



UNITED NATIONS  
INDUSTRIAL DEVELOPMENT ORGANIZATION



**TOGETHER**  
*for a sustainable future*

# ANNUAL REPORT **2016**





# Annual Report

## 2016



UNITED NATIONS  
INDUSTRIAL DEVELOPMENT ORGANIZATION

Vienna, 2017

*UNIDO Annual Report 2016*

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

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## FOREWORD BY THE DIRECTOR GENERAL



It is with great pleasure that I present the Annual Report of UNIDO for 2016.

The year under review was a significant one for UNIDO. It marked the fiftieth anniversary of its creation on 17 November 1966. The occasion offered an opportunity not only to reflect on our history and celebrate our accomplishments in promoting industrial development, but also to look at our present and project to our future, with a view to increasing our contribution to the 2030 Agenda for Sustainable Development.

In celebration of the anniversary of UNIDO, a week of panel discussions, workshops and exhibitions bore witness to the Organization's impact on the lives of many people over the years. The attendance of high-level representatives was a testament to the strong support and commitment of our Member States and partners.

This was the first year of the implementation of the 2030 Agenda and its 17 Sustainable Development Goals (SDGs), adopted by the United Nations General Assembly in September 2015, including SDG 9 on building resilient infrastructure, promoting inclusive and sustainable industrialization, and fostering innovation. The 2030 Agenda recognizes the importance of inclusive and sustainable industrial development (ISID) for achieving many of the interlinked SDGs, which will be critical for supporting countries on their path to poverty eradication.

UNIDO welcomes the high expectations that have been placed on the Organization over the year. In July, the General Assembly entrusted UNIDO to lead the

implementation of the Third Industrial Development Decade for Africa (2016–2025), confirming its position as the reference organization for matters relating to the industrialization of developing countries.

UNIDO's engagement with the G20 also kicked off in 2016 with the G20 request for UNIDO to lead in reporting on industrialization in Africa and least developed countries (LDCs). A first report was presented at the G20 Leaders' Summit in Hangzhou, China, in September, which included seven recommendations for national policy measures and collective action.

It is clear that the implementation of the 2030 Agenda requires multi-stakeholder platforms and partnerships in synergy with the public and the private sectors, and aligning objectives and operations towards the achievement of the SDGs. Operationally, technical cooperation remains a central pillar of UNIDO, with delivery during the year reaching \$179 million, of which 55 per cent was in the "Safeguarding the environment" thematic priority, 22 per cent in "Advancing economic competitiveness", 20 per cent in "Creating shared prosperity" and 3 per cent in cross-cutting services.

At the same time, UNIDO is further strengthening its normative and policy advisory role to fulfil its ISID mandate. It is against this backdrop that UNIDO launched its Programme for Country Partnership (PCP) in Ethiopia and Senegal in 2015. In 2016, Peru was selected as the third country to host a PCP, which demonstrates the universal applicability of the ISID approach at all income levels. This initiative exemplifies the partnership-based, high-impact

solutions needed to accelerate the implementation of ISID and the innovative partnership model required to make the 2030 Agenda a reality.

Also of importance is the mandate given to the Industrial Development Board to report annually to the High-level Political Forum (HLPF) on the progress, challenges and opportunities of industrial development in the context of the 2030 Agenda. This move has strengthened the Board's role as an intergovernmental organ providing policy guidance. As a first step in preparing the HLPF 2017—which will address the most urgent needs of the world's poor and discuss a selection of related SDGs, including SDG 9—UNIDO and the United Nations Department of Economic and Social Affairs organized an expert group meeting in December to highlight ways in which national institutions can adapt to the interrelated and integrated SDGs. The outcome of this meeting will be provided to the United Nations Economic and Social Council as input for the HLPF 2017.

This Annual Report will also highlight the continuous improvements made by UNIDO to its internal management processes and structures. The search for increased efficiency and effectiveness continued in 2016, not least with the implementation of the new field policy, which optimizes the deployment of resources in the field and ensures better interaction between Headquarters and field offices.

We have also introduced our Gender Equality and Empowerment of Women Strategy, whose implementation

is already bearing fruit, both in terms of mainstreaming gender analysis throughout UNIDO's project and programme formulation phase, and in terms of improved gender parity figures in our staffing, particularly in high-ranking positions.

In a further drive to demonstrate UNIDO's accountability, we have incorporated a new integrated results and performance framework (IRPF) in the medium-term programme framework (MTPF) 2016–2019, which is the principal strategic document of the Organization. With the newly integrated IRPF, we will report quantitatively on the performance and results achieved by the Organization in alignment with the 2030 Agenda and reflecting its ISID mandate. A description of the new framework and results achieved against a baseline of 2015 is provided in part II of this report. Part I, which contains an overview of UNIDO's activities during the year under review, is more concise than in the past, in line with wishes expressed by the Industrial Development Board. Those who wish to delve a little deeper may visit our website ([www.unido.org](http://www.unido.org)), the Open Data Platform ([open.unido.org](http://open.unido.org)) or the links provided in this document.

With the support and trust of our partners, I am convinced that we will successfully advance ISID to contribute to sustainable development in all its dimensions by 2030. I look forward to moving ahead together for a sustainable future.

LI Yong, Director General of UNIDO



## UNIDO AT A GLANCE

UNIDO WAS ESTABLISHED IN **1966**  
AND IN 2016 CELEBRATED ITS

**50th**  
ANNIVERSARY

THE ORGANIZATION BECAME  
A SPECIALIZED AGENCY OF THE  
UNITED NATIONS IN **1985**

THE PRIMARY OBJECTIVE  
IS THE PROMOTION OF  
**inclusive and  
sustainable  
industrial  
development (ISID)**

IN DEVELOPING COUNTRIES  
AND ECONOMIES IN TRANSITION

AS AT 31 DECEMBER 2016,  
THE ORGANIZATION HAS

**170**

MEMBER STATES

[www.unido.org/member\\_states](http://www.unido.org/member_states)

THE DIRECTOR GENERAL OF UNIDO

**Li Yong**  
(CHINA)

WAS APPOINTED FOR A PERIOD OF FOUR YEARS  
BY THE SECOND SPECIAL SESSION OF THE  
GENERAL CONFERENCE (28 JUNE 2013)

UNIDO FOSTERS ISID THROUGH



**Creating shared  
prosperity**



**Advancing  
economic  
competitiveness**



**Safeguarding  
the environment**

BY PROVIDING TECHNICAL  
COOPERATION, ANALYTICAL AND  
POLICY ADVISORY SERVICES,  
STANDARD SETTING AND  
COMPLIANCE, AND BY CONVENING  
FOR KNOWLEDGE TRANSFER,  
PARTNERSHIPS  
AND NETWORKING

**\$210.1**  
MILLION

NET VOLUNTARY  
CONTRIBUTIONS IN 2016

UNIDO EMPLOYS

**638**

STAFF MEMBERS

(as at 31 December 2016)

THE PORTFOLIO OF PROJECTS  
AND PROGRAMMES IN HAND

**\$503.5**

MILLION

THE VALUE OF TECHNICAL  
COOPERATION DELIVERY IN 2016  
AMOUNTED TO

**\$178.6**

MILLION

### General Conference

DETERMINES GUIDING PRINCIPLES  
AND POLICIES • APPROVES WORK  
PROGRAMME AND BUDGETS •  
APPOINTS DIRECTOR GENERAL

All Member States • meets every  
2 years • next session:  
27 November – 1 December 2017

IN ADDITION TO ITS HEADQUARTERS  
OFFICE IN VIENNA, UNIDO HAS  
OFFICES IN BRUSSELS, GENEVA  
AND NEW YORK.



ITS FIELD NETWORK CONSISTS OF

**47** REGIONAL HUBS,  
AND REGIONAL  
AND COUNTRY  
OFFICES

COVERING  
**156**  
COUNTRIES

UNIDO maintains Investment and Technology Promotion Offices in eight locations (Beijing, Lagos, Manama, Moscow, Rome, Seoul, Shanghai, and Tokyo) and in 2016 signed an agreement to open another in Bonn, Germany. Moreover, UNIDO and UNEP jointly support the Global Network for Resource Efficient and Cleaner Production (RECPnet) composed of 74 members, including National Cleaner Production Centres in 63 countries.

### Industrial Development Board

REVIEWS THE IMPLEMENTATION OF THE WORK PROGRAMME AND BUDGETS;  
MAKES POLICY RECOMMENDATIONS TO THE GENERAL CONFERENCE,  
INCLUDING THE APPOINTMENT OF THE DIRECTOR GENERAL

53 Members • meets once a year • next session: 27 – 29 or 30 June 2017

### Programme and Budget Committee

ASSISTS THE BOARD IN PREPARING AND EXAMINING THE WORK  
PROGRAMME, THE BUDGET AND OTHER FINANCIAL MATTERS

27 Members • meets once a year • next session: 16 – 18 May 2017

# Fiftieth anniversary of UNIDO

The week-long celebrations of UNIDO's fiftieth anniversary in November featured 25 events and an exhibition showcasing its work and that of its partners. By means of live streaming and social media, over 1 million virtual visitors from around the world joined 1,600 participants in Vienna, with a further 1.7 million via UNIDO partner networks. The presence of high-level representatives of UNIDO Member States, leaders of international organizations, the private sector and academia led to the signing of 17 new agreements with governments, bilateral donors and other entities. The anniversary week centred around the "five Ps" underpinning the 2030 Agenda: peace, people, planet, prosperity and partnership. Over 150 speakers discussed key topics of current concern. The Organization presented awards to successful women entrepreneurs who have benefited from its support as well as to the winners of three youth competitions. Several events targeted youth, including panel discussions on the role of youth in the achievement of the SDGs and the promotion of youth entrepreneurship. The fiftieth anniversary provided an opportunity to highlight the central role of ISID in the achievement of the SDGs and identify strategies that will plant the seeds for a more inclusive and sustainable future.



**PART I**

# **Towards Inclusive and Sustainable Industrial Development and the 2030 Agenda**



## 1. ACHIEVING INCLUSIVE AND SUSTAINABLE INDUSTRIAL DEVELOPMENT: UNIDO'S CONTRIBUTION TO THE 2030 AGENDA

› The explicit recognition of the critical contribution of inclusive and sustainable industrial development (ISID) to the attainment of the 2030 Agenda for Sustainable Development links UNIDO's mandate and activities to the global development agenda more closely than ever before. Internally, the medium-term programme framework (MTPF) 2016–2019 provides the structure for the alignment of UNIDO's programmes to the sustainable development goals (SDGs), from a conceptual to the programmatic level, and as reflected in its three thematic priorities: creating shared prosperity, advancing economic competitiveness and safeguarding the environment.

The third International Conference on Financing for Development, held in Addis Ababa in 2015, acknowledged that additional resources were critical to the achievement of the SDGs, including new knowledge, skills and information as well as financial resources. UNIDO's partnership approach, in particular the Programmes for Country Partnership (PCPs), helps meet this challenge (see also p. v). Mirroring the vision of a global partnership, the PCP approach mobilizes resources from development partners, United Nations agencies, development finance institutions (DFIs) and the private sector, to advance ISID in line with national development strategies. The Organization's role in the design of industrialization strategies and instruments complements its technical cooperation activities.

“UNIDO's mission is more important than ever before. [...] UNIDO will make even greater contributions to global sustainable development and the SDGs — not only SDG 9, but the entire 2030 Agenda.”

WU HONGBO, UNDER-SECRETARY-GENERAL FOR ECONOMIC AND SOCIAL AFFAIRS, UNITED NATIONS



THE CLIMATE IMPACT OF UNIDO'S ACTIVITIES  
UNDER THE MONTREAL PROTOCOL  
IS EQUIVALENT TO

**340**  
MILLION TONS OF CO<sub>2</sub>  
EMISSIONS PER YEAR.

THIS CORRESPONDS TO THE EXHAUST EMITTED BY

**71**  
MILLION  
PASSENGER VEHICLES IN ONE YEAR

**9** INDUSTRY, INNOVATION  
AND INFRASTRUCTURE





## UNIDO engagement in the global debate on development cooperation

### *Reporting to the High-level Political Forum*

In the framework of the follow-up and review architecture of the 2030 Agenda, the Industrial Development Board was invited to submit to the High-level Political Forum (HLPF) on sustainable development a global thematic review of industry-related issues in SDGs. This submission was reflected in the ministerial declaration of the 2016 HLPF, which was convened under the theme “Ensuring that no one is left behind”, and stressed “the attention given by the 2030 Agenda to building resilient infrastructure and its particular connection with the promotion of inclusive and sustainable industrialization and the fostering of innovation”. The HLPF 2017 will be of particular relevance to UNIDO as it will feature the in-depth review of SDG 9, among other selected goals.

