nations support to the African Union (AU) and the New Partnership for Africa's Development (NEPAD) Programme: the AU-NEPAD African Action Plan 2010-2015 entitled "Advancing Regional and Continental Integration in Africa"; the African Union Plan of Action for the Accelerated Industrial Development of Africa (AIDA) 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; the declaration of the High-level Conference on the Development of Agribusiness and Agro-industries in Africa, held in Abuja, Nigeria, in March 2010; the Fourth United Nations Conference on the Least Developed Countries (LDC IV), which took place in Istanbul, Turkey, on 13 May 2011 and provided a comprehensive road map in support of the LDCs through the Istanbul Programme of Action (IPoA) and finally the UNIDO LDC Ministerial Conference held in Vienna from 24 to 25 November 2011, which approved UNIDO's LDC Operational strategy (currently, 34 out of 49 LDCs are in Africa).

These funds will commonly be used for the preparation of country, subregional and regional programmes related to the above, the implementation of UNIDO's LDC Operational strategy and carrying out other activities such as needs assessments and fact-finding missions. The remainder will be utilized for the development of projects upon specific, targeted 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 especially the African Union Commission (AUC), the CAMI, and Regional Economic Communities (RECs) and NEPAD. The resources will also be used to facilitate and strengthen the capacities of the Ministries of Industry, AUC and African 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. The proposed UNIDO services will render support in the areas of:

- (a) Productive capacity-building and sustainable industrial development for the achievement of the MDGs, the upcoming SDGs and other Internationally Agreed Development Goals;
- (b) Sustained economic growth, creation of productive employment opportunities, income generation, supporting inclusive growth and promotion of social integration, especially in post-crisis situations; with specially emphasis on youth, women and other vulnerable groups;
- (c) Industrial policies and economic management through private sector support diffusion of energy-efficient and 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, small islands and landlocked countries.

Considering the above, the programme will lay emphasis on the three main pillars of the UNIDO LDC strategy: (i) promoting regional commodity value chains, (ii) focusing on vulnerable communities and (iii) strengthening the regional industrial infrastructure.

Consequently, UNIDO will specifically but selectively develop and implement relevant programmes based on the seven programme clusters agreed upon within the framework of the AIDA and other regional frameworks, 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 and (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 and (iv) forging South-South and triangular cooperation.

Objective

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

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

<i>Contribution</i>	<i>Performance indicators</i> ¹
Public and national policies, economic strategies and multilateral development cooperation promote patterns of industrial development in Africa that reduce poverty and promote inclusive growth and environmental sustainability.	<ul style="list-style-type: none"> Valuable multilateral debate and cooperation in fields connected to sustainable industrial development and growth in Africa. Enhanced economic, social and environmental performance of industrial sectors in African nations.

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

Expected country-level outcomes

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

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

REGULAR PROGRAMME OF TECHNICAL COOPERATION

General description

The programmatic description and resources of the Regular Programme of Technical Cooperation (RPTC) is outlined in this section of the document. Following 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 RPTC 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 in 2011, the implementation of the RPTC 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 — and also contribute to relevant cross-cutting issues as gender equality and South-South cooperation.

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 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 of Technical Cooperation 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 promotion of gender equality and the empowerment of women in industrial 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> ¹
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"> • Effective multilateral debate and cooperation in fields related to sustainable industrial development and growth. • Improved economic, social and environmental performance of industrial sectors in developing countries.

¹ Based on regular assessments and 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> ¹
Effective programme and project development, implementation and monitoring processes, involving all functional divisions of the Organization.	<ul style="list-style-type: none"> • Level of effectiveness and efficiency of processes for policy advice and technical cooperation and activities. • Level of coherence and integration of programmes. • Effective participation in system-wide processes.

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

MISCELLANEOUS INCOME

Estimated miscellaneous income for 2014-2015 amounts to €1,076,000 in the regular budget and €53,800 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 2013, 2014 and 2015, estimates of €1,000,000 under the regular budget and €53,800 in the operational budget are budgeted for 2014-2015.

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 inclusive and 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 sales 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 €40,902 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 2012-2013 costs)

	Revised estimates at 2012-2013 costs		Budget estimates at 2012-2013 costs	
	Sales publications revolving fund 2012/13	Miscellaneous income 2012/13	Sales publications revolving fund 2014/15	Miscellaneous income 2014/15
Gross sales	80,000	80,000	76,000	76,000
Revolving fund balance of the previous biennium	190,902		95,402	
Total	270,902	80,000	171,402	76,000
Less expenses against revenue				
Travel				
Advertising and publications				
Printing				
Translation				
Advertising and Promotion	3,000		3,000	
Contractual services/contributions				
General temporary assistance	7,500		7,500	
Travel	40,000		40,000	
Miscellaneous/bank charges	2,500		2,500	
Consultants	122,500		77,500	
Equipment/materials				
Total expenses	175,500		130,500	
BALANCE IN SALES				
IPSAS-related entries				
PUBLICATIONS REVOLVING FUND (at the end of each biennium)	95,402		40,902	
NET REVENUE		80,000		76,000

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.

