



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION



ANNUAL REPORT 2023

PROGRESS BY INNOVATION



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2023

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UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION

Vienna, 2024

UNIDO Annual Report 2023

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This edition of the Annual Report provides the UNIDO reporting on progress towards its biennial targets at the aggregate UNIDO level. Priority is given to the reporting of targets established by the Programme and Budgets 2022–2023, where its indicators are a subset of the integrated results and performance framework (IRPF). A detailed set of data and information related to the indicators and targets is provided in the appendices of this report.

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

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Operational statistics • Project approvals under voluntary contributions • Technical assistance to least developed countries (LDCs) • Programmable funds • Programme for Country Partnerships (PCP) • Appointments of Individual Service Agreement (ISA) holders • Agreements and other Arrangements concluded by UNIDO in 2023 • Country promotion presentations/seminars organized by Investment and Technology Promotion Offices (ITPOs) in 2023 • Field representation • Overview of UNIDO workforce • Staff development • Industrial statistics • Results-based budgeting – results indicators

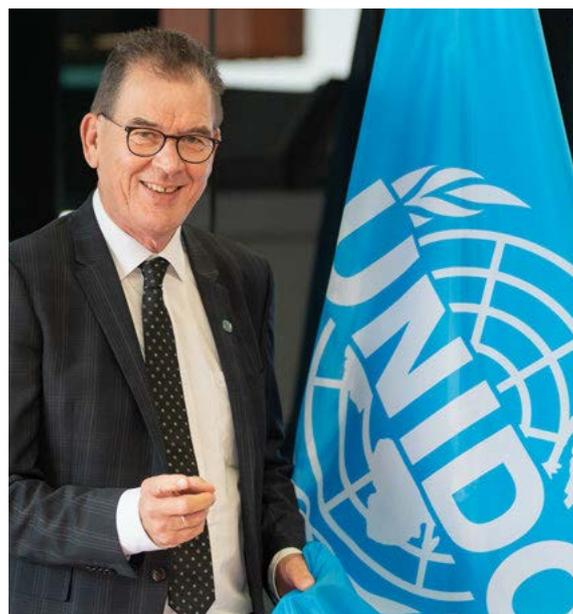
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FOREWORD

Today, the world is facing several crises – climate change, global conflicts and wars, inflation and rising levels of debt are some of them. The poorest people in developing countries are being hit the hardest. It is time to act now! We have to take responsibility and mobilize huge investments in development, in innovation and in solutions which are needed specifically in developing countries. Industrialized countries must fulfil their commitments to reach the SDGs. We have the technology and the knowledge to end hunger, mitigate climate change, pursue a green industrial transition, and create jobs for millions of young people. Also, the business sector needs to invest more in sustainable development, and private investments need to be aligned with the SDGs.



UNIDO is ready to take up these tasks and play a key role in global sustainable economic development. Our partners recognize our successes and the results of our recent reforms, which have made UNIDO more efficient, with a new spirit and new priorities. In 2023, funds mobilization for our technical cooperation reached a new high. Increased support also came from the Global Environment Facility and the Multilateral Fund for the Implementation of the Montreal Protocol. This shows that donors and Member States alike trust the ability of UNIDO to effectively support sustainable economic and industrial development. Thus, 2023 was also a year that saw a 25 per cent increase in technical cooperation delivery at UNIDO, with major new flagship programmes and projects being initiated.

We ended last year with a series of successful events: the International Vienna Energy and Climate Forum, the Tenth Ministerial Conference for the Least Developed Countries, and the Twentieth Session of the UNIDO General Conference.



New UNIDO initiatives are showing the way. 2024 began with the launch of the Global Alliance for Responsible and Green Minerals in Riyadh. Our work with the Adaptation Fund has entered a new era of cooperation as we begin work on the “Adaptation SMEs Innovation Facility”, approved by the Fund in October 2023. New full-sized projects approved by the Green Climate Fund are also underway.

There are many upcoming milestones: I will repeatedly be visiting Latin American countries this year. The Fourth International United Nations Conference on Small Island Developing States is taking place in Antigua and Barbuda in May. It will be followed by the Third Conference on Landlocked Developing Countries in Rwanda in June. The autumn will be marked by the United Nations Summit of the Future in September, where UNIDO will place sustainable industrialization at the top of the list of human and environmental solutions, the second edition of the Multilateral Industry Policy Forum; and a major UNIDO conference, “A World Without Hunger Is Possible”, in cooperation with the Government of Ethiopia and the African Union, will accelerate innovation and technology transfer, and above all investments, for global food security.

UNIDO offers solutions to pressing global problems. We bring technology, expertise, knowledge and investment from developed countries to developing countries. We exist to create win-win situations. Together, we can turn our shared responsibility into more global action for the benefit of all.

Gerd Müller
Director General of UNIDO

MAJOR ACHIEVEMENTS

Funds mobilized by UNIDO for technical cooperation service reached a new high in 2023. The Organization increased its funds mobilized by 44 per cent, reaching a total of \$328.4 million. Contributions from the Global Environment Facility and the Multilateral Fund for the Implementation of the Montreal Protocol also increased, leading to approvals of \$60.4 million and \$29.3 million respectively.

UNIDO welcomed two new Member States – Palau and South Sudan – in 2023 and established a new Investment and Trade Promotion Office (ITPO) in Berlin, increasing the number of its ITPO locations to 10. Moreover, UNIDO refined its approach to public-private partnerships, resulting in 29 new partnerships with strategic business partners.



+ 25% increase
in technical cooperation delivery

+ 44% increase in technical
cooperation funds mobilized

> 50% of projects directly
contribute to gender equality

2 new Member States

29 new partnerships with the
business sector

UNIDO PRIORITY
**Clean energy and
climate action**



Programmatically:

UNIDO accelerated climate action and promoted the use of renewable energy and energy efficiency through the **Industrial Deep Decarbonization Initiative (IDDI)**, helping the steel and cement industries adopt more sustainable technologies and transform production processes. At COP28, some of the world's largest purchasing countries of the most emission-intensive materials outlined their commitments under the **IDDI Green Public Procurement Pledge**, leveraging their buying power to markedly increase market demand for low and near-zero emission steel, cement and concrete. This will in turn drive the global decarbonization of these heavy industries, with the IDDI white paper also proposing a set of principles to guide greenhouse gas (GHG) accounting.

To promote the production and use of green hydrogen, UNIDO launched the **international standards methodology to assess GHG emissions related to the production and use of hydrogen** and supported the COP28 Hydrogen Action Agenda and initiatives of the International Hydrogen Trade Forum, helping countries to transition to low-carbon hydrogen and mitigate climate change.

UNIDO initiated the **Accelerate-to-Demonstrate Facility** with the United Kingdom of Great Britain and Northern Ireland, which will aid 10 African countries to pilot innovative technologies in critical minerals, clean hydrogen, smart energy and industrial decarbonization. UNIDO is also developing nature-based infrastructure approaches that create or restore natural or semi-natural ecosystems as a healthier alternative to conventional built infrastructure such as wastewater treatment facilities. Many UNIDO projects addressed the circular economy, supported resource-efficient and cleaner manufacturing of products, developed safe, easy-to-recycle products with longer lifetimes, and dealing with the recovery of resources at the end of a product's life.

The **Global Eco-Industrial Parks Programme** funded by Switzerland helped seven countries create more competitive and sustainable industrial parks by adopting circular economy practices and advancing climate change mitigation strategies.

Innovative country projects included UNIDO helping the Southern Africa Biogas Industry Association develop a pipeline of biogas projects, and best practice manuals and training are supporting ongoing development. To support Uruguay's second energy transition, funds from the United Nations Joint SDG Fund and commercial banks were blended to attract private-sector investments in sustainable and innovative energy solutions.

To create a world without hunger, UNIDO adopted blended financing solutions with the Food and Agriculture Organization of the United Nations (FAO) to advance the **Agrifood Systems Transformation Accelerator** for sustainable agricultural and agro-industrial development, building on the approach field-tested in 15 countries across Africa, Asia and the Pacific, and Latin America and the Caribbean.

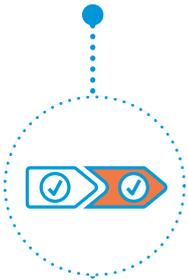
A new **private sector-focused alliance to bridge the financing gap in agriculture** was also launched with the African Development Bank Group, African Export-Import Bank, Arise Integrated Industrial Platforms, Islamic Development Bank Group and UNIDO.

These **global initiatives complemented national-level support**. Particular successes here include helping enterprises access broader markets by building capacity to develop food safety and quality standards in Guinea, and aligning the food industry in the Republic of Moldova with European Union quality standards. Support for the organic sector in Mongolia contributed to a new law enabling the country to expand its organic meat market; and Costa Rica now has national capacity to trace pesticide residues in cattle, helping the industry compete in

UNIDO PRIORITY Ending hunger



UNIDO PRIORITY
Sustainable
supply chains



international markets while also expanding job opportunities, particularly for women in local laboratories. A Cold Chain Innovation Hub was established in the Philippines as the central ecosystem for technical resources, training, knowledge sharing and stakeholder collaboration on climate-smart food cold chain technologies.

Moreover, a new **agro-industrial park** is under development to be shared between Zambia and Zimbabwe, while in Mozambique upgraded fruit processing and storage has helped farmers reduce post-harvest losses, improve quality and diversify incomes.

UNIDO promoted fair and sustainable supply chains by helping companies take advantage of smart technologies and artificial intelligence (AI). The Organization supported integration between China and the Arab region in AI, invited participants to join the **UNIDO Global Alliance on AI for Industry and Manufacturing** and its global competition for startups to showcase innovative AI solutions, and published the forward-looking report *Gender, Digital Transformation and Artificial Intelligence*.

In 2023 UNIDO also entered into a strategic engagement with the African Union, European Union, African Business Council and several African Regional Economic Commissions, including the East African Community (EAC), the Economic Community of Central African States (ECCAS), the Economic Community of West African States (ECOWAS), Common Market for Eastern and Southern Africa (COMESA) and Southern African Development Community (SADC) in support of a major € 200 million **African Trade Competitiveness and Market Access Initiative** launched by the African Union and European Union. In cooperation with the International Trade Centre (ITC) UNIDO will act as technical implementer in the areas of quality infrastructure and standards compliance, value addition and diversification.

Through numerous partnerships, UNIDO shared knowledge and provided critical training. The online programme for the seven regional sustainable energy centres helped small island developing States in Africa, the Caribbean, the Indian Ocean and the Pacific focus on renewable energy solutions. Four creative hubs in Tunisia facilitated incubation programmes and partnerships.

The UNIDO *Invest in ACP* portal provided resources and investment project opportunities in the African, Caribbean and Pacific region. Drawing on UNIDO expertise of 40 years, the Industrial Park Platform added three e-learning courses on the planning, financing and operations of industrial parks.

UNIDO also expanded its public-private partnerships in 2023. For example, the Organization strengthened its partnership with Italy in close cooperation with its business sector with companies such as illycaffè and the Lavazza Foundation, working together to provide sustainable solutions in the coffee sector. The Learning and Knowledge Development Facility (LKDF) celebrated its tenth anniversary of effective public-private and development partnership with their longest-standing partners like Volvo, HP and Festo; and UNIDO partnered with Fairtrade International to promote sustainable supply chains and enhance the value addition of small and medium-sized enterprises, smallholder farmers and workers.

UNIDO is working for more equitable access to opportunities across the Organization, setting and often exceeding targets for including women and youth in its programmes. UNIDO continues to work on strategies and solutions to address the gender gap in digital technologies and AI, provides training in gender-lens investing, and designing and implementing gender-transformative policies and programmes. The Organization is also increasing the number of women entrepreneurs able to establish successful businesses in the Middle East and North Africa region.

The innovations, processes and capacity developed in 2023 are shaping globalization for a more just and peaceful world.



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



Shared prosperity from industry



Economic competitiveness



Environmentally sustainable industry



UNIDO PRIORITIES AND PROGRAMMATIC SOLUTIONS

Clean energy and climate action

Renewable and clean energy
Energy efficiency
Industrial decarbonization
Green hydrogen
Nature-based solutions



Ending hunger

Sustainable agribusiness
Food safety and quality
Agro-technology and innovation
Infrastructure development
Local value addition



Sustainable supply chains

Local value addition
Sustainability standards and trade
Circular economy
Youth, women, SMEs
Sustainable investment



MACRO

Formulating policy and regulation



MESO

Building quality industrial ecosystems



MICRO

Strengthening skills and capacities

STRENGTHENING KNOWLEDGE AND INSTITUTIONS

WE SUPPORT OUR STAKEHOLDERS

People • Firms • Institutions • Governments • Global actors

FOUR COMPLEMENTARY CORE FUNCTIONS

Technical cooperation



1

Action-oriented research and policy advisory services



2

Normative standards-related activities



3

Fostering partnerships for knowledge and technology transfer



4





UNIDO at a glance



- In addition to its Headquarters in **Vienna**, UNIDO has liaison offices in **Brussels, Geneva** and **New York**.
- Its field network consists of **48** regional hubs, and regional and country offices covering **158 countries**.
- UNIDO maintains **Investment and Technology Promotion Offices** in **10 locations** (Beijing, Berlin, Bonn, Lagos, Manama, Moscow, Rome, Seoul, Shanghai and Tokyo).
- **Regional sustainable energy centres** exist in **9 locations** (Bridgetown, Cairo, Kampala, Kathmandu, Luanda, Nuku'alofa, Praia, San Salvador and Windhoek).

All Member States • Meets every 2 years
Next regular session: 23–27 November 2025

PROGRAMME FOR COUNTRY PARTNERSHIP (PCP)

- **Implementation:** Cambodia, Egypt, Ethiopia*, Morocco, Peru, Rwanda, Senegal*, Zambia
- **Programming:** Côte d'Ivoire, Kyrgyzstan, Nigeria, United Republic of Tanzania
- **Self-starter:** Kenya

* Concluding phase I; phase II under formulation.



UNIDO facts



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



The Organization has **172 Member States** (as at 31 December 2023)



Gerd Müller was appointed **Director General** of UNIDO by the nineteenth session of the General Conference in November 2021



UNIDO employs **671 staff members** as well as 1,610 consultants on ISA contracts from 153 countries (as at 31 December 2023)



\$2,237,177 UNIDO contribution to the United Nations **resident coordinator system** approved by Member States for 2023

Project implementation



\$225.2 million value of **technical cooperation delivery** in 2023



\$241.3 million net voluntary contributions in 2023 for project implementation, with a total portfolio of projects in hand of **\$725.6 million**



40.8 million tons of **CO₂ emissions reduced** in 2023 from the phasing out of ozone-depleting substances (ODS)



Projects implemented in 118 countries in 2023



UNIDO participated in **110 United Nations country teams** in 2023



SUSTAINABLE
DEVELOPMENT
GOALS



**INDUSTRIAL
DEVELOPMENT
BOARD**

53 Members • Meets once a year
Next regular session: 25–27 November 2024



**PROGRAMME
AND BUDGET
COMMITTEE**

27 Members • Meets once a year
Next regular session: 10–11 June 2024



Top funding partners for UNIDO programmes and projects in 2023 (in millions)



Germany
\$33.7



Italy
\$9.6



Japan
\$6.6



Switzerland
\$6.6



Sweden
\$4.3



European Union
\$45.6



Global Environment Facility (GEF)
\$60.4



Norway
\$3.6



Canada
\$3.3



China
\$3.1



United Kingdom
\$2.3



Russian Federation
\$2.2



Multilateral Fund (MLF)
\$29.3





CHAPTER 1

Accelerating the common agenda: Modernizing industrial policies



Introduction. Developing sustainable industrial capacity requires evidence-based policies, strategies and norms that support industrial growth and resilience. UNIDO works with local and national governments to develop and update industrial policies that drive sustainable economic transformation and growth. At the same time, work continues at the global and regional levels advocating for inclusive and sustainable industrialization in development strategies and policies.

DATA DRIVING INCLUSIVE AND SUSTAINABLE INDUSTRIAL DEVELOPMENT POLICY

Effective and impactful policy hinges on the availability of trustworthy, detailed and timely data. UNIDO collects, produces and disseminates data that support Member States in tracking their short- and long-term industrial performance through consistent and internationally comparable indicators. This includes the six industry-related indicators of Goal 9 of the Sustainable Development Goals (SDGs) for which UNIDO is a custodian agency.

More than 200 economies and five decades of data are represented in UNIDO databases, which are distributed through the UNIDO Data Portal and are available to users under an open data access policy. These serve as the foundation for publications both within UNIDO, such as the *Industrial Development Report* and the Industrial Analytics Platform, and outside, including the Secretary-General's *Sustainable Development Goals Report* and the *Global Sustainable Development Report*.

Highlights are summarized in monthly and quarterly reports, as well as in the *International Yearbook of Industrial Statistics*, which presents the latest trends in industrial sectors around the world through infographics, visualizations and concise analysis. The 2023 edition reported that industrial sectors grew by 2.3 per cent globally in 2022. Although manufacturing increased while keeping emissions relatively flat, the higher manufacturing output did not translate into more jobs, with women's employment continuing downward. A clear trend is a rebalancing of manufacturing from high-income economies towards middle-income economies, especially in Asia, and higher-technology industries recovering faster from the COVID-19 pandemic. This edition of the *Yearbook* included a thematic chapter on innovation statistics.



Clean energy and climate action



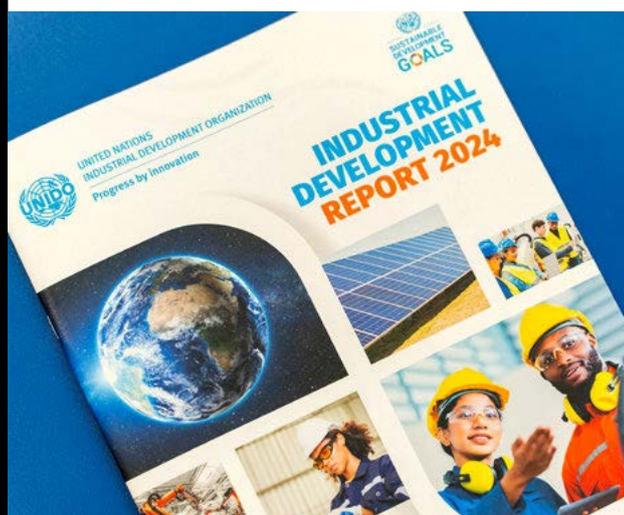
Ending hunger



Sustainable supply chains

INDUSTRIAL DEVELOPMENT REPORT 2024

Turning challenges into sustainable solutions: The new era of industrial policy

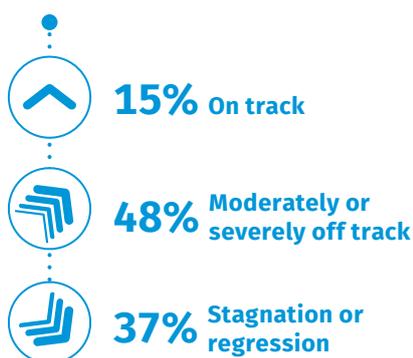


The report's analysis showed that priorities for investment and interventions differ across regions. While Africa lags behind other developing regions, its vast renewable resources offer huge potential to leapfrog into green technologies. The Asia-Pacific region faces challenges in employment and innovation, while Eastern Europe has the potential to capitalize on its human resources for further development. Despite near-universal energy access in the Latin American and Caribbean region, the sharp decline in economic growth underscores the need for transformative policies and strategies.

The *Industrial Development Report 2024* introduces a new approach to comprehensively assess progress on sustainable industrialization. It advocates for a new era of modern industrial policies that prioritize collaboration, future-readiness, alignment with the SDGs and regional coordination.

Presented at the twentieth session of the General Conference of UNIDO in November 2023 and published in the first quarter of 2024, the report recommends transforming policies and calls for support in three critical areas: clean energy, decent jobs and innovation.

SDG progress at risk: halted or reversed



The combined effects of the polycrisis put at risk the achievement of all SDGs. At the midpoint to Agenda 2030, it is unlikely that the SDGs will be achieved. A course correction is urgently needed.

The report calls on the international community to commit to increased and sustainable financing, as well as to transforming the global financial system with a focus on fairness and the needs of developing countries.

Mariana Mazzucato, a renowned economist, professor at University College London and author of *Mission Economy*, writes, “By placing the SDGs at the centre of our industrial, technological and innovation policies, we can

direct our economies towards more inclusive and sustainable models. We need industrial strategies that are ambitious and introduce conditionalities to ensure that government support is directed to achieving the SDGs.”

Building on the analysis of the *Industrial Development Report*, UNIDO plans to discuss its policy implications and solutions with Member States during the 2024 Multilateral Industrial Policy Forum.



Industrial Development Report 2024



A new mindset – putting the SDGs at the front

Modern industrial policy should combine four elements

SDG-oriented
to give a clear direction of change.

Future-ready
to avoid surprises and make the most of opportunities.



Collaborative

to ensure success among all stakeholders, as governments alone cannot solve the challenges of today's world.

Regionally coordinated

to avoid tensions and unlock the full potential among neighbours.



Clean energy and climate action



Ending hunger



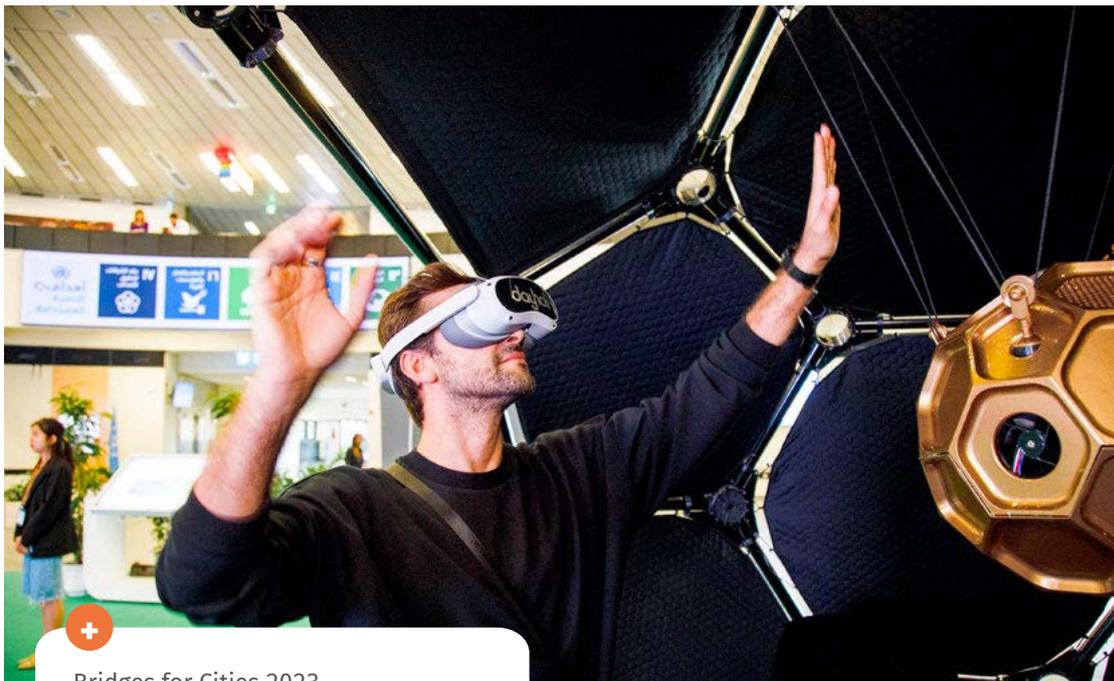
Sustainable supply chains

Bringing cities together to develop and share solutions

The UNIDO “Bridge for Cities” initiative plays a pivotal role in fostering inclusive and sustainable urban and industrial development.

In its eighth edition in 2023, themed “Accelerating climate action through urban innovation”, the annual “Bridge for Cities” event brought together 18 cities to discuss climate commitments, providing a platform for knowledge exchange. From Malmö in Sweden to Shenzhen in China, city leaders engaged in collaborative discussions and shared examples of concrete initiatives that can be replicated and upscaled.

This flagship initiative showcases UNIDO as a platform for knowledge and technology transfer, innovation and investment, and with financial support from the Government of China promotes the implementation of the 2030 Agenda for Sustainable Development in cities along the Belt and Road and beyond. To facilitate collaboration and address urban challenges, a deep-dive workshop was organized for selected cities (Amman, Antsirabe, Dhaka North, Glasgow, Lilongwe, Rio de Janeiro, and Tirana) prior to the main event. Common issues like heat, water management, pollution, and social inequalities were identified. UNIDO, along with partners American International Group (AIG), Chatham House, and the University of Strathclyde, guided the participating cities in



Bridges for Cities 2023

matching challenges with solutions, fostering knowledge exchange.

Common approaches and solutions included enhancing urban infrastructure, integrating new technologies for waste management, facilitating effective communication through awareness campaigns, utilizing sustainable financial models, and strengthening data collection for informed decision-making.