› [sustainabledevelopment.un.org/hlpf](http://sustainabledevelopment.un.org/hlpf)



The Chief Executive Board met in Vienna in April

## UNIDO involvement in the Technology Facilitation Mechanism

The dissemination and acquisition of technology represents a key area of UNIDO support to Member States. Most of the work in this field is in line with the Technology Facilitation Mechanism and its three instruments: the United Nations Inter-agency Task Team on Science, Technology and Innovation for the SDGs (IATT), a collaborative multi-stakeholder forum on science, technology and innovation for the SDGs and an online platform as a gateway for information on existing science, technology and innovation (STI) initiatives, mechanisms and programmes.

Throughout the year, UNIDO participated in working groups and other IATT meetings. A detailed mapping by UNIDO of STI-related activities, refined and updated during the year, constitutes the basis for future work by the United Nations system in this field. A proposal prepared by UNIDO in its capacity as lead agency for identifying and implementing United Nations-wide capacity development activities in the STI field is currently under discussion for implementation in 2017–2018. It includes technology policy training to be piloted by UNIDO and other United Nations agencies.

## Inter-agency Task Force on Financing for Development

UNIDO is a member of the Inter-agency Task Force (IATF) on Financing for Development, convened by the Secretary-General following the 2015 Addis Ababa Action Agenda. In March, IATF published its inaugural report that maps out the commitments and actions in the Addis Ababa Action Agenda and presents their monitoring framework.

During the year, IATF members prepared issue briefs on clusters of commitments and actions identified in the inaugural IATF report. UNIDO coordinated the cross-cutting cluster on “Promoting inclusive and sustainable industrialization” and provided inputs to four other clusters: “Generating full and productive employment for all”; “Addressing the diverse needs and challenges faced by countries in special situations”; “Gender equality”; and “Global partnership”.

## Statistical work on SDG 9

In March, the United Nations Statistical Commission approved its list of indicators to monitor the goals and targets of the 2030 Agenda, recognizing UNIDO as the custodian for six industry-related indicators under SDG 9. The Commission approved UNIDO's report on industrial statistics and called on the Organization to step up capacity-building programmes on industrial statistics for developing countries. The report noted that the need to monitor progress towards the achievement of the SDGs reinforced the relevance of industrial statistics in the post-2015 era.

Throughout the year, UNIDO was closely involved in the work of the Commission, contributing to the first SDG report released in June and taking part in meetings of the Inter-agency and Expert Group on SDG Indicators.

UNIDO kept in close touch with national statistical offices (NSOs) concerning the implementation of SDG indicators. In November, it organized an international workshop on modernizing products and services of industrial statistics in the context of the SDGs that was attended by representatives of NSOs of both industrialized and developing countries.

## G20 engagement

The year under review saw the beginning of UNIDO's engagement with the G20. In September, the eleventh G20 Summit in Hangzhou, China, adopted a new initiative to support industrialization in Africa and least developed countries (LDCs), based on a report prepared by UNIDO at the request of the G20 Development Working Group entitled *Industrialization in Africa and least developed countries. Boosting growth, creating jobs, promoting inclusiveness and sustainability*. Industrialization is also among the priority areas of the *G20 Action Plan on the 2030 Agenda for Sustainable Development* adopted in September. UNIDO participated in other work streams of the Group, including on the implications of the so-called new industrial revolution for global production systems. Germany's G20 Presidency is building on UNIDO's input and continuing cooperation in several areas during its term.

### UNIDO LIAISON OFFICE IN NEW YORK

With an active presence in New York, UNIDO plays a key role in a wide range of forums and events on topics related to its mandate. As a founding member of the IATI, UNIDO co-organized a side event on "The role of innovation and technology for sustainable development" during the first STI forum in June, where it introduced strategic recommendations drawn from the Industrial Development Report 2016. The event was organized in collaboration with the World Intellectual Property Organization and the Governments of Finland and Kenya. Expert panellists discussed ways to catalyse technology-oriented innovation and development. In July, the Director General addressed the Group of Friends of ISID when he briefed participants on a memorandum of understanding signed the previous month between the United States Department of Energy and UNIDO to promote ISID through capacity-building activities in the field of energy management, energy system optimization and energy-efficient industrial technology. The same month, UNIDO and the United Nations Office of the

High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States organized a side event during the HLPF 2016 entitled "Leaving no country behind—sustainable industrialization and infrastructure to support landlocked developing countries (LLDCs)". The event raised awareness of policy tools on the industrialization-infrastructure development nexus for achieving sustainable development in LLDCs.

"Africa's industrialization in the era of the 2030 Agenda: from political declarations to action on the ground" was the topic of an event organized in September by UNIDO, the African Union Commission and the Brookings Institution's Africa Growth Initiative. The Director General's keynote speech touched on the opportunities and challenges of industrialization of Africa in the era of the 2030 Agenda. In November, Africa Industrialization Day featured an event on financing industrialization in Africa that highlighted the role of UNIDO as a key player in the attainment of SDG 9 and Africa's industrialization.

## » ADVANCING ECONOMIC COMPETITIVENESS

Under its mandate to advance economic competitiveness in developing countries and countries with economies in transition, UNIDO helps accelerate economic and industrial growth, fosters entrepreneurship, builds trade capacities in industry and ensures that all countries can benefit from international trade and technological progress through the application of modern industrial policies and compliance with global standards and norms. The portfolio of services represents an important part of the Organization's response to SDG 9 as well as the other industry-related SDGs.

### Improving the business environment

Effective policies that create decent work and the right environment for a well-functioning private sector are imperative for inclusive and sustainable economic growth. Designed to create a dynamic business environment in Member States, UNIDO activities cover policy advice and technical assistance in the reform of business registration systems, entrepreneurship development, the creation of business infrastructure, and assistance to intermediary organizations and institutions providing technical support to small and medium-sized enterprises (SMEs). In addition, UNIDO offers advice on energy and resource efficiency in supply and value chains as well as the effective management and recycling of waste in response to SDGs 6, 7, 8, 9, 11, 12 and 13.

Under an ongoing project funded by the Swiss State Secretariat for Economic Affairs (SECO), business registration offices in 63 provinces of Viet Nam are now in a position to provide accurate, legally binding information on commercial entities to the business community, Government agencies and the public. So far, the national business registration system, set up under a previous UNIDO project, has benefited over 1.2 million commercial entities in Viet Nam, with 100,000 new enterprises registered during the year.

At an inception workshop in Baku in May on "Fostering Inclusive and Sustainable Industrial Development in the New Silk Road Economic Belt", UNIDO introduced a new partnership initiative funded by China and the Asian Development Bank. UNIDO and the Bank will set up



Top right: Pharmaceuticals laboratory in Kenya  
Above: Laboratory in Colombia

a knowledge-sharing platform on ways to leverage the static and dynamic advantages of science, industrial and technology parks, zones and cities to achieve sustainable development through industrial corridors in response to SDGs 6, 7, 8, 9, 11, 12, 13 and 17. Progress to date includes several in-depth studies on the status of industrial zones, parks and cities in the project countries, namely Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan.

### Supporting industrial upgrading and small and medium-sized enterprise clusters

UNIDO is helping a range of industries—agro-food, textile, apparel and leather, automotive and pharmaceuticals—to upgrade products, processes and value chains and leverage the potential of urban and industrial agglomerations of SME clusters in line with many SDGs.





Left: Old traditions for new markets in Algeria

**Textiles and garment industries:** A project in Armenia, funded by the Russian Federation, enabled enterprises in the textile and garment industry to design and exhibit their own collections at international and regional fairs and establish links with key retailers in regional value chains. Under a two-year project in Tajikistan, funded by the Governments of China and the Russian Federation, UNIDO helped upgrade a number of carpet weaving and embroidery textile enterprises. As a result, the enterprises secured contracts to produce hand- and machine-made carpets for a large international retail chain as well as home textiles and accessories for local hotels. The project also includes a training centre, a service centre and a showroom, run in partnership with the Union of Craftsmen of Tajikistan.

**Agro-food value chains and the tourist industry:** Value chains in Benin—pineapple, cashew, shea, aquaculture, and textiles and garments—also benefited from a new, streamlined methodology to upgrade micro, small and medium enterprises (MSMEs). An upgrading programme in Senegal's Casamance region, an area suffering from reduced production following a recent long-standing conflict, focused on the provision of services for SMEs.

UNIDO is implementing a Swiss-funded inter-agency programme in the United Republic of Tanzania to link

the tourism industry with local horticultural and organic products supply chains. So far, local producers have signed 10 new contracts with 41 international hotels and are supplying 35 supermarkets. With UNIDO support, SMEs in Colombia's agro-industry and cosmetics sectors have overcome a number of barriers to trade through the establishment of eight export consortiums formed by 33 companies. Assistance included improving linkages with local support institutions and strengthening the management structure and capacity of the consortiums.

**Pharmaceuticals:** The local production of essential medicines in developing and least developed countries in particular improves access to safe, efficacious and affordable medicines that respond to local health requirements. Ensuring that consumers, producers and regulators have confidence in the quality of goods and services has an impact on health and safety and contributes directly to the realization of SDG 3. Over 20 pharmaceutical manufacturers in Kenya benefited from UNIDO technical cooperation during the year. Staff of Kenya's National Medicines Regulatory Authority took part in training on monitoring plant upgrades, which led to tangible improvements in manufacturing quality standards. In line with SDGs 3 and 9, a pharmaceutical development strategy, formulated



by UNIDO for Zimbabwe and the first of its kind in Africa, includes detailed diagnostics of the operational, environmental and cost estimates for sector upgrading. These projects continue to benefit from the valuable support of the German Government.

Ghana recently pioneered a new software application, developed with UNIDO support, which captures market information by medicine classification, thereby increasing the provision of reliable market information. In September, UNIDO arranged a meeting in Geneva between the Global Fund to Fight AIDS, Tuberculosis and Malaria and the Federation of African Pharmaceutical Manufacturer Associations where it was agreed to explore the possibility of procuring more medicines from African manufacturers.

Twenty-two postgraduate students from African national medicines regulatory authorities, pharmaceutical manufacturers and academia were the first to graduate with a master's degree in biotechnology, innovation and regulatory science from Purdue University, United States. Run by the St. Luke Foundation at the Kilimanjaro School of Pharmacy in the United Republic of Tanzania, the course was supported by UNIDO and the Merck Foundation.



Left: Pulp and paper upgrading in India  
Right: Building materials in Kyrgystan



**Automotive industry:** Training provided to 155 automotive component suppliers on lean manufacturing and continuous improvement initiatives on the shop floor is helping to position India as a reliable supplier of automotive parts to global value chains. Work continued during the year on a similar project in Belarus.

**Creative industries:** The UNIDO project on the development of clusters in cultural and creative industries in the Southern Mediterranean brings together over 250 companies and 50 support institutions in 13 industrial clusters. More than 800 entrepreneurs underwent training in networking, entrepreneurship, management and product development. Over 20 SMEs gained exposure to international markets through trade fairs. In the Middle East and North Africa region—Algeria, Egypt, Jordan, Lebanon, Morocco, Tunisia and the State of Palestine—144 clusters were identified and analysed.



Handpainted ceramics in Tunisia

**Building materials and pulp and paper:** UNIDO helped upgrade India's National Council for Cement and Building Materials and the Central Pulp and Paper Research Institute so that they could provide improved services to SMEs in their respective industries.





In November, the Director General of UNIDO, Li Yong and the Federal Chancellor of Austria, Christian Kern, signed a joint declaration on impact investment to foster social entrepreneurship and help achieve the SDGs

## Mobilizing responsible investment and sustainable technologies

Leveraging multi-stakeholder resources—knowledge, skills, information and finance—especially from the foreign and domestic private sector, is critical to the achievement of SDGs 8, 9, 10 and 17. During the year, UNIDO interventions focused on investment promotion, impact, monitoring and learning.

With the opening of an office in Lagos, Nigeria, in March, the UNIDO network of Investment and Technology Promotion Offices (ITPOs) now stands at eight. In November, an agreement was signed for a new office in Bonn, Germany. ITPO Nigeria aims to increase competitiveness and mobilize investment and new technologies in countries of the Economic Community of West African States (ECOWAS), with special focus on an investment and technology promotion platform for public and private stakeholders within the region.