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

Programme	2012-2013	2014-2015	2014-2015	Recosting	2014-2015	Per cent of		
	approved budget a/ 1	resource growth at 2012-2013 rates 2	resource requirements at 2012-2013 rates 3	to 2014- 2015 rates 4	resource requirements at 2014-2015 rates 5	2012-2013 6	2014-2015 7	
Expenditure								
A POLICYMAKING ORGANS								
A.1	Meetings of the Policymaking Organs	3,341,840	11,160	3,353,000	123,800	3,476,800	1.8%	1.9%
A.2	Policymaking Organs Secretariat and Relations with Member States	1,791,600	85,000	1,876,600	25,800	1,902,400	1.0%	1.0%
Subtotal		5,133,440	96,160	5,229,600	149,600	5,379,200	2.7%	2.9%
B EXECUTIVE DIRECTION AND ORGANIZATIONAL ALIGNMENT								
B.1	Executive Direction and Strategic Management	7,037,660	(484,220)	6,553,440	208,070	6,761,510	3.8%	3.6%
B.2	Evaluation	1,758,800	(20,200)	1,738,600	47,100	1,785,700	0.9%	1.0%
B.3	Legal Services	1,274,100	(7,800)	1,266,300	40,600	1,306,900	0.7%	0.7%
B.4	Internal Oversight	1,518,000	35,400	1,553,400	25,300	1,578,700	0.8%	0.9%
B.5	Ethics and Accountability	417,700	(63,100)	354,600	(1,500)	353,100	0.2%	0.2%
Subtotal		12,006,260	(539,920)	11,466,340	319,570	11,785,910	6.4%	6.4%
C THEMATIC PRIORITIES								
C.1	Poverty Reduction through Productive Activities	32,399,432	(1,078,431)	31,321,001	204,825	31,525,826	17.3%	17.0%
C.2	Trade Capacity-building	17,932,191	(322,099)	17,610,092	122,375	17,732,467	9.6%	9.6%
C.3	Environment and Energy	34,332,007	(928,261)	33,403,746	363,880	33,767,626	18.4%	18.2%
C.4	Regional Programmes and Cross-cutting Issues	4,729,796	143,478	4,873,274	(9,550)	4,863,724	2.5%	2.6%
C.5	Field Operations Support	12,182,600	(657,900)	11,524,700	1,204,600	12,729,300	6.5%	6.9%
Subtotal		101,576,026	(2,843,213)	98,732,813	1,886,130	100,618,943	54.4%	54.3%
D STRATEGIC RESEARCH, QUALITY ASSURANCE AND OUTREACH								
D.1	Strategic Research and Policy Advisory Services	9,163,950	(1,122,660)	8,041,290	152,860	8,194,150	4.9%	4.4%
D.2	Quality Assurance and Outreach	5,694,050	(1,146,290)	4,547,760	73,140	4,620,900	3.0%	2.5%
Subtotal		14,858,000	(2,268,950)	12,589,050	226,000	12,815,050	8.0%	6.9%
E PROGRAMME SUPPORT SERVICES								
E.1	Human Resource Management	6,334,342	(213,642)	6,120,700	220,750	6,341,450	3.4%	3.4%
E.2	Financial Services	7,421,665	(124,465)	7,297,200	242,200	7,539,400	4.0%	4.1%
E.3	Procurement and Logistics	8,012,820	(174,120)	7,838,700	293,800	8,132,500	4.3%	4.4%
E.4	Information and Communications Technology	8,021,980	(3,580,100)	4,441,880	137,500	4,579,380	4.3%	2.5%
E.5	Business and Systems Support	291,900	3,886,820	4,178,720	99,000	4,277,720	0.2%	2.3%
E.6	Direction and Management	1,467,300	(317,600)	1,149,700	25,100	1,174,800	0.8%	0.6%
Subtotal		31,550,007	(523,107)	31,026,900	1,018,350	32,045,250	16.9%	17.3%
G INDIRECT COSTS								
G.1	Contribution to Shared Services and Other Indirect Costs	21,663,003	141,344	21,804,347	957,600	22,761,947	11.6%	12.3%
Subtotal		21,663,003	141,344	21,804,347	957,600	22,761,947	11.6%	12.3%
TOTAL expenditure (excl. Major Programme F)		186,786,736	(5,937,686)	180,849,050	4,557,250	185,406,300	100.0%	100.0%
F BUILDINGS MANAGEMENT								
F.1	Common Buildings Management	59,665,900	(7,665,500)	52,000,400	3,101,500	55,101,900	96.9%	96.5%
F.2	Joint Buildings Management	1,900,400		1,900,400	89,000	1,989,400	3.1%	3.5%
TOTAL expenditure (Major Programme F)		61,566,300	(7,665,500)	53,900,800	3,190,500	57,091,300	100.0%	100.0%

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a/ Reflects budget adjustments to the base.