The 2023 event collated an *Innovation Compendium*, presenting success stories such as the one of Iloilo City in the Philippines, where the Iloilo River was cleared, and a thriving biodiversity was promoted as a source of livelihood for the population. The Compendium is available on the Bridge for Cities Knowledge Platform, providing access to the various ideas, solutions, and people behind them to foster new partnerships and facilitate joint initiatives.

In 2024, UNIDO will scale up the initiative with the support of its partners, positioning it as a global knowledge transfer platform and a launching pad for urban innovation projects. Additional preparatory workshops will be conducted in selected cities to delve deeper into challenges and explore local solutions.



Bridge for Cities
Knowledge Platform



Key opportunities identified



Amman, Jordan:
Resource-efficient waste management and biogas to turn waste into renewable energy



Antsirabe, Madagascar:
Waste reduction, reforestation, and climate awareness



Dhaka North, Bangladesh:
Improved sewerage with localized treatment plants



Glasgow, Scotland:
Decarbonization, climate adaptation, and circularity for a sustainable future



Lilongwe, Malawi:
Ecological corridor for biodiversity and sustainability

Rio de Janeiro, Brazil:
Proper housing and public policies to reduce inequality

Tirana, Albania:
Restructuring away from car dependency towards a people-centred society



Clean energy and climate action



Ending hunger



Sustainable supply chains

UNIDO Twentieth General Conference

The Twentieth session of the General Conference took place from 27 November to 1 December 2023 at UNIDO headquarters in Vienna, gathering representatives from 131 Member States.

Under the theme “Fair Globalization: Innovative Solutions for the Industry of Tomorrow”, the Conference focused on promoting sustainable supply chains, limiting climate breakdown and the contribution of industries to ending hunger. It explored how UNIDO is helping Member States transform their economic and social structures and accelerate implementation of the SDGs.

The Conference included a forum on industrial development issues, a number of thematic side events and solutions talks, and an exhibition showcasing the work of UNIDO.

Member States agreed to hold the Twenty-first session of the Conference in November 2025 in Riyadh.



Thematic discussions

- “UNIDO Industrial Innovation Forum”, including high-level panels on the topics of ending hunger, sustainable supply chains and climate action
- “Making gender equality a lived reality in industry”
- “Industrialization in middle-income countries: A driving force for sustainable development”
- “Industrial policy for a fair globalization: Insights from the Industrial Development Report 2024”
- “Driving a just hydrogen transition: Key enablers for clean hydrogen uptake and de-risking of investments”
- “Accelerating the green transition: Critical minerals, metals production and a fair future for all”
- “Building resilient supply chains for the energy transition”
- “AIM Global: Inclusive AI – Bridging the digital divide in industry and manufacturing”



Twentieth session of the General Conference



General Conference virtual exhibition



Video summary of conference

REPORTING TO THE HIGH-LEVEL POLITICAL FORUM

With its key focus on SDG 9 (industry, innovation and infrastructure), UNIDO played a valuable role in the 2023 SDG review process of the High-level Political Forum on Sustainable Development (HLPF).

In March, UNIDO and the United Nations Department of Economic and Social Affairs (UNDESA) organized a global expert group meeting to review progress on SDG 9 and recommend ways forward. The outcome provided input to the HLPF held under the auspices of United Nations Economic and Social Council (ECOSOC) in July. There, UNIDO organized side events with partners highlighting the critical role of sustainable industrial development to accelerate the implementation of the 2030 Agenda. These side events included issues related to middle-income countries with Morocco, energy with the Sustainable Development Solutions Network (SDSN), and sustainable supply chains with Ethiopia. To continue promotion of opportunities for women, UNIDO held an event with Iceland on the importance of gender data in clean energy, and another with Austria and Rwanda on strategies and solutions to address the gender gap in digital technologies and artificial intelligence (AI).

UNIDO was a key contributor to the *Financing for Sustainable Development Report 2023*, which focused on the topic of financing sustainable transformation. The report called for national actions to accelerate sustainable industrial transformations, including through a new generation of sustainable industrial policies to scale up investments. It also laid the foundation for the transformation of the international financial architecture, as well as increased development cooperation and SDG-oriented investments.

Leading up to the HLPF, UNIDO co-led the SDG 9 sessions and discussions at the ECOSOC segments on financing for development, youth, and science, technology and innovation in July. They contributed to the interlinked, knowledge-building process to inform the in-depth review of SDG 9 at the HLPF.



Report: HLPF thematic review of SDG 9



UNIDO at the HLPF 2023

The HLPF convened in September under the auspices of the General Assembly as the second “SDG Summit”, marking the midway point in the implementation of the 2030 Agenda for Sustainable Development. At the SDG Acceleration Day ahead of the Summit, UNIDO and its partners launched the Transforming4Trade and Food Systems Transformation high-impact initiatives. These support the work of UNIDO to help enterprises increase trade opportunities through efficient energy and production practices, and to transform agrifood systems to ensure food security.

The 2023 “SDG Summit” adopted a political declaration committing to accelerate action to achieve the 17 SDGs, including by supporting the UNIDO mission to promote inclusive and sustainable industrialization. On the sidelines of the summit, UNIDO organized

a high-level round table with Deloitte that brought together Member States at the ministerial level and senior private-sector representatives to promote collaboration for food supply chain innovations. This is a key area where the Organization is working to increase efficiency and economic opportunities while reducing environmental impact.

The Director General of UNIDO also delivered a keynote address at the 11th Annual International Conference on Sustainable Development, hosted at Columbia University by Jeffrey Sachs, a world-renowned professor of economics and leader in sustainable development and the SDSN. A high-level round table, organized by UNIDO and Germany on the margins of the Secretary-General’s “Climate Ambition Summit”, generated a commitment to advance an international coalition on industrial decarbonization in heavy-emitting sectors.

UNIDO SUPPORTING REFORM OF THE UNITED NATIONS DEVELOPMENT SYSTEM

The repositioning of the United Nations Development System (UNDS), which started in 2018, targets stronger inter-agency cooperation and coordination, along with an improved multilateral response to implement the 2030 Agenda. UNIDO is supporting this evolution while working to ensure that inclusive and sustainable industrial development receives appropriate attention.

In 2023, UNIDO strengthened its partnership with United Nations resident coordinators and country teams, with contributions to 15 new sustainable development cooperation frameworks. Several of these documents highlight UNIDO leadership in the “prosperity” and “planet” pillars

at the country level, demonstrating a commitment to the relevant SDGs.

UNIDO actively contributed to the reporting efforts via the development of the sustainable development data portal, UN INFO. This public platform shows the status and progress of United Nations activities and the involvement of various entities of the system.

In 2023, UNIDO provided an annual cost-sharing contribution of \$2.24 million to the new resident coordinator system funding model. In support of the efficiency agenda, the Organization fulfilled the co-location target, with 56 per cent of its current field offices being located in common



Clean energy and climate action



Ending hunger



Sustainable supply chains

Agrifood Systems Transformation Accelerator launched

To help low-income countries transform their agrifood systems, UNIDO and the Food and Agriculture Organization of the United Nations (FAO) launched the Agrifood Systems Transformation Accelerator (ASTA) in 2023 on the sidelines of the Fifth United Nations Conference on the Least Developed Countries.

ASTA's sophisticated methodology analyses targeted food system components in order to develop policies and institutional reforms, value chains and trade systems that enhance access to safe and nutritious food, reduce food loss and waste, and foster natural resource management. The accelerator facilitates the creation of system-based solutions within the agrifood sector that are self-sustaining, adaptive and resilient.

The programme promotes the large SDG-compliant investments that are needed for this transformation through blended finance solutions. Limited public funds are used to de-risk larger private sector investments, for example, by financing proof-of-concept business models or by providing innovative collateral facilities.

At the country level, the programme is implemented in partnership with the ministries of agriculture, industry and planning and finance, with support from various other line ministries such as trade, economics, labour, health, youth, energy, environment and natural resources. Local government authorities are also involved, as is the private sector, particularly in the areas of investment and knowledge-sharing.

At the regional level, ASTA aligns to regional frameworks promoting sustainable agricultural and agro-industrial development, leveraging funding for technical assistance from



development banks such as the Islamic Development Bank.

At the global level, the programme coordinates with other United Nations partners, including the United Nations Population Fund (UNFPA) and International Labour Organization (ILO). Potential new partners include the International Fund for Agriculture Development and the United Nations Capital Development Fund.

The ASTA approach has been field-tested in 15 countries across Africa, Asia and the Pacific, and Latin America and the Caribbean. In Suriname, public funding worth \$4.55 million (\$2.25 million from the Joint Sustainable Development Goals Fund) was secured to promote \$8 million in private investments to transform the country's pineapple value chain.

Looking ahead, the aim is for ASTA to generate at least \$30 million in private investments during the next five years.



ASTA brochure

premises. Business operations strategies are maximizing economies of scale between United Nations entities, mostly in service administration. UNIDO continues to explore further opportunities in the efficiency agenda, particularly at the country level, and engages on a case-by-case basis.

Regular budget and voluntary contributions continued to be essential for UNIDO field

offices to support the Organization's Member States in the achievement of the 2030 Agenda while inter-agency and multi-partner contributions for UNIDO activities remained at modest levels in recent years. The Organization will continue to maximize opportunities associated with the UNDS reform and new generations of pooled funds.

THE G20 AND BRICS: ENGAGING IN GLOBAL GOVERNANCE FOR THE FUTURE

Under the presidency of India, UNIDO maintained a strong engagement with the G20, providing expertise and advice in multiple working groups and ministerial meetings as an officially recognized knowledge partner. The Organization played a prominent role in advancing deliberations on industry-related matters, notably in the Development Working Group and the Energy Transitions Working Group.

The Indian G20 presidency asked UNIDO to continue its engagement in 2023 and co-authored a report on policy coherence across the climate, environment, biodiversity and sustainable development agenda. The Organization also provided energy transition policy recommendations to support industrial decarbonization, green hydrogen, the circular economy and resource efficiency. Multiple knowledge products and presentations in official meetings fed into the outcome communiqué and deliverables.

To accelerate progress on the SDGs, UNIDO supported the development of a G20 Action Plan, focusing on a just, inclusive and sustainable future. The Organization also contributed to the G20 High-level Principles



UNIDO at G20 in India

on Lifestyles for Sustainable Development, advocating for circular economy and sustainable industrial approaches that encompass supply- as well as demand-side practices and policy measures.

The Indian G20 presidency concluded with the New Delhi Leaders' Declaration, expressing agreement on a green development pact for a sustainable future. This is designed

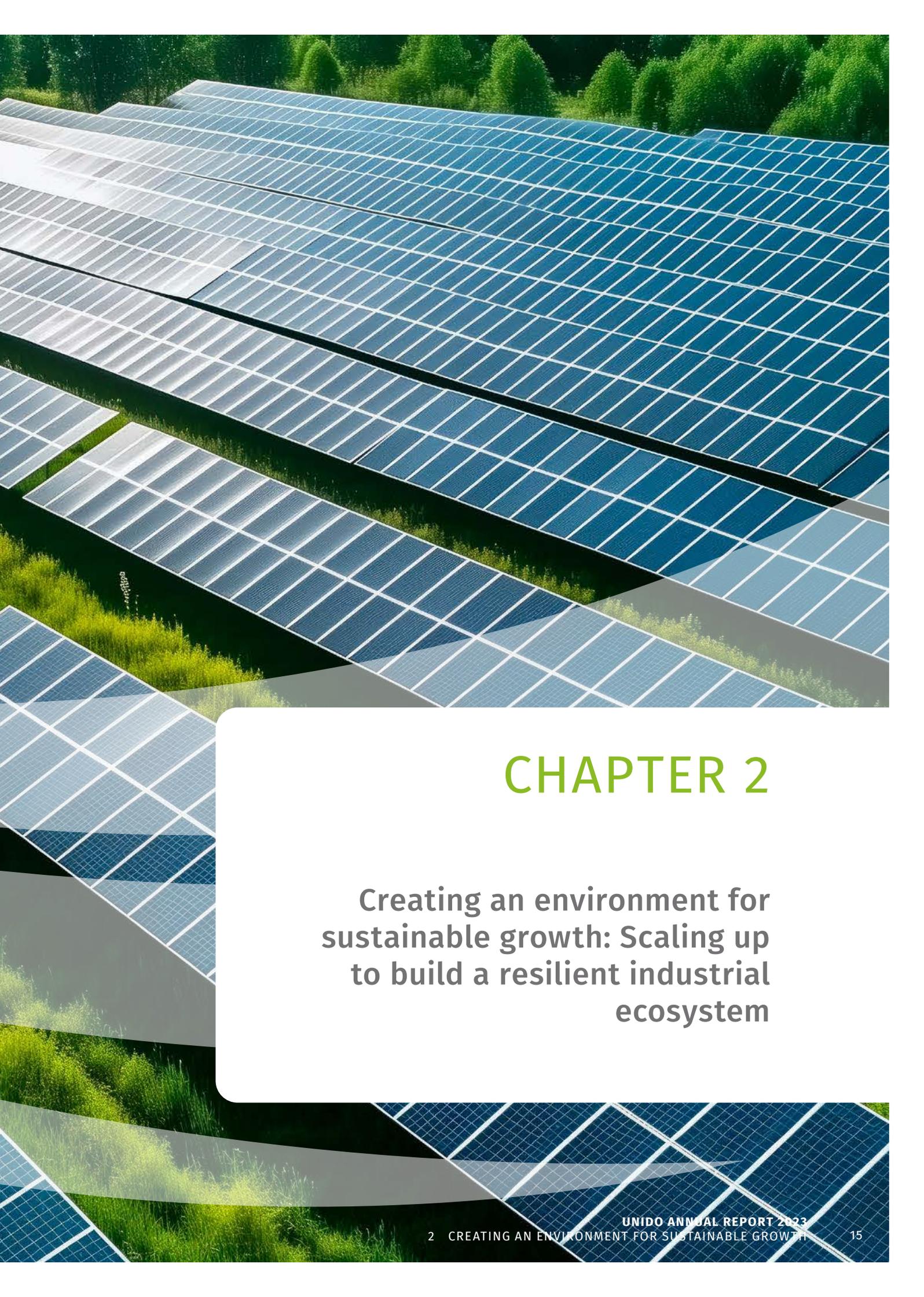
to implement a global circular economy and transition to a clean, sustainable, equitable and affordable future.

Following the adoption of the Johannesburg II Declaration at the 2023 BRICS Summit, UNIDO is working with BRICS countries on the initiative to establish the BRICS Centre for Industrial Competencies, including the development of a network of national centres, to enhance the industrial competencies of these countries and implement technical cooperation programmes. The joint initiative with Brazil, China, India, the Russian Federation and South Africa expands in 2024 to include the further six countries joining BRICS: Argentina, Egypt, Ethiopia, the Islamic Republic of Iran, Saudi Arabia and the United Arab Emirates. The key areas of industrial competencies for this group are being identified for joint projects and initiatives focusing on clean energy solutions and global climate

action, agro-industry to boost productivity and reduce post-harvest losses, and sustainable industrial practices and fair trade.

UNIDO also participated in the 2023 “Fifth BRICS Forum on Partnership on New Industrial Revolution (PartNIR)” held in Xiamen, China, which focused on industrial competencies and AI in sustainable development. UNIDO presented its vision for the role of AI in industry and invited participants to join the UNIDO Global Alliance on AI for Industry and Manufacturing and its global competition for start-ups, which has a platform showcasing innovative AI solutions. UNIDO representatives held key meetings with the Ministry of Industry and Information Technology of China and the New Development Bank to explore potential collaboration in the UNIDO-BRICS initiatives.





CHAPTER 2

Creating an environment for sustainable growth: Scaling up to build a resilient industrial ecosystem



Introduction. UNIDO supports networks so that small businesses can efficiently deliver their products and grow. The Organization engages with stakeholders to trigger needed changes in business practices, technology, investment, governance, standards, and policies. This helps create the infrastructure and sustainable supply chains needed to facilitate trade and provide access and fair deals to producers in developing countries. Collaboration among enterprises, public and private organizations, consumers and governments helps businesses and entrepreneurs to innovate, mobilize investments and access new markets. This interlinked system contributes to meeting global goals, such as the 2030 Agenda for Sustainable Development and the Paris Agreement on climate change.

TRANSFORMING BEHAVIOUR TO ADVANCE SHARED PROSPERITY



An industrial ecosystem comprises all players in the value chain, including supply chain members, service providers, business and industry associations, public and private institutions, chambers of commerce, financial institutions, academia and think tanks, and research and training centres. All these entities are interlinked, providing crucial products and services, ensuring coordination between businesses and the public sector, enabling the flow of knowledge and resources, certifying adherence to standards and technical regulations, and facilitating innovation. Together, they form the ecosystem that is vital for businesses to prosper and innovate, for value chains to thrive, and for industry to transition towards inclusive and sustainable practices.

UNIDO works to build the capacity and resilience of the players in the industrial ecosystem, fostering stronger linkages between the productive sector, policymakers and the research community. Bringing all stakeholders together encourages sharing of knowledge and best practices, which stimulates innovation and the scale-up of successful approaches and infrastructure to ensure no one is left behind, particularly women, youth and marginalized groups.

Scaling up coffee and fruit production in Mozambique

The small island of Ibo off the northern coast of Mozambique offers an opportunity to scale up the coffee industry across the nation. There, a unique coffee plant produces delicious coffee with a low caffeine content, generating much interest and demand. A UNIDO project funded by the Italian Agency for Development Cooperation, with support from illycaffè and the Ernesto Illy Foundation, has supported farmers to modernize operations, develop the *Café do Ibo* brand and generate international awareness on eco-wise coffee production in Mozambique.

The Ibo Coffee Producers Association has grown from 112 to 162 members, the majority women. In 2023, members went on a study tour to the UNIDO Addis Ababa Coffee Training Center to learn and network. A processing unit was built on Ibo Island for members' roasting, packaging and labelling operations, allowing them to present their coffee to formal markets with higher profit.

UNIDO facilitated a formal trade agreement with several marketing outlets in Mozambique. Overseas buyers have expressed interest in importing *Café do Ibo* once its output volume

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International
Labour
Organization



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UNCTAD



Mozambique – women in Agribusiness

is sufficient. A second phase is investigating how to scale up coffee seedling production both on the island and across the mainland.

The project is also improving fruit processing, helping farmers reduce losses, improve quality and diversify incomes. Agreements with numerous companies and organizations provided training in fruit drying, testing services, agro-processing practices, accreditations, nursery management, post-harvest handling and processing, and business services. To improve product quality, the project upgraded food processing, soil and plant nutrition laboratories and training and research facilities. Two companies received equipment and software systems to digitally manage production and sales.

In Manica, a new solar-powered agri-hub, with a cold storage room that improves the preservation of fruit and vegetables, will be ready in early 2024. This will gather fruit produced by more than 200 smallholder farmers in the *Cooperativa Frutas de Bárue*, and benefit the community by providing Internet services. Farmers received training

on GLOBALG.A.P. certification, a standard for primary production and the supply chain so they can export their fruit to markets with higher returns, along with two trucks to support the hub’s logistic services.

In Chimoio, a processing line was installed for 250 primary producers farming in three districts, allowing them to increase the shelf life of their fresh fruit.

In Macate, a partnership with Tigre de Ouro is increasing the number of contract farmers from 19 to 90. A project-owned refrigerated truck will transport fruits to more distant markets, expanding the brand’s customer base and revenue. Newly built fruit aggregation units allow producers to improve storage conditions, transportation efficiency and the prices received by farmers.



Café do Ibo



Cooperativa Fruta de Bárue



Women Business Forum 2023

Increasing the number of women entrepreneurs in the Middle East and North Africa

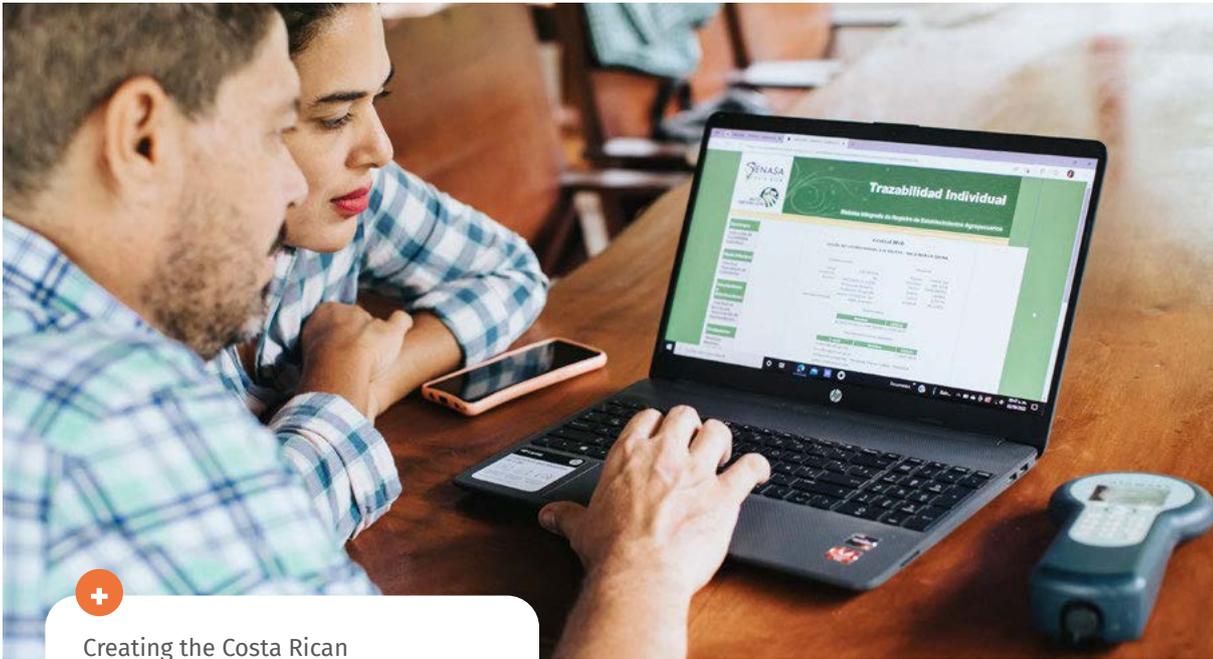
UNIDO is working to increase the number of women entrepreneurs able to establish successful businesses in the Middle East and North Africa (MENA) region. In 2015, when the programme began, only 4 per cent of women conducted any entrepreneurial activity and only 20 per cent were in the labour force.

In 2023, two UNIDO programmes supported promising young women entrepreneurs with business training, coaching and mentoring: a regional business ideation programme in Algeria, Morocco, and Tunisia for 60 women from the fields of science, technology, engineering and mathematics; and a business incubation programme in Tunisia for 20 women in the natural-based cosmetics and nutritional health sectors and 15 women in the blue and green economy. Overall, 12 winners of their respective pitching competitions gained further visibility by presenting their ideas at the “Women Business Forum 2023” in Tunisia, co-sponsored by the Union for the Mediterranean (UfM) and UNIDO.

At that forum, UNIDO also organized a round table to motivate women to become involved in fourth industrial revolution technologies. Success stories and innovative solutions from women entrepreneurs provided guidance on issues like access to finance and education. A UNIDO white paper identifying good practices and a road map to further support women entrepreneurship in the region was also presented.

Other support in 2023 included a four-week course on e-commerce and digital marketing in Tunisia, a regional workshop on e-commerce and access to finance in Cyprus for women entrepreneurs and women-led micro-, small and medium-sized enterprises (MSMEs), and a two-day training in Tunisia for the region’s civil society, public and private sectors to strengthen their capacities in incorporating gender considerations into policies and programme development.

On International Women’s Day 2023, UNIDO participated in a UfM webinar to raise awareness on the gender impacts of innovation and technology and necessary interventions. Results of the UNIDO survey



Creating the Costa Rican System of identification and individual traceability

documenting challenges related to information and communications technologies (ICT) such as expensive equipment and poor network coverage at work were presented, along with country-specific infographics.

Ongoing promotion activities included the five-part regional podcast series *MENA Women Rising*, which reached over 7,000 people, and seven videos on MENA women in industry and innovation. Both initiatives featured women sharing their experiences and recommendations on how to succeed in business and industry.



Women's empowerment videos and podcast

Expanding capacity to export Costa Rican beef to Europe

An agreement between Central American countries and the European Union allows up to 1,725 tons of beef exports to Europe

with no tariffs. However, Costa Rica did not have a system in place to monitor the presence of pesticide residues in meat, honey, fruits, and vegetables. By implementing traceability, Costa Rica can compete in international markets that require this.

In 2023, UNIDO completed a two-year programme in the country to develop the necessary skills and systems for this traceability through its Global Quality and Standards Programme (GQSP), funded by Switzerland. With the Costa Rican System of identification and individual traceability of bovines and buffaloes not being connected to mobile applications used in the field, farmers risked errors because they had to enter the same information twice, and there was no way to enter health information such as diseases, or medications administered.