Once again, UNIDO took the opportunity of Germany's Hannover Messe in April to showcase key activities in the areas of trade, investment and technology promotion. Special UNIDO events during the fair included a forum promoting investment opportunities in the Islamic Republic of Iran, a subcontracting and partnership exchange network meeting, an event on low-carbon technology transfer and regional approaches for promoting innovation ecosystems and sustainable energy.

UNIDO strengthened its partnership with the World Association of Investment Promotion Agencies on joint programmes and activities to scale up investment for ISID. At the twenty-first World Investment Conference in Istanbul, Turkey, in October, UNIDO made a presentation on securing investments that lead to ISID.

### UNIDO LIAISON OFFICE IN GENEVA

The office in Geneva allows UNIDO to work side by side with other organizations both within and outside the United Nations family in the areas of trade, investment, employment and technology. In view of the close link between trade and industrial development—globally manufactured products still account for the largest share of international trade—UNIDO takes an active part in major debates on trade and development-related issues. At the fifth Meeting of Trade Ministers of Landlocked Developing Countries, the Organization made a presentation under the item “Value addition and structural transformation in LLDCs” in the context of the Vienna Programme of Action and the 2030 Agenda. The presentation underlined the important role that the manufacturing industry and industry-related services play in increasing economy-wide productivity in LLDCs, drawing notably on UNIDO's *Industrial Development Report 2016*. This led to an explicit reference in the Ministerial Declaration about the need to attach special attention to the development of the manufacturing sector as a critical catalyst for technological change and structural transformation of the economies of LLDCs. At the 105<sup>th</sup> session of the International Labour Conference in June, UNIDO took part in a nine-day debate on ways in which global supply chains can contribute to decent work and sustainable development. UNIDO provided regular updates on its activities, including the PCPs, to the World Trade Organization's Committee on Trade and Development and the Trade and Development Board of the United Nations Conference on Trade and Development, as well as to the South-South Dialogue on LDCs and Development, held in September in Annecy, France.

## Boosting innovation

A panel discussion, organized as a fiftieth anniversary event, looked at ways in which UNIDO and the development community at large could help meet opportunities and challenges stemming from the Fourth Industrial Revolution in the context of the 2030 Agenda. This included new innovative approaches to climate change mitigation,

### ASSISTANCE TO CENTRAL AFRICA

SMEs in Central Africa continued to benefit from UNIDO support under the European Union-funded “Industrial Upgrading and Modernization Programme”. Progress during the year included setting up six offices for industrial upgrading, as well as one regional and six national steering committees in Cameroon, Central African Republic, Chad, Congo, Democratic Republic of the Congo, Gabon, and Sao Tome and Principe. The training of over 300 national consultants on SME development boosted national expertise. Under the UNIDO Quality Infrastructure Programme for Central Africa, the same seven countries signed a common declaration to implement a regional strategy of norms, standardization and quality policy and to create a regional quality award.

› [www.prmn-ac.org](http://www.prmn-ac.org)

development of the circular economy, the role of strategic partnerships, the role of agreed standards for the exchange of data and components in the digital ecosystem, data security and privacy issues, structural changes in global value chains and digital gaps. Panellists stressed the need for a proactive transformation of skills, both in the educational system and at the workplace, emphasizing the role of the younger generation.

## Promoting quality and standards

Access to internationally recognized quality assurance services is a prerequisite for developing countries and those in transition to compete on international markets. UNIDO helps them to establish national and regional quality infrastructure and provides policy guidance and institutional capacity-building on standards, metrology, testing, inspection, certification and accreditation, all of which are crucial for the attainment of many of the SDGs.

At the regional level, two projects funded by the European Union supported the implementation of quality policies and programmes in Central and Western Africa. Within ECOWAS countries, efficient quality infrastructure developed by UNIDO should lead to enhanced intraregional and international trade, consumer and environmental

protection, and pave the way for sustainable economic development. UNIDO provided training on quality to some 500 experts and journalists in 16 countries.

A project in Haiti opened the door to regional and global trade by strengthening the country’s quality infrastructure. UNIDO facilitated a new national quality policy, conducted a needs assessment of Haitian companies and six testing laboratories, and provided training to auditors. The Bureau Haïtien de Normalisation gained access to regional and international standardization organizations and set up six standardization technical committees in the priority areas.

The year under review saw the conclusion of a European Union-funded quality capacity-building programme in Pakistan that brought international recognition to Pakistan’s accreditation body and over 50 testing and calibrations laboratories. In Mozambique, the “Private Sector and Quality Promotion Programme: Competir com Qualidade”, implemented by UNIDO with funds from the Government of Austria, also drew to a successful conclusion. The project helped Mozambique’s economy to become more competitive by strengthening institutional and private sector capacities.

## Promoting effective trade facilitation

A project covering Bangladesh, Bhutan, Maldives and Nepal is providing market access and trade facilitation support to strengthen institutional structures and national capacities in standards, metrology and testing, quality and conformity assessment. It also helps the four countries protect their populations against the import of substandard and potentially hazardous products, in line with SDGs 3, 8 and 9.

A meeting between UNIDO and the World Bank in May identified quality infrastructure development and investment promotion as priority areas for future cooperation. In November, UNIDO signed an agreement with Germany for the project “Testing and inspection assessment tool for effective trade facilitation”, which will serve to increase UNIDO’s outreach in trade facilitation. Cooperation with organizations such as the International Accreditation Forum, the International Laboratory Accreditation Cooperation, and the International Organization for Standardization (ISO), led to a number of joint publications. These included a revised edition of global good practice guides on accreditation and standardization, along with an analysis of the impact of ISO 9001 management certification practices in Brazil and China.



Institutional and trade capacity-building in Cabo Verde



Course on sustainable energy solutions in Groningen, Netherlands

#### THE UNIDO INSTITUTE FOR CAPACITY DEVELOPMENT

The UNIDO Institute aims to develop the capabilities of Member States in policy formulation and implementation through training courses for government officials, policymakers, researchers and practitioners. Notable courses during the year included a training course in April for public servants and industrial analysts on industrial policy. Organized in cooperation with the Korea International Cooperation Agency, the course covered industrial policy diagnosis, strategies and instruments for ISID. An expert group meeting on “Knowledge Management Systems in Education and Training in the Leather Value Chain” took place in June in cooperation with the Dar-es-Salaam Institute of Technology, Mwanza Campus and the Leather Association of the United Republic of Tanzania. The annual summer course on green industry focused on pathways towards ISID and once again took place in Budapest in cooperation with the Central European University. In October, senior

policymakers attended the fourth Global Executive Programme held in Chlewiska, Poland. The programme featured lectures by staff of *The Economist* and *The Financial Times* and visits to an economic zone and technology park. Practical exercises were set by experts from UNIDO, the University of Cambridge, the University of California and policymakers from India, the Republic of Korea and South Africa. Some 25 policymakers and ministerial officers from developing countries took part in a training programme on sustainable energy solutions in Groningen, Netherlands. The course was conducted in close collaboration with the Energy Academy Europe. The courses offered a dynamic mix of lecture-based and interactive sessions. Field trips included a visit to the Dutch island of Ameland, which is piloting a fully self-sufficient energy system.

> [institute.unido.org](https://institute.unido.org)



## »» CREATING SHARED PROSPERITY

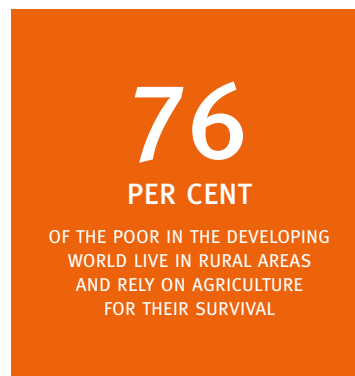
SDG 1 states that “poverty is more than the lack of income and resources to ensure a sustainable livelihood. Its manifestations include hunger and malnutrition, limited access to education and other basic services, social discrimination and exclusion as well as the lack of participation in decision-making”. According to World Bank statistics, 76 per cent of the poor in the developing world live in rural areas and rely on agriculture for their survival. The development of agriculture-based industry is a first step towards the structural transformation of their economies.

### Agribusiness and rural entrepreneurship development

Agriculture-based industrial products account for half of all exports from developing countries, yet only 30 per cent of them involve processed goods compared to a figure of 98 per cent in the industrialized world. In its response to SDGs 1, 2 and 9, UNIDO helps developing countries to add value to their agricultural resources that will in turn increase jobs and income and lead to a higher level of prosperity. Current projects involve food and food systems, leather and footwear, textile and garments, wood and woodworking, agro-mechanization and creative industries. (see pp. 6-8)

### Food security and safety

While global food production has more than doubled in the past 50 years, over 800 million people suffer from hunger. Of these, 70 per cent live in rural areas of developing countries. Another two billion people worldwide suffer from poor nutrition while an equal number are overweight. The current global food system is characterized by inequality and polarization in revenue distribution and bargaining power, entailing additional economic, social and environmental costs. Today, more than ever, it is imperative to develop food industries that do not come at the expense of biodiversity, the environment and consumer health. UNIDO promotes ISID by upgrading value chains to enable food systems to deliver safe food, better nutrition and fair income without compromising



### IMPROVING VALUE CHAINS IN SRI LANKA



UNIDO and the Standards and Trade Development Facility of the World Trade Organization have been working with Sri Lanka's Spice Council to improve the trade competitiveness of the cinnamon value chain by ensuring

compliance with international food safety regulations and hygiene standards. The project created a nationally accredited vocational training framework and introduced a pilot “Good Manufacturing Practices” scheme that has enabled workers, many of them women, to work in compliance with international regulations and standards.



Project to reduce post-harvest losses in Viet Nam

the economic, social and environmental resources needed to maintain such benefits for future generations. Food systems cover processing, logistics, packaging, and quality and safety infrastructure, as well as legal and institutional systems.

Post-harvest losses and the absence of basic processing technologies result in high levels of waste in many developing countries while poor preservation practices can lead to contamination and food-borne disease. UNIDO has a programme in place that focuses on waste reduction through technology improvements and process optimization along value chains together with the utilization of by-products. UNIDO facilitates the transfer and adoption of appropriate food system technologies and practices including the knowledge and skills needed, thus improving food and nutrition security as well as food safety, leading to resource efficiency.

### *Agro-industrial parks*

Integrated agro-industrial parks can attract foreign and domestic investment in developing countries and promote economic development based on agricultural produce and resources. During the year, UNIDO helped a number of countries to set up sustainable agribusiness value chains and agro-parks that covered food and food systems, leather and footwear, textile and garments, wood and woodworking, agro-mechanization and creative industries. It pursued the integration of smallholder farmers into value chains to generate jobs and income opportunities for rural communities. Further, it aimed at increasing both food

### **MODJO LEATHER CITY**

Ethiopia has one of the world largest livestock populations. Nearly half the country's tanneries are in the Oromia region that has a long tradition of leather processing. Pollution from tanning operations has created environmental and social problems in the nearby Modjo urban area. In collaboration with the Leather Industry Development Institute and the Addis Ababa University, UNIDO has prepared a feasibility study to set up an inclusive and sustainable leather district named Modjo Leather City. The concentration of tanneries in a modern industrial district will allow a common strategy to deal with pollution problems in a cost-efficient manner. The district will also play a valuable role in drawing foreign and local direct investments. In October, UNIDO organized a study tour that brought Ethiopian officials, including the Ethiopian State Minister of Industry and the mayor of Modjo, to Italy, where participants had a chance to visit the tanning district of the town of Santa Croce sull'Arno. The Modjo Leather City initiative has attracted the interest of several development partners and financial institutions, including the European Investment Bank, that are willing to support the Government of Ethiopia in the new leather district.

> [isid.unido.org/ethiopia.html](http://isid.unido.org/ethiopia.html)



security and food safety while pursuing the objectives of the circular economy and addressing climate change.

UNIDO is currently engaged in setting up agro-parks in Cameroon, Ethiopia, Lebanon, Myanmar, Nigeria and Senegal. In June, the Government of Ethiopia released \$300 million for the development of infrastructure for



integrated agro-industrial parks, one of the focus areas of the Ethiopian PCP. The development of agro-industries, including agro-industrial parks and rural transformation centres, presents Ethiopia with an opportunity to accelerate economic development, create thousands of jobs and achieve its industrial development goals. In Cameroon, a master plan and feasibility study were finalized during the year for an agro-park and a specialized research centre to be financed by the Government. Italy is funding infrastructure for three industrial parks in Lebanon where master plans and feasibility studies are also complete. Plans for seven staple crop-processing zones in Nigeria are final and UNIDO is currently working on the establishment of an agro-parks management structure within the Government.