Table 1 (continued)

Programme	2012-2013	2014-2015	2014-2015	Recosting	2014-2015	Per cent of		
	approved budget a/ 1	resource growth at 2012-2013 rates 2	resource requirements at 2012-2013 rates 3	to 2014- 2015 rates 4	resource requirements at 2014-2015 rates 5	2012-2013 6	2014-2015 7	
Income								
A	POLICYMAKING ORGANS							
Subtotal						0.0%	0.0%	
B	EXECUTIVE DIRECTION AND ORGANIZATIONAL ALIGNMENT							
Subtotal						0.0%	0.0%	
C	THEMATIC PRIORITIES							
C.1	Poverty Reduction through Productive Activities	290,200	290,200		290,200	0.2%	0.2%	
C.2	Trade Capacity-building	226,200	226,200		226,200	0.1%	0.1%	
C.3	Environment and Energy	334,200	334,200		334,200	0.2%	0.2%	
C.4	Regional Programmes and Cross-cutting Issues	59,600	59,600		59,600	0.0%	0.0%	
C.5	Field Operations Support	1,521,300	1,521,300		1,521,300	0.8%	0.8%	
Subtotal		2,431,500	2,431,500		2,431,500	1.3%	1.3%	
D	STRATEGIC RESEARCH, QUALITY ASSURANCE AND OUTREACH							
Subtotal						0.0%	0.0%	
E	PROGRAMME SUPPORT SERVICES							
Subtotal						0.0%	0.0%	
G	INDIRECT COSTS							
Subtotal						0.0%	0.0%	
	Miscellaneous Income	2,285,600	(1,155,800)	1,129,800	1,129,800	48.5%	31.7%	
TOTAL income (excl. Major Programme F)		4,717,100	(1,155,800)	3,561,300	3,561,300	49.8%	33.0%	
F	BUILDINGS MANAGEMENT							
F.1	Common Buildings Management	59,665,900	(7,665,500)	52,000,400	3,101,500	55,101,900	96.9%	96.5%
F.2	Joint Buildings Management	1,900,400		1,900,400	89,000	1,989,400	3.1%	3.5%
TOTAL income (Major Programme F)		61,566,300	(7,665,500)	53,900,800	3,190,500	57,091,300	100.0%	100.0%
NET GRAND TOTAL		182,069,636	(4,781,886)	177,287,750	4,557,250	181,845,000		

a/ Reflects budget adjustments to the base.

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

Programme	2012-2013 approved budget a/ 1	2014-2015 resource growth at 2012-2013 rates 2	2014-2015 resource requirements at 2012-2013 rates 3	Recosting to 2014- 2015 rates 4	2014-2015 resource requirements at 2014-2015 rates 5	Per cent of total budget	
						2012-2013 6	2014-2015 7
Expenditure							
A POLICYMAKING ORGANS							
A.1 Meetings of the Policymaking Organs	3,256,340	11,160	3,267,500	120,300	3,387,800	2.1%	2.2%
A.2 Policymaking Organs Secretariat and Relations with Member States	1,791,600	85,000	1,876,600	25,800	1,902,400	1.1%	1.2%
Subtotal	5,047,940	96,160	5,144,100	146,100	5,290,200	3.2%	3.5%
B EXECUTIVE DIRECTION AND ORGANIZATIONAL ALIGNMENT							
B.1 Executive Direction and Strategic Management	7,037,660	(484,220)	6,553,440	208,070	6,761,510	4.5%	4.4%
B.2 Evaluation	1,758,800	(20,200)	1,738,600	47,100	1,785,700	1.1%	1.2%
B.3 Legal Services	1,000,100	(7,800)	992,300	35,300	1,027,600	0.6%	0.7%
B.4 Internal Oversight	1,518,000	35,400	1,553,400	25,300	1,578,700	1.0%	1.0%
B.5 Ethics and Accountability	417,700	(63,100)	354,600	(1,500)	353,100	0.3%	0.2%
Subtotal	11,732,260	(539,920)	11,192,340	314,270	11,506,610	7.4%	7.5%
C THEMATIC PRIORITIES							
C.1 Poverty Reduction through Productive Activities	25,977,497	(1,153,686)	24,823,811	139,630	24,963,441	16.5%	16.4%
C.2 Trade Capacity-building	12,867,990	(1,282,498)	11,585,492	79,500	11,664,992	8.2%	7.6%
C.3 Environment and Energy	24,942,059	(2,629,348)	22,312,711	128,000	22,440,711	15.8%	14.7%
C.4 Regional Programmes and Cross-cutting Issues	3,224,280	13,719	3,237,999	(15,300)	3,222,699	2.0%	2.1%
C.5 Field Operations Support	11,448,200	(657,900)	10,790,300	1,026,400	11,816,700	7.3%	7.7%
Subtotal	78,460,026	(5,709,713)	72,750,313	1,358,230	74,108,543	49.7%	48.6%
D STRATEGIC RESEARCH, QUALITY ASSURANCE AND OUTREACH							
D.1 Strategic Research and Policy Advisory Services	8,018,350	(1,056,260)	6,962,090	109,060	7,071,150	5.1%	4.6%
D.2 Quality Assurance and Outreach	5,627,650	(1,212,690)	4,414,960	64,840	4,479,800	3.6%	2.9%
Subtotal	13,646,000	(2,268,950)	11,377,050	173,900	11,550,950	8.6%	7.6%
E PROGRAMME SUPPORT SERVICES							
E.1 Human Resource Management	4,865,142	(213,642)	4,651,500	140,750	4,792,250	3.1%	3.1%
E.2 Financial Services	5,539,165	(176,565)	5,362,600	156,100	5,518,700	3.5%	3.6%
E.3 Procurement and Logistics	7,140,620	(396,020)	6,744,600	281,200	7,025,800	4.5%	4.6%
E.4 Information and Communications Technology	8,021,980	(3,580,100)	4,441,880	137,500	4,579,380	5.1%	3.0%
E.5 Business and Systems Support	291,900	3,886,820	4,178,720	99,000	4,277,720	0.2%	2.8%
E.6 Direction and Management	1,467,300	(317,600)	1,149,700	25,100	1,174,800	0.9%	0.8%
Subtotal	27,326,107	(797,107)	26,529,000	839,650	27,368,650	17.3%	17.9%
G INDIRECT COSTS							
G.1 Contribution to Shared Services and Other Indirect Costs	21,663,003	141,344	21,804,347	957,600	22,761,947	13.7%	14.9%
Subtotal	21,663,003	141,344	21,804,347	957,600	22,761,947	13.7%	14.9%
TOTAL expenditure (excl. Major Programme F)	157,875,336	(9,078,186)	148,797,150	3,789,750	152,586,900	100.0%	100.0%
F BUILDINGS MANAGEMENT							
F.1 Common Buildings Management	59,665,900	(7,665,500)	52,000,400	3,101,500	55,101,900	96.9%	96.5%
F.2 Joint Buildings Management	1,900,400		1,900,400	89,000	1,989,400	3.1%	3.5%
TOTAL expenditure (Major Programme F)	61,566,300	(7,665,500)	53,900,800	3,190,500	57,091,300	100.0%	100.0%