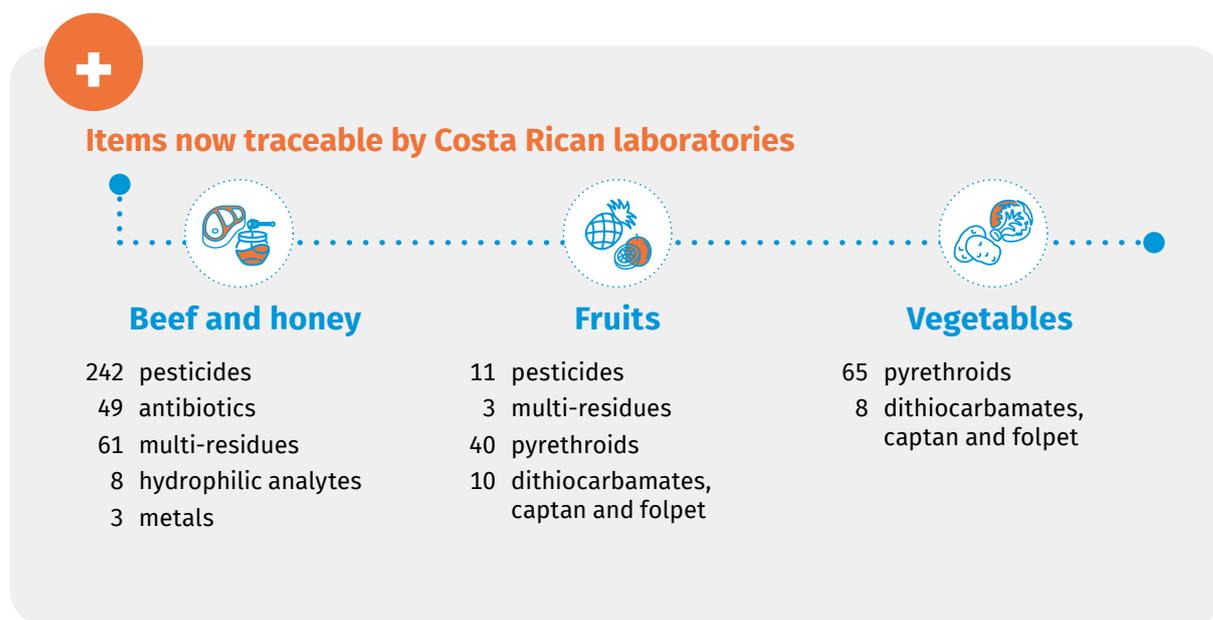
The system is now connected, allowing all information about an animal's life to be stored electronically and compliance with European Union traceability requirements to be monitored. Training with a manual validated by GQSP showed

367 beef producers how to use the system and reduced the digital gap among the farmers, whose average age is 56.

Laboratory technicians, more than half women, also received training on how to conduct the ongoing analyses required by the European Union. Before the project, 55 per cent of analyses had to be sent to Europe, but now 90 per cent of the necessary work is completed in Costa

Rica, cutting costs and time for producers and providing more laboratory jobs.

As a result of the strengthened capacity, the Government of Costa Rica has mandated the individual traceability of cattle, starting in 2024. This significant milestone increases economic opportunities by helping the Costa Rican cattle farming industry compete in highly demanding international markets while also promoting reduced pesticide use to better protect people, animals and the environment.



TRANSFORMING BEHAVIOUR TO ADVANCE ECONOMIC COMPETITIVENESS

In low- and middle-income countries, MSMEs generate a large share of employment and income opportunities. However, their development potential often remains untapped, as firms operate in isolation, follow uncompetitive production models and lack the connections to dynamic business partners that could bring in new expertise.

UNIDO helps to boost the development of a competitive private sector and contributes to poverty reduction by building sustainable linkages between MSMEs, larger-scale business partners and support institutions such as

universities and research institutes, business associations and financial organizations.

These partnerships across multiple sectors help MSMEs increase their competitiveness through economies of scale, use of shared services such as industrial parks, and access to new sources of training, expertise and knowledge platforms. Partnerships can also open doors for firms owned by women, youth and people in conflict-affected communities, to participate in economic activities on fairer and more profitable terms.



Clean energy and climate action



Ending hunger



Sustainable supply chain

Increasing sustainable investments in the African, Caribbean and Pacific region

The African, Caribbean and Pacific (ACP) region is home to almost 80 per cent of Least Developed Countries. To attract investment to allow better competition and prosperity in domestic, regional and international markets, more transparent policies and investor support are required.

UNIDO is partnering with the World Bank and International Trade Centre (ITC) to increase this capacity in the ACP countries. The ACP Business-Friendly: Supporting value chains through inclusive policies, investment promotion, and alliances programme is a €41.7 million, seven-year initiative launched in 2019 with funding from the European Union and the Organization of African, Caribbean and Pacific States. UNIDO works directly with

investment promotion agencies in the region to strengthen and monitor their capacities to effectively promote and facilitate investment.

In 2023, the Organization published a thorough assessment of existing capabilities and needs, *Investment Promotion and Facilitation in the African, Caribbean and Pacific (ACP) Region – State-of-play, Challenges and Opportunities*.

This analysis was used to plan and develop training and capacity-building in nine countries: seven in Africa (Cameroon, Ethiopia, Ghana, Kenya, Nigeria, Senegal, Zambia), one in the Caribbean (the Dominican Republic) and one in the Pacific (Papua New Guinea). Peer-to-peer learning and knowledge exchange is being conducted across the 79 ACP countries.

The UNIDO Invest in ACP Platform, established in 2022, acts as a one-stop-shop for insights



into investing in the region's countries. It provides the following resources and investment project opportunities.

During 2023, 146 training and capacity-building sessions drew 470 people, 31 institutions and 12 governmental bodies. These sessions taught participants how to strengthen their investment promotion capabilities through training in marketing, monitoring, and partnerships so they can attract funding for their projects.

To attract potential foreign direct investors, investment opportunity profiles were collected through the UNIDO network of Investment and Trade Promotion Offices (ITPOs) and the network of Subcontracting and Partnership Exchange (SPX).

Together, these efforts have already led to new investor proposals, new jobs and new capacities.



UNIDO Invest in ACP website



Investment Promotion and Facilitation in the African, Caribbean and Pacific (ACP) Region – State-of-play, Challenges and Opportunities



Accessible information on pertinent investment projects in the ACP region



Information on **investment promotion agencies** and **institutions at the national and regional level** including contact details for investment queries



Details on **priority value chains and sectors** in the ACP region



Geolocation information of operational industrial parks and information of their **value proposition** for investment



Relevant publications on **the ACP investment environment**



Data analytics, publications and insights underpinning the investment attractiveness of the ACP region



Impact



900+ novel investment-ready proposals promoted to investors

348 business plans developed

\$21 million leveraged

More than 800 new jobs created

98+ business-to-business and **business-to-government** connections facilitated



Clean energy and climate action



Ending hunger



Sustainable supply chain

UNIDO public-private partnership model

In 2023, UNIDO refined its approach to public-private partnership (PPP), structuring it around three core pillars to foster an internal environment that is conducive to collaborative innovation.

The transformation focuses on building and establishing strategic partnerships that are essential for inclusive and sustainable industrial development (ISID) and sustainable economic transformation.



Partnership with Deloitte

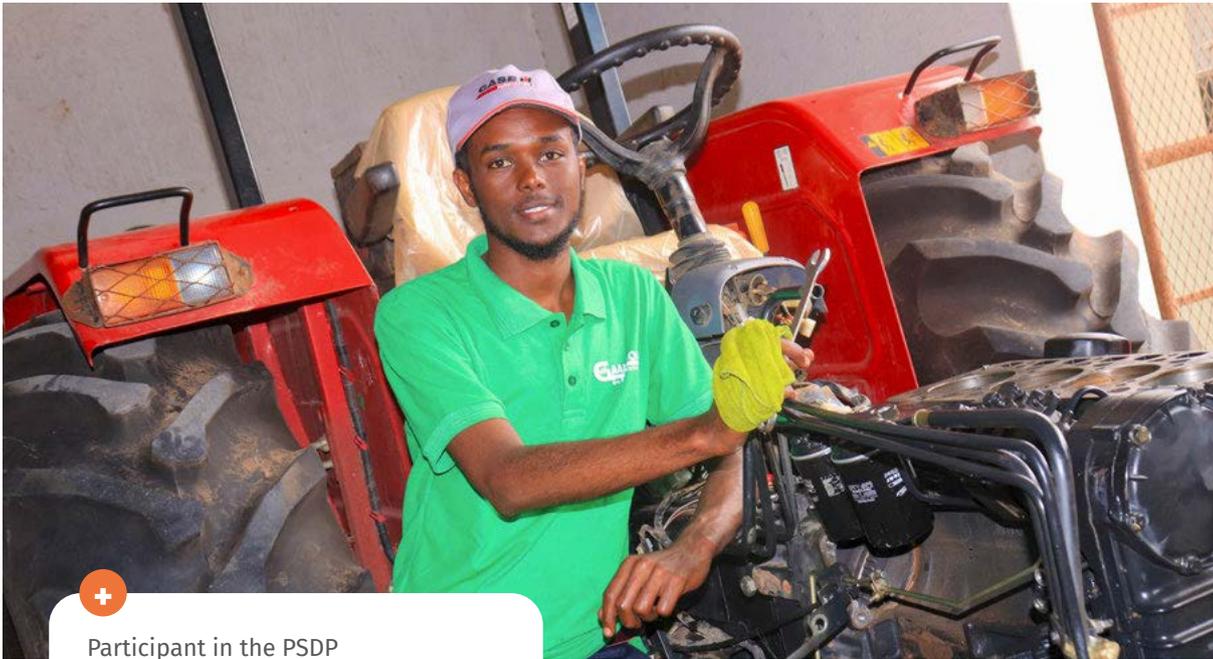




Public-private partnership in UNIDO

Three core pillars





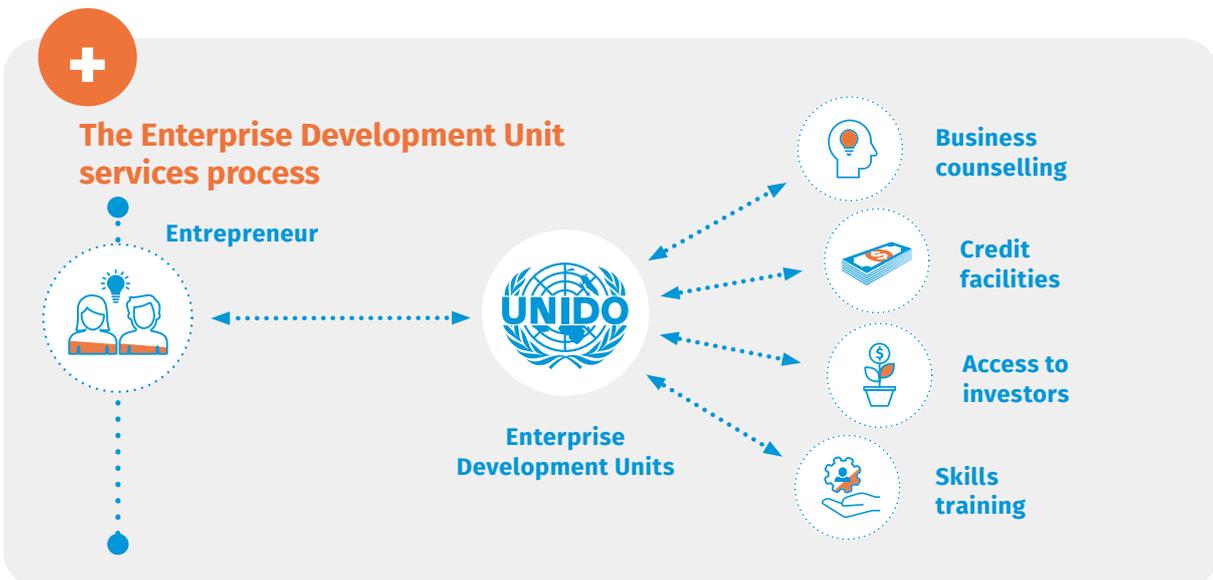
Participant in the PSDP for Somalia

Stimulating economic growth and job creation in the productive sectors in Somalia

UNIDO implements the Productive Sectors Development Programme (PSDP) for Somalia with FAO and ILO. This flagship programme has been working with government ministries, private-sector associations and financial institutions since 2020 to stimulate economic development and help Somalia shift away from its heavy reliance on humanitarian assistance. The work is funded by Italy,

the United Nations Multi-Partner Trust Fund for Somalia and the United Nations Development Programme (UNDP).

In 2023, UNIDO supported the Somali Chamber of Commerce and Industry to expand the network of enterprise development units from four to six locations across Somalia. These are critical business development service centres responding to the growing development needs of Somali entrepreneurs, in particular women and youth.



The credit facility established by UNIDO for small and medium-sized enterprises (SMEs) and operated by the International Bank of Somalia provided concessional loans utilized by 137 MSMEs for capital asset investments. For example, farmer Ahmed Hajir used a loan to buy better quality seeds, fertilizer and livestock feed, doubling his earnings from the improved crops. To stimulate investment in renewable energy, UNIDO and IBS Bank initiated a pilot project to promote renewable and off-grid solar energy power solutions. This is helping Mohamed Hassan Omar, the owner of Al-Towba Electricity Company, build a solar power plant that should halve the price of electricity, while training helped him reduce billing errors.

The Academy for Sustainable Agri-Mechanization Training was established by Case IH, a brand of the farm machinery manufacturer CNH Industrial, its Somali dealership Gaalooqe Farming and Livestock Cooperative, and the UNIDO PSDP. The Academy provides social education and technical vocational skills to enable project beneficiaries and trainees to improve livelihoods and strengthen community development.

At the 2023 Somalia Economic Conference in Mogadishu, UNIDO helped promote the country to international companies for trade and dealership agreements. More than 700 participants with nine international companies conducted bilateral negotiations.

The country's Prime Minister, Hamza Abdi Barre, said the conference marks a pivotal moment in the nation's history. "It is a declaration of our commitment to chart a new course towards economic prosperity and a brighter future for all Somalis".



With the help of UNIDO, a new solar power plant with better services will soon be situated in Beledweyne, and of course, this will have a significant impact on the citizens' lives."

Mohamed Hassan Omar,
owner, Al-Towba Electricity Company

Adapting pulp and paper technology in India for greater competitiveness

The global pulp and paper industry faces a critical need for sustainability in its current production processes. This includes reducing its high use of water, chemicals and raw materials, as well as the effluents and wastes generated.

The Indian paper industry faces these same challenges, as well as ones unique to the country where firms rely more on recycled fibres and agro-residues than on wood pulp, and there are many MSMEs, whose scale and operations differ significantly from large-sized paper mills.

Since 2015, the Department for Promotion of Industry and Internal Trade of the Government of India, with support from UNIDO, have been addressing some of these challenges by identifying best-available technologies and processes, and adapting and customizing them for local adoption.

Between 2015 and 2018, UNIDO focused on strengthening the Central Pulp and Paper Research Institute, supporting paper industry associations and conducting bench-scale experiments on innovative technologies relevant to the paper sector.



India – Black liquor heat treatment technology to improve energy efficiency

The subsequent second phase of the project, implemented between 2019 and 2023, took the lessons learned in the previous phase and built transportable pilot demonstration units for three technologies covering wastewater treatment, energy efficiency and odour control. The units were sent to paper mills across the country for extended trials to determine their technical and economic feasibility in real operational conditions.

The project also identified ways to optimize processes and enhance productivity in 13 paper mills. A digital audit tool was developed for data collection and monitoring. Smaller enterprises, which often do not have the capacities for extended experimentation or access to focused expertise, benefited from this collaborative initiative by adopting tailored technology solutions that not only address critical business optimization requirements, but also facilitate improved sustainability and productivity performance.

UNIDO has made best-available technologies viable for the private sector and strengthened the capacities of supporting institutions



Impact of technologies customized for India



Membrane filtration (four paper mills):

Reduced **water consumption** by up to 20%, minimizing **pollution load**

Black liquor heat treatment (three paper mills):

Improved **energy efficiency**, enabling additional steam generation and fuel savings

Chlorine dioxide dosing system (four paper mills):

Controlled odour in recycled fibre-based mills and reduced paper breakages, increasing **productivity** and reducing **treatment costs**

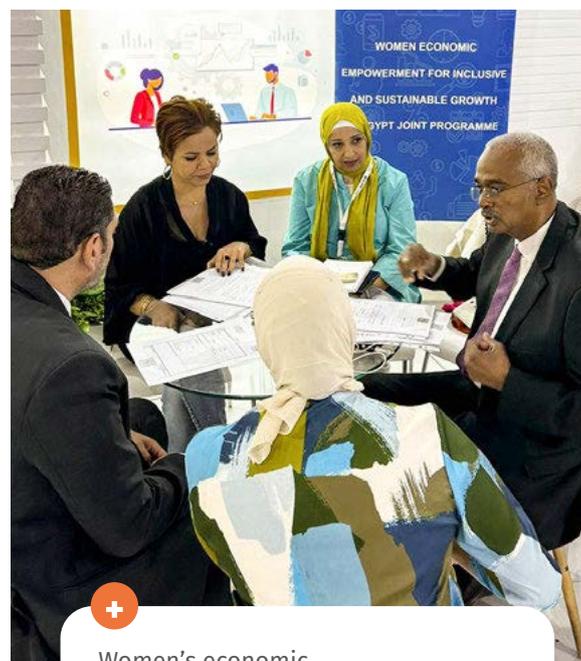
and ecosystem actors. The project's success highlights the potential for similar technology identification, adaptation, and transfer in the future, contributing to reinforced domestic technology capabilities in India and other countries facing similar development challenges.

The Investment and Technology Promotion Office in Bahrain building capacity to create and expand businesses

The UNIDO network of 10 ITPOs provides opportunities for entrepreneurs, business institutions, investors and technology suppliers to find potential partners and increase their technological capacities. Partnerships between ITPO Bahrain and leading regional and international institutions are stimulating digital transformation, the adoption of AI in manufacturing and agriculture, and innovation in the blue and green economies, as well as the orange economy that encompasses a wide array of cultural and creative goods and services such as crafts, film, games, fashion, music and video games. These contribute to the UNIDO role as a platform for knowledge and technology, investments and innovation.

In cooperation with the Annual Investment Meeting, the ITPO organized the “Entrepreneurs Investment Summit” to attract joint investments and collaboration and to facilitate trade. It contributed to panels at the “World Investment Forum” organized by the United Nations Conference on Trade and Development (UNCTAD) in Abu Dhabi and supported the “Digital Transformation and Smart Agriculture Technology Symposium” in Lebanon, which focused on helping the country transition from traditional farming practices to smart farming.

In Morocco, ITPO Bahrain worked to connect entrepreneurs at the “Arab Food Security Conference and Exhibition” to modernize agricultural sectors using technology



Women's economic empowerment for inclusive and sustainable growth in Egypt

and smart applications, and to share investment opportunities at the “Arab-African Economic Conference”. At the “Shenzhen Global Innovation and Entrepreneurship Conference”, the office promoted integration between China and the Arab region in AI.

ITPO Bahrain established the “Art-preneurs” initiative to support young people and women to transform their creative ideas into sustainable enterprises, utilizing the UNIDO Enterprise Development and Investment Promotion programme to create and grow enterprises. The ITPO also supported the “Turathuna (Our Heritage) Exhibition for Handicrafts” organized by the Micro, Small and Medium Enterprises Development Agency of Egypt, which drew 1,000 creative entrepreneurs to learn how to establish or expand their businesses.



Innovation and Entrepreneurship



Clean energy and climate action



Ending hunger



Sustainable supply chain

Advancing green public procurement and harmonizing standards

Steel, cement and concrete are the backbone of economies, but they account for over 50 per cent of industrial emissions.

To help decarbonize these industries, UNIDO and the Clean Energy Ministerial established the Industrial Deep Decarbonization Initiative (IDDI), a global coalition of 10 governments and partners, in 2021. The initiative's two key priorities are public procurement to stimulate the demand for green products, and harmonizing systems for carbon reporting and benchmarking of industrial products.

The initiative's Green Public Procurement Pledge garnered commitments from several influential countries in this field. Canada, Germany, the United Kingdom of Great Britain and Northern Ireland and the United States of America adopted time-bound procurement goals during the 2023 "Conference of the Parties to the United Nations Framework Convention on Climate Change" (COP28), setting a precedent for low and near-zero emission production and usage of construction materials. The Governments of Austria, Japan and the United Arab Emirates expressed their intent to deliver a time-bound plan to align with key aspects of the pledge via a statement of intent.

Increasing coordinated commitments to green public procurement will provide a much-needed economic incentive for industry to invest in research and development for low and near-zero emission production of steel, cement and concrete, and ultimately drive the innovation that will ensure progress towards global climate goals.

Fundamental to creating a thriving market for decarbonized materials is a coherent global data framework. IDDI published a white paper proposing a set of common principles derived from the work of the Greenhouse Gas Protocol and the work of the International Energy Agency. Consultations with over 70 stakeholder groups helped identify drivers of variance in emissions reporting for steel, cement, and concrete. The paper provides a common basis for adjudicating disagreements in standards, setting the stage for guidance on a consistent greenhouse gas (GHG) accounting system.

This first international effort to align emissions reporting systems across different sectors and geographic regions will continue, with UNIDO leading the coordination and integrating new approaches and best practices in areas such as carbon capture and storage, alternative fuels, and mass balancing.



[IDDI website](#)

A partnership with ITPO Rome is strengthening the four UNIDO-established enterprise development centres for domestic and foreign investment in Iraq. Another partnership with ITPO Rome, the United Arab Emirates

and other relevant Gulf Cooperation Council countries, offers training, mainly to young people and women, to increase their involvement in sustainable innovations that utilize green and digital technologies.

TRANSFORMING BEHAVIOUR TO ADVANCE ENVIRONMENTALLY SUSTAINABLE INDUSTRIES

Despite the challenge arising from climate change, the global demand for energy and resources continues to increase, especially in low- and middle-income countries with growing economies and industrial sectors. Achieving the Paris Agreement goal of limiting global warming to below 2°C will require the rapid development, deployment and adoption of innovative solutions at a scale and pace that will bring about transformational change without compromising economic and industrial development.

UNIDO brings together governments, financial institutions and industries to create partnerships and initiatives for developing clean energy applications

and innovative hydrogen technologies. The Global Cleantech Innovation Programme brings transformative cleantech solutions to market, and strengthens and connects cleantech innovation and entrepreneurship ecosystems. The promotion of best-available techniques and environmental practices remains central to scaling-up, alongside training sessions, toolkits and guidance.

UNIDO also supports companies, ranging from SMEs to global multinational companies, in phasing out ODS by optimizing production processes and products, which are expected to prevent over 60 million tons of CO₂ emissions each year.



Improved cooking stoves in the Gambia reduce emissions and create health benefits and economic opportunities for women

Catalysing renewable energy and efficiency investments in the Gambia

UNIDO, with funding from the Global Environment Facility (GEF), has been assisting the Gambia since 2018 to implement a renewable energy and energy efficiency project, in line with the country's Sustainable Energy for All Action Agenda. The project ended in 2023, catalysing investment in more efficient light bulbs, refrigeration, air conditioning appliances, cooking stoves and cooking fuels.

Africell, a large cellular phone operator, provided additional funding to hybridize some of its base stations by using solar, wind and diesel generators. This saved energy costs while ensuring a more stable network for their customers. The pilot project instilled enough confidence for the company to scale up and operate their entire telecom network through renewable energy.

A solar street lighting initiative led by Unique Solutions significantly improved the livelihoods of remote communities. Many had no electricity because of the distance from the national grid. Installing over 200 solar streetlights boosted inhabitants' sense of security and safety, especially for women, and allows them to be more productive during evening hours.

The women-led Women's Initiative Gambia received an industrial-scale briquette manufacturing plant in Fula Kunda, allowing the members to make a cheaper and less polluting fuel than handmade charcoal. A new cooking stove was also developed that requires less charcoal, further reducing the environmental impact and potential respiratory problems. Women received training on how to make or sell the stoves, providing new economic opportunities.

The Economic Community of West African States (ECOWAS) Centre for Renewable Energy and Energy Efficiency established a testing

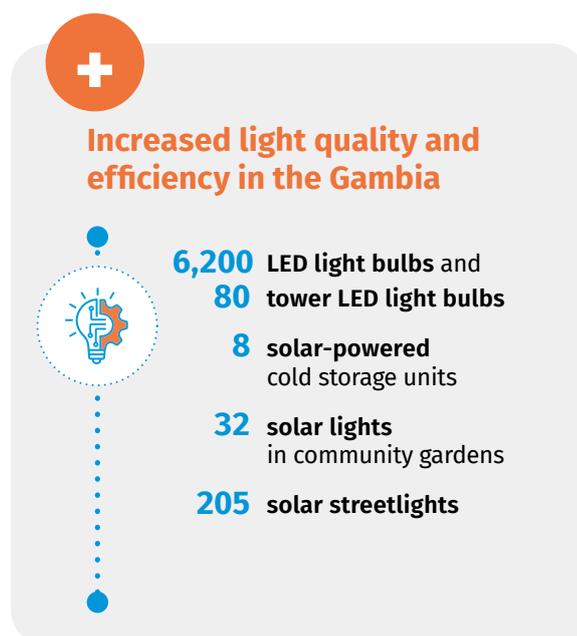
laboratory to assess the quality, efficiency, and safety of clean cooking stoves and energy-efficient lighting and appliances. It also provided training on how to run the laboratory and machinery, with women making up more than half of the participants.