## Entrepreneurship and vocational skills development

In order to create employment and better jobs for the world's poor, it is crucial to tailor vocational and managerial skills training to the prevailing job market. Globalization, rapid changes in market conditions and technology as well as environmental and social requirements in manufacturing call for a high level of training in all agribusiness and related sectors.

Entrepreneurship is a sustainable solution for employment creation and enhanced prosperity. UNIDO's approach focuses on strengthening the entrepreneurial ecosystem by identifying strategic sectors with high growth and employment potential and enhancing the capacities of intermediary financial and non-financial support to provide better services in the pre- and post-creation phase. Through its integrated approach, UNIDO strengthens the skills of counterpart institutions in developing countries and those in transition to enable them to identify opportunities for job creation, competitiveness and value chain development in their respective countries. During the year, UNIDO targeted entrepreneurship, business and vocational skills in traditionally marginalized groups, such as women and youth. Enterprise management capacity-building for firms as well as individuals included training in business administration and study tours in order to share best practices and innovative solutions. In all its capacity-building activities, UNIDO focuses on developing skills to promote resource-efficient, sustainable and inclusive agro-industries, attract responsible investment in agriculture and agro-industry, enhance



Vocational skills training providing opportunities for African youth



Acquiring entrepreneurial skills in Myanmar



Leather course in the United Republic of Tanzania



economic stability in rural communities, address migration, increase food and human security, and promote innovation throughout value chains.

The absence of business development services can be a stumbling block for new entrepreneurs, especially women and youth. UNIDO helps ensure that public institutions are equipped to provide critical business development services and support to their clients, including information on networks, markets and investment opportunities. During the year, over 1,000 intermediary support institution representatives in Ethiopia and Myanmar received training as trainers.

Traditional learning methods—classroom and personal instruction, tutoring and on-the-job training—are complemented by new methods such as self-study and distance learning. A successful example is UNIDO's leather e-learning programme on sustainable leather processing, tannery effluent treatment, first aid in the workplace, ways to deal with hydrogen sulphide and footwear pattern engineering. These courses are available online. At an expert group meeting in June in Dar-es-Salaam, participants reviewed training conducted under the e-learning project “Knowledge Management Systems in Education and Training in the Leather Value Chain”. Worldwide, over 30,000 individuals from 170 countries have benefited from UNIDO's leather knowledge panel.

› [www.leatherpanel.org](http://www.leatherpanel.org)

## Strengthening value chains

Agribusiness value chains play a crucial role in enhancing a country's economic competitiveness and ability to participate effectively in global trade. The selection of agro-industrial technologies and best practices introduced throughout food and non-food agribusiness value chain projects took into consideration the adoption capabilities of users, the suitability of technologies in local conditions and the potential of technologies to boost individual incomes as well as the economy as a whole. The participation of smallholding farmers and local providers of goods and services ensures greater inclusiveness.

In South Sudan, UNIDO is upgrading sectoral value chains through mechanization. Selecting agro value chains that are most likely to lead to economic growth and poverty reduction, UNIDO is creating a sustainable and simple marketing network of household producers and small

business owners by developing and implementing value chain strategies. It will focus as well on building the capacity of the different actors to operate in the value chain and adjust to new technological and business features, adding value to their production.

## Women and youth in productive activities

Despite the challenges female job-seekers may face in developing countries, a large number of women have been able to start their own business following UNIDO training courses on entrepreneurship development. In Tunisia, a project focusing on youth and women entrepreneurship supported the development of a significant number of start-ups and existing enterprises in an effort to help boost the share of manufacturing value added in the country. The first phase of the project resulted in the creation of 1,079 jobs of which almost half were in agribusiness and manufacturing. Of 293 people in Armenia who received entrepreneurship training, 129 were women. In South Sudan, 60 women underwent training in basic business operations to encourage the growth of small-scale agribusinesses. In Ethiopia and Myanmar, over 700 youth and women entrepreneurs



completed training in business development and over 100 new ventures created an estimated 500 new jobs.

Over the past 15 years, UNIDO has assisted countries, especially in Africa, in introducing a national entrepreneurship curriculum programme into secondary, technical or vocational schools, laying the groundwork for private sector development. The curriculum is action-oriented with time split equally between the classroom and practical business training in the community. Under this UNIDO programme, over 7,000 teachers were trained to teach entrepreneurship skills to more than two million young people. The programme is now in place as part of the national curriculum in six countries that are continuing to operate the scheme on their own after the end of UNIDO assistance.

One of them is Cabo Verde, which introduced the curriculum programme nationwide in September. Project impact studies

indicate that between 30 and 40 per cent of students establish small businesses while at school, with around 12 per cent of graduates continuing to operate them after graduation. The studies have also confirmed a better understanding of business opportunities within the community, a development of entrepreneurship competencies and the capacity to save.

In the United Republic of Tanzania, UNIDO is running a project to address the issue of graduate employability in MSMEs. As a result, 224 young graduates joined 86 companies as interns. Twenty-seven per cent of them subsequently accepted posts in these companies while 36 per cent found employment elsewhere. Three quarters of them indicated that they had been shortlisted for one or more jobs after completing their internship and 68 per cent stated that the internship had encouraged them to become entrepreneurs themselves.

#### SMALL ISLAND DEVELOPING STATES

Within the framework of the Accelerated Agribusiness and Agro-Industry Development Initiative, UNIDO is working with the African, Caribbean and Pacific Group of States and European Union partners to improve the productivity and competitiveness of agriculture and food value chains in small island developing States (SIDS). Recent initiatives include the proposed fisheries blue economy and value chain programme, in collaboration with the Food and Agriculture Organization of the United Nations (FAO). UNIDO's role is to support value addition and address sanitary and phyto-sanitary measures, while FAO will

provide support to enhancing productivity and governance of the diverse SIDS fisheries value chains. UNIDO is also engaged in business partnerships involving the private sector in SIDS such as Cabo Verde or Papua New Guinea. Another important nexus area is energy where UNIDO, with financial support from Austria and Spain, is assisting SIDS in the establishment of regional sustainable energy centres in Barbados, Cabo Verde and Tonga. In Cabo Verde, UNIDO is supporting local communities in the installation of solar projects for productive uses (e.g. cooling of fish, water pumping and irrigation).

## » SAFEGUARDING THE ENVIRONMENT

UNIDO supports countries in their environmental management efforts, including the implementation of multilateral environmental agreements and the provision of sustainable energy. It helps create new green industries, establishing national road maps for greening the supply chain, determining benchmarks and indicators, disseminating and sharing best practices, running clean technology programmes, undertaking various capacity-building exercises and contributing to international forums with the necessary research and expertise.

### Sustainable energy solutions

Industry today accounts for over a third of global energy consumption and greenhouse gas emissions and will continue to drive global energy demand over the coming decades, especially in developing and emerging economies. Enhancing access to reliable energy supplies is a prerequisite for economic development. For development to be sustainable, energy must be used to promote productive uses that create jobs and more income-generating opportunities for local communities. UNIDO's energy portfolio totals almost \$285 million and comprises 120 projects in 60 countries. It consists of three strategic pillars: industrial energy efficiency, renewable and rural energy and climate policy and networks, which together promote sustainable energy solutions for making industry competitive, productive and climate-resilient.

Under its industrial energy efficiency programme, UNIDO is committed to helping industries use energy more efficiently by making available the best operating practices and technologies to speed up economic growth, improve competitiveness and create jobs, while addressing the crucial challenge of climate change. At the seventh Clean Energy Ministerial, held in San Francisco, United States, in June, the Director General called on all stakeholders to use the ISO 50001 standard to demonstrate progress on the attainment of climate and energy goals. With a project portfolio of \$119 million, the programme is running 39 projects covering 20 countries. The programme focuses on the implementation of energy management systems, efficiency improvements of





energy-intensive industrial equipment, energy-efficient and low-carbon transport vehicles and related infrastructure.

UNIDO also focuses on mainstreaming the use of renewable energy for productive uses and industrial applications. In order to increase the competitiveness of SMEs in rural on/off-grid areas, UNIDO promotes mini-grids based on viable and proven technologies such as small hydropower, biomass, solar and wind energy. The ongoing project portfolio amounts to around \$142 million, with 64 projects in 40 countries.

In addition, UNIDO plays a leading role in integrated policies, global and regional multi-stakeholder partnerships, as well as advocacy and outreach activities in the field of sustainable energy and climate change. Its mandate positions UNIDO strategically in global energy and climate change

forums and coordinates global and regional programmes on low-carbon technologies and networks. The ongoing project portfolio for its climate policy and networks programme amounts to nearly \$24 million, with 18 projects under implementation on a national, regional or global scale.

The Organization started preparations for the next Vienna Energy Forum that will take place in May 2017 on the theme “Sustainable Energy for the Implementation of the SDGs and the Paris Agreement”. It will highlight the multiplier effects of integrated approaches for sustainable development at the national, regional and global level. The Forum will also accentuate the potentials of the sustainable energy nexus, linking energy to water, food and health, as well as innovation as a global driver for accelerated sustainable growth.

## »» Highlights

› November saw the launch in Hangzhou, China, of UNIDO’s flagship publication *World Small Hydropower Development Report 2016*, following the success of the first report in 2013. The report and its knowledge platform cover 20 regions and 160 countries, making it the most comprehensive global small hydropower platform available to date. Its updated data, in-depth policy and investment analysis, and detailed case studies provide practitioners, decision makers and investors with the tools to accelerate small hydropower development.

[www.smallhydroworld.org](http://www.smallhydroworld.org)

› July saw the inauguration of the East African Centre for Renewable Energy and Energy Efficiency in Kampala. With the support of UNIDO and the Austrian Development Agency, the new centre will complement and strengthen ongoing initiatives by member countries of the East African Community in the area of policy and capacity development, knowledge management and awareness-raising as well as investment and business promotion in achieving SDGs 7 and 9. The Global Network of Regional Sustainable Energy Centres—a post-2015 South-South and triangular partnership—currently numbers five centres, with a new Pacific Centre for Renewable Energy and Energy Efficiency scheduled for inauguration in Nuku’alofa in April 2017. The new centre will be hosted by the Government of Tonga and the Pacific Community, with support from UNIDO and the Austrian Development Agency.

› Together with the United Nations Environment Programme (UNEP), UNIDO co-hosts the Climate Technology Centre and Network, the operational arm of the United Nations Framework Convention on Climate Change (UNFCCC). It promotes the accelerated transfer of environmentally sound technologies for low-carbon and climate-resilient development at the request of developing countries, assisting over 70 countries during the year under review. The Private Financing Advisory Network (PFAN) is a multilateral public private partnership initiated by the Climate Technology Initiative and UNFCCC. Hosted by UNIDO in collaboration with the Renewable Energy and Energy Efficiency Partnership, the network has raised \$1.2 billion for 87 projects, representing an annual reduction of 2.7 million tons of CO<sub>2</sub> equivalent, 701 MW of clean energy capacity and 140.7 GWh of energy savings for energy efficiency projects per year (as of September). Those projects represent a diversity of technologies including solar, biogas, waste to energy, hydro, wind, biomass, energy efficiency, rural electrification, clean transport and sustainable energy for agriculture. PFAN is spearheaded by a coalition of donors, including Australia, Austria, Canada, Germany, Japan, Norway, the Republic of Korea, Sweden and the United States.

## SUSTAINABLE CITIES

UNIDO's sustainable cities concept supports cities as hubs of clean energy innovation, low-carbon industrialization and climate action. It aims to promote an approach to urban sustainability that is guided by evidence-based, multidimensional and broadly inclusive planning processes that balance economic, social and environmental resource considerations. During the year, the Organization developed projects in Côte d'Ivoire, India, Malaysia and Senegal under the Global Environment Facility (GEF)

Sustainable Cities Integrated Approach Pilot, with a GEF grant of around \$25 million and co-financing of \$160 million. Throughout the year, UNIDO was involved in a wide range of related events and initiatives including negotiations leading to the adoption of the New Urban Agenda by the United Nations Conference on Housing and Sustainable Urban Development held in October in Quito, as well as the first Global Sustainable Transport Conference that took place in Ashgabat in November.