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a/ Reflects budget adjustments to the base.

Table 2 (continued)

Programme	2012-2013	2014-2015	2014-2015	Recosting	2014-2015	Per cent of		
	approved budget a/ 1	resource growth at 2012-2013 rates 2	resource requirements at 2012-2013 rates 3	to 2014- 2015 rates 4	resource requirements at 2014-2015 rates 5	2012-2013 6	2014-2015 7	
Income								
A	POLICYMAKING ORGANS							
Subtotal						0.0%	0.0%	
B	EXECUTIVE DIRECTION AND ORGANIZATIONAL ALIGNMENT							
Subtotal						0.0%	0.0%	
C	THEMATIC PRIORITIES							
C.1	Poverty Reduction through Productive Activities	290,200	290,200		290,200	0.2%	0.2%	
C.2	Trade Capacity-building	226,200	226,200		226,200	0.1%	0.1%	
C.3	Environment and Energy	334,200	334,200		334,200	0.2%	0.2%	
C.4	Regional Programmes and Cross-cutting Issues	59,600	59,600		59,600	0.0%	0.0%	
C.5	Field Operations Support	1,521,300	1,521,300		1,521,300	1.0%	1.0%	
Subtotal		2,431,500	2,431,500		2,431,500	1.5%	1.5%	
D	STRATEGIC RESEARCH, QUALITY ASSURANCE AND OUTREACH							
Subtotal						0.0%	0.0%	
E	PROGRAMME SUPPORT SERVICES							
Subtotal						0.0%	0.0%	
G	INDIRECT COSTS							
Subtotal						0.0%	0.0%	
	Miscellaneous Income	2,211,900	(1,135,900)	1,076,000	1,076,000	47.6%	30.7%	
TOTAL income (excl. Major Programme F)		4,643,400	(1,135,900)	3,507,500	3,507,500	49.2%	32.2%	
F	BUILDINGS MANAGEMENT							
F.1	Common Buildings Management	59,665,900	(7,665,500)	52,000,400	3,101,500	55,101,900	96.9%	96.5%
F.2	Joint Buildings Management	1,900,400		1,900,400	89,000	1,989,400	3.1%	3.5%
TOTAL income (Major Programme F)		61,566,300	(7,665,500)	53,900,800	3,190,500	57,091,300	100.0%	100.0%
NET GRAND TOTAL		153,231,936	(7,942,286)	145,289,650	3,789,750	149,079,400		

a/ Reflects budget adjustments to the base.

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

Programme	2012-2013	2014-2015	2014-2015	Recosting	2014-2015	Per cent of		
	approved budget a/ 1	resource growth at 2012-2013 rates 2	resource requirements at 2012-2013 rates 3	to 2014- 2015 rates 4	resource requirements at 2014-2015 rates 5	2012-2013 6	2014-2015 7	
Expenditure								
A	POLICYMAKING ORGANS							
A.1	Meetings of the Policymaking Organs	85,500	85,500	3,500	89,000	0.3%	0.3%	
	Subtotal	85,500	85,500	3,500	89,000	0.3%	0.3%	
B	EXECUTIVE DIRECTION AND ORGANIZATIONAL ALIGNMENT							
B.3	Legal Services	274,000	274,000	5,300	279,300	0.9%	0.9%	
	Subtotal	274,000	274,000	5,300	279,300	0.9%	0.9%	
C	THEMATIC PRIORITIES							
C.1	Poverty Reduction through Productive Activities	6,421,935	75,255	6,497,190	65,195	6,562,385	22.2%	20.0%
C.2	Trade Capacity-building	5,064,201	960,399	6,024,600	42,875	6,067,475	17.5%	18.5%
C.3	Environment and Energy	9,389,948	1,701,087	11,091,035	235,880	11,326,915	32.5%	34.5%
C.4	Regional Programmes and Cross-cutting Issues	1,505,516	129,759	1,635,275	5,750	1,641,025	5.2%	5.0%
C.5	Field Operations Support	734,400		734,400	178,200	912,600	2.5%	2.8%
	Subtotal	23,116,000	2,866,500	25,982,500	527,900	26,510,400	80.0%	80.8%
D	STRATEGIC RESEARCH, QUALITY ASSURANCE AND OUTREACH							
D.1	Strategic Research and Policy Advisory Services	1,145,600	(66,400)	1,079,200	43,800	1,123,000	4.0%	3.4%
D.2	Quality Assurance and Outreach	66,400	66,400	132,800	8,300	141,100	0.2%	0.4%
	Subtotal	1,212,000		1,212,000	52,100	1,264,100	4.2%	3.9%
E	PROGRAMME SUPPORT SERVICES							
E.1	Human Resource Management	1,469,200		1,469,200	80,000	1,549,200	5.1%	4.7%
E.2	Financial Services	1,882,500	52,100	1,934,600	86,100	2,020,700	6.5%	6.2%
E.3	Procurement and Logistics	872,200	221,900	1,094,100	12,600	1,106,700	3.0%	3.4%
	Subtotal	4,223,900	274,000	4,497,900	178,700	4,676,600	14.6%	14.2%
G	INDIRECT COSTS							
	Subtotal					0.0%	0.0%	
TOTAL expenditure (excl. Major Programme F)		28,911,400	3,140,500	32,051,900	767,500	32,819,400	100.0%	100.0%
F	BUILDINGS MANAGEMENT							
TOTAL expenditure (Major Programme F)								