Raising awareness to support and grow these new approaches was also a key component of the project. FAO, a project partner, produced a booklet for schoolchildren on activities to learn more about the environment. Africell shared energy-saving tips with its 1.5 million customers.

The project's Sustainable Energy Entrepreneurship Fund, managed by the Social Development Fund of the Gambia, provided over \$240,000 in micro-grants to local youth-led and women-led energy businesses. Beneficiaries received training on business entrepreneurship to help them implement their plans successfully.



[Empowering the Gambia for sustainable energy video](#)





Morocco – optimizing motor systems

Accelerating industrial energy efficiency in Morocco

Morocco is almost wholly dependent on imported fossil fuels to power its economic development, placing a significant strain on the country's industrial sector, which uses 21 per cent of its overall energy. UNIDO is helping companies meet the country's national energy strategy, which calls for reducing energy use by 20 per cent before 2030.

A pilot Industrial Energy Accelerator was launched in 2019 to help local industries implement an improved energy management system that is compliant with the International Organization for Standardization (ISO) 50001 standards. In Casablanca, Morocco's industrial hub, 18 SMEs, 13 energy consultants and nine government officials completed the first course provided through this initiative and have become champions to promote this process.

Now running in Tangier as well as Casablanca, new entry-level and expert-level courses on steam systems optimization and motor systems optimization have been added.

Of the 160 people who completed the programme in 2023, 20 per cent are women.

So far, 45 local companies have designed action plans to reach their targets and measure progress – saving up to 11 per cent in energy costs. UNIDO is helping these companies to develop case studies to share what they learned from the training and system implementation, including low- or no-cost energy efficiency



Experts trained in 2023 to reduce energy use in Morocco

65 on ISO 50001 compliant energy management systems

50 on optimizing motor systems or compressed air systems

47 on renewable energy combined with optimizing steam systems



measures, and to identify a pipeline of projects requiring capital investment.

The project was implemented in cooperation with the Ministry of Energy Transition and Sustainable Development, the Ministry of Industry and Trade, the Moroccan Agency for Energy Efficiency, the Energy Engineering Company, and the German Development Cooperation Agency (GIZ).



Industrial Energy Accelerator Case Study in Morocco



Video on training

Building nature-based infrastructure

Nature-based infrastructure (NBI) approaches refer to the creation or restoration of natural or semi-natural ecosystems like forests, floodplains, and wetlands to provide a specific service or benefit as an alternative to conventional built infrastructure. For example, constructed wetlands can assimilate pollutants and thus provide the same water purification service as conventional wastewater treatment plants.

By providing the same service as built infrastructure, NBI approaches help preserve the health and diversity of the planet. With funding from GEF and the MAVA Foundation, UNIDO has been working for three years with the International Institute for Sustainable Development to demonstrate the financial and economic performance of such approaches to mitigating climate change.

The project established the NBI Global Resource Centre in 2021 to provide data, training and customized valuations. It is also designed to build new partnerships and alliances that can influence decision-making in favour of green infrastructure projects worldwide.

An interactive database contains information on the performance, costs and benefits of NBI measures under multiple climate and policy scenarios, as well as on the impact from environmental, social, and governance-related issues. It uses the Sustainability Asset Valuation Tool to simulate the impact of NBI measures and to compare the financial and economic performance of these measures with conventional built infrastructure. Decision-makers can use this information to compare results quickly across studies.

In 2023, the financial performance of 11 NBI solutions was assessed and compared to conventional grey infrastructure solutions. In addition, the monetary value of additional positive externalities was established, such as storing carbon to mitigate climate change and maintaining areas of vegetation to protect against higher temperatures. To showcase the financial and economic superiority of NBI approaches, six training and awareness-creation sessions were organized, attracting over 3,000 participants.



NBI website and database



Video on NBI



Clean energy and climate action



Ending hunger



Sustainable supply chain

Scaling up eco-industrial parks

The Global Eco-Industrial Parks Programme (GEIPP), set up in 2018 and funded by the State Secretariat for Economic Affairs of Switzerland is moving into its second phase.

Founded on the long-standing expertise and knowledge of UNIDO, the programme is helping emerging economies create more competitive and sustainable industrial parks by adopting circular economy practices and advancing climate change mitigation strategies. This reduces GHG emissions and pollution, as well as long-term costs.

Piloting the programme in seven countries, UNIDO brought stakeholders together to learn about the benefits and identify which activities would be the most suitable and effective in their particular park. Training was provided in how to apply resource-efficient and cleaner production methods to improve their environmental performance. In parallel, UNIDO provided technical assistance and engaged in policy dialogue with partner governments to establish a conducive policy and regulatory framework at the national level, through which Colombia became the first country in the world to endorse a national standard for eco-industrial parks in 2023.

Over 57 million kilowatt-hours of energy, over 2 million cubic metres of water and nearly 18,000 tons of materials were saved in the first five years of implementation, which ended in 2023. The training, data collection and lessons learned are all available on the online UNIDO Industrial Park Platform (see chapter 4).

The second, five-year phase begins in 2024, focusing on enhancing park management and strengthening environmental, social and economic performance in the seven pilot countries.

To extend this programme to more countries and foster international collaboration and cross-country learning, UNIDO, with the World Bank and GIZ, will develop eco-industrial park recognition schemes and standards, based on the International Framework for Eco-Industrial Parks.



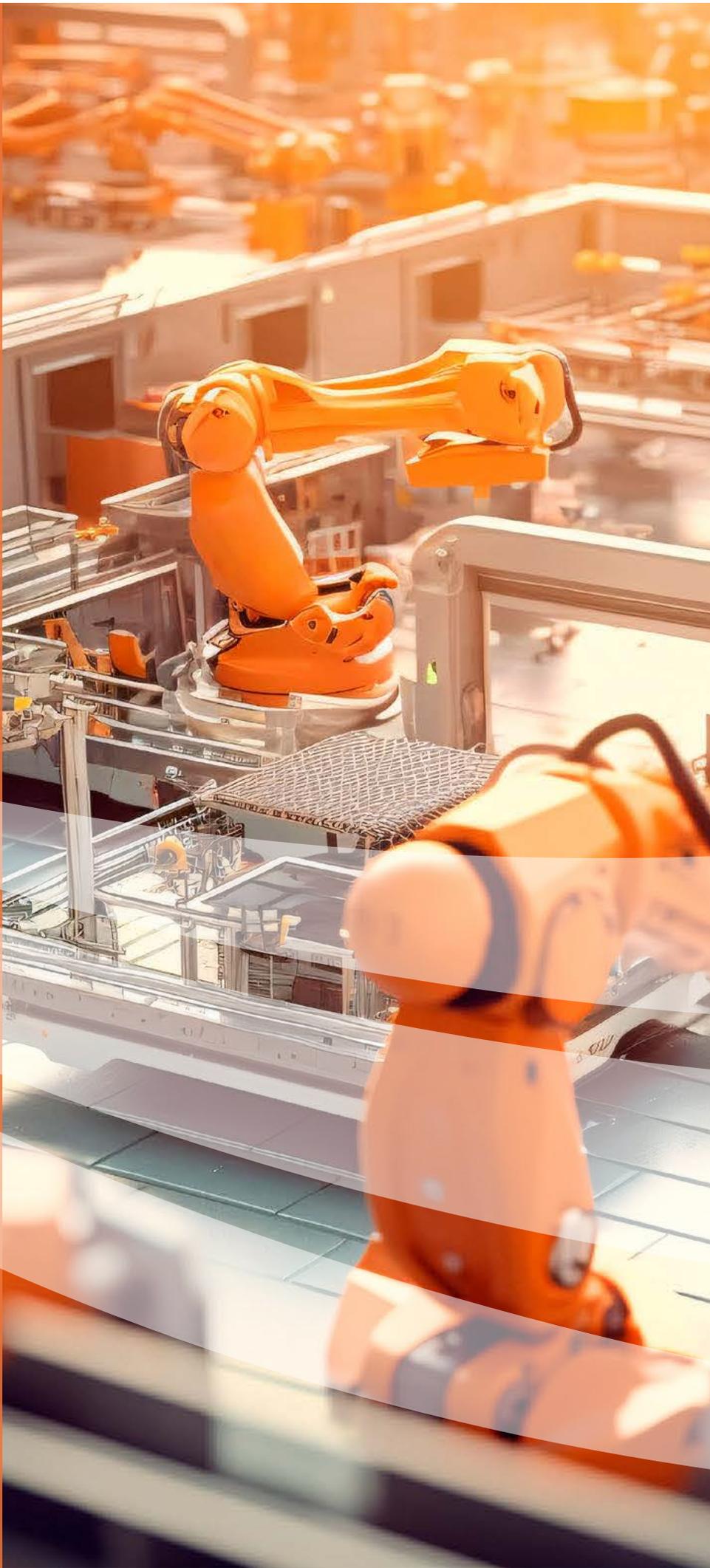
Countries with GEIPP interventions



Eco-industrial parks website



International Framework for Eco-Industrial Parks





CHAPTER 3

**Working on the ground:
transforming lives through
innovative, inclusive and
sustainable businesses**



Introduction. This is the core of UNIDO work – on the ground, working directly with enterprises and people. By providing training and support to adopt the latest technologies, innovate and apply the best environmental practices, UNIDO helps businesses become more resilient and sustainable. Particular attention is paid to women, youth and disadvantaged groups, so that they can also learn and become leaders with the ability to mentor others. At the same time, UNIDO programmes and projects are also building awareness of and motivation for safe and sustainable products, increasing market demand so that enterprises can become long-term sources of equitable jobs and ongoing skills development.

SUPPORTING THE ADVANCEMENT TOWARDS SHARED PROSPERITY



At the midpoint of the 2030 Agenda for Sustainable Development based on the 17 SDGs, poverty, hunger, and injustice continue to increase worldwide. The after-effects of the COVID-19 pandemic, of conflicts and their consequences, and of climate change hit the most vulnerable the hardest. Innovative solutions to increasing sustainable prosperity and fighting poverty and hunger are needed more than ever.

To overcome these challenges and help firms to succeed, UNIDO works with partners to increase productivity of and inclusion in the workforce, particularly among youth and women. For example, UNIDO shared its best practices at the Seventh Assembly of the GEF in 2023, and published the report *Gender, Digital Transformation and Artificial Intelligence*, which highlighted opportunities that digital technology innovations such as AI and robotics can present for women.



Report: *Gender, Digital Transformation and Artificial Intelligence*

UNIDO builds skills and knowledge so that more people have the opportunity to develop and market innovative products and systems, particularly by using fourth industrial revolution technologies. By using a holistic approach that provides tailored support for both firms and workers, including job seekers and entrepreneurs, UNIDO micro-level projects and programmes contribute to the advancement of key manufacturing sectors and industrial ecosystems.

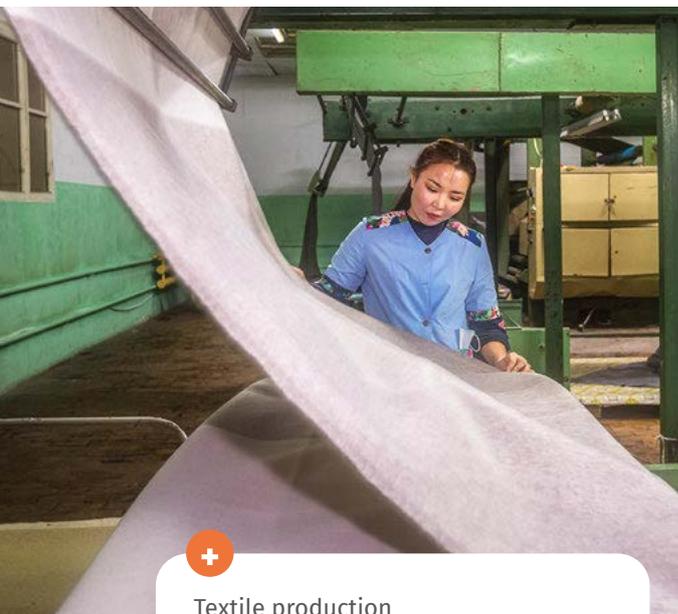
Mongolia increases export capacity in meat, leather and textiles

UNIDO helped Mongolia increase the export competitiveness of its meat, leather and textile sectors through a World Bank-funded project. The project strengthened certification and compliance to enable the country's businesses to access more markets.

To establish the enabling environment, UNIDO upgraded five national certification bodies in line with organic and halal accreditation scheme requirements. The Mongolian National Authority for Accreditation benefited from an updated documentation system and a pool of qualified staff and assessors.

TOP UNITED NATIONS
IMPLEMENTING
PARTNERS:





Textile production in Mongolia

UNIDO also conducted an in-depth gap analysis of 23 meat processing enterprises, of which 7 are women-led, along with tanneries and textile companies to assess their performance against relevant standard requirements. This led to road maps identifying the support needed. Coaching and training on system design and implementation followed. As a result, two private tanneries were successfully certified against relevant leather scheme requirements, which consider standard quality processes as well as environmental, social and governance issues. Three textile enterprises completed the OEKO-TEX STANDARD 100 independent testing for textile safety and certification for the relevant stages of production. Six meat processing enterprises were certified against halal standard requirements. These certifications help the companies increase their market competitiveness and sales.

As part of the project, UNIDO also equipped the Ministry of Food, Agriculture and Light Industry with eight guides on compliance

and best practices covering a range of supply chains, from bakery and flour products to dairy and the service industry. The dissemination and eventual application of these guides is designed to enhance overall compliance with basic food hygiene practices by the actors concerned.

Based on the support provided to the organic sector in the country and the momentum gained, the Mongolian Parliament passed a new organic law in January 2024. It sets the legislative framework enabling Mongolia to expand its organic food export market.



Accreditation of certification bodies



2 for organic products
2 for halal products
1 for leather products

Key impact



15 new standards adopted or implemented



23 firms and **420** people (322 women) with improved capacity or skills



11 enterprises certified

Engaging youth to create shared development priorities in Mexico

One third of the population of Mexico is under the age of 29, often facing economic, personal and human security challenges that limit them from reaching their full potential. The COVID-19 pandemic further exacerbated these challenges, exposing many of the most vulnerable adolescents and children to increased risks of exploitation, violence, abuse, and impoverishment.

The pandemic provided an opportunity to bolster youth engagement in decision-making processes that determine development priorities, such as employment, health care and social protection policies. For example, insufficient skilled labour is a bottleneck for increasing private investment and local economic development. A more systematic and comprehensive framework for consultation and decision-making will support a more sustainable and inclusive process.

A UNIDO pilot in the state of Hidalgo, funded by the United Nations Trust Fund for Human Security, is designed to provide better educational, social and work opportunities for young people by preparing them to face today's multifaceted challenges. The pilot brought youth in Hidalgo together with local government, private sector and civil society stakeholders, enabling them to participate in the political and development process to influence decisions that impact their lives.

Online videos of young people talking about their concerns were produced to attract interest and participation. In 2023, in 13 municipalities of the state of Hidalgo, almost 1,000 adolescents and young people attended workshops to discuss and identify challenges. At the annual ECOSOC Youth Forum convened by the President of ECOSOC and sponsored by UNDESA, which drew 55,000 young people, project participants shared their work in



Young people at a brainstorming session in the state of Hidalgo, Mexico

brainstorming sessions and speaker panels on developing policies that better meet their needs. This supports integrated public policies that tackle challenges faced by at-risk youth.

The project developed two implementation guidelines for state and municipal decision makers and trained them on the human security approach to development to increase the use of this process in the development of services and public policies for youth. Reflecting the prioritization of gender equality, 57 per cent of the participants were young women.

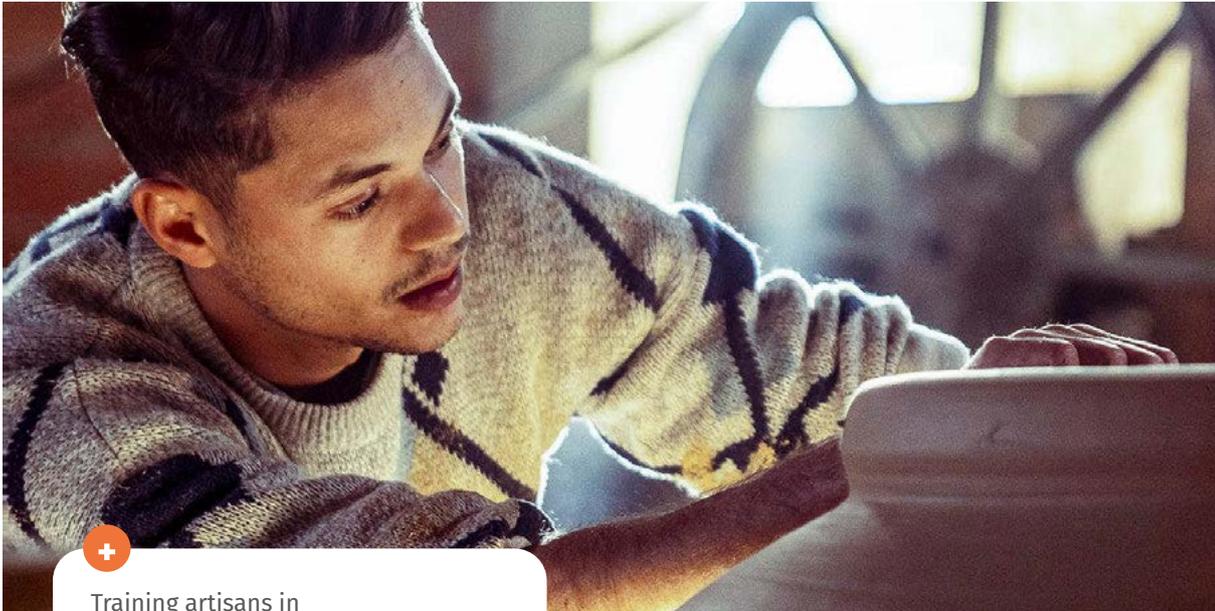
The project ends in 2024 and discussions are under way to replicate it in other Mexican states and municipalities in Hidalgo.



[Project website](#)



[Video on project](#)



Training artisans in pottery in Tunisia

Transforming craftsmanship and catalysing economic growth in Tunisia

UNIDO is helping to improve the competitiveness of the crafts and design sector in Tunisia. With funding from the European Union and the Italian Agency for Development Cooperation, the Organization is facilitating access to national and international markets through the UNIDO Creative Tunisia project.

Training is provided to artisans in pottery, plant fibres, traditional weaving, kilim carpets and fashion. Some courses were co-developed with renowned art and design schools that provide university degrees. The UNIDO cluster development approach prioritizes joint initiatives among enterprises and institutions, reaping collective benefits for the members and the surrounding communities.

Four creative hubs foster creativity by facilitating incubation programmes, partnerships and collaborative events, offering essential services like prototyping, marketing, and technical training. A dedicated workspace was opened in rural Dar Rouached to provide women with valuable resources: a showroom, training area, overnight guest rooms, and



Impact on Tunisian crafts industry

- 
4 multi-service support centres
- 
100 training sessions
- 
+2,000 beneficiaries
- 
Financial support to 15 companies
- 
+500 new products
- 
+100 new jobs



Clean energy and climate action

Global call accelerates innovation through recognition

One of the ways UNIDO promotes innovation is by recognizing individuals and firms for their ideas, and helping them get their ideas funded and put into action.

Since 2020, the UNIDO network of ITPOs has issued a global call, with more than 2,000 participants from 108 countries taking part over the past three years.

UNIDO prioritizes high representation from low- and middle-income countries – which in 2023 made up 88 per cent of the total entries. Shortlisted teams receive training from experienced scholars, corporate executives, and international organization experts to help them proceed to the next stage of development.

In 2023, 40 awards were presented at the “Sixth China International Import Expo” in Shanghai. A booth showcased the winners’ technologies in the fields of green hydrogen, energy efficiency, and clean energy innovation.

Winners were also invited to join the UNIDO Fourth Industrial Revolution Accelerator in Hangzhou, a “one-stop” hub to explore, identify and assess new technologies for market viability and technical feasibility, and to visit the four regional coordination centres of ITPO Beijing in different cities in China, connecting them with local investment institutions, industrial parks and government entities.

Past winners continue to receive UNIDO support. For example, one 2021 winner, Polycare, developed its material into a masonry system composed of low-carbon



UNIDO Global Call 2023

concrete, saving 70 per cent of CO₂. Another, Batteries AMS, became a founding partner of BatteReverse, a consortium funded by the European Union developing an efficient and sustainable reversed logistics value chain for large electric vehicle batteries. The 2022 winner, China Water Environment Group, was invited to exhibit at the 2023 “China International Fair for Investment and Trade” and at the China Pavilion at COP28. Among its 350 projects in China, one in Beijing installed distributed, below-ground sewage treatment plants, reducing emissions by nearly 20,000 tons of CO₂-equivalent annually, and another naturally purifies 20 million tons of water every year in Erhai Lake, an area of 256.5 km², reducing pollution and carbon emissions.

In 2024, three Chinese winning companies from 2023 are being supported to explore opportunities in Africa at the “Science-Policy-Business Forum on the Environment” at the United Nations Environment Assembly in Nairobi.

a clay processing workshop space. In 2023, 1,500 individuals, 80 per cent women, were equipped with technical and managerial skills in the handicraft sector and 40 companies, of which 16 SMEs are women-led, were restructured to support their integration in the creative industry value chain.

Since the beginning of the project in 2020, more than 500 new products have been created in collaboration with national and international designers; they are marketed in national and international fairs, as well as via product catalogues, social media and showcase websites.

Six SMEs within the pottery cluster have upgraded their pottery production units, implementing enterprise resource planning systems to enhance efficiency while reducing environmental impact. Transformations

include adopting natural gas firing processes, installing modern clay processing units, and using advanced wrapping and packaging machines. Five of the six SMEs are managed by entrepreneurs under the age of 35.

The contribution to the development impact of the industry has been significant. Tunisian pottery industry exports surged by 60 per cent between 2020 and 2023. The average income of the women involved in this sector has multiplied by five, directly impacting their financial autonomy, and giving them more decision-making agency within their families.



Creative Tunisia
website

SUPPORTING THE ADVANCEMENT OF ECONOMIC COMPETITIVENESS

Increasing productivity and competitiveness plays a major role in a firm's sustainable development and contribution to overall economic growth, especially within the manufacturing sector. However, many SMEs are at a disadvantage because they don't have access to finance, and their use of new technologies and digitalization is low. There is also a shortage of skilled workers, and standards and quality are not high enough to fully access domestic and global markets.

To promote economic growth and sustainable development, UNIDO helps SMEs develop innovations and new technologies, improve quality, adopt best practices, meet standards and technical regulations, and maintain an overall quality culture.

Increasing competitiveness in the Guinean pineapple trade

UNIDO is helping Guinea compete in the pineapple sector and increase the economic impact of the pineapple trade in the country. Through the European Union-funded West African Competitiveness Programme (WACOMP), international quality standards required for broader trade are being applied and enforced throughout the production, processing, and marketing stages of the pineapple value chain.

To strengthen local conformity assessment bodies, UNIDO facilitated the acquisition of 45 ISO international standards and 20 Codex food standards for the Guinean Institute of Standardization and Metrology. This institute is



A pineapple grower in Guinea

now able to evaluate the commercial quality of local pineapples against reliable international benchmarks, providing guidance for producing and processing quality fresh fruits.

UNIDO also helped the laboratory of the National Office of Quality Control upgrade its quality management system and operational procedures, and accreditation is under way. Fifteen technicians were successfully trained in the ISO/IEC 17025:2017 standard, which enhances the credibility of testing and calibration work.

In 2023, the Government of Guinea adopted a National Industrial Development Policy and 24 standards for pineapple and other agricultural products and incorporated them into national legislation.

UNIDO also supports the national consortium, NAFASO, comprising five women-led processing and marketing companies producing dried fruit, juice and jam. NAFASO is increasing the production and diversification of products by creating an industrial production unit and training technicians specialized in fruit processing.

UNIDO helped 40 young enterprise leaders improve their knowledge and skills in business and the best practices to produce, harvest and package pineapples. To increase exports, the project provided 12,000 environmentally friendly packages in compliance with international standards.

The packaging not only protects the pineapples but also significantly enhances the brand image under the clearly identified “Sogué” label, which means “ripen under the sun”. In the past, Guinean pineapples were exported in used shipping cartons for cigarettes and used tin cans not designed for pineapple export, which negatively affected the perceived value of the fruit abroad.

To promote fresh and processed pineapples from Guinea, UNIDO supported 30 growers and processors, in collaboration with the ITC, to participate in major regional events in Senegal and international trade fairs in Europe, particularly in Germany and Spain.