› Despite an adequate endowment of energy resources, Africa suffers from severe energy poverty because of poor generation capacity, limited electrification, low power consumption, unreliable services and high energy costs. A low-carbon low-emission clean energy technology transfer (LCET) programme launched in 2013 in cooperation with and funded by Japan, focuses on the introduction of Japanese technologies in Africa. In collaboration with local institutions in Ethiopia and Kenya, UNIDO provided extensive training during the year to support the development of skills at the project sites. UNIDO had an opportunity to showcase its LCET programme at international forums including Germany's Hannover Messe in April, the sixth Tokyo International Conference on African Development (TICAD VI) held in August in Nairobi, the third Annual Meeting on Innovation for Cool Earth Forum in October in Tokyo, and the twenty-second session of the Conference of the Parties to the UNFCCC (COP 22) in November in Marrakech, Morocco. During the UNIDO fiftieth anniversary celebrations in November, the Government of Japan pledged JPY1.5 billion for UNIDO's geothermal power generation projects in African countries.

› The Global Cleantech Innovation Programme—the world's largest clean technology innovation and entrepreneurship support programme—currently operates in Armenia, India, Malaysia, Morocco, Pakistan, South Africa, Thailand and Turkey. A competition organized in Morocco this year to mark the introduction of the programme attracted over 200 candidates. Twelve finalists were selected and winners in the five categories—waste recycling, efficient water use, energy efficiency and renewable energy, female entrepreneurs, and green building—were announced at COP 22.

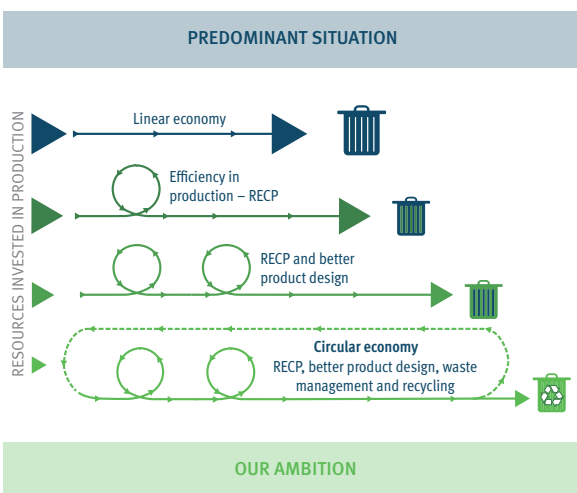




Turning trash into opportunity in Guinea



Green Industry Conference in the Republic of Korea



Improving resource use

## Green industry and the circular economy

Although the term “green industry” is relatively new, the concept of environmentally responsible and sustainable industrial development has been at the core of UNIDO’s mandate for many years. Recently, the Director General reinforced the Organization’s commitment to the promotion of green industry and the circular economy as well as its contribution to dialogue and advocacy platforms, which he confirmed were management priorities for the current year and strategic objectives in relation to the 2030 Agenda. Throughout the year, UNIDO continued to offer advice to governments on green industry in areas such as eco-innovation, waste management and eco-industrial park development as well as the implementation of multilateral environmental agreements. Green Industry is a key component of ISID. It identifies concrete initiatives and approaches that contribute to the sustainability of UNIDO’s industrial development programmes, providing linkages to a number of SDGs.

In a circular economy, materials for new products come from old products; everything is reused, re-manufactured or, as a last resort, recycled back into a raw material or used as a source of energy. This concept is linked to an increased demand for industrial waste and recycling and suggests that there is a need to consider trade and production side issues. The market for traded waste has almost doubled over the past 20 years and developing countries have the opportunity to benefit from emerging business opportunities. One of UNIDO’s priorities is to establish the foundation for dialogue and exchange on traded waste in a circular economy in 2017.

The Partnership for Action on Green Economy (PAGE) draws on the expertise of five United Nations bodies and organizations: United Nations Development Programme, UNEP, the United Nations Institute for Training and Research, the International Labour Organization (ILO) and UNIDO. PAGE relies on UNIDO’s sectoral policy advice on green industry issues to assist countries in their transition to a green economy. During the year under review, UNIDO spearheaded the publication of a *Practitioner’s Guide to Strategic Green Industrial Policy* as well as green industry assessments in four countries: Burkina Faso, Ghana, Peru and Senegal.

> [www.un-page.org](http://www.un-page.org)

“How to advance green industry in the context of sustainable cities” was the theme of the fourth Green Industry Conference that took place in Ulsan, Republic of Korea, in June. Co-organized by UNIDO and Ulsan Metropolitan City,



the conference explored the interdependence of industry and cities in the context of resource efficiency, green technology and eco-innovation.

## Global Eco-industrial Parks Programme

One of UNIDO's key contributions to the SDGs is the establishment of eco-industrial parks that combine the driving of industrialization and the transfer of technologies with environmental gains and social responsibility. Given the potential of green, sustainable industrial parks to unleash ISID, UNIDO supports the mainstreaming and upscaling of eco-industrial parks in developing and emerging economies. They promote a circular economy, water resource conservation, recycling and the sound management of waste as well as the utilization of industrial synergies at a time of escalation in resource consumption and waste generation caused by a globally expanding industrial sector.

A major two-year project, launched at the end of 2015, is helping selected eco-industrial parks in China, Colombia, Peru and South Africa to increase resource efficiency through the reduced use of raw materials, water and energy, lower production costs, improved competitiveness and profitability, and better access to new technologies and financial mechanisms. The project involves activities ranging from approaching companies on an individual level to fostering industrial synergies among industries and the inclusion of issues related to shared infrastructure, park management and zoning structures. Under the project, UNIDO brings together stakeholders from government, academia, international organizations and city councils to consolidate minimum key requirements and a dedicated scoring system. Currently resource-efficient and cleaner production audits are under way to analyse the parks' potential for the implementation of clean and low-carbon technology as well as to identify training needs within companies. Funded by SECO, the project will benefit both local communities and the environment by minimizing greenhouse gas emissions, reducing the use of toxic and other chemicals and cutting down, reusing and recycling waste. It will also provide jobs, improve the health and safety of workers and enhance the quality of life of communities.

In November, UNIDO published a global assessment of eco-industrial parks in developing and emerging countries that highlights achievements, good practices and lessons learned from 33 industrial parks in 12 selected emerging and developing countries.

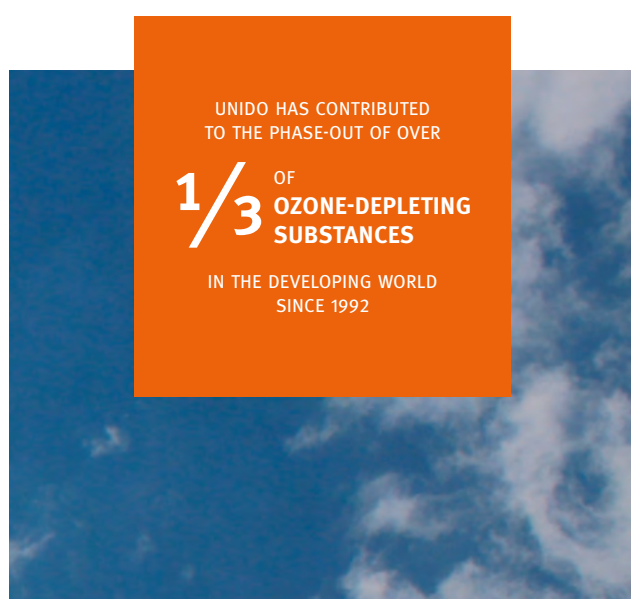
## Multilateral environmental agreements

For the past three decades, UNIDO has successfully supported countries in meeting their obligations under multilateral environmental agreements, such as the Montreal Protocol, the Stockholm Convention and the Minamata Convention on Mercury.

### *Montreal Protocol on Substances that Deplete the Ozone Layer*

UNIDO has contributed to the phase-out of over a third of ozone-depleting substances in the developing world since 1992. As ozone-depleting substances are also strong greenhouse gases, the climate impact of this phase-out is 340 million tons of CO<sub>2</sub>-equivalent per year. This corresponds to the amount of exhaust emitted by 71 million passenger vehicles in one year.

The Executive Session of the Climate and Clean Air Coalition's High-Level Assembly, which met in Vienna in July, backed the adoption of an ambitious amendment to the Montreal Protocol to phase down the use of hydrofluorocarbons (HFCs). Hosted by UNIDO, the event brought together governments, United Nations organizations and civil society to send a strong message that a phase-down of HFCs would reduce one of the fastest-growing types of greenhouse gases. On 15 October, the amendment became a reality as negotiators from 197 countries came to an agreement in Kigali. UNIDO is ready to assist countries in meeting their obligations and challenges under the Kigali Amendment.





*Top left:* Croatia abolished HFCs 24 years before the Montreal Protocol deadline  
*Left:* Fish-smoking in West Africa  
*Above:* Reducing mercury in artisanal mining

### **Stockholm Convention on Persistent Organic Pollutants**

Under the Stockholm Convention, UNIDO focuses on persistent organic pollutants (POPs) related to waste, reuse and recycling. The use of waste and its recycling are important aspects of the circular economy, where UNIDO facilitates the establishment and profitability of enterprises in recycling operations.

Fish constitutes the main source of animal protein for the population of Benin and fish smoking—largely a woman’s job—takes place on the beach, marketplace or roadside. The incomplete combustion of plant fuels in traditional ovens generates POPs that are harmful to both human health and the environment. Under a pilot project, UNIDO has replaced several traditional ovens with an environmentally friendly alternative that requires half as much fuel and makes use of other businesses’ waste. The new technology also minimizes the production of pollutants through specialized, locally manufactured accessories. In addition to reducing carcinogens in smoked fish, the project contributes to the economic empowerment of women and benefits the local businesses

that produce the new environmentally friendly ovens. The stoves themselves enable the collection of fat as a by-product that can be used in soap manufacturing.

### **Minamata Convention on Mercury**

Artisanal gold mining is responsible for 35 per cent of mercury pollution in the environment. Over the past 20 or so years, UNIDO has gained considerable experience and expertise in the introduction of low- or non-mercury techniques and technologies in artisanal gold mining. Almost one third of artisanal miners are women (see also p. 32). Under a new project, launched in Washington, D.C. in December, the Organization will be part of an inter-agency team looking at opportunities for the long-term development of the artisanal and small-scale mining sector in Burkina Faso, Colombia, Guyana, Indonesia, Kenya, Mongolia, Peru and the Philippines. With UNEP as lead agency, UNIDO will implement projects in Burkina Faso, Mongolia and the Philippines under the GEF Global Opportunities for Long-term Development programme.



### TOWARDS CROSS-DISCIPLINARY APPROACHES

The highly specialized nature of UNIDO services and its technical expertise is evident throughout this document. Along with its widely recognized specialization, however, the Organization finds its strength in the wide range of its expertise and its long-standing experience and leadership in industrial development issues. Today, this leadership is also shown by UNIDO's concrete steps towards the consolidation of a holistic approach in addressing ISID from a multidimensional perspective.

Emerging trends in the 2030 Agenda suggest that this asset will prove to be of strategic significance in the years to come. UNIDO recently created four cross-disciplinary teams pulling together the expert resources of its five technical assistance departments to develop integrated, client-oriented approaches on industrial parks, sustainable cities, job creation and migration, and biotechnology.

Taking sustainable cities as an example, rapid urbanization across the developing world puts further pressure on resources and processes—energy, water, the labour force, transport, food systems and organic waste to name but a few. More than ever, municipal authorities will need evidence-based tools for policy decisions and public action to mitigate the burdens on their ecosystem and set their communities on the path of inclusive and sustainable development. The Annual Report showcases some of UNIDO's work in renewable energy and energy efficiency, low-carbon technology, the water-energy-food nexus, water stewardship in industry, or solid waste management. The cross-disciplinary team on sustainable cities has been established to channel these different streams of expertise into one comprehensive package addressing the multidimensional challenges faced by municipal authorities throughout the world.



## 2. REGIONAL PERSPECTIVES

In addition to the technical cooperation, policy advisory and normative activities outlined above, UNIDO maintains effective interaction with its Member States in all regions, provides strategic analysis and advice to support the development of regional and country programmes, manages its network of field offices, and coordinates country-level activities towards United Nations-system-wide coherence.

After the introduction of specific guidelines in 2015, country programmes were formulated in alignment with broader country frameworks to ensure closer cooperation

with United Nations Country Teams and different government actors and stakeholders. Consequently, the year under review saw a considerable increase of aligned country programmes in comparison to previous periods. UNIDO developed and coordinated as many as 36 aligned country programmes, representing a 44 per cent increase over 2015. Although this figure does not include regional programmes and other programmes managed by other departments, it provides a measure of the Organization's considerable progress in this context.

“Africa’s future prosperity depends on our ability to promote industrial development to create jobs and reduce poverty.”