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a/ Reflects budget adjustments to the base.

Table 3 (continued)

Programme	2012-2013 approved budget a/ 1	2014-2015 resource growth at 2012-2013 rates 2	2014-2015 resource requirements at 2012-2013 rates 3	Recosting to 2014- 2015 rates 4	2014-2015 resource requirements at 2014-2015 rates 5	Per cent of total budget	
						2012-2013 6	2014-2015 7
Income							
A POLICYMAKING ORGANS							
Subtotal						0.0%	0.0%
B EXECUTIVE DIRECTION AND ORGANIZATIONAL ALIGNMENT							
Subtotal						0.0%	0.0%
C THEMATIC PRIORITIES							
Subtotal						0.0%	0.0%
D STRATEGIC RESEARCH, QUALITY ASSURANCE AND OUTREACH							
Subtotal						0.0%	0.0%
E PROGRAMME SUPPORT SERVICES							
Subtotal						0.0%	0.0%
G INDIRECT COSTS							
Subtotal						0.0%	0.0%
Miscellaneous Income	73,700	(19,900)	53,800		53,800	100.0%	100.0%
TOTAL income (excl. Major Programme F)	73,700	(19,900)	53,800		53,800	100.0%	100.0%
F BUILDINGS MANAGEMENT							
TOTAL income (Major Programme F)							
NET GRAND TOTAL	28,837,700	3,160,400	31,998,100	767,500	32,765,600		

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 2012-2013 rates
(In euros)