Beneficiaries of ASSIST in Indonesia – Women entrepreneurs

Expanding capacity in traditional crafts and the blue economy sectors

Since 2021, UNIDO has been involved in the United Nations Joint Programme on Accelerating SDGs Investments in Indonesia (ASSIST), alongside the United Nations Environment Programme (UNEP), the United Nations Children’s Fund (UNICEF) and the lead technical agency, UNDP. The UNIDO intervention seeks to strengthen the competitiveness and market reach of SMEs making and selling traditional textiles, jewellery and agrifood on the island of Lombok. This, in turn, creates new jobs, diversifies the economy and attracts more investments, while unlocking opportunities to access innovative finance.

UNIDO provided expert workshops, study tours and a business mentoring series covering topics such as financial management, standard operating procedures for increased productivity, water and resource management in aquaculture, disease prevention in shrimp farming, circular economy practices in textile and jewellery production, organic farming, waste management, and innovative product design rooted in traditional craftsmanship. In less developed regions, UNIDO mentored SMEs and start-ups to increase their access to financing opportunities.

This support led to the launch of the sustainability-focused brand “MyNyale” in 2023. This is managed by 12 leaders of SMEs, of whom 6 are women, and connects more than 800 entrepreneurs, which includes at least 63 per cent women entrepreneurs, across the island. The brand sells textiles combining traditional weaving techniques with locally sourced eco-friendly materials, handcrafted jewellery made from recycled shells, metals and gemstones, and organic agrifood products.

To drive both economic growth and development, UNIDO facilitated the application process for beneficiary SMEs to join the Blue Finance Accelerator programme (BFA), a collaborative initiative launched by UNDP and the Asian Development Bank in partnership with the Coordinating Ministry of Maritime and Investment Affairs and the impact advisory firm, Instellar Indonesia.

In 2023, the BFA selected 12 start-ups and SMEs in blue economy sectors for a one-year joint programme covering sustainable aquaculture, fisheries, marine debris waste management and climate change mitigation/adaptation. It ended with the “Road to Blue Finance Demo Day Bootcamp”, where participants pitched their ideas and networked with investors, ecosystem builders, partners, media, government representatives and the wider public. Over 140 potential collaborations and investments were identified for follow-up.

This holistic approach unlocks unprecedented opportunities for SMEs to access credible finance mechanisms, which include thematic bonds at the national and subnational level, SDG-linked loans, and operationalization of the Indonesia Impact Fund.



[MyNyale website](#)

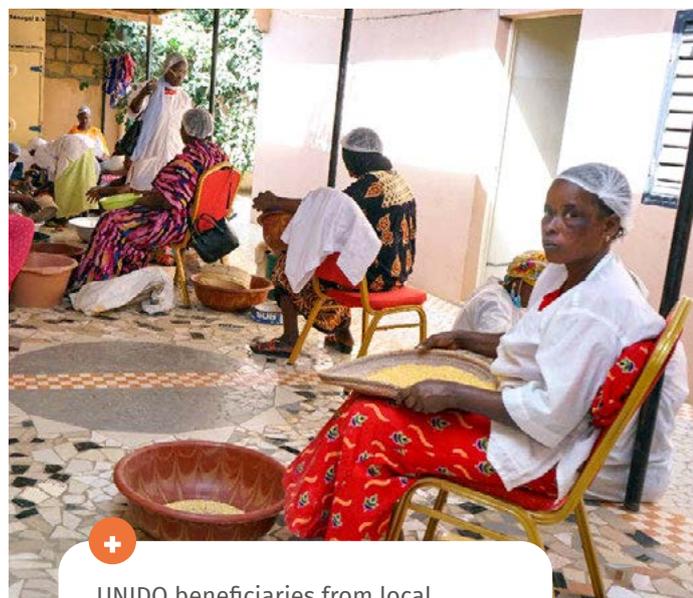
Strengthening Senegal's resilience for a sustainable recovery post COVID-19

While Senegal reported fewer COVID-19 cases compared to some of its continental counterparts, the country faced significant economic repercussions. To help businesses become more resilient, UNIDO launched, in 2023, the programme for the resilience and revitalization of MSMEs, as part of the West Africa competitiveness support project. This was designed to foster a rapid and sustainable recovery in the hospitality, transportation, fisheries, pharmaceuticals, and agrifood industries.

The project is implemented with the full participation and ownership of national stakeholders including the Ministry of Trade, Informal Sector, Consumer Affairs, Promotion of Local Products and SMEs, the Bureau de Mise à Niveau and the Agence de Développement et d'Encadrement des Petites et Moyennes Entreprises.

Over 200 formally constituted local MSMEs from 14 regions in Senegal have received assistance since the beginning of the project – at least 30 per cent led by women and 20 per cent by youth. Participants received training in digital marketing, good hygiene and manufacturing practices, clean production, energy efficiency, circular economy, waste management and market access, allowing them to improve their productivity and quality, offer new products, use more eco-friendly packaging, deploy energy-efficient solutions, and reduce waste and the impact on the environment.

Five laboratories were supported to enhance their ability to respond to COVID-19 and other health crises. Two testing laboratories developed and implemented technical support action plans to achieve accreditation to ISO/IEC 17025 covering physicochemical testing of hydro-alcoholic



UNIDO beneficiaries from local MSMEs in Senegal

products and physical testing of protective masks. At four medical biology laboratories, project experts assessed compliance with ISO 15189:2022, which specifies requirements for quality and competence in medical laboratories, and proposed an action plan to meet industry standards.

In 2024, UNIDO plans to provide technical and financial support to selected innovations that strengthen the response of the country to future health crises.

Supporting the advancement of environmentally sustainable industries

Pollution, climate change, biodiversity loss and over-exploitation of natural resources have a catastrophic impact on human health, well-being and livelihoods, especially for those living in small island nations and low- and middle-income countries.

The challenge of this century is to enable development and economic growth for all, while also mitigating climate change and protecting the environment.



Clean energy and climate action



Ending hunger



Sustainable supply chains

Catalysing and scaling up developmental impact through South-South and triangular cooperation



UNIDO in action at the South-South Investment Forum, 2023

South-South trade now comprises more than a quarter of global trade, surpassing North-South trade and expanding at a rate above the global average.

UNIDO assists Member States to capitalize on these emerging opportunities and to strengthen South-South and triangular industrial cooperation (SSTIC). A unified framework with updated operational guidelines was presented to Member States. This encompasses funding streams, communication strategies, and rigorous monitoring and evaluation metrics, as well as an explanatory video on the UNIDO approach.

The “South-South Investment Forum”, convened by UNIDO in collaboration with the African Export-Import Bank (Afreximbank)

and the Export-Import Bank of China was held in Cairo in 2023. It took place during the “Third Intra-African Trade Fair”, highlighting underexplored sectors ripe for investment. The Forum emphasized the importance of robust regulatory environments and inclusive growth strategies to mobilize investments and foster collaboration for economic growth. The forum also explored the African Continental Free Trade Area (AfCFTA) that represents a market of \$3.4 trillion and significant opportunities for both intra-African and South-South trade.

During the 21st session of the High-level Committee on South-South Cooperation, UNIDO presented an SSTIC road map to accelerate industrial development in line with the United Nations system-wide action plan. Utilizing a broad network of partners, technology databases and industrial development experts

from the South, the plan focuses on post-pandemic recovery and the 2030 Agenda for Sustainable Development.

During the year, UNIDO published 11 SSTIC impact stories, demonstrating the value of projects such as promoting green solutions for urban transport in Bhutan, upgrading the livestock value chain in Ethiopia and e-waste management in Latin America.

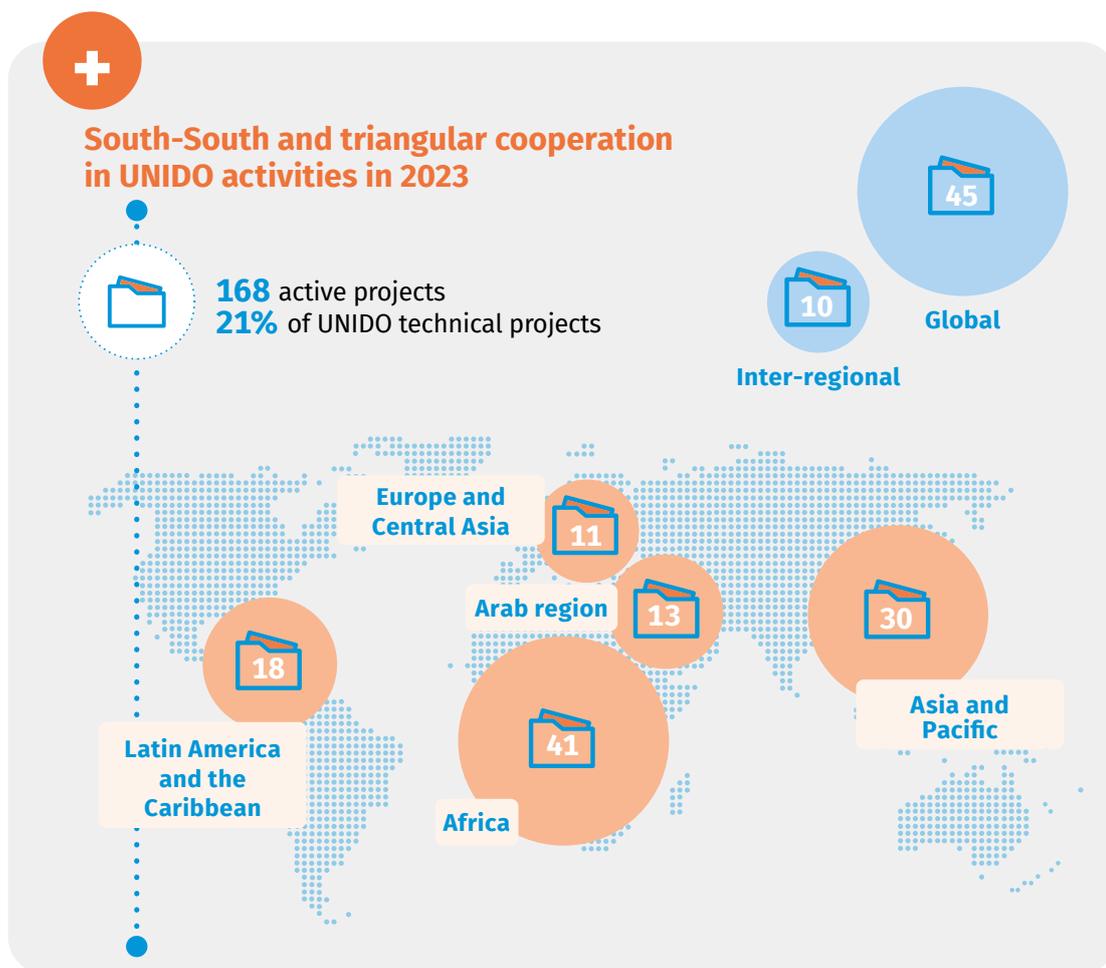
Three new publications outline the instrumental role of SSTIC in addressing the Organization's major priorities for action: ending hunger, limiting climate breakdown, and creating sustainable supply chains. They show how industrial development is catalysed and expanded, particularly through cooperation among developing countries.

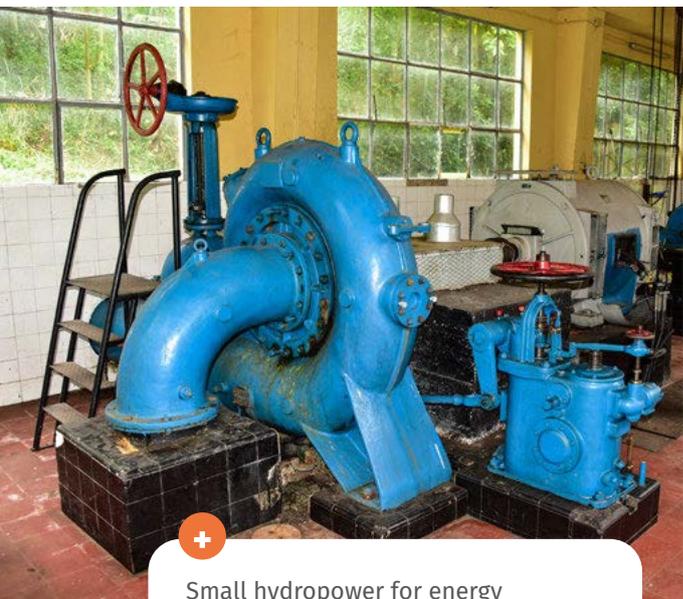


Video on UNIDO SSTIC



SSTIC web page





Small hydropower for energy transition in Sao Tome and Principe

UNIDO provides support and tools for firms and entrepreneurs to transform their business models with cost-reduction strategies and state-of-the-art knowledge to inspire energy-efficient and circular economy practices. The Organization also provides training to attract investors and comply with legal frameworks, allowing companies to acquire much-needed financial resources to develop or adapt products and adopt energy-efficient processes and equipment upgrades.

Building renewable energy and efficiency capacity in Sao Tome and Principe

In the small island nation of Sao Tome and Principe, located off the Central African coast, UNIDO is working with government agencies to build capacity for investments in renewable energy and energy efficiency. The project is funded by GEF and the Green Climate Fund (GCF), and has close links to the Centre for Renewable Energy and Energy Efficiency for Central Africa, which was recently established by UNIDO and the Economic Community of Central African States in Angola. These initiatives align with Vision 2030 of the country to transform into a climate-resilient and

vibrant hub for the blue and green economy by significantly reducing GHG emissions.

In 2023, the Government developed national action plans for both renewable energy and energy efficiency. They outline steps to achieve a 70 per cent penetration of renewable energy electricity, projected to reduce the use of diesel worth over \$1 billion by 2050.

To support the country to meet these goals, UNIDO helped draft regulations for minimum energy performance standards on lighting, cooling and refrigeration, and a national compliance framework and label for appliance efficiency classification. These aim to prevent equipment with high energy consumption from entering the market, and await legislative approval.

To reduce dependence on fossil fuel imports, UNIDO is assisting the Government to develop efficiency standards for transport fuels and vehicle imports, a national road map of electric mobility, and regulatory and implementation frameworks allowing individuals, companies and communities to generate and sell renewable energy to the national utility company, mainly from roof-top solar photovoltaic systems and mini-grids. UNIDO also helped develop an environmental and social impact assessment for a 1.5-megawatt (MW) ocean thermal energy conversion pilot project (part of the Global Ocean Energy Alliance), translated the UNIDO technical guidelines on small-hydropower power plants into Portuguese, and provided additional training.

Collectively, these changes are aimed at providing Sao Tome and Principe with long-term cost savings and positive environmental impacts.



[General Directorate of Natural Resources and Energy website](#)

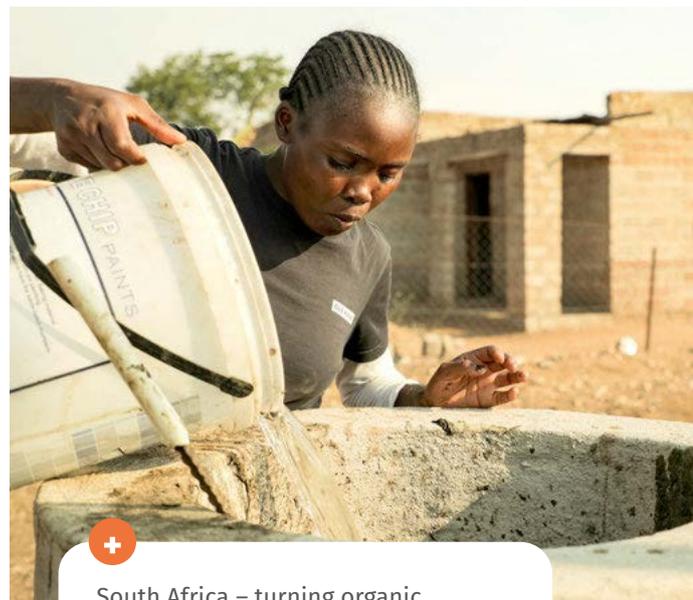
Turning organic waste into an energy source in South Africa

The energy sector in South Africa is responsible for more than 85 per cent of the country's GHG emissions. To reduce this UNIDO has been helping the country, since 2016, to develop plants that generate power from biogas, a by-product of decomposed organic matter from vegetable and animal waste. The use of biogas within SMEs, which is just starting in South Africa, can mitigate the effects of climate change.

UNIDO supported the establishment and operationalization of the Southern African Biogas Industry Association (SABIA) to help advance the industry. It also collaborated with the Department of Forestry, Fisheries and the Environment, the Department of Mineral Resources and Energy, and the Agricultural Research Council, as well as universities to showcase the viability of biogas technologies.

The project was completed in 2023 with several products to aid future development. A best practice manual on biogas based on lessons learned over the years serves as a comprehensive guide. A policy brief recommends draft legislation on the classification and disposal of the digestate remaining after processing to determine its economic value, and lays out guidelines for its trade. Two industry safety standards are ready for adoption by the national standards bureau. An investment strategy explores commercially viable biogas options. All materials and training modules were transferred to SABIA, which has a business plan, and has mapped approximately 36 projects in various stages of readiness.

A pipeline of 21 investment-ready biogas projects and pre-feasibility and feasibility studies on 18 early-stage biogas projects are available. To attract investors, several of these are featured in *Biogas Projects*



South Africa – turning organic waste into biogas



Impact and results of the project



National system and capacity in place to expand biogas plants



Training
30% women
59 young people and
35 government officials



33 biogas digesters built during training



Total installed capacity of
4.3 MW electric energy and
1.96 MW thermal energy



Lifetime savings estimated at over
700,000 tons of CO₂-equivalent

*Deal Book – A Compendium of Biogas
Demonstration Projects in South Africa.*

UNIDO designed scaled-down biogas digesters for installation at North-West University to expand research and development. These will be used to trial various feedstocks and teach the anaerobic digestion process generating biogas.

Biogas digesters for small households and schools were also installed, showcasing their usability for cooking and to produce fertilizers. The digesters contributed to improving lives for women living in rural areas.

The project is now being used as a model in Mozambique and Zimbabwe for agribusinesses in rural communities.



Advancing biogas in South Africa video

Implementing cleaner processes increases sustainability in the Pakistan leather industry

Pakistan has good conditions for leather production – a favourable climate for livestock rearing, a skilled workforce and abundant raw materials. The industry is a major contributor to the country's economy through substantial exports to the European Union, North America, and the Association of Southeast Asian Nations region.

However, untreated industrial waste and blocked sewer lines resulting from leather production pose risks to human and environmental health, and to global competitiveness by failing to meet international standards. To address these challenges, a major UNIDO project began in 2019 to transform the industry in the Korangi area of Karachi.

With funding from GEF, and through public-private partnerships with the Ministry of Climate Change and Environmental



UNIDO support for cleaner processing in Pakistan's leather industry

Coordination, the Pakistan Tanners Association (Southern Zone) Environmental Society and the Sindh Environmental Protection Agency, the project built a solid waste management facilitation centre, established solid waste management systems, introduced tools to reduce emissions and carbon footprints, and increased human resource capacities.

Waste management teams were given waste handling equipment, including waste containers, a garbage compactor, a sewer sludge suction machine, a tractor front-end loader, an excavator and tractors with hydraulic tipping trollies, along with personal protective equipment.

Techniques and practices for efficient waste management were taught through a UNIDO online platform, reaching 458 people, of whom 12 per cent were women trainees. The internship programme of the Bahria University's Karachi Campus provided intensive training, enhancing collaboration between academia and the leather industry. Participants said it helped them use safety equipment properly and reduce the risks of hydrogen sulfide gas.

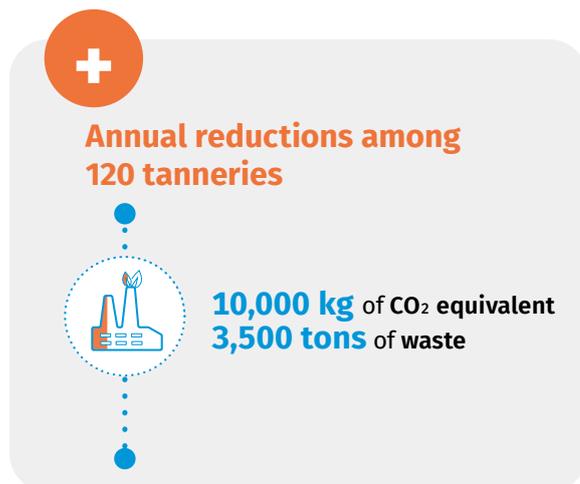


We feel proud coming to this area because it's so clean now. The workers are very happy with their working environment and our foreign buyers are also happy with the improvements made here."

Gulzar Firoz
President, Pakistan Tanners Association

The streets that had once been scattered with domestic waste, construction material and leather processing debris are now clean and the risk of disease has decreased for the 70,000 people living and working in the area.

The 120 tanneries in the area have adopted sustainability standards and obtained accredited certifications to reduce GHG emissions, enabling increased compliance with environmental standards and regulations. The project led to improved policies at the provincial level on cleaner production and hazardous waste management.



Korangi Leather Area
Project Sustainability
Report, 2022-2023



Documentary: Greening
the road to success –
Transformation of the
leather industry in Karachi



Clean energy and climate action

Innovative finance supports the second transition to clean energy in Uruguay

The Renewable Energy Innovation Fund (REIF) is a \$10 million programme, funded by the United Nations Joint SDG Fund, which promotes the second energy transition in Uruguay.

Funds from the Joint SDG Fund and commercial banks are blended to attract private-sector investments in sustainable and innovative energy solutions. The money is used for flexible and tailored credits to the productive sector. A technical assistance facility will support companies' access to the fund, improve the regulatory framework and build local capacities, boosting the impact of the investments.

The UNIDO Regional Office in Uruguay leads this United Nations flagship programme, in collaboration with UNDP, UN Women and the United Nations Resident Coordinator. The main stakeholders from the Government of Uruguay include the Ministry of Industry, Energy and Mining, the Ministry of Environment, the Office of Planning and Budget and the State energy company, UTE.

In 2023, a cooperation agreement was signed with 7 of the country's 10 commercial banks: BBVA, Banque Heritage, Santander, Itaú, HSBC, Banco de la República Oriental del Uruguay (BROU) and Scotiabank. Three operations totalling \$4 million were approved, with a REIF contribution of \$1 million.



Funding went to Empresa Red Uruguaya de Auxilio Mecanico to replace its combustion fleet with electric light trucks, to Empresa Alternativas Sustentables to acquire heat pump, storage and waste-to-energy equipment and assembly for third-party investment projects, and to Empresa Multicar to focus its vehicle rental company on electromobility. Several other projects are being evaluated that could leverage \$5 million more with an additional REIF contribution of \$1.5 million.

To ensure successful implementation, training was conducted with partner banks to the Government on REIF and its impact measurement methodologies. Outreach included participation in national and international events, such as the “Sustainable Uruguay Expo” and the “Eighth LATAM Conference on Renewable Energy”. The training sessions have laid the foundations for the banks to incorporate an impact framework to assess their investment pipeline, and guide businesses seeking credit on sustainability practices, demonstrating innovative private sector funding.

In 2024, studies addressing information gaps in relevant programme areas will be conducted to support the country’s road map to produce and export green hydrogen. REIF will provide technical assistance to two proposals to the Government’s Sectoral Energy Fund to develop low-variable-cost interruptible electricity utilization projects. Plans are under way to increase the fund size for larger investments in technologies such as green hydrogen.



[REIF website](#)



REIF is a model that generates success and one we want to see multiplied.”

Omar Paganini, Former Minister of Industry, Energy, and Mining for Uruguay





CHAPTER 4

**Regional perspective:
boosting investment, progress
and prosperity**



Regions at a glance

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

Africa

Arab region

46

20

UNIDO Member States

UNIDO Member States

29 LDCs 6 SIDS 25 MICs

4 LDCs 10 MICs

UNIDO local presence (number of countries)



19

incl. regional hubs in Ethiopia and Nigeria and a regional office in South Africa

8

incl. an ITPO in Bahrain and a regional hub in Egypt

Country programmes (2023)



9

0

Programme for Country Partnership (PCP)



8

in Côte d'Ivoire, Ethiopia, Nigeria, Rwanda, Senegal, the United Republic of Tanzania, and Zambia. Self-starter PCP in Kenya.