FRANÇOIS KANIMBA, MINISTER OF TRADE AND INDUSTRY, RWANDA



### STREAMLINED FIELD STRUCTURE

In line with decision IDB.39/Dec.7, UNIDO was called upon to reduce its regular budget and therefore introduced a number of adjustments to its field structure. As directed by the General Conference at its sixteenth session, steps taken by UNIDO to achieve these economies allow an effective contribution to the 2030 Agenda and the continued presence in Member States in proximity to Governments, beneficiaries, partners and donors. During consultations with Member States early in the year, the Director General provided details of the process and allayed concerns from the affected regions that structural and staffing changes could diminish UNIDO's relationship with key stakeholders. Introduced in phases in order to minimize disruption to activities, the new adjusted field network consists of 47 regional hubs, and regional and country offices.

IN ADDITION TO REGIONAL AND GLOBAL  
PROJECTS, IN 2016 UNIDO HAS BEEN  
IMPLEMENTING PROJECTS IN

# 146

COUNTRIES







AFRICA IS HOME TO  
**34**  
 OF THE WORLD'S 48 LEAST  
 DEVELOPED COUNTRIES AND  
**16**  
 OF THE 32 LANDLOCKED  
 DEVELOPING COUNTRIES

## AFRICA

The year under review showed once again the tireless commitment of UNIDO to ISID in Africa. One manifestation of this was the critical contribution made by the Organization to the G20 initiative in support of industrialization in Africa and LDCs (see p. 5). This year also witnessed the launch of the third Industrial Development Decade for Africa. In its resolution 70/293, the General Assembly calls upon UNIDO to “develop, operationalize and lead the implementation” of the programme for the Decade. The resolution also calls for a stepping up of international cooperation, including North-South, South-South and triangular cooperation. Through its extensive partnership network in Africa, UNIDO acts as an enabler between Member States and technical and financial partners. During the year, cooperation with the African Union proved particularly fruitful. In response to requests from governments, UNIDO is broadening its technical support in a range of areas, from industrial parks, industrial upgrading and energy efficiency to responsible knowledge transfer.

Throughout the year, a number of events organized or supported by UNIDO served to draw world attention to Africa's industrialization efforts. At the inaugural conference of the first African Union Specialized Technical Committee on Trade, Industry and Minerals, UNIDO highlighted its initiatives over the past fifty years to promote regional integration through trade and ISID in Africa. During the midterm review of the Istanbul Programme of Action in May, UNIDO, in collaboration with UN Women, organized a side event entitled “Enhancing the productive capacities of women and youth through global partnerships: paving ways to the sustainable graduation of LDCs”. UNIDO organized two side events at TICAD VI, held in Nairobi in August. During UNIDO's fiftieth anniversary celebrations year, Africa Industrialization Day featured a symposium designed to raise awareness of the importance of mobilizing funding for ISID that was attended by over 500 participants. Other major events included the fifth ISID Forum in Dakar in November to promote the PCP model and industrial investment in Africa and the first International Agro-Industry Investment Forum Ethiopia that took place in Addis Ababa in October.

Africa is home to 34 of the world's 48 LDCs and 16 of its 32 LLDCs. During the year, UNIDO focused on its country programmes, formulating new programmes for Angola, Cabo Verde, Cameroon, Chad, Mozambique, Rwanda, Togo, Zambia and Zimbabwe. Round tables organized at the launch of country programmes in Niger, Togo and Zambia brought together technical and financial partners, thereby reinforcing country ownership and encouraging the mobilization of funds. Programmes for Benin, Burundi, Eritrea, Gabon, Ghana, Malawi, Mauritania, Mauritius, Namibia, Nigeria, South Africa, Swaziland and the United Republic of Tanzania are in preparation.

During his visit to Rwanda in February, the Director General discussed ongoing technical cooperation with the President and officially launched the country programme for Rwanda. Other key visits to the region by the Director General included participation in the twenty-sixth African Union Summit that took place in Addis Ababa in January, where he had meetings with the Prime Minister of Ethiopia and the Presidents of Liberia, Senegal, Serbia, Sierra Leone and the State of Palestine as well as other senior officials.

Several UNIDO publications issued during the year focus on Africa. Of particular note is a brochure “Supporting vulnerable countries on their path to poverty eradication and prosperity” that describes UNIDO's activities in support of industrial development in LDCs, LLDCs and SIDS.



## ARAB REGION

A common challenge facing countries in the Arab region, whether high-, middle- or low-income, remains the creation of enough jobs to meet the demands of rapidly growing populations. UNIDO sees the answer in economic and industrial diversification. Its programmes in the region have so far focused on modernization and upgrading, export promotion, SME and entrepreneurship development, agribusiness and rural development, women and youth in productive activities, sustainable energy and environmental management. They also address the pressing need for food and water security in the region.

Migration is currently straining the resources of several countries. The new country programme in Lebanon concentrates on creating jobs and income, in particular for the most vulnerable sectors of society, by promoting inclusive industrial development. So far, UNIDO has secured the livelihoods of 1,500 households through assistance to 15 micro and small enterprises, under a Japanese-funded project. Another UNIDO project has helped 53 agro-enterprises and 17 women's agricultural cooperatives to become more competitive, benefiting 1,000 households engaged in the dairy and olive oil sectors. Women in Iraq continued to benefit from training in non-traditional sectors at the Learning and Knowledge Development Facility run by UNIDO and the Swedish International Development Cooperation Agency (Sida) (see p. 35).

The UNIDO Industrial Modernization Programme in Sudan aims to modernize priority industries, foster sustainable growth in the public and private sectors and create jobs and sustainable livelihoods for factory workers, farmers, fishermen/women and their families, as well as internally displaced persons, youth and women. Projects in Egypt focused on ways of improving youth employability and encouraging economic development in Upper Egypt and South Minya. The United States Agency for International Development (USAID) provided \$12.5 million for the continuation of a project to create jobs for youths in Tunisia; while in Morocco UNIDO has been in partnership with the Volvo Group, USAID and the OCP Foundation to provide vocational training for mechanics.

Under the patronage of UNIDO and the League of Arab States, countries throughout the region attended a meeting of the Arab Youth Forum in January to discuss an innovative approach to green growth and job creation. A side event organized by UNIDO at the same conference saw the launch of a new European Union-funded initiative to deploy clean energy technologies and services in the region. UNIDO has been engaged in preparations for the first World Global Manufacturing and Industrialization Summit that it will host, together with the Government of the United Arab Emirates, in Abu Dhabi in March 2017. The Director General was a panellist at the African Investments and Business Forum in Algiers in December. In his interventions, he emphasized the importance of structural transformation as the key to increasing competitiveness, intraregional trade and regional integration, and ISID. During his stay, he met senior Government officials to discuss cooperation with Algeria.

On Africa Industrialization Day, panellists from Egypt and Tunisia took part in discussions on financing for industrialization. UNIDO, in turn, attended numerous global forums covering the Arab region, including the Arab Forum on Sustainable Development held in Amman in May.



## ASIA AND THE PACIFIC

The middle-income, least developed, landlocked and small island developing States that make up the Asia and Pacific region face disparate environmental and economic challenges. Adopting a tailored approach, UNIDO seeks to improve South-South cooperation, support multi-stakeholder partnerships and strengthen partnerships with development finance institutions (DFIs) under the umbrella of its country programmes. New country programmes were launched during the year in Afghanistan, Cambodia, China, Indonesia, Iran (Islamic Republic of), Myanmar and Vanuatu. Early successes in Myanmar include the creation of new jobs in the rural sector, the development of SMEs and an improvement in the country's export potential. In China, positive results were recorded in the areas of food safety and the development of green industry. Working together with regional organizations, UNIDO continued to encourage regional development cooperation in the Mekong River countries.

Green industry was the topic of a number of meetings held in the region, notably a major conference in June in Ulsan, Republic of Korea, on the theme "Green Industry for Sustainable Cities" as well as a consultation meeting in China in September to prepare an international forum on green industrial development in 2017 (see also p. 20). China's Green Industry Platform Chapter Office has played an active role in promoting green industry and sustainable development.

Other key events in the region included the eighth annual BRICS summit held in Goa, India in October, that recognized in the concluding Goa Declaration, UNIDO's "unique mandate to promote and accelerate ISID and its contribution in promoting industrialization in Africa". UNIDO co-sponsored the nineteenth China International Fair for Investment and Trade in September, where it organized a high-level forum on investment in Africa, with particular reference to the country partnership programmes in Ethiopia and Senegal. A business matchmaking session also featured enterprises in Nigeria. UNIDO and the Shanghai Academy of Social Sciences co-hosted a BRICS consultation workshop in September to bring together stakeholders involved in a UNIDO project to develop cooperation

between SMEs in China and other BRICS countries. At a similar meeting in New Delhi in December, BRICS countries debated the importance of e-commerce for SMEs.

In October, UNIDO hosted a major event at its Headquarters to advance the implementation of the SDGs through enhanced infrastructure and improved connectivity of the African, Asian and European continents, and their adjacent seas, referred to as One-Belt-One-Road. Comprising a city exhibition, a high-level forum, a thematic workshop, matchmaking activities and a study tour, the One-Belt-One-Road Inclusive and Sustainable City Exhibition and Dialogue attracted some 400 participants.

The Director General took part in the "Make in India" week in Mumbai in February, which showcased the potential of design, innovation and sustainability across India's manufacturing sectors in the coming decade. Within the Delivering as One (DaO) programme, UNIDO was involved in a number of activities in India, Indonesia, Nepal, Pakistan, the Philippines, Thailand and Viet Nam. These involved, inter alia, the joint preparation and implementation of the United Nations Development Assistance Framework (UNDAF), resource mobilization for the One Fund, the strategic positioning of ISID in UNDAF as well as the alignment of the recently developed country programmes of the Islamic Republic of Iran and Vanuatu with that of UNDAF.

Preparations were under way during the year for the opening of the first Pacific Centre of Renewable Energy and Energy Efficiency in Tonga in April 2017 (see p. 18).







## EUROPE AND CENTRAL ASIA

UNIDO's projects and programmes in the Europe and Central Asia region are designed to reflect subregional and country priorities. The region's 29 countries range from high-income through middle-income to low-income countries, including several LLDCs. Despite their social, economic and geopolitical differences, UNIDO's concentration in all countries is on economic and industrial diversification for sustained growth, economic competitiveness and industrial productivity, sustainable jobs and enhanced environmental performance. The Organization's programmatic focus ensures a harmonious alignment of its regional and country operations with SDG 9 and other related SDGs.

Throughout the year, UNIDO faced a growing demand for its capacity-building services to enable emerging donors to adapt to a changing development cooperation environment. Donor countries in the region often apply a cost-benefit or added-value principle in their dialogue with the United Nations, placing emphasis on an enabling environment for market access by private businesses to recipient countries. UNIDO organized bilateral technical consultations with Czechia, Hungary, Slovakia and Slovenia to identify the entry points for new modalities of cooperation, with a strong focus on engagement with the private sector.

During the year under review, UNIDO continued to strengthen its portfolio in emerging economies with emphasis on policy measures for economic and industrial diversification, modernization and upgrading; SME and private sector development; technology transfer;

trade facilitation, market access and export promotion; entrepreneurship development; agribusiness and rural development; women and youth in productive activities; business support infrastructure including industrial, science and high-tech parks; sustainable energy and environmental management. The Organization explored partnerships with governments, bilateral donors, DFIs, the private sector, academia and United Nations entities in Albania, Georgia, Montenegro and the Republic of Moldova in preparation for their respective country programmes.

The region is characterized by the active uptake of the DaO approach. While only Albania was a pilot in 2007, currently Bosnia and Herzegovina, Kyrgyzstan, Montenegro and the Republic of Moldova voluntarily apply DaO. Recently, UNIDO has monitored the roll-out, implementation, reporting and evaluation of UNDAF and DaO processes in Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Georgia, Kazakhstan, Kyrgyzstan, Montenegro, Republic of Moldova, Serbia, Tajikistan, the former Yugoslav Republic of Macedonia, Turkey, Turkmenistan, Ukraine and Uzbekistan.

On his visit to Romania in March, the Director General and senior counterparts explored ways to step up cooperation and develop viable partnerships in the area of ISID. The Minister of Foreign Affairs reaffirmed his country's readiness to host the third regional conference on science, industrial and technology parks. During a visit to Bulgaria the same month, the Director General underlined the importance of private sector involvement in development assistance, resulting in a memorandum of understanding signed in November between UNIDO and the Bulgarian Industrial Capital Association. A similar memorandum concluded in November between UNIDO and the Turkish Cooperation and Coordination Agency will build on the existing partnership in agribusiness development, trade, investment and innovation for SMEs, renewable and rural energy, energy efficiency and climate change, environmental management, resource efficiency and the implementation of multilateral environmental agreements.