Programme	Staff costs		Official travel		Operating costs		Information and communication technology		RPTC and SRA activities		Total expenditure		Income		Net requirements	
	2012-2013 a/	2014-2015	2012-2013 a/	2014-2015	2012-2013 a/	2014-2015	2012-2013 a/	2014-2015	2012-2013 a/	2014-2015	2012-2013 a/	2014-2015	2012-2013 a/	2014-2015	2012-2013 a/	2014-2015
A POLICYMAKING ORGANS																
A.1 Meetings of the Policymaking Organs	129,500	116,900	9,900	29,500	3,202,440	3,206,600						3,341,840			3,341,840	3,353,000
A.2 Policymaking Organs Secretariat and Relations with Member States	1,731,800	1,763,400	40,500	40,500	59,800	72,700						1,791,600			1,791,600	1,876,600
Subtotal	1,861,300	1,880,300	9,900	70,000	3,262,240	3,279,300						5,133,440			5,133,440	5,229,600
B EXECUTIVE DIRECTION AND ORGANIZATIONAL ALIGNMENT																
B.1 Executive Direction and Evaluation	5,725,560	4,992,640	746,400	827,800	430,700	557,500	135,000	175,500				7,037,660			7,037,660	6,553,440
B.2 Legal Services	1,715,400	1,697,200	31,600	30,000	11,800	11,400						1,758,800			1,758,800	1,738,600
B.3 Internal Oversight	1,247,900	1,243,000	12,900	10,000	13,300	13,300	4,400	10,800				1,274,100			1,274,100	1,266,300
B.4 Ethics and Accountability	395,600	332,600	21,100	20,000	2,000	2,000						417,700			417,700	1,553,400
Subtotal	10,527,360	9,707,240	879,600	984,600	459,900	588,200	139,400	186,300				12,006,260			12,006,260	11,466,340
C THEMATIC PRIORITIES																
C.1 Poverty Reduction through Productive Activities	24,789,020	24,010,512	490,100	305,000	147,300	147,300			6,973,012	6,858,189		32,399,432			32,109,232	31,030,801
C.2 Trade Capacity-building	15,587,141	15,580,555	211,300	166,000	161,300	48,600	58,300		1,914,150	1,814,937		17,932,191			17,705,991	17,383,892
C.3 Environment and Energy	27,312,274	26,334,480	1,328,299	695,000	707,180	1,624,680			4,984,254	4,749,586		34,332,007			33,997,807	33,069,546
C.4 Regional Programmes and Cross-cutting Issues	3,340,805	3,333,960	515,901	674,000	18,600	18,600			854,490	826,714		4,729,796			4,670,196	4,813,674
C.5 Field Operations Support	4,872,400	4,698,500	1,323,800	1,128,100	4,919,200	4,716,400	1,067,200	981,700				12,182,600			10,661,300	10,003,400
Subtotal	75,901,640	73,978,007	3,869,400	2,968,100	5,953,580	6,555,580	1,125,500	981,700	14,725,906	14,249,426		101,576,026			99,144,526	96,301,313
D STRATEGIC RESEARCH, QUALITY ASSURANCE AND OUTREACH																
D.1 Strategic Research and Policy Advisory Services	8,356,350	7,713,790	576,200	202,400	222,200	122,100	9,200	3,000				9,163,950			9,163,950	8,041,290
D.2 Quality Assurance and Outreach	4,943,150	3,747,760	188,700	194,000	538,800	606,000	23,400					5,694,050			5,694,050	4,547,760
Subtotal	13,299,500	11,461,550	764,900	396,400	761,000	728,100	32,600	3,000				14,858,000			14,858,000	12,589,050
E PROGRAMME SUPPORT SERVICES																
E.1 Human Resource Management	6,288,822	6,067,700	33,120	46,000	12,400	7,000						6,334,342			6,334,342	6,120,700
E.2 Financial Services	7,377,130	7,252,700	40,615	40,600	3,920	3,900						7,421,665			7,421,665	7,297,200
E.3 Procurement and Logistics	5,969,520	5,914,200	36,060	32,000	873,460	842,500	1,133,780	1,050,000				8,012,820			8,012,820	7,838,700
E.4 Information and Communications Technology Business and Systems Support	4,352,200	2,487,500	16,920	17,000	159,960	99,000	3,492,900	1,838,380				8,021,980			8,021,980	4,441,880
E.5 Business and Systems Support	270,800	1,630,600	21,000	10,000			2,538,120					291,900			291,900	4,178,720
E.6 Direction and Management	1,379,700	1,062,100	83,200	83,200	4,400	4,400						1,467,300			1,467,300	1,149,700
Subtotal	25,638,172	24,414,800	231,015	228,800	1,054,140	956,800	4,626,680	5,426,500				31,550,007			31,550,007	31,026,900
G INDIRECT COSTS																
G.1 Contribution to Shared Services and Other Indirect Costs	5,406,058	5,511,920			15,638,945	15,674,427	618,000	618,000				21,663,003			21,663,003	21,804,347
Subtotal	5,406,058	5,511,920			15,638,945	15,674,427	618,000	618,000				21,663,003			21,663,003	21,804,347
Miscellaneous Income																
TOTAL (excl. Major Programme F)	132,634,030	126,953,817	5,754,815	4,647,900	27,129,805	27,782,407	6,542,180	7,215,500	14,725,906	14,249,426		186,786,736			182,069,636	177,287,750
F BUILDINGS MANAGEMENT																
F.1 Common Buildings Management	18,342,200	15,067,500	20,300	19,300	41,303,400	36,913,600						59,665,900			59,665,900	52,000,400
F.2 Joint Buildings Management	414,900	414,900			1,485,500	1,485,500						1,900,400			1,900,400	1,900,400
TOTAL (Major Programme F)	18,757,100	15,482,400	20,300	19,300	42,788,900	38,399,100						61,566,300			61,566,300	53,900,800

a/ Reflects budget adjustments to the base.

Annex B
Table 2. Regular budget expenditure and income by programme and major object of expenditure at 2012-2013 rates
(In euros)