2

in Egypt and Morocco

Voluntary contributions for technical cooperation (net, in millions, 2023)



\$67

- Member States 13.91
- EU 16.40
- GEF 27.18
- MLF 2.21
- Others 7.33

\$30

- Member States 10.81
- EU 6.80
- GEF 4.09
- MLF 3.36
- Others 4.93

Current United Nations Sustainable Development Cooperation Frameworks (UNSDCFs) signed (total)



36

New UNSDCFs signed in 2023:
Burundi (2023-2027)
Cabo Verde (2023-2027)
Gabon (2023-2027)
Nigeria (2023-2027)
Sao Tome and Principe (2023-2027)
South Sudan (2023-2025)
Zambia (2023-2027)

12

New UNSDCFs signed in 2023:
Algeria (2023-2027)
Egypt (2023-2027)
Libya (2023-2025)
Morocco (2023-2027)



Asia and the Pacific

33

UNIDO Member States

10 LDCs 12 SIDS 28 MICs

14

incl. ITPOs, as well as a regional hub in Thailand and regional offices in China and India

7

1

in Cambodia

\$42.2

• Member States	5.91
• EU	12.10
• GEF	17.20
• MLF	5.57
• Others	1.43

18

New UNSDCFs signed in 2023:
Bhutan (2024-2028)
Cambodia (2024-2028)
India (2023-2027)
Nepal (2023-2027)
Pacific (2023-2027)
Philippines (2024-2028)

Europe and Central Asia

40

UNIDO Member States

19 MICs

9

incl. ITPOs and liaison offices, and Headquarters in Austria

4

1

in Kyrgyzstan

\$9.9

• Member States	6.24
• EU	0.58
• MLF	2.73
• Others	0.47

12

New UNSDCFs signed in 2023:
None

Latin America and the Caribbean

33

UNIDO Member States

1 LDCs 16 SIDS 23 MICs

7

incl. a regional hub in Mexico and a regional office in Uruguay

3

1

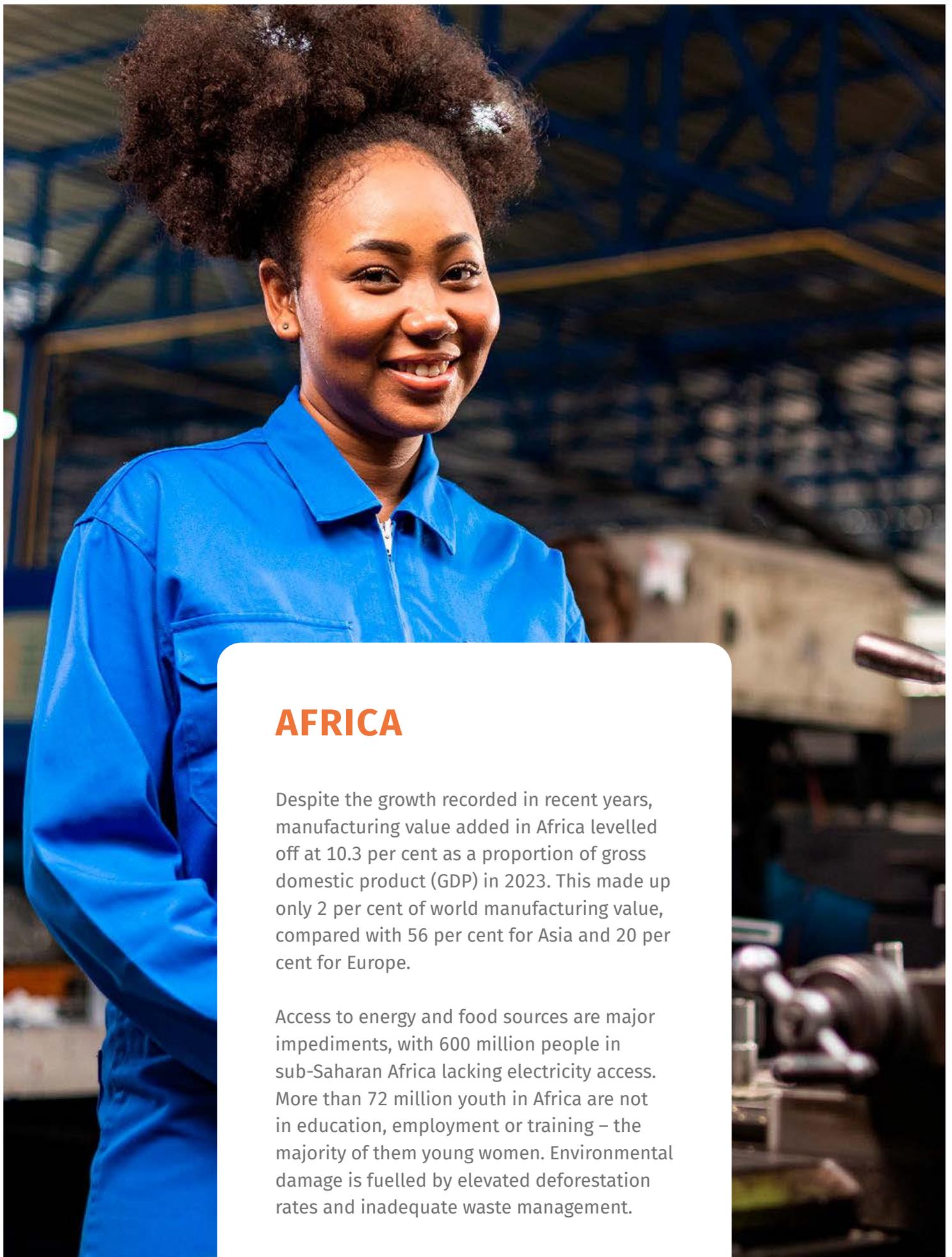
in Peru

\$32.7

• Member States	1.77
• EU	2.96
• GEF	10.02
• MLF	14.86
• Others	3.08

17

New UNSDCFs signed in 2023:
Brazil (2023-2027)



AFRICA

Despite the growth recorded in recent years, manufacturing value added in Africa levelled off at 10.3 per cent as a proportion of gross domestic product (GDP) in 2023. This made up only 2 per cent of world manufacturing value, compared with 56 per cent for Asia and 20 per cent for Europe.

Access to energy and food sources are major impediments, with 600 million people in sub-Saharan Africa lacking electricity access. More than 72 million youth in Africa are not in education, employment or training – the majority of them young women. Environmental damage is fuelled by elevated deforestation rates and inadequate waste management.

UNIDO AT WORK IN AFRICA

UNIDO leads the implementation of the Third Industrial Development Decade for Africa (IDDA III). To increase the quality of data for sound industrial policies, work continued on the African Industrial Observatory with the African Union, and on the African Industrialization Index with the African Development Bank. The comprehensive picture of industrial development from these two services covers 52 African countries from 2010 to 2021. UNIDO also supported the high-level event in New York on IDDA III to position Africa's industrial skills development, deployment and retention to accelerate growth in manufacturing.

UNIDO hosted the annual planning retreat of the Common African Agro-Parks Technical Working Group in Vienna. The \$94 million programme is creating regional agro-industrial hubs that reduce reliance on food imports and increase cross-border trade. UNIDO helped the Secretariat of the Common Market for Eastern and Southern Africa successfully prepare a feasibility funding request to the Arab Bank for Economic Development in Africa for a park to be shared between Zambia and Zimbabwe. More hubs with joint resource mobilization plans are planned in a road map developed out of the inaugural coordination meeting of Regional Economic Communities.

UNIDO assisted several countries with feasibility studies for industrial parks: in Kenya, a feasibility analysis and master plan for a core integrated agro-industrial park in Nyamira, three rural transformation centres, four aggregation centres in neighbouring

districts and one fish aggregation centre; in Nigeria a pre-feasibility study in Ibigwe Field in Imo State; in Senegal, a feasibility study for an agricultural pole in the northern region.

In 2023, UNIDO launched the Accelerate-to-Demonstrate Facility on clean energy in 10 African countries. The project, worth approximately €76 million, is funded by the United Kingdom to accelerate pilot demonstration projects of innovative technologies in critical minerals, clean hydrogen, smart energy and industrial decarbonization.



Increasing capacity for new processes and approaches

In 2023, UNIDO was actively involved in developing the European Union African Trade Competitiveness and Market Access Programme. The Organization is helping countries conform to standards and technical regulations required for regional and international trade by establishing efficient testing, certification and accreditation mechanisms.

To maximize the potential of MSMEs to export to new markets, UNIDO is also increasing their capacity in areas such as marketing, environmental compliance, technology transfer and processing for export. To strengthen the competitiveness of West African countries for regional and international trading, UNIDO



Fair and sustainable cotton value chain in Africa ©UNCTAD

MACRO
MESO

United Nations coordination to build resilience and expand trade

By working with other United Nations organizations in the region, UNIDO delivers integrated support that can increase the speed and spread of its efforts. For example, together with the United Nations Economic Commission for Africa (UNECA), UNIDO is supporting an integrated strategy for the Sahel’s industrial development within the framework of the AfCFTA. UNIDO also brings the perspective of sustainable industrial development to the regional collaborative platform, the United Nations regional coordination mechanism led by UNECA and UNDP, and to the relevant issues-based coalitions and task forces.

UNIDO supported the 2023 Africa Dialogue Series, with the theme “Market and scale: Unlocking industrialization through intra-African trade”. It was organized by the Office of the Special Adviser on Africa (OSAA) and the Permanent Observer Mission of the African Union to the United Nations. UNIDO also helped develop another dialogue series focused on unlocking “Made in Africa”, and supported OSAA and the Permanent Observer Mission in organizing the High-level Policy Dialogue.

is building capacity to develop food safety and quality standards and guidelines.

UNIDO is also helping countries implement policies to reduce mercury pollution and to phase out GHG hydrochlorofluorocarbons (HCFCs) and hydrofluorocarbons (HFCs). Policies and guidelines are facilitating the development of small-hydropower in Nigeria and Burundi.

UNIDO launched the Alliance for I4.0 and Smart Manufacturing in Africa to help the continent utilize fourth industrial revolution (Industry 4.0) digital technologies and smart manufacturing to enhance industrial competitiveness.

To improve women’s access to investments, grants, and other financial instruments to scale their businesses, UNIDO provided training in gender-lens investing to capital market stakeholders in Lagos, Nigeria.



Sustainable supply chains

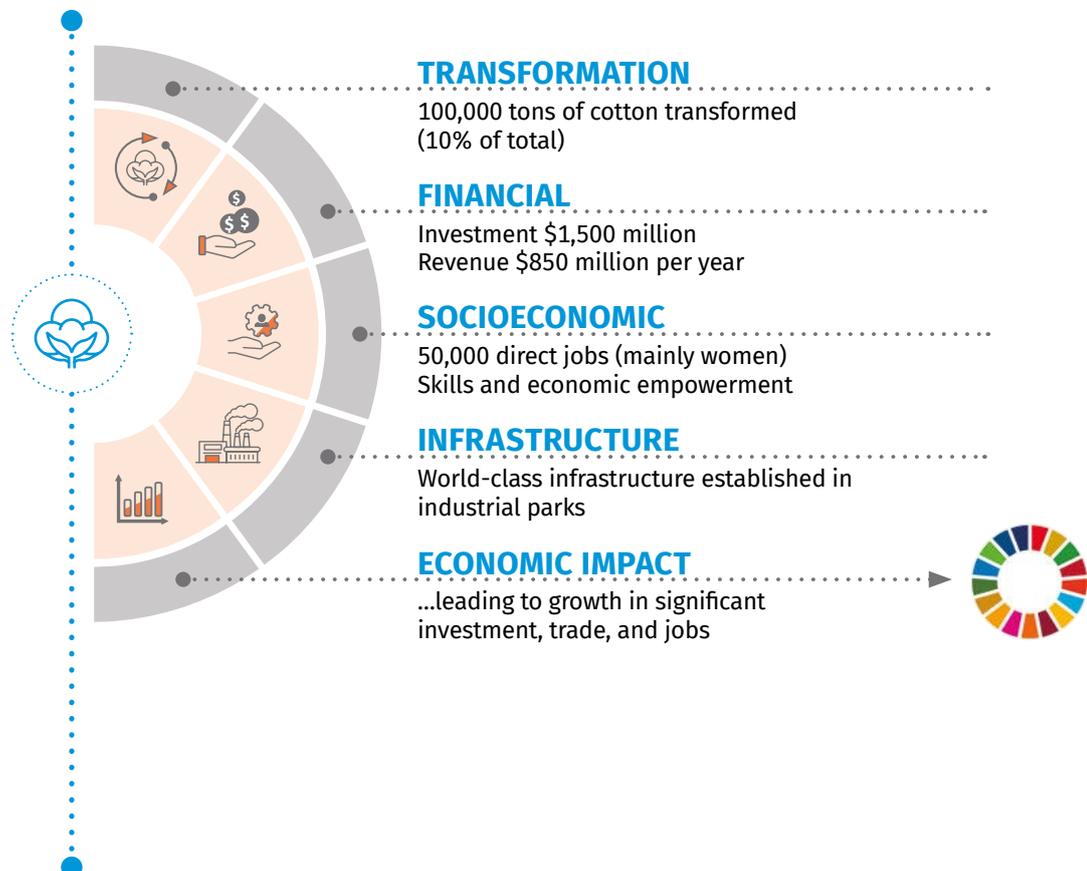
Mobilizing resources for a fair and sustainable cotton value chain in Africa

In 2023, UNIDO strengthened and expanded its partnership with the World Trade Organization, Fédération Internationale de Football Association, ITC and Afreximbank, following commitments made by UNIDO during the commemoration of the 2023 World Cotton Day, which brought together representatives from the five major cotton-producing countries in Africa, private-sector entities from the textile and garment sector, financial institutions, international organizations and development partners.

A new multi-stakeholder initiative is being established to catalyse the mobilization of greater technical and financial resources for a fair and sustainable cotton value chain in Africa. The initiative is aimed at enabling the cotton sector to play a stronger role in the economies of cotton-producing countries, particularly in West and Central Africa.



The transformation of cotton in the region will have significant socioeconomic benefits





ARAB REGION

The support of livelihoods and reconstruction following armed conflict were among the main challenges in the region during 2023.

Some nations faced significant issues like poverty and malnutrition, exacerbated by the conflict-related food insecurity. Other challenges included a foreign exchange crisis, inflation and high youth unemployment. Structural constraints persisted, influencing labour market outcomes. Environmental challenges, such as water scarcity and climate-induced damage exacerbated by conflicts, endured. Energy access remained a concern in many rural regions.

UNIDO AT WORK IN THE ARAB REGION

UNIDO initiatives are addressing these issues by facilitating economic development to create jobs and reduce poverty. The region's two Programmes for Country Partnership (PCPs) in Egypt and Morocco promote multi-stakeholder platforms and strategic engagement with the private sector to work together in these efforts. In 2023, UNIDO implemented 19 projects in Egypt, expanding its cooperation with development partners including the Governments of Italy, Japan and Slovenia, as well as the European Union, International Islamic Trade Finance Corporation, and Afreximbank. In Morocco, UNIDO supported the development of the country's industrial decarbonization road map, and the ITPO in Bahrain helped entrepreneurs, business institutions, investors and technology suppliers find potential partners and increase their technological capacities (see chapter 2).

To enhance the role of women in industry and improve capacity to develop and implement gender-transformative policies and programmes, UNIDO and the UfM provided training to senior public industrial sector representatives and heads of women business associations from Algeria, Egypt, Jordan, Lebanon, Morocco and Tunisia.

In Jordan, an industrial observatory unit was established to build national capacities to develop evidence-based industrial policies in line with international best practices. In response to COVID-19, UNIDO provided the

country with a digital business accelerator programme, the "LEVEL UP Accelerator", aiding 50 businesses and start-ups.

In cooperation with the Department of Health of Abu Dhabi, UNIDO launched its International Centre for Industry Readiness for the MENA region. This will help develop the industrial capacity and skills needed to adopt advanced technologies and good manufacturing practices to be prepared for future global health crises.

In Tunisia, UNIDO is scaling up a project to improve access to national and international markets. It increases value added to local food products such as dates, pomegranates and dried tomatoes. Tunisian institutions are receiving support to develop a national strategy for agricultural products, with emphasis on women and young entrepreneurs.

■ ■ ■ MACRO
■ ■ ■ MESO
■ ■ ■ MICRO

Driving climate action

Many projects focus on mitigating climate change, such as the Industrial Motors Energy Efficiency Programme and the European Union-supported SwitchMed project to develop cleaner production technologies and green jobs, strengthening the export capacities and environmental compliance of SMEs and fostering youth employment. Algeria is transitioning to these technologies

with the ECOVERTEC project to create more sustainable practices. UNIDO engagement in Algeria, Egypt, Lebanon, Morocco, and Tunisia is increasing circular economy practices, promoting sustainability in various value chains and sectors.

At the High-level Round Table on Hydrogen organized by the COP28 presidency in Dubai, three flagship initiatives were launched to unlock the climate and socioeconomic benefits of hydrogen. UNIDO was the driving force behind two of them, the ISO methodology for GHG emissions assessment of hydrogen, and the Public-Private Action Statement that supports the COP28 Hydrogen Action Agenda and the initiatives of the International Hydrogen Trade Forum. The event brought together more than 25 ministerial officials from prospective hydrogen-importing and exporting countries. These initiatives support UNIDO to help countries transition to low-carbon hydrogen and mitigate climate change.

In partnership with Egypt and Morocco, UNIDO is actively engaged in the energy sector, planning for green hydrogen, helping reduce energy use in Morocco (see chapter 2) and implementing GEF-funded electric mobility projects in Egypt, Jordan, and Tunisia.

UNIDO supports the implementation of multilateral environmental agreements such as the Kigali Amendment to the Montreal Protocol for gradual reduction in the consumption and production of HFCs. Through the Multilateral Fund for the Implementation of the Montreal Protocol (MLF), UNIDO provided assistance to companies in the region to sustain their business and export potential by phasing out the use of chemicals that harm the ozone layer.



SwitchMed programme in Morocco
– Sustainable textile industry



United Nations coordination for digitalization and industrial development

UNIDO collaborates with various United Nations agencies to address the region's challenges. Jordan launched its AI strategy with the assistance of the European Union and the United Nations Economic and Social Commission for Western Asia. A five-year implementation plan began in 2023 for 68 projects introducing digital infrastructure and AI technologies to accelerate economic development, attract investment and create sustainable opportunities for employment, innovation and entrepreneurship.

The United Nations joint programme for Digitalization in Algeria supports the National Digitalization Strategy on e-governance, basic digital infrastructure, the regulatory framework governing the digital transition, public digital services, the digital economy, information technology, capacity-building, data and information security, education and innovation.

A joint programme with UN Women in Egypt is increasing women's participation in industrial development, while another with the ITC focuses on enhancing productivity and the competitiveness of manufacturing exports post COVID-19. UNIDO and the Ministry of Industry of Somalia lead the joint programme with FAO and ILO to stimulate economic development through a network of enterprise development units (see chapter 2). Together with FAO and the World Food Programme, UNIDO contributed to the food security strategy of Jordan through its expertise in agricultural production and climate mitigation.



ASIA AND THE PACIFIC

While the Asia and the Pacific region has a strong manufacturing and export capacity and decreasing extreme poverty, the COVID-19 pandemic set the region back by at least two years. Another challenge is posed by the high environmental risks created by past economic development – more than three quarters of global carbon dioxide emissions came from energy use. Floods in both China and Pakistan in 2023 compounded environmental damage, with many countries ranked as the most vulnerable to climate threats.

UNIDO AT WORK IN ASIA AND THE PACIFIC

Significant support was provided in 2023 to the G20 presidency of India and the third “Belt and Road Forum for International Cooperation” in China. The participation of the Director General in the forum facilitated the signing of a number of agreements with ministries and development entities to further enhance cooperation with China.

While UNIDO activities cover the three key priorities of the Organization across the region, more than 80 per cent of the UNIDO portfolio is directed at safeguarding the environment.



Mitigating environmental risk

In India, UNIDO is working with companies to increase productivity while reducing carbon emissions. With GEF funding, foundries replaced furnaces, motors and other equipment with short paybacks, and one established a solar plant to reduce overall carbon emissions.

In the Philippines, the Cold Chain Innovation Hub was established with GEF funding, functioning as the central ecosystem for technical resources, training, knowledge-sharing and stakeholder collaboration on climate-smart food cold chain technologies. To reduce energy costs, a 1.65 MW off-grid solar power hybrid system supports 3,000 households and local seaweed farmers on the Sitangkai and Sibutu islands in Tawi-Tawi.

UNIDO is helping Indonesia to create a policy and regulatory framework to transform existing industrial parks into eco-industrial parks that reduce waste and pollution. Three parks are implementing cleaner production processes, such as wastewater recycling to improve the economic, environmental and social performance of the 32 companies located there.



Reducing poverty

Even with the focus on climate change and the environment, some of the larger projects in the region, in Cambodia, Pakistan, the Philippines and Sri Lanka, are aimed at poverty reduction and sustainable supply chains.

UNIDO is supporting the Government of Sindh in Pakistan to reduce poverty in rural areas. The five-year Poverty Alleviation and Inclusive Development Across Rural Sindh programme began in 2022, and is designed to support micro and small enterprises, increase jobs and co-finance public investment projects

Among main regions, Asia and the Pacific recorded the **highest growth** in recent years

Economies in Asia and the Pacific account for **55% of global MVA**

to build and upgrade public infrastructure to deliver basic services. In 2023, two calls for proposals were put out for the private sector to develop communal infrastructure in the targeted districts of Sindh province.

With European Union support, UNIDO is helping agribusinesses to increase sales both locally and regionally to improve economic stability and security in the Bangsamoro Autonomous region in the Philippines.



UNIDO policy support to set quality standards and reduce climate change

In 2023, UNIDO helped governments to develop policies to enhance product quality with new standards and good practices. Through the PCP, the Government of Cambodia developed a first-ever monitoring and evaluation framework for industrial development policy. UNIDO assisted the Government of the Philippines to update quality policies by creating the Philippine National Quality Infrastructure Coordinating Council, and supported the central and local governments of India to set standards and good practices in the leather sector.



Working with United Nations partners to enhance green and digital economies and increase opportunities for youth

UNIDO works closely with other United Nations agencies at the country level, ensuring coordinated national and regional planning and support. Eight joint projects are under way. In Cambodia, the United Nations Sustainable Development Cooperation Framework (UNSDCF) 2024–2028 was finalized. A United Nations joint programme, Partnership for Action on Green Economy

(PAGE), was launched to put sustainability at the heart of economic policymaking and help strengthen the ecological foundations of the country's economy.

UNIDO is cooperating with the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the United Nations Human Settlements Programme in Viet Nam to strengthen the capacities of young designers in Hanoi by providing access to local Fab Labs – small-scale workshops offering digital fabrication services such as 3D printing – and mentoring them through design challenges.

UNIDO leads two crucial interventions to address Pakistan's vulnerable ecosystem through the Living Indus Initiative of the UNSDCF 2023–2027, improving industrial effluent treatment and community clean energy access. With UNEP and UNDP, UNIDO celebrated World Ozone Day in Islamabad, under the theme "Montreal Protocol: Fixing the ozone layer and reducing climate change".

In India, UNIDO and UNEP are reducing pollution by implementing alternatives to dichloro-diphenyl-trichloroethane (DDT) and circular solutions to reduce plastics use. Through PAGE, UNIDO also collaborates in India with ILO, UNEP, the United Nations Institute for Training and Research and UNDP to reframe economic policies and practices around sustainability.

In Mongolia and the Philippines, UNIDO and UNEP are implementing a regional project to reduce environmental toxins by eliminating mercury in the artisanal and small-scale gold mining sector.



Clean energy and climate action



Ending hunger



Sustainable supply chains

40 years of UNIDO expertise in industrial parks

Industrial parks and special economic zones are used by governments to attract investments for sustainable growth and development that also protect the environment.

Over the past 40 years, with partnerships and funding spanning multiple institutions and countries, UNIDO has helped its Member States develop and manage a variety of these parks. The Organization provides technical assistance to determine their feasibility and to build the infrastructure, develops capacity through guidelines, tools and training, shares knowledge, and delivers services to specific groups like smallholders and entrepreneurs.

Each of the UNIDO regional offices, country programmes, and PCPs supports initiatives at the relevant levels. In addition, the SSTIC platform provides study tours and twinning arrangements, and facilitates technical assistance and peer-to-peer learning among countries with similar development contexts.

Work is under way to design a multidisciplinary strategy for industrial parks and harmonize norms and standards.

Three types of industrial parks or zones currently make up the pipeline of 12 programmes totalling over \$43 million. Integrated agro-industrial parks promote value addition to agricultural production, help rural communities create new jobs, and facilitate access to regional and global markets.

Eco-industrial parks are managed industrial areas that promote collaboration between industries and communities (see chapter 2). Science and technology parks are innovation infrastructure hubs to foster entrepreneurship and development in scientific, technical, and innovative fields.

To improve access to knowledge and best practices among these parks, UNIDO created the Industrial Park Platform to serve as a resource centre. It includes a global network of partners and experts and promotes UNIDO international guidelines for industrial and agrifood parks. In 2023, three e-learning courses were added, focusing on the planning, financing and operations of industrial parks, which attracted 400 trainees from 32 countries. The complementary Industrial Parks Leadership Training Programme conducted its first round of training in Shanghai, China.



[Industrial Park Platform](#)



EUROPE AND CENTRAL ASIA

While all countries in the Europe and Central Asia region where UNIDO implements projects fall under the middle-income category, they vary in their industrial development backgrounds and challenges. On average, the industrial sector accounts for over 30 per cent of GDP, driven by SMEs. Despite the regional economic slowdown due to the COVID-19 pandemic, armed conflicts and natural disasters, national economies have been implementing adaptive measures to build back better and strengthen their resilience to future crises.