## LATIN AMERICA AND THE CARIBBEAN

Despite inequalities in terms of social and economic development, many countries of the Latin America and Caribbean region share a similar history, culture and language. These communalities have underpinned the success of regional initiatives such as the Industrial Knowledge Bank, an innovative mechanism of tripartite cooperation created by UNIDO to promote the exchange of knowledge and expertise in countries of Latin America and the Caribbean and provide a mechanism for regional cooperation. Uneven development within the region reinforces the need for international cooperation. Experiences and lessons shared between less competitive countries and high performers constitute the most effective way to reduce these disparities. At the country level, UNIDO is working towards greater synergy with other United Nations initiatives. Country programmes in Cuba and El Salvador were launched during the year, while programmes for Bolivia (Plurinational State of) and Haiti will begin in 2017.

During the year, UNIDO had in place five major interregional programmes, including the Industrial Knowledge Bank. A fisheries project involving Colombia, Cuba, Dominican Republic, Ecuador, Mexico and Nicaragua is helping to improve the meagre income of those working along the value chain by encouraging regional cooperation, improving shrimp harvesting and processing, ensuring conformity with export markets through capacity-building and technology, and maintaining environmental stability. The project contributes to SDGs 1, 2, 8, 9 and 14. Success achieved so far was

shared at a meeting in Guayaquil, Ecuador, in October and included the introduction of automatic feeding systems using renewable energy. Under another regional project, UNIDO has put in place a platform in Argentina, Bolivia (Plurinational State of), Chile, Costa Rica, El Salvador, Guatemala, Panama and Paraguay to draw on regional cooperation and technical expertise in the planning, development and management of eco-industrial parks. The project was launched at a workshop in Vienna in April and the countries involved have endorsed the action plan.

Interregional initiatives included a UNIDO side event at the St. Petersburg International Economic Forum in June designed to strengthen international SME alliances between the Russian Federation and Latin America and the Caribbean. The event brought together senior representatives of government, trade, exporting agencies and manufacturing companies from the region with their Russian counterparts.

UNIDO has long recognized the value of partnerships in the attainment of ISID, and the brokerage of partnerships remains a high priority. Companies from Cuba and Slovakia attended a business round table in Cuba in December to discuss joint business opportunities in packaging, water treatment and waste recycling technology services. Another fruitful partnership brokered by UNIDO links youth organizations in the region with AIESEC, an international non-governmental, not-for-profit organization that provides young people with leadership development and cross-cultural internship and exchange experiences across the globe. An essay competition organized by UNIDO and AIESEC on the topic of the industrialization challenges faced by the region in achieving SDG 9 and ISID saw three winners travel to Vienna in March. During an official visit to Cuba in September, the Director General discussed ways of achieving further cooperation. UNIDO has supported Cuba's industrial development since 1966 and has implemented technical assistance projects on developing national capacities for industrial policy, renewable energy, industrial energy efficiency, optimizing technological processes and promoting cleaner production, and resource efficiency.



### UNIDO LIAISON OFFICE IN BRUSSELS



The role of UNIDO's liaison office in Brussels is to strengthen the policy dialogue and cooperation with European Union institutions and other public and private partners, including Member States represented in Brussels. Key priority areas discussed with the European Union during the year included job creation in the context of migration, youth and women's employment, agro-industry and value chains, engagement with the private sector, the circular economy, climate change and sustainable energy. As a new member of the inter-agency Global Migration Group, UNIDO underlined the importance of ISID for economic transformation and job creation with the European Commission, the European External Action Service,

the European Parliament and the European Investment Bank. During the European Development Days in June, UNIDO organized three high-level panel discussions. The Director General was a keynote speaker on the topic "Engaging the private sector". In November, UNIDO organized four side events in the European Union Pavilion at the COP 22 in Marrakech, Morocco, covering issues such as the water-energy nexus, climate change and the root causes of migration (see also p. 19). One result of the continuous dialogue in Brussels was the selection of a number of UNIDO initiatives to support agro-industrial jobs for youth and women in Ethiopia and Sudan under the European Union Emergency Trust Fund for Africa. UNIDO is working closely with the European Investment Bank on its investment in Ethiopia's Modjo Leather City (see p. 13). At the opening of UNIDO's fiftieth anniversary celebrations in Vienna in November, the European Commissioner for International Cooperation and Development highlighted ISID as one of the most effective means to end poverty, hunger and inequalities. The Secretary-General of the African, Caribbean and Pacific Group of States and the Deputy Secretary General of the European Investment Bank also supported stronger cooperation with UNIDO. On Africa Industrialization Day, UNIDO organized celebrations at the European Parliament together with the African Union and the European Union.

### 3. CROSS-CUTTING PRIORITIES

#### Gender equality and women's empowerment

Gender equality and the empowerment of women are crucial to ISID. UNIDO's Gender Equality and Empowerment of Women Strategy 2016–2019 ensures that all UNIDO programmes, policies and organizational practices are systematically gender-mainstreamed.

As part of UNIDO's technical cooperation procedures, all new programmes and projects during the year underwent a mandatory gender check before submission to the Executive Board. Cleared projects contained a gender analysis, a consideration of the projects' expected impact on women and men, and sex-disaggregated data. Noteworthy projects during the year included one on vocational training for Syrian youth and women refugees in Turkey and a large-scale project

to reduce the use of mercury in artisanal gold mining and increase the capacities of female artisans (see also p. 22).

Initiatives taken within the Organization included training sessions to instill a more inclusive culture and create a better understanding of gender mainstreaming. Mandatory workshops on "Gender, Unconscious Biases and Organizational Culture" in February and March sensitized management and staff to bias and stereotyping that can lead to gender inequalities at the workplace. Among the joint activities undertaken with other Vienna-based organizations, a speed-mentoring session took place on International Women's Day on 8 March. On the same occasion, UNIDO held a panel discussion on the leading role of women entrepreneurs in managing environmentally sustainable businesses and ways in which their experiences can contribute to the effective implementation of the 2030 Agenda.

“SDG 9 states that industrialization should be both inclusive and sustainable. It is encouraging that UNIDO emphasizes the importance of ensuring that women also reap the benefits of economic growth.”

TONE SKOGEN, STATE SECRETARY, ROYAL MINISTRY OF FOREIGN AFFAIRS, NORWAY



UNIDO'S ENTREPRENEURSHIP  
CURRICULUM PROGRAMME  
REACHED MORE THAN

# 2 million

YOUNG PEOPLE

AND TRAINED MORE THAN  
7,000 ENTREPRENEURSHIP TEACHERS





In October, UNIDO co-hosted a meeting in Vienna to agree on the new framework of the United Nations System-wide Action Plan on Gender Equality and the Empowerment of Women (UN-SWAP), which will come into effect in early 2018. UNIDO was one of a handful of agencies invited by UN Women to pilot the next phase of UN-SWAP. Two days of the meeting were devoted to discussions between international experts, representatives from different United Nations entities and partners from the private sector on strategies to promote gender equality and empower women.

In cooperation with ITPO Bahrain, UNIDO's Office for Gender Equality and Empowerment of Women organized an event during the UNIDO fiftieth anniversary celebrations in November on scaling up women's economic empowerment through innovative approaches. It attracted high-level participants such as the Crown Prince of Bahrain and leaders of women's organizations in different parts of the world. A session on gender equality and the empowerment of women held during UNIDO's third Donor Meeting concluded with recommendations from the panellists on the need to measure the effective impact of projects on women and the societies in which they live.

## Productive employment for youth

Most of the world's 1.8 billion young people live in the poorest regions of the world. Less than 40 per cent of youth in developing countries are working, attending school or in training. The obstacles preventing them from engaging in productive activities include inadequate educational and training systems that fail to provide the knowledge and skills required by the labour market. Their youth and lack of experience of business, networks, markets or investment opportunities make it difficult for them to access capital to start or expand their businesses. Under projects in Armenia, the United Republic of Tanzania and countries of the Middle East and North Africa region, UNIDO has successfully addressed the challenge of youth employability. A midterm evaluation of the Armenian project recognized the enormous local demand for its services, its contribution to systemic change and the high national commitment to institutionalize the project's approach through replication and upscaling. In the United Republic of Tanzania, where UNIDO is tackling graduate employability in MSMEs, the project has led to an increased number of linkages between

businesses and universities and has contributed to increased employability among university graduates (see p. 16)

## Partnerships and South-South cooperation

The successful completion of the first phase of UNIDO's PCPs in Ethiopia, Peru and Senegal confirms the benefits of the large multi-stakeholder approach to advance ISID at the national level. UNIDO ensures the full alignment of PCPs with their respective countries' national transformation plans. During the year, UNIDO set up PCP trust funds to support the implementation of national industrial development agendas.

Jointly organized by the Government and UNIDO, Ethiopia's first International Agro-Industry Investment Forum, held in Addis Ababa in October, attracted over 1,200 participants, including representatives of the international private sector and financial institutions (see p. 26). The fifth ISID Forum in Senegal in November identified ISID solutions in Africa and discussed an action plan for the replication of the PCP model across West Africa. In Peru, UNIDO examined ways in which the programme could support the national industrial strategy and the country's goal of joining the Organisation for Economic Co-operation and Development (OECD). The positive impact recorded by all three programmes during the year led to expressions of intent on the part of other countries to adopt the PCP approach.

Cooperation with development finance institutions (DFIs) intensified during the year after UNIDO adopted a targeted approach to forging partnerships with governments, DFIs, private sector operators and other players. From now on, UNIDO will assist countries in the implementation of DFI-financed initiatives that lead to ISID. In June and December, UNIDO signed agreements with the World Bank to enable borrowers to access UNIDO expertise. Similar agreements are currently under negotiation with other finance institutions such as the International Fund for Agricultural Development and the African Development Bank.

UNIDO has stepped up its partnerships with the private sector, international organizations, civil society and academia in order to tap into larger resource pools, such as GEF and the Green Climate Fund, in order to enhance the impact of its operations in relevant areas. UNIDO is currently going through the accreditation

process for the Green Climate Fund. An increase in the number of new partnerships concluded with the private sector during the year reflected a growing interest in ISID. New partners include the Bank of China, the Swiss precious metal processing firm Argor-Heraeus and the Global Food Safety Initiative, to name but a few.

During the year, UNIDO streamlined its South-South and triangular industrial cooperation approach to ensure its reflection in all activities and programmes. The new action plan 2016-2018 focuses on knowledge-sharing and technology diffusion via southern networks, the identification of suitable southern solutions for ISID, the facilitation of cost-effective southern-based industrial solutions and the replication of successful and sustainable capacity-building programmes from southern countries. The “One-Belt-One-Road Inclusive and Sustainable City Exhibition and Dialogue” (see p. 28) constituted a direct contribution to the 2030 Agenda.

## Human security, post-crisis rehabilitation and migration

UNIDO addresses the root causes of migration and socio-economic insecurity at national and local levels by encouraging the formation of MSMEs and restoring and upgrading local productive capacities. Successful projects during the year included vocational training for Syrian youth and women refugees in Turkey as well as a vocational school in Northern Iraq. Supported by UNIDO, the school prepares young people to be self-reliant by teaching them basic skills in a variety of fields including information technology, metal work, truck mechanics, welding, mobile phone repair, forklift operation and English, which will help them find employment. The success of the project has been largely achieved through partnerships with private sector employers and in the context of post-crisis interventions funded by the Government of Japan.

The Learning and Knowledge Development Facility (LKDF) is a platform managed by UNIDO on behalf of Sida that promotes industrial skills development among young people in emerging economies. Working with the private sector through public-private development partnerships, LKDF supports the establishment and upgrading of local

### MIDDLE-INCOME COUNTRIES

According to the World Bank classification, up to 102 UNIDO Member States are defined as low or high middle-income countries (MICs). During the year, UNIDO continued to provide technical advisory services to MICs by promoting inclusive and sustainable industrial policies with a special focus on industrial upgrading, knowledge- and experience-sharing platforms on clean technologies and green industry, and technical cooperation activities. UNIDO’s newest PCP in Peru involves four components, namely: quality innovation; value chain, enterprise and cluster development; sustainable industrial parks; and industrial resource and energy efficiency and renewable energy. It also integrates complementary cross-cutting interventions, including environmental sustainability, gender and women’s empowerment, and inclusiveness in terms of increasing opportunities for SMEs

industrial training academies to help meet the labour market’s increasing demand for skilled employees, ultimately contributing to ISID. Hosted by UNIDO, LKDF currently includes seven industrial training academies in Ethiopia, Iraq, Liberia, Morocco, South Africa, Uruguay and Zambia. Reports from young women in South Africa who completed a brush saw training component show that they were able to find immediate employment.