Programme	Staff costs		Official travel		Operating costs		Information and communications technology		RPTC and SRA activities		Total expenditure		Income		Net requirements	
	2012-2013/a/	2014-2015	2012-2013/a/	2014-2015	2012-2013/a/	2014-2015	2012-2013/a/	2014-2015	2012-2013/a/	2014-2015	2012-2013/a/	2014-2015	2012-2013/a/	2014-2015	2012-2013/a/	2014-2015
A POLICYMAKING ORGANS																
A.1 Meetings of the Policymaking Organs	129,500	116,900	9,900	29,500	3,116,940	3,121,100						3,256,340			3,256,340	3,267,500
A.2 Policymaking Organs Secretariat and Relations with Member States	1,731,800	1,763,400	40,500	40,500	59,800	72,700						1,791,600			1,791,600	1,876,600
Subtotal	1,861,300	1,880,300	9,900	70,000	3,176,740	3,193,800						5,047,940			5,047,940	5,144,100
B EXECUTIVE DIRECTION AND ORGANIZATIONAL ALIGNMENT																
B.1 Executive Direction and Strategic Management	5,725,560	4,992,640	746,400	827,800	430,700	557,500	135,000	175,500				7,037,660			7,037,660	6,553,440
B.2 Evaluation	1,715,400	1,697,200	31,600	30,000	11,800	11,400						1,758,800			1,758,800	1,738,600
B.3 Legal Services	973,900	969,000	12,900	10,000	13,300	13,300						1,000,100			1,000,100	992,300
B.4 Internal Oversight	1,442,900	1,441,800	67,600	96,800	3,100	4,400	10,800					1,518,000			1,518,000	1,553,400
B.5 Ethics and Accountability	395,600	332,600	21,100	20,000	1,000	2,000						417,700			417,700	354,600
Subtotal	10,253,360	9,433,240	879,600	984,600	459,900	588,200	139,400	186,300				11,732,260			11,732,260	11,192,340
C THEMATIC PRIORITIES																
C.1 Poverty Reduction through Productive Activities	18,802,385	17,758,322	54,800	60,000	147,300	147,300			6,973,012	6,858,189		25,977,497			25,977,497	24,533,611
C.2 Trade Capacity-building	10,684,740	9,695,955	49,500	26,000	161,300	48,600	58,300		1,914,150	1,814,937		12,867,990			12,867,990	11,585,492
C.3 Environment and Energy	19,785,325	17,370,445	42,800	45,000	129,680	147,680			4,984,254	4,749,586		24,942,059			24,942,059	22,312,711
C.4 Regional Programmes and Cross-cutting issues	2,183,090	2,159,385	168,100	233,300	18,600	18,600			854,490	826,714		3,224,280			3,224,280	3,178,399
C.5 Field Operations Support	4,138,000	3,964,100	1,323,800	1,128,100	4,919,200	4,716,400	1,067,200	981,700				11,448,200			11,448,200	10,790,300
Subtotal	55,593,540	50,948,207	1,639,000	1,492,400	5,376,080	5,078,580	1,125,500	981,700	14,725,906	14,249,436		78,460,026			78,460,026	72,500,313
D STRATEGIC RESEARCH, QUALITY ASSURANCE AND OUTREACH																
D.1 Strategic Research and Policy Advisory Services	7,210,730	6,634,390	576,200	202,400	222,200	122,100	9,200	3,000				8,018,350			8,018,350	6,962,090
D.2 Quality Assurance and Outreach	4,876,730	3,614,960	188,700	194,000	538,800	606,000	23,400					5,627,650			5,627,650	4,414,960
Subtotal	12,087,500	10,249,350	764,900	396,400	761,000	728,100	32,600	3,000				13,646,000			13,646,000	11,377,050
E PROGRAMME SUPPORT SERVICES																
E.1 Human Resource Management	4,819,622	4,598,500	33,120	46,000	12,400	7,000						4,865,142			4,865,142	4,651,500
E.2 Financial Services	5,494,630	5,318,100	40,615	40,600	3,920	3,900						5,539,165			5,539,165	5,362,600
E.3 Procurement and Logistics	5,097,320	4,820,100	36,060	32,000	873,460	842,500	1,133,780	1,050,000				7,140,620			7,140,620	6,744,600
E.4 Information and Communications Technology	4,352,200	2,487,500	16,920	17,000	159,960	99,000	3,492,900	1,838,380				8,021,980			8,021,980	4,441,880
E.5 Business and Systems Support	270,800	1,630,600	21,100	10,000	4,400	4,400	2,538,120					291,900			291,900	4,178,720
E.6 Direction and Management	1,379,700	1,062,100	83,200	83,200	4,400	4,400						1,467,300			1,467,300	1,149,700
Subtotal	21,414,272	19,916,900	231,015	228,800	1,054,140	956,800	4,626,680	5,426,500				27,326,107			27,326,107	26,529,000
G INDIRECT COSTS																
G.1 Contribution to Shared Services and Other Indirect Costs	5,406,058	5,511,920			15,638,945	15,674,427	618,000	618,000				21,663,003			21,663,003	21,804,347
Subtotal	5,406,058	5,511,920			15,638,945	15,674,427	618,000	618,000				21,663,003			21,663,003	21,804,347
Miscellaneous Income																
TOTAL (excl. Major Programme F)	106,616,030	97,940,117	3,524,415	3,172,200	26,466,805	26,219,907	6,542,180	7,215,500	14,725,906	14,249,436		157,875,336			157,875,336	148,797,150
F BUILDINGS MANAGEMENT																
F.1 Common Buildings Management	18,342,200	15,067,500	20,300	19,300	41,303,400	36,913,600						59,665,900			59,665,900	52,000,400
F.2 Joint Buildings Management	414,900	414,900			1,485,500	1,485,500						1,900,400			1,900,400	1,900,400
TOTAL (Major Programme F)	18,757,100	15,482,400	20,300	19,300	42,788,900	38,399,100						61,566,300			61,566,300	53,900,800

a/ Reflects budget adjustments to the base.