UNIDO AT WORK IN EUROPE AND CENTRAL ASIA

UNIDO works to create high-quality jobs and generate increased revenue in industry, particularly for rural communities, women, youth and other vulnerable groups. It supports industrial upgrading and adding value to products with high export potential, and helps countries conform to quality standards, transition to renewable energy and energy efficiency, mainstream resource-efficient and cleaner production, develop innovative ecosystems, and retain a skilled workforce.

With growing migration flows and displacement in the region, UNIDO is helping people reintegrate into the labour market. In countries affected by armed conflicts and natural disasters, UNIDO creates manufacturing-related work opportunities through tailored technical and vocational education and training.



Projects covering 17 countries strengthen clean and smart approaches

UNIDO has been expanding and scaling up its project portfolio in the region. In Albania, the Organization worked with FAO, ILO and UNDP to develop six business cases for resource-efficient and cleaner production processes for textile and footwear companies. The Global Cleantech Innovation Programme in Kazakhstan, the Republic of Moldova, Türkiye and Ukraine accelerated more than 200 innovative start-ups and SMEs.

With UNIDO assistance, the Republic of Moldova aligned its food industry with European Union quality standards. In Georgia, in partnership with FAO, the International Organization for Migration and UNDP, UNIDO boosted the development of the local marine fishing and pharmaceutical clusters.

With funding from the Russian Federation, competitive industrial sectors are being upgraded in Armenia, Belarus, Tajikistan and Uzbekistan. Scalable regional projects on the automotive value chain and smart manufacturing were developed for the region of the Western Balkans. UNIDO participated in the inauguration of a “smart” city in Turkmenistan and provided recommendations on best practices in urban planning.

UNIDO developed a green industrial recovery programme for Ukraine, based on comprehensive industrial diagnostics, running from 2024 to 2028. Through multi-stakeholder partnerships with development and funding partners, the Organization delivered vocational education and training for women and youth, transferred technology to produce 3D-printed prosthetics, strengthened the country's quality infrastructure and helped reduce the impact of manufacturing on the environment.



Green recovery vision
for Ukraine

Engagement with new development partners for regional linkages

In 2023, UNIDO strengthened cooperation with new development partners in the European Union, including Bulgaria, Croatia, Cyprus, Czechia, Hungary, Malta, Poland, Romania and Slovenia. These countries have competitive industrial sectors, such as the automotive industry, pharmaceuticals, chemicals, and ICT, with well-established innovative entrepreneurial ecosystems and networks of business support institutions and investment promotion agencies. The countries are sharing experiences and technology, fostering the region's industrial transformation.

As long-standing partners of UNIDO, Slovenia and its Slovene Enterprise Fund support the establishment of innovative industrial ecosystems in Albania, Azerbaijan, Bosnia and Herzegovina, Montenegro and Serbia, as well as the broader region of the Western Balkans. Bulgaria, Czechia and Poland pledged funding towards the green industrial recovery of Ukraine.



Global Cleantech Innovation Programme
Türkiye National Academy

■ ■ ■ MACRO
■ ■ ■ MESO
■ ■ ■ MICRO

Working with United Nations partners for innovation, digital transformation and green industry

UNIDO places a special emphasis on collaboration with United Nations sister agencies in the context of the overall United Nations Development System reform. It acts as the custodial agency for the implementation of SDG 9 and played an active part in its regional review in 2023.

Within the framework of the Regional Forum on Sustainable Development, the United Nations Economic Commission for Europe and UNIDO co-organized a peer learning round table on SDG 9 with a focus on green, sustainable and resilient infrastructure, and transformative innovation. The report from the forum, including the outcomes of the SDG 9 round table, served as the region's official input to the 2023 HLPF.

UNIDO participated actively in the United Nations Digital Transformation Group for Europe and Central Asia, co-organizing thematic sessions and webinars and developing joint knowledge products, such as country digital development profiles, identifying key gaps and priorities.



Case study: UNIDO methodology to achieve circular economy in Georgia and Ukraine

A woman with dark hair tied back, wearing a bright yellow safety jacket and large yellow earplugs, is focused on her work in a factory. She is looking down at a piece of machinery or a workbench. The background is a blurred industrial setting with orange and grey tones.

LATIN AMERICA AND THE CARIBBEAN

The abandonment of industrial policies in the 1970s led to an extended structural decline in industries in Latin American and Caribbean countries. However, the recent global crises have triggered renewed commitments in the region to prioritize the development of the industrial and productive sectors. The countries now contribute 5 per cent to manufacturing value added, with South America making the largest contribution of the region, at over 50 per cent.

The region has the lowest carbon emissions compared to similar economies because of its renewable and low-carbon energy technologies. However, it remains disproportionately affected by the consequences of climate change, particularly in the Caribbean.

UNIDO AT WORK IN LATIN AMERICA AND THE CARIBBEAN

In 2023, UNIDO designed its regional strategy to respond to the needs of Member States and provide inputs to support green industries that drive competitive economies. Six priorities support the vision: industrial policies grounded in empirical evidence and reliable statistics; transition to a circular economy; industrial decarbonization; focus on MSMEs and entrepreneurs for job creation; renewable energy and energy efficiency for productive uses; and putting people and SMEs at the centre of the digital transformation.

Cutting across these priorities, the strategy promotes gender equality and the empowerment of women. For example, together with the Ministry of Industry, Commerce and MSMEs of the Dominican Republic, UNIDO published the study *Participation and Contributions of Women in the Local Manufacturing Industry in the Dominican Republic*. It presents the growing economic contribution of women in the local manufacturing sector.

UNIDO also published the study *Empowering Digital Transformation in Small Enterprises through National Policies: An International Benchmarking*. This focuses on policies and initiatives for the digitalization of small companies in Argentina, Colombia, Germany and Mexico, as well as Tunisia, the BRICS countries and the European Union. It was co-authored by the Federal University of Rio Grande do Sol and commissioned by the Brazilian Micro and Small Business Support Service.



South-South cooperation key to progress

Eight South-South cooperation activities are under way on eco-industrial parks, digitalization, quality infrastructure and circular economy. The UNIDO SDG 9 accelerator platform serves as a vital hub for knowledge, technology transfer and innovation in the region.

In 2023, Colombia was the host for two regional conferences led by UNIDO: one on accelerating SDG 9 progress and the other on eco-industrial parks. In the Bolivarian Republic of Venezuela, UNIDO launched a project to strengthen seven agro-industrial chains through agricultural good practices, in cooperation with the Development Bank of Latin America and the Caribbean for the first time.



Report: [Empowering Digital Transformation in Small Enterprises](#)

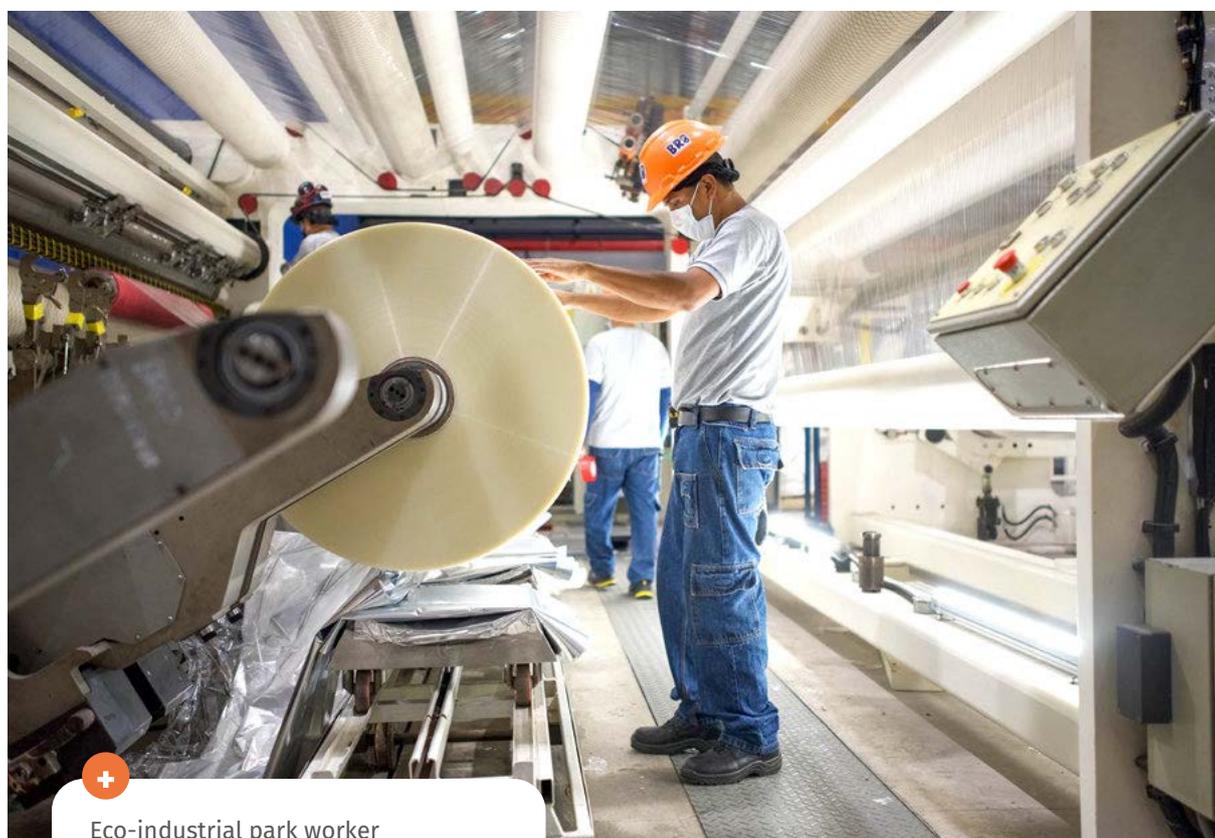
In Cuba, two projects were finalized. The first strengthened national capacities for developing solar photovoltaic energy. By installing an additional 3 MW of solar photovoltaic generating capacity, direct emissions were reduced by over 6,000 tons of CO₂-equivalent, almost double the target. With additional investments from the Government into photovoltaic solar parks, indirect emissions were reduced substantially by 222,783 tons of CO₂-equivalent. The second project, aimed at fostering the Slovenian-Cuban innovation cluster for the biopharmaceuticals, medical and nanotechnologies sectors, identified 39 projects and developed an implementation action plan, laying the groundwork for the second phase of the project.

In the framework of the Latin America and the Caribbean Circular Economy Coalition, UNIDO contributed to the *Circularity Gap Report*, which quantifies the state of circularity and demonstrates opportunities to reduce

consumption and environmental degradation. UNIDO is also working with UNEP to apply circularity to reduce material extraction in the Cuban sugarcane agro-industry.

United Nations partnerships on renewable energy, cooperatives, and engaging at-risk youth

UNIDO works with multiple United Nations agencies in the region to expand its impact and meet the SDG targets. The Renewable Energy Innovation Fund is led by UNIDO, in cooperation with UN Women and UNDP. Financing from the Joint SDG Fund leverages co-financing from regional development and private commercial banks, offering a new model for development cooperation. Three projects for electric mobility and energy efficiency transformation plans are driving the second energy transition in Uruguay (see chapter 3).



Eco-industrial park worker in Peru

To expand capacity to develop cooperative businesses, UNIDO and ILO hosted a regional train-the-trainers workshop in Peru on ILO's Think.Coop and Start. Coop tools adapted specifically for the aquaculture sector. The organizations are enhancing the value chain and promoting formal job opportunities in the region.

In cooperation with UNFPA, UNIDO finalized a project in the Mexican federal state of Hidalgo empowering at-risk youth during and after the COVID-19 pandemic gain increased access to economic opportunities (see chapter 3).



Clean energy and climate action

Advancing sustainable energy in small island developing States

Over the last decade, UNIDO established seven regional sustainable energy centres, which help small island developing States in Africa, the Caribbean, the Indian Ocean and the Pacific to take advantage of renewable energy solutions.

The centres are owned by regional economic communities and promote joint actions in the areas of policy and regulation, standards, capacity-building and investment and business promotion.

With funding from the Governments of Austria, Norway and Spain, UNIDO helped build institutional and technical capacities to set up the centres. Most have been operating independently since 2022 and receive funding directly from international partners. The network offers the opportunity to test, demonstrate and roll out the latest technologies, policies and business innovations.

To decouple the transport sector from fossil fuel imports, the centres in the Caribbean and the Pacific developed regional policy frameworks for the integration of renewable energy power and electric mobility systems. In Africa and the Caribbean, policies and regulations are developed with the help of geographic information system (GIS)-based energy data systems.

The network of centres has continually expanded initiatives relevant for small island developing States, such as the Global Ocean Energy Alliance to develop bankable ocean energy projects, and the BLOOM Cleantech Cluster in Barbados, which provides dedicated facilities for cleantech start-ups and entrepreneurs and is being replicated in other countries. Another project focuses on enhancing solar energy quality infrastructure through cross-border harmonization of standards and shared resources.

An online capacity-building programme offers training and practical exams on energy issues and technologies, supporting more than 6,000 registered experts and students. A train-the-trainer approach helps national institutes incorporate the tool into their curricula, contributing to its sustainability.

In 2023, the network was nominated for the United Nations Small Island Developing States Partnerships Award in the economic category, demonstrating the effectiveness of this regional integration.



[Video on network](#)



Global Network of Regional Sustainable Energy Centres



- 1.** Caribbean Centre for Renewable Energy and Energy Efficiency in Barbados
- 2.** Central American Integration System (SICA) Centre for Renewable Energy and Energy Efficiency in El Salvador
- 3.** Pacific Centre for Renewable Energy and Energy Efficiency in Tonga
- 4.** ECOWAS Centre for Renewable Energy and Energy Efficiency in Cabo Verde
- 5.** Regional Centre for Renewable Energy and Energy Efficiency for Arab States in Egypt
- 6.** Southern African Development Community (SADC) Centre for Renewable Energy and Energy Efficiency in Namibia
- 7.** Centre for Renewable Energy and Energy Efficiency for Central Africa in Angola



CHAPTER 5

Effective strategic management for results



Introduction. Transforming industrial policies and practices requires results-driven programmes and project support and coordination. UNIDO has established a set of indicators to track organizational performance and identify needed adjustments as the work evolves. This includes establishing accountability frameworks, analysing the effectiveness of partnerships and helping countries improve governance. In each region, the Organization works with national Governments and policymakers to manage programmes and projects and turn action into results.

TRANSFORMING UNIDO ACTION INTO RESULTS

In 2023, UNIDO completed its first-ever results-based budget to better illustrate its impact. It shows the links between the pledges that the Organization makes to its stakeholders, and the everyday work of colleagues and partners around the globe who are engaged in a set of practical and complex technical cooperation activities.

This new system supports the pathway from strengthening skills at the micro level to building quality enterprises at the meso level on to creating and revising national and international policies and regulations at the macro level.

Legal services support

The Office of Legal Affairs and Compliance plays a crucial role in ensuring compliance with the rule of law in UNIDO and in managing legal risks in all organizational activities. It provides legal advice and expert assistance to support the Organization's strategic management, while also defending its rights, positions and interests in administrative, contractual and litigation matters.

In 2023, the Office responded to over 940 requests for legal advice and assistance and reviewed several administrative issuances and other internal policies. The Office also assisted in the conclusion of several international legal instruments. Appendix G to this report contains a consolidated list of agreements and arrangements concluded by or on behalf of UNIDO in 2023 and sent

to the Office for safekeeping. Additionally, the Office provided substantive legal assistance for the thirty-ninth session of the Programme and Budget Committee, the fifty-first session of the Industrial Development Board, and the twentieth session of the General Conference of UNIDO.

Ethics and accountability at UNIDO

Institutionalized in 2020, the Ethics and Accountability Unit (EAU) fosters an organizational culture of ethics, transparency and accountability. It enables UNIDO personnel to perform their functions in compliance with the core values of integrity, professionalism and respect for diversity, and provides both training and confidential advice and guidance. Regular communication, events and training informed personnel on key topics such as how to empower active bystanders (individuals who witness an inappropriate situation and intervene), protect personal data or prevent fraud.

In 2023, EAU sharpened the UNIDO ethics framework by launching two new policies. The Policy on the Protection of Personal Data safeguards the rights to privacy concerning personal data processed by or on behalf of UNIDO, and the Policy on the Protection from Sexual Exploitation and Abuse sets a zero-tolerance approach for inaction in response to sexual exploitation and abuse.

UNIDO is revising its Code of Ethical Conduct to align with the updated Standards of Conduct

for the International Civil Service under finalization, and is consolidating its anti-fraud and corruption mechanisms within its fraud awareness and prevention policy to respond to the external auditors' recommendations.

The EAU strengthened its collaboration with other United Nations and international organizations, such as the Ethics Network of Multilateral Organizations, the Office of the Special Coordinator on Sexual Exploitation and Abuse and the Vienna-based United Nations Organizations, in particular within the "Dignity and Inclusion" learning initiative. These networks help UNIDO continue to promote a culture of high ethical behaviour, aligned with the best practices in the United Nations system and those set by the International Civil Servant Commission.

Evaluation and Internal Oversight

The Office of Evaluation and Internal Oversight (EIO) conducts independent evaluations, audits and investigations. It is governed by a charter to provide evidence-based information and assurance services. Its work contributes to the enhancement of the efficiency and effectiveness of UNIDO interventions and processes, both internally and for its stakeholders. EIO helps UNIDO adapt to changing environments with emerging priorities and strengthens the Organization's credibility and confidence among stakeholders. The investigation function contributes to the culture of accountability, ethics, integrity and good governance within UNIDO.

In 2023, the Office conducted the strategic evaluation of the PCP framework, a synthesis of evaluations conducted between 2018 and 2022 and a cluster evaluation of eight GEF-funded projects, as well as published 38 project evaluation reports. In addition, EIO conducted

several advisory reviews, including the approval process for the allocation of funds for the regular programme of technical cooperation and special resources for Africa, and the UNIDO resource optimization in technical cooperation mechanism. The Office also initiated thematic evaluations related to knowledge management in UNIDO and the Organization's engagement with the private sector.

To strengthen the evaluation culture in UNIDO and enhance national evaluation capacity in Member States, EIO launched an online evaluation training course comprising three modules, accessible to staff, consultants, and national counterparts. This year's evaluation workshop for UNIDO government counterparts and field staff was conducted in the Arab region. The office actively participated in the United Nations system and international evaluation networks and continued acting as the organizational focal point for the United Nations Joint Inspection Unit.

The Office conducted audits and assurance reviews on the selection of implementing partners, internal controls, privileged user access management of selected enterprise resource planning systems, and the handover of projects in the restructuring process. In addition, ad hoc audit assessments and advisories at the request of the Director General evaluated procurement process improvements and the Staff Welfare Fund.



[Synthesis of UNIDO
Independent Evaluations
2018–2022](#)



Clean energy and climate action



Ending hunger



Sustainable supply chains

Achievements of UNIDO Gender Strategy 2020–2023



53% (from 19% in 2019) of new programmes and projects significantly or exclusively contribute to **gender equality** (target of 45%)

70% of programmes and projects rated **satisfactory at mainstreaming gender** (from 40% in 2017)

Gender equality measures **above United Nations system average**

Flexible working arrangements established



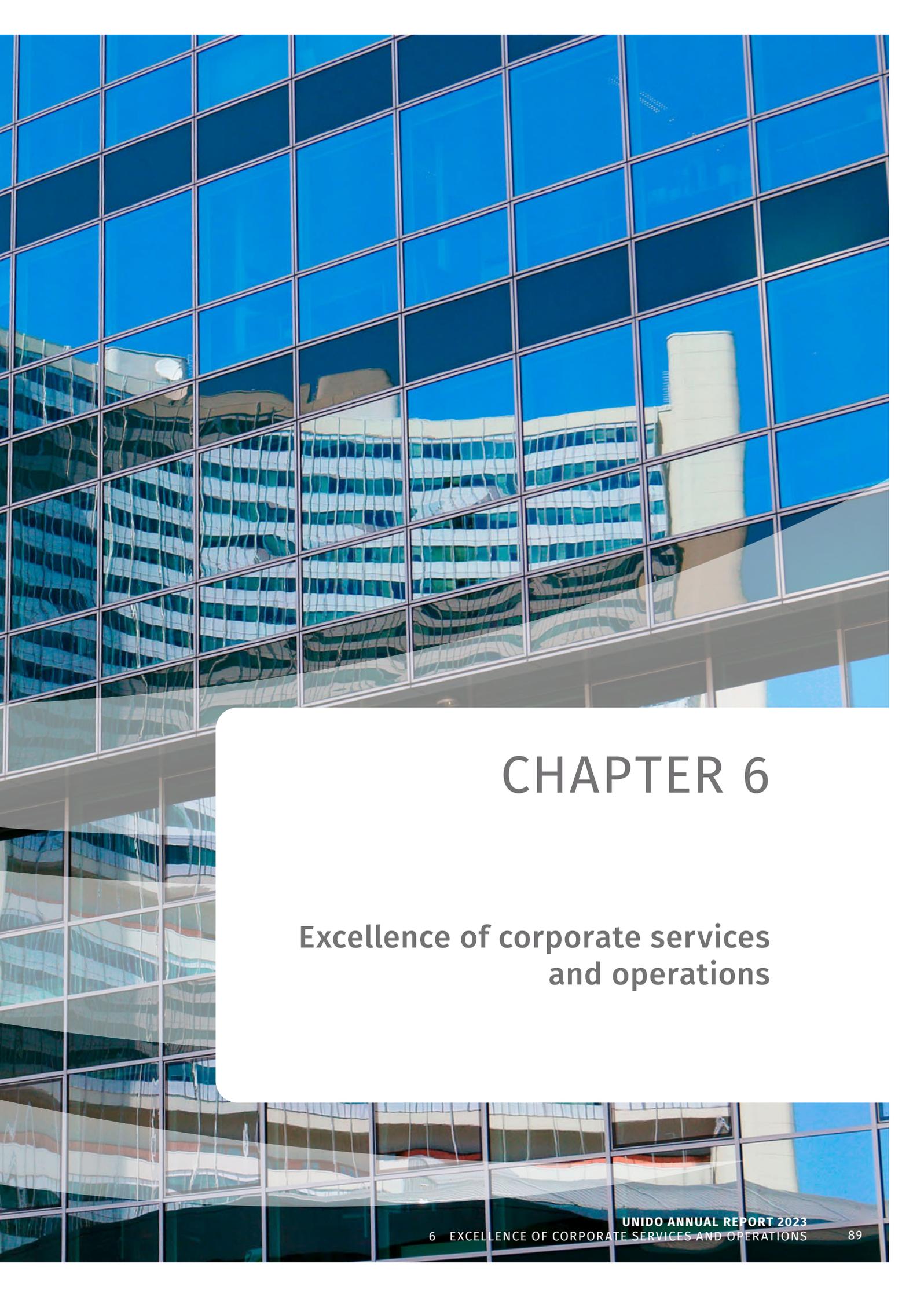
A new 2024-2027 strategy is now under way. It aims to increase results on gender equality from its projects on the ground and achieve the 50/50 parity goal in staff, especially at the

senior professionals level, from P5 and above by 2028, as established by the Secretary-General in the *System-wide Strategy on Gender Parity*.



System-wide Strategy on Gender Parity





CHAPTER 6

Excellence of corporate services and operations



Introduction. Underpinning all UNIDO work is the critical support of corporate services and operations. Just as the Organization trains people and institutions to industrialize and innovate, it also demands the same levels of critical thinking internally. The efficient and effective management of financial services, human resources, procurement, general services, logistics, and information and communication technology services contributes to the rate of transformation. The digitalization of operational systems improves performance in operations and services. Investing in highly trained staff and optimizing operational efficiency enables the Organization achieve its targeted results.

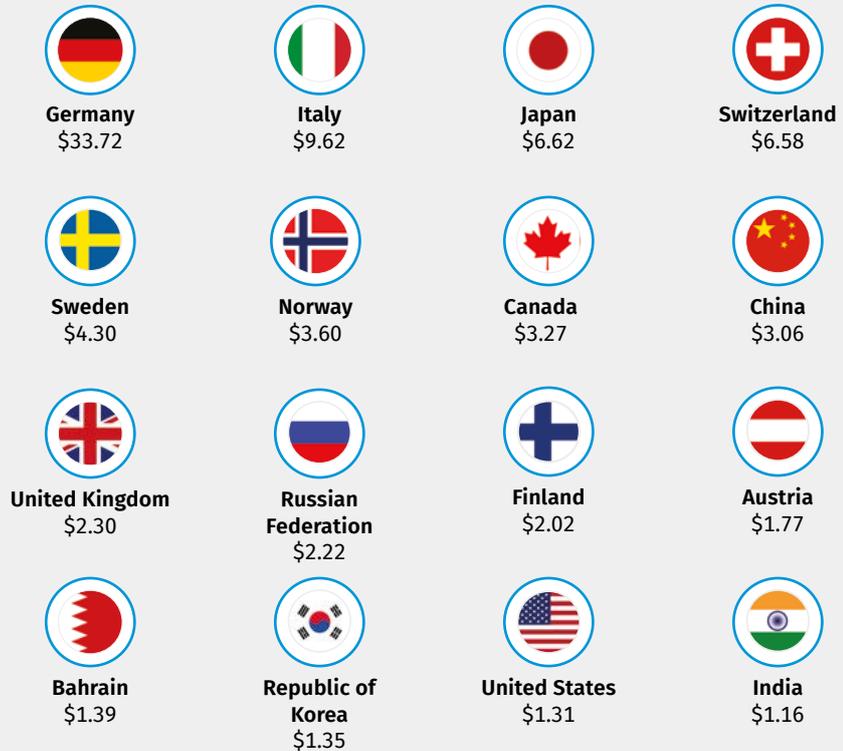
FUNDING AND FINANCIAL CONTRIBUTIONS

The support of funding partners to UNIDO's technical cooperation services reached unprecedented levels in 2023. Funds mobilized amounted to \$328.4 million, which represents an increase of 44 per cent compared to 2022. The total portfolio of projects and programmes for future implementation grew by \$103.7 million to \$725.6 million, of which \$323.3 million represents future payments under agreements already signed. This will support the delivery of UNIDO projects and programmes in the coming years.

The funding approved for the growing demand in UNIDO technical cooperation services increased by \$41.3 million to \$241.3 million, net of programme support costs. This increased support of funding partners, coupled with significant efforts by the Organization to further strengthen its responsiveness, led to a 25 per cent higher delivery of UNIDO services compared to 2022, reaching \$225.2 million.



Governmental funding partners with voluntary contributions exceeding \$1 million net of programme support costs (in millions).



As in previous years, voluntary contributions from UNIDO Member States reached the largest share of funding at \$78.6 million, led by Germany with \$33.7 million, followed by Italy with \$9.6 million, Japan with \$6.6 million, Switzerland with \$6.6 million and Sweden with \$4.3 million.

The aggregate contributions from other governmental donors remained marginal at \$8 million, or 3 per cent of the total funding, albeit with a trend towards more substantive contributions from Canada and the United Kingdom.

The Governments of Austria, China, Finland, Germany, Italy and Japan continued to support the UNIDO Junior Professional Officer Programme and provided young professionals with an opportunity to acquire valuable work experience in the field of international development cooperation and to contribute to the UNIDO mandate. Sponsoring entities from China, Germany and the Republic of Korea also contributed to strengthening human resources in UNIDO by funding seconded experts, while sponsors from China, Germany, Iraq and the United Kingdom also supported UNIDO through the Partner Expert Programme.

The support of the European Union reached unprecedented levels at \$45.6 million, net of programme support costs, allocated to the development cooperation activities

of UNIDO. The geographical focus of this support remained primarily Africa, which accounts for almost 50 per cent of the contributions. Multi-donor initiatives between the European Union and some of its Member States, notably Germany and Italy, were again of particular relevance.

Contributions from GEF also increased compared to 2022 and led to approvals of \$60.4 million, as did the support of the MLF which amounted to \$29.3 million, \$10.7 million more than in 2022.

Africa remained the principal geographic focus of the contributions received by UNIDO to finance its services, with \$67 million. This was followed by global and interregional interventions with \$59.4 million, Asia and the Pacific with \$42.2 million, Latin America and the Caribbean with \$32.7 million, the Arab region with \$30 million and Europe and Central Asia with \$9.9 million.

Thematically, the main focus of the UNIDO funding partners remained on safeguarding the environment, which attracted \$148.9 million, 62 per cent of the total funding. Allocations towards advancing economic competitiveness amounted to \$42.1 million, while the thematic areas of creating shared prosperity from industry and cross-cutting services benefited from \$40.9 million and \$9.4 million, respectively.

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

The partnership with GEF was further strengthened in 2023, especially with regard to its funds focused on climate adaptation, the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF). As anticipated, the increase in funding for the delivery of UNIDO services was fuelled by the approval of GEF-funded development cooperation interventions, which should also result in larger delivery figures during 2024–2025. Concurrently, UNIDO began programming its portfolio pipeline under the eighth funding cycle of GEF (GEF-8). This has already resulted in the approval of UNIDO concepts at the GEF Council meeting in June 2023 and the Seventh GEF Assembly held in Vancouver, Canada in August 2023. The UNIDO GEF-8 portfolio addresses key environmental challenges, including implementing industrial decarbonization solutions, applying green hydrogen technologies, greening supply chains through elimination of hazardous pollutants, applying circular economy solutions to minimize plastic waste and pollution, innovating investment models in climate adaptation solutions, and implementing sustainable urban practices and sound waste management.

UNIDO expanded its cooperation with the GCF through structured strategic consultations with the GCF Secretariat, participated in the GCF regional dialogues for Africa and Asia, and contributed to strategic engagements on the sidelines of COP28. During 2023, UNIDO expanded its programmatic engagement with the Fund through its existing and new GCF readiness portfolio, as well as

its first climate project proposals, which are now being finalized for submission to the GCF Board in 2024 and 2025.

Leveraging its accreditation with the Adaptation Fund, UNIDO continued to formulate regional and national concepts and full-scale proposals for Africa and Asia. Additionally, as formally announced at COP28, UNIDO joined the pioneering Adaptation Fund Climate Innovation Accelerator (AFCIA) partnership, which aims to promote innovation in climate change adaptation in developing countries. Under the auspices of the AFCIA partnership, UNIDO will administer small grants and technical support programmes targeting a wide range of beneficiaries globally.

The cooperation with MLF remained strong in 2023, with projects in 80 countries implemented by UNIDO to phase out HCFCs and phase down HFCs. UNIDO activities under the Montreal Protocol during the reporting period led again to a significant reduction of 40.8 million tons of CO₂-equivalent.

The MLF also approved the first-ever Kigali Implementation Plan (KIP) for UNIDO implementation in Cameroon. By the end of the year, KIP funding was approved for 12 further countries at the second meeting of the MLF Executive Committee. UNIDO utilized funds from the newly approved funding windows for pilot projects on energy efficiency in the context of HFC phase-down and the preparation of inventories of ozone-depleting substances (ODS) banks, and will continue to do so until the available funding is fully absorbed. In addition to the funding approved in 2023 for projects based on multi-year agreements under the HCFC Phase-Out Management Plan and KIPs, UNIDO secured further funding of \$16.4 million in principle, which will be requested in tranches until 2030.

At the second meeting of 2023, UNIDO was assessed as the best performing agency for its work in 2022, based on the timely submission of projects, reports, business plan, annual report, phase-out of ODS and closure of completed projects. With the support of the MLF, UNIDO remains committed to assisting countries in fulfilling their obligations under the Montreal Protocol, particularly to cease the use of ODS and reduce the use of chemicals with significant global warming potential, such as HFCs. In this capacity, UNIDO offers direct support to industries to transition towards sustainable practices, providing comprehensive training for technicians to ensure industry reliability, and assists governments in strengthening their institutional capabilities.

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

UNIDO contributed actively towards the implementation of the UNSDCFs and United Nations Development Assistance

Frameworks (UNDAFs). Given the generally underfunded nature of United Nations multi-partner trust funds, contributions from these remained low, totalling \$7.7 million in 2023.

The value of un-earmarked or soft-earmarked voluntary contributions towards the development cooperation services of UNIDO was negligible in 2023.

Considering the significant needs of UNIDO for predictable and flexible resources to respond effectively and swiftly to the requests and national priorities of Member States, funding partners are strongly encouraged to consider un-earmarked contributions to the Organization's development cooperation activities through instruments such as the general purpose segment of the Industrial Development Fund or thematic trust funds, as well as un-earmarked contributions to the special accounts established to complement the UNIDO regular budget, namely the Innovation and Transformation Fund (ITF) and the Major Capital Investment Fund (MCIF).

HUMAN RESOURCE SERVICES

The UNIDO workforce was relatively stable throughout 2023. The actual headcount decreased marginally from 2,294 personnel in 2022 to 2,281 in 2023. Geographical diversity remained stable with 138 countries represented

in 2023. There was growth in non-core human resources: technical cooperation-funded staff increased from 78 to 96; Junior Professional Officers from 14 to 16; Partner-Experts from 2 to 10; and Interns from 134 to 178.

PROCUREMENT AND LOGISTICS

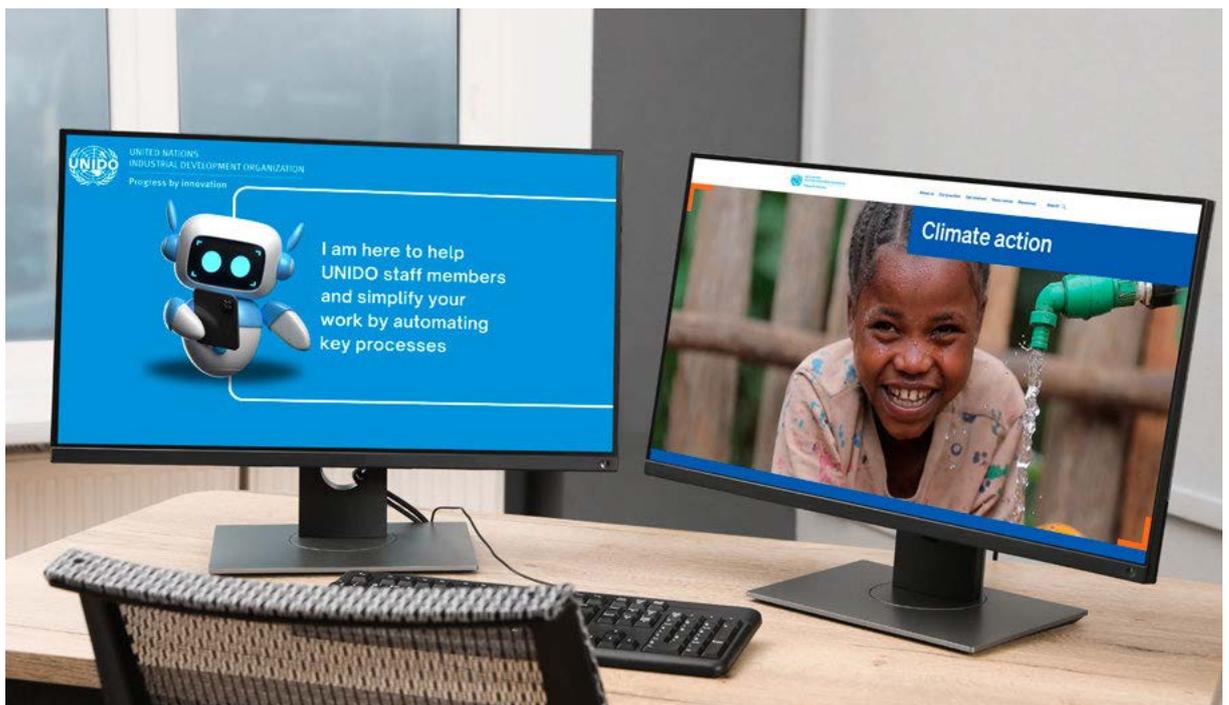
Procurement Services (PRO) managed a total volume of more than \$179 million and over 10,000 contracts in 2023, contributing to the full achievement of the year's technical cooperation implementation target and the Organization's efficient operation at Headquarters and Field Offices, as well as the Vienna International Centre (VIC). The Procurement Manual, Grants Manual, and guidance notes issued throughout the year established a solid platform for the management of significantly larger transactional volumes, according to best

practice. PRO continued to support the contractual needs of many high-profile programmatic initiatives, and proactively responded to the internal and external training needs in procurement. Several outreach activities and international procurement seminars were carried out with other United Nations organizations engaging with UNIDO Member States, including Austria, Croatia, Czechia, Germany, Hungary, Ireland, Japan and the Kingdom of the Netherlands.

INFORMATION TECHNOLOGY AND DIGITALIZATION SERVICES

To support internal digital transformation at UNIDO, the Microsoft 365 Suite was rolled out to the entire UNIDO workforce in Headquarters and field offices, saving up to €160,000 annually in staff time. To ensure data integrity and availability, 80 per cent of the

mailboxes and millions of files were migrated to Microsoft 365 Cloud, which together with Amazon Web Services provide backup and recovery measures. Viva Engage is now used as the internal social media tool to increase communications and collaboration among staff.



Robotic process automation is enhancing efficiency in finance, travel, procurement and human resources by utilizing bots, which have processed 4,000 travel advances, and managed bank details and statements and donor reports. The streamlined workflows amount to annual efficiency gains of up to €370,000 in staff time.

In collaboration with Google, an advanced AI search tool is being developed to interpret staff policies, rules and guidelines, facilitating seamless access to vital information. With the companies CGI and Google, UNIDO is piloting a platform that utilizes geospatial and UNIDO data to visualize and analyse sustainability data. The platform will illustrate UNIDO country activities, highlighting capabilities to Member States and illustrating impact.

In response to audit recommendations, access and authorization structures were adjusted, and an information security policy, multi-factor authentication, and vulnerability management were introduced. Strengthened internal standard operating procedures and cybersecurity training for all users further fortified UNIDO defence against potential threats. A comprehensive assessment of 28 information security risks demonstrated a proactive approach to risk management.

To better highlight the work and impact of UNIDO, a redesigned website was launched to present the Organization aligned with its vision, priorities, and the new motto: “Progress by Innovation.”

FACILITY MANAGEMENT SERVICES

Facility Management Services (BMS) is responsible for the smooth, reliable and safe operation of all technical facilities and installations at the VIC. New approaches and techniques are continually explored to improve cost effectiveness and promote sustainable reductions of the Centre’s environmental footprint. For the eighth consecutive year, UNIDO received the United Nations Framework Convention on Climate Change (UNFCCC) certificate of climate neutrality for the Centre.

State-of-the-art multimedia equipment was integrated into the conference facilities in Building C and 13 meeting rooms in the VIC to support the increasing demand for hybrid meetings. The new equipment, together with main control units, projectors and cameras, reduces energy consumption and requires less maintenance effort. To improve and enhance

Wi-Fi coverage, 284 new Wi-Fi access points were installed and 80 current access points in Buildings A, B, F and G were updated.

To improve security and safety, emergency and escape route lights were installed in Buildings A and B, 60 new surveillance cameras were connected to the Security Control Centre, and Gate 7 was upgraded to improve staff accessibility.

BMS renewed the booster pumps for Building M, the 40-year-old cooling system inside the BMS telecommunication server room, and pressure maintenance systems for Buildings A and D, ensuring the water pressure in the heating distribution system remains stable and does not damage pipes or mounting parts. The old cold-water distribution system compensators in Building C and the main drainage pipes in

parts of Buildings A and M were replaced. New heating water filters were installed for the heating distribution system in the VIC and the heat exchanger for the warm water generation in Building F was renewed to ensure warm water for showers, kitchens and restrooms.

Ten elevator cabins in Buildings F and G were refurbished, and the main vertical power supply lines in Building E replaced. Defective main irrigation pipes for approximately 2,000 m² of green areas of the VIC were replaced.



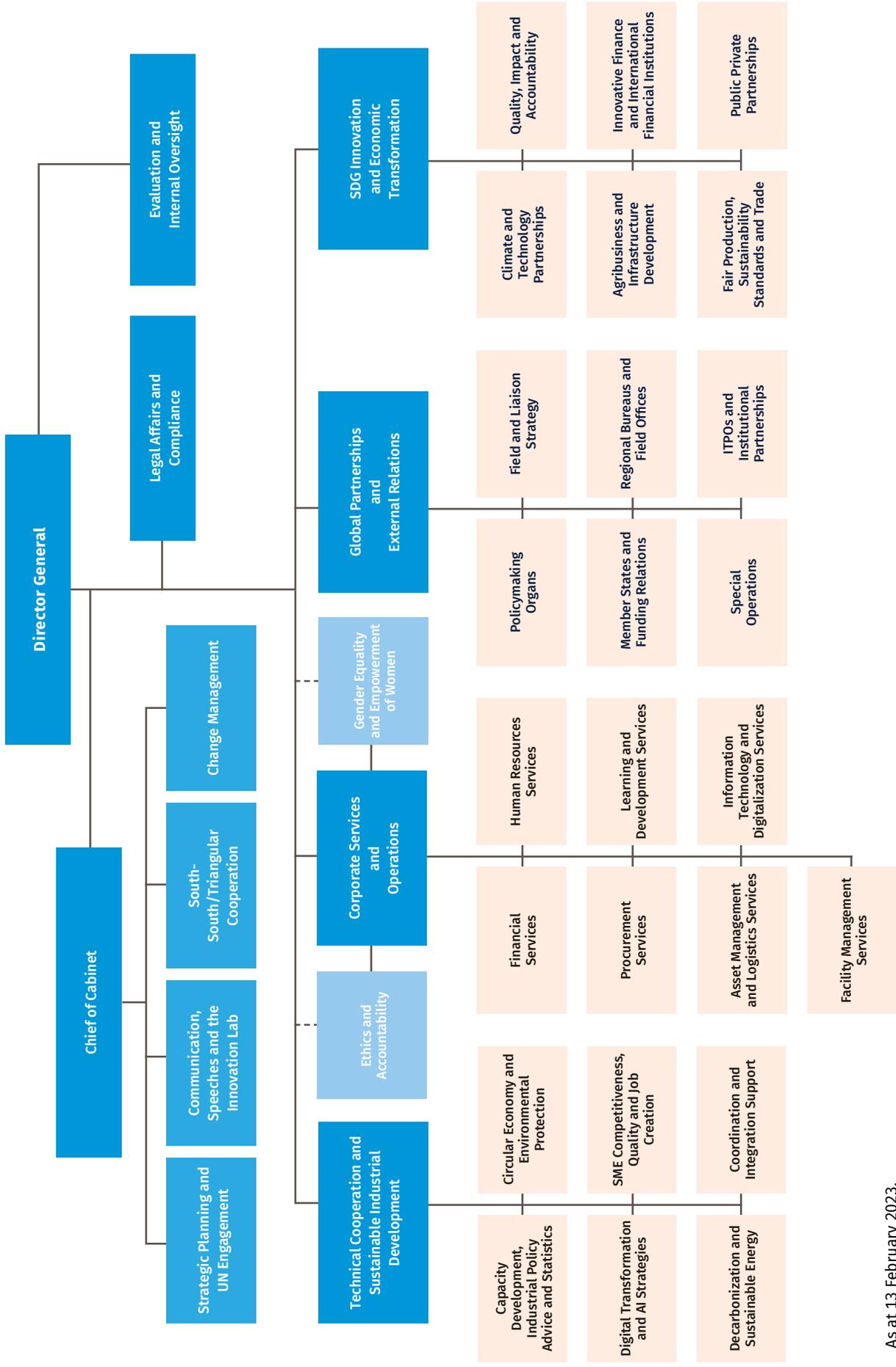
UNIDO Facility Management Services

ABBREVIATIONS

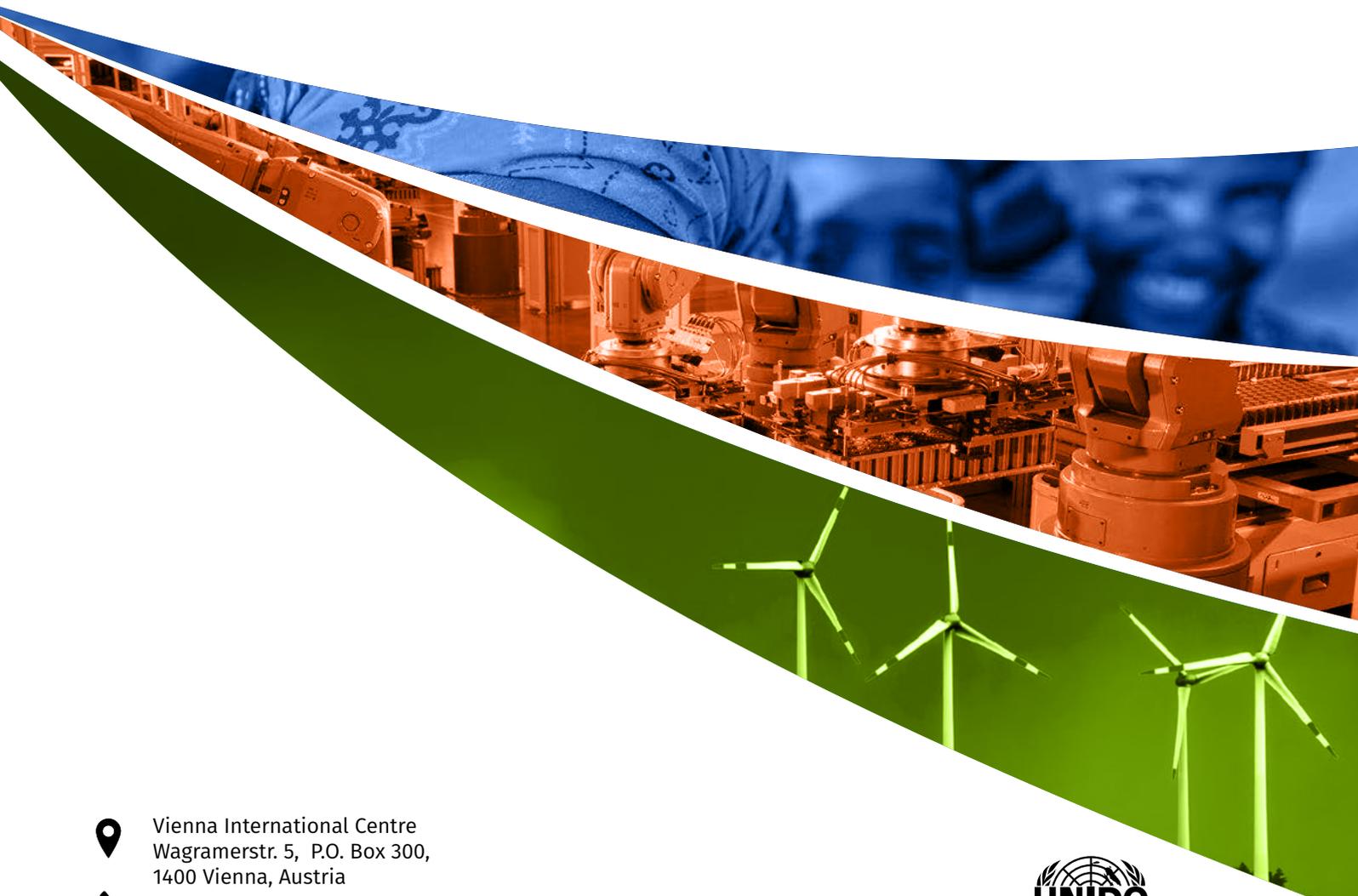
ACP	African, Caribbean and Pacific
AfCFTA	African Continental Free Trade Area
AFCIA	Adaptation Fund Climate Innovation Accelerator
Afreximbank	African Export-Import Bank
AI	artificial intelligence
ASSIST	Accelerating SGDs Investment in Indonesia
ASTA	Agrifood Systems Transformation Accelerator
BFA	Blue Finance Accelerator programme
BMS	Facility Management Services
BRICS	Brazil, Russian Federation, India, China, and South Africa
CO₂	carbon dioxide
COP28	2023 United Nations Climate Change Conference
EAU	Ethics and Accountability Unit
ECOSOC	United Nations Economic and Social Council
ECOWAS	Economic Community of West African States
EIO	Office of Evaluation and Internal Oversight
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
GCF	Green Climate Fund
GDP	gross domestic product
GEF	Global Environment Facility
GEIPP	Global Eco-industrial Park Programme
GHG	greenhouse gas
GIZ	German Development Cooperation agency
GQSP	Global Quality and Standards Programme
HCFC	hydrochlorofluorocarbons
HFC	hydrofluorocarbons
HLPF	High-level Political Forum on Sustainable Development
ICT	information and communications technologies
IDDA III	Third Industrial Development Decade for Africa
IDDI	Industrial Deep Decarbonization Initiative
ILO	International Labour Organization
ISID	inclusive and sustainable industrial development
ISO	International Organization for Standardization
ITC	International Trade Center
ITPO	Investment and Technology Promotion Office

KIP	Kigali Implementation Plan
MENA	Middle East and North Africa
MLF	Multilateral Fund for the Implementation of the Montreal Protocol
MSME	micro-, small and medium-sized enterprise
MW	megawatt
NBI	nature-based infrastructure
ODS	ozone-depleting substances
OSAA	Office of the Special Adviser on Africa
PAGE	Partnership for Action on Green Economy
PCP	Programme for Country Partnership
PPP	public-private partnership
PRO	Procurement Services
PSDP	Productive Sectors Development Programme
REIF	Renewable Energy Innovation Fund
SABIA	Southern Africa Biogas Industry Association
SADC	Southern African Development Community
SDG	Sustainable Development Goal
SDSN	Sustainable Development Solutions Network
SICA	Central American Integration System
SME	small and medium-sized enterprise
SSTIC	South-South Triangular and Industrial Cooperation
UfM	Union for the Mediterranean
UNDESA	United Nations Department of Economic and Social Affairs
UNDP	United Nations Development Programme
UNDS	United Nations Development System
UNECA	United Nations Economic Commission for Africa
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNICEF	United Nations Children’s Fund
UNSDCF	United Nations Sustainable Development Cooperation Framework
VIC	Vienna International Centre
WACOMP	West African Competitiveness Programme

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