Annex B
Table 3. Operational budget expenditure and income by programme and major object of expenditure at 2012-2013 rates
(In euros)

Programme	Staff costs		Official travel		Operating costs		Information and communications technology		RPTC and SRA activities		Total expenditure		Income		Net requirements	
	2012 - 2013 a/	2014 - 2015	2012 - 2013 a/	2014 - 2015	2012 - 2013 a/	2014 - 2015	2012 - 2013 a/	2014 - 2015	2012 - 2013 a/	2014 - 2015	2012 - 2013 a/	2014 - 2015	2012 - 2013 a/	2014 - 2015	2012 - 2013 a/	2014 - 2015
A POLICYMAKING ORGANS																
A.1 Meetings of the Policymaking Organs		85,500				85,500						85,500			85,500	85,500
Subtotal		85,500				85,500						85,500			85,500	85,500
B EXECUTIVE DIRECTION AND ORGANIZATIONAL ALIGNMENT																
B.3 Legal Services	274,000	274,000										274,000			274,000	274,000
Subtotal	274,000	274,000										274,000			274,000	274,000
C THEMATIC PRIORITIES																
C.1 Poverty Reduction through Productive Activities	5,986,635	6,252,190	435,300	245,000								6,421,935			6,421,935	6,497,190
C.2 Trade Capacity-building	4,902,401	5,884,600	161,800	140,000								5,064,201			5,064,201	6,024,600
C.3 Environment and Energy	7,526,949	8,964,035	1,285,499	650,000								9,389,948			9,389,948	11,091,035
C.4 Regional Programmes and Cross-cutting Issues	1,157,715	1,194,575	347,801	440,700								1,505,516			1,505,516	1,635,275
C.5 Field Operations Support	734,400	734,400										734,400			734,400	734,400
Subtotal	20,308,100	23,029,800	2,230,400	1,475,700								23,116,000			23,116,000	25,982,500
D STRATEGIC RESEARCH, QUALITY ASSURANCE AND OUTREACH																
D.1 Strategic Research and Policy Advisory Services	1,145,600	1,079,200										1,145,600			1,145,600	1,079,200
D.2 Quality Assurance and Outreach	66,400	132,800										66,400			66,400	132,800
Subtotal	1,212,000	1,212,000										1,212,000			1,212,000	1,212,000
E PROGRAMME SUPPORT SERVICES																
E.1 Human Resource Management	1,469,200	1,469,200										1,469,200			1,469,200	1,469,200
E.2 Financial Services	1,882,500	1,934,600										1,882,500			1,882,500	1,934,600
E.3 Procurement and Logistics	872,200	1,094,100										872,200			872,200	1,094,100
Subtotal	4,223,900	4,497,900										4,223,900			4,223,900	4,497,900
G INDIRECT COSTS																
Subtotal																
Miscellaneous Income																
TOTAL (excl. Major Programme F)	26,018,000	29,013,700	2,230,400	1,475,700	663,000	1,562,500						28,911,400	(73,700)	(53,800)	28,837,700	31,998,100
F BUILDINGS MANAGEMENT																
TOTAL (Major Programme F)																

a/ Reflects budget adjustments to the base.

Annex C
Staffing by Major Programme and programme

Programme	Professional and above			General service		
	Regular budget	Operational budget	Total	Regular budget	Operational budget	Total
	1	2	3	4	5	6
A POLICYMAKING ORGANS						
A.2 Policymaking Organs Secretariat and Relations with Member States	5.00		5.00	3.00		3.00
Subtotal	5.00	0.00	5.00	3.00	0.00	3.00
B EXECUTIVE DIRECTION AND ORGANIZATIONAL ALIGNMENT						
B.1 Executive Direction and Strategic Management	8.15		8.15	9.50		9.50
B.2 Evaluation	4.00		4.00	3.00		3.00
B.3 Legal Services	2.00	1.00	3.00	2.00		2.00
B.4 Internal Oversight	4.00		4.00	2.00		2.00
B.5 Ethics and Accountability	1.00		1.00			
Subtotal	19.15	1.00	20.15	16.50	0.00	16.50
C THEMATIC PRIORITIES						
C.1 Poverty Reduction through Productive Activities	49.80	24.90	74.70	21.60	7.55	29.15
C.2 Trade Capacity-building	26.20	22.70	48.90	13.05	5.65	18.70
C.3 Environment and Energy	51.65	25.30	76.95	21.15	16.65	37.80
C.4 Regional Programmes and Cross-cutting Issues	6.20	5.10	11.30	1.20	0.15	1.35
C.5 Field Operations Support				70.00	18.00	88.00
Subtotal	133.85	78.00	211.85	127.00	48.00	175.00
D STRATEGIC RESEARCH, QUALITY ASSURANCE AND OUTREACH						
D.1 Strategic Research and Policy Advisory Services	15.60	2.00	17.60	11.50	4.00	15.50
D.2 Quality Assurance and Outreach	10.40		10.40	4.00	1.00	5.00
Subtotal	26.00	2.00	28.00	15.50	5.00	20.50
E PROGRAMME SUPPORT SERVICES						
E.1 Human Resource Management	9.00	1.00	10.00	11.50	9.00	20.50
E.2 Financial Services	9.00	2.00	11.00	21.00	10.00	31.00
E.3 Procurement and Logistics	7.00	3.00	10.00	21.00	2.00	23.00
E.4 Information and Communications Technology	5.00		5.00	9.00		9.00
E.5 Business and Systems Support	5.00		5.00	3.00		3.00
E.6 Direction and Management	2.00		2.00	3.00		3.00
Subtotal	37.00	6.00	43.00	68.50	21.00	89.50
TOTAL (excl. Major Programme F)	221.00	87.00	308.00	230.50	74.00	304.50
F BUILDINGS MANAGEMENT						
F.1 Common Buildings Management	6.00		6.00	102.00		102.00
F.2 Joint Buildings Management				3.00		3.00
TOTAL (Major Programme F)	6.00	0.00	6.00	105.00	0.00	105.00