› [www.lkdfacility.org](http://www.lkdfacility.org)

With about 100 million inhabitants and more than 740,000 refugees, Ethiopia is both an origin and transit point for migrants. In July, the Government of Italy signed grant agreements with UNIDO and ILO as part of the “Stemming Irregular Migration from Northern and Central Ethiopia” programme that aims to create greater employment and economic opportunities for migrants, potential migrants, refugees and returnees, and in particular for women and youth.

## 4. MANAGING UNIDO SERVICES

### Funding and financial contributions

#### *Funding for technical cooperation activities*

The trend of an increasing demand for UNIDO's expertise continued during the year with funding for UNIDO technical cooperation programmes reaching \$210.1 million (figures are without support costs unless stated otherwise). This corresponds to a total growth of 33 per cent over the past five years, which was achieved with the support of an increasingly broad base of partners that recognize the relevance and impact of the Organization's services in the context of the 2030 Agenda.

Reaping the benefits of further administrative improvements and as a result of the high dedication of

UNIDO staff, technical cooperation delivery rose to \$178.6 million, which surpassed the remarkable results of the two preceding years despite a decline in the regular budget.

The level of future payments under signed funding agreements, with the addition of the programmable donor funds available, showed an increase of 21.4 per cent over the level of 2015, with a total of funds mobilized of \$211 million. The overall portfolio of projects and programmes increased to \$503.5 million. This notwithstanding, prospects for a continued high volume of delivery of technical cooperation services remain contingent on the future levels of the regular budget. In this regard Member States are also encouraged to consider contributing to the Special Account of Voluntary Contributions for Core Activities and the Major Capital Investment Fund.

“For more than fifty years we have been working shoulder to shoulder for peace and international development [with UNIDO]. We are 170 nations faithful to the United Nations principles and mission of adhering to the idea of a green industrial development with no one being left behind.”

VLADIMIR I. VORONKOV, PERMANENT REPRESENTATIVE AND AMBASSADOR OF THE RUSSIAN FEDERATION



THE OPEN DATA PLATFORM  
INCLUDES A DATABASE OF OVER

# 25,000

UNIDO PUBLICATIONS  
OVER THE PAST 50 YEARS



TECHNICAL COOPERATION DELIVERY ROSE TO

# \$178.6

## million

SURPASSING THE RESULTS  
OF THE TWO PRECEDING YEARS

Geographically, the focus of UNIDO's donors was again Asia and the Pacific as well as Africa, with voluntary contributions amounting to \$79.3 and \$38.5 million respectively. These were followed by \$31.4 million for global and interregional initiatives, \$29 million for Arab States, \$16.8 million for Europe and Central Asia and \$15 million for Latin America and the Caribbean.

The thematic focus of contributions of funds and that of the donors remained similar to the preceding years, with contributions earmarked by donors for projects contributing to "safeguarding the environment" amounting to \$140.6 million net, followed by \$33.8 million for activities in the field of "advancing economic competitiveness", \$29 million for projects in the area of "creating shared prosperity", and \$6.7 million for cross-cutting areas of UNIDO interventions.

The major funding sources for the programmatic field "safeguarding the environment" were again GEF, with a record net increase in project budgets of \$79.5 million, and the Multilateral Fund for the Implementation of the Montreal Protocol (MLF) that reached \$38.3 million, exceeding contributions recorded in the previous year.

Funding from governments and institutions reached \$88.9 million, with an increasingly broad donor base with individual contributions above \$1 million. Contributions from the European Union amounted to \$16.9 million. Cooperation is expected to increase with several large-scale pipeline programmes under preparation, in particular in sub-Saharan Africa.

The principal governmental contributors with net approvals exceeding \$1 million were Japan with \$11 million and Switzerland with \$10.4 million, followed by Italy with \$6 million, Austria with \$3.7 million, China with \$3.5 million, the Republic of Korea with \$3.2 million, Norway with \$3 million, the United States with \$2.8 million, India with \$2.6 million, Germany with \$2.1 million, Bahrain with \$2 million, Sweden with \$1.8 million, Canada and the Russian Federation with \$1.7 million each and Egypt with \$1.5 million.

In addition to the above, contributions to UNIDO thematic trust funds were received from China, Finland and Peru as detailed below.

*Appendix B of this report details the thematic and geographic distribution of approvals from governments and the European Union by region and thematic priority.*

### *Global Environment Facility*

The partnership with GEF further expanded during the year, reaching a new historical peak of funding of \$79.5 million for UNIDO services for a wide range of countries in the fields of climate change mitigation and adaptation, chemicals and waste, and international waters. This corresponds to a total growth of 128 per cent over the past five years and is a testament to the trust placed in UNIDO's ability to deliver.

### *Montreal Protocol*

Funding from MLF increased by 20 per cent compared to 2015 and reached \$38.3 million. Following the request of the MLF Executive Committee, and in agreement with the countries concerned, UNIDO continued developing project proposals with an emphasis on the introduction of new technologies that are both ozone- and climate-friendly as well as more energy-efficient. The historic amendment to the Montreal Protocol in October, which introduced a phase-down scheme for HFCs will streamline this approach even further. UNIDO conducted surveys on alternatives to ozone-depleting substances in 26 countries financed by MLF as well as surveys on HFC alternatives in two countries financed by the Climate and Clean Air Coalition.

### *Funding from United Nations and multi-partner trust funds*

Contributions from United Nations entities and multi-partner trust funds increased only slightly from the low level of the preceding years to reach \$3.7 million in 2016. The main contributions originated from UNEP with \$ 2.3 million and the United Nations Peacebuilding Fund with \$1.2 million. DaO programmes and multi-partner trust funds stagnated at the low level of preceding years.

### *UNIDO managed trust funds*

In alignment with the resolution adopted by the General Assembly on 21 December 2016 regarding the *Quadrennial comprehensive policy review of operational activities for development of the United Nations system (A/RES/71/243)*, UNIDO encourages its Member States to make voluntary funding more predictable and less earmarked. In this regard, contributions to the Organization's thematic trust funds remain vital if UNIDO is to respond in a flexible, effective and efficient manner to the requests of Member States.

The Partnership Trust Fund, which plays an essential role in the development and scaling up of PCPs, received contributions (including programme support costs) of

\$4 million from China and €609,370 from Peru. Finland contributed €1.4 million in particular towards the Trust Fund on Food Security and the Trust Fund for Trade Capacity Building.

## Staffing

During the year, UNIDO restructured its Human Resources Management services into the areas of talent outreach and recruitment, talent management, and policy and advisory services in order to respond in a more focused and strategic manner to the needs of the Organization. Despite the limited resources available to meet the demands of Member States, UNIDO was able to introduce a number of measures designed to strengthen its human capital capacity. These included a skills inventory to reinforce succession planning, revisions to the benefits and entitlements of core staff, and improved communication between staff and management.

While the percentage of women in the professional and higher categories dropped slightly over the previous year (32 compared to 33 per cent), the year under review saw the appointment of a woman at the managing director level. Through the Office of Gender Equality and Empowerment of Women, UNIDO strengthened partnerships with women's institutions and will pilot the next phase of UN-SWAP (see p. 34).

## Evaluation and quality monitoring

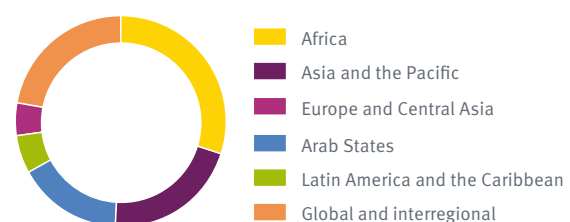
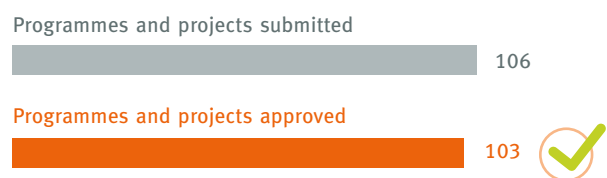
Evaluation and quality monitoring are distinct functions with the common purpose of strengthening accountability and learning, and extracting lessons to support strategic management and decision-making.

Project and programme evaluations provide recommendations and guidance on a project or programme and draw general lessons from specific cases. The findings help improve the services of the Organization and guide management decisions. Quality monitoring ensures that programmes and projects support the achievement of the SDGs and that the development results of programmatic activities adhere to the principles of results-based management (RBM). It also provides inputs to decision makers and facilitates a quality review of technical cooperation. The quality of the results framework design of programmes and projects contributes significantly to

development effectiveness, and lays the groundwork for subsequent results monitoring of the implementation activities and the final evaluation of results. A new project design assessment tool enables better organization-wide understanding of the value of quality monitoring.

UNIDO conducted a country-level evaluation in the United Republic of Tanzania and a multi-country evaluation for the Dominican Republic, Guatemala and Nicaragua. It finalized an independent thematic review of Montreal Protocol projects in countries of Europe and Central Asia, and Latin America and the Caribbean, and commissioned a further 27 independent project evaluations, including nine GEF-funded projects. Outreach activities included a briefing to Permanent Missions and participation in the United Nations Evaluation Group's Evaluation Week in Geneva in April.

Of the 106 programmes and projects submitted to the Executive Board during the year, 103 were approved and three decisions postponed. The overall approval rate of 98 per cent shows a steady increase over recent years. The percentage of approved programmes and projects that are subject to revision prior to and/or during implementation increased from 53 per cent in 2015 to 77 per cent in 2016. This in turn led to improvements in adherence to RBM principles, enterprise resource planning (ERP) compliance and formal requirements.



Of the total number of projects submitted during the year, 30 per cent were in Africa, 21 per cent in Asia and the Pacific, 16 per cent in the Arab region, 6 per cent in Latin America and the Caribbean and 5 per cent in Europe and Central Asia. Global and interregional programmes and projects accounted for 22 per cent of submissions.



Disaggregated by thematic areas, activities concerned with creating shared prosperity accounted for 47 per cent of the total number of projects submitted, safeguarding the environment activities accounted for 30 per cent, advancing economic competitiveness for 9 per cent and cross-cutting programmes and projects for 14 per cent.

## Legal services

The Office of Legal Affairs supports all major programmes and activities, defends UNIDO's interests in litigation matters and plays a key function in the protection of the status, privileges and immunities of the Organization, its representatives, officials and other personnel. The current year saw a sharp increase in demand for UNIDO's legal services. The Office received more than 920 requests for legal assistance and advice, and reviewed 188 drafts of international legal instruments. As an example, the support of the Office of Legal Affairs to the Strategic Donor Relations Division was instrumental in the conclusion of several agreements, including standard agreements for the delivery of UNIDO technical assistance to projects financed by the World Bank or legal arrangements for the establishment of ITPO Germany. Another example is support for the successful conclusion of the fourth Green Industry Conference, held in Ulsan, Republic of Korea. In connection with the Conference, several agreements were signed with new partners to expand scientific and technological research cooperation, promote cleaner production and resource efficiency, and advance eco-industrial park development and eco-friendly urbanization.

## Technology and information systems

UNIDO introduced a number of measures during the year that substantially increased its operational efficiency and effectiveness, and achieved a 68 per cent satisfaction rating in a survey completed by users of its ERP system. A new, streamlined division, responsible for ERP application management as well as information communication technology infrastructure support, introduced over 50 system-related improvements in ERP and knowledge management and collaboration. The automation of key financial statements, as recommended by the external auditors, enabled easy integration into stakeholder reports while improvements in travel management reduced processing time. To mark the



UNIDO initiative at COP 22 in Marrakech, Morocco, pioneering the first bike-sharing scheme in Africa

UNIDO ACHIEVED SAVINGS  
OF OVER

# \$500,000

BY OUTSOURCING THE MAINTENANCE  
OF THE M-BUILDING CONFERENCE  
SYSTEM (AT VIC), AND INSTALLED TWO  
NEW EMERGENCY POWER GENERATORS,  
INCREASING THE STABILITY OF THE  
EXISTING POWER SUPPLY OF DATA  
CENTRES IN THE C-BUILDING



Winning project in the VIC architectural competition



fiftieth anniversary of UNIDO in November, the Organization opened its collection of Industrial Development Abstracts to the public for the first time.

In April, UNIDO hosted the twenty-sixth meeting of the United Nations System Chief Executives Board for Coordination Information and Communication Technology Network as well as the ninety-seventh session of the International Computing Centre Management Committee. In his address, the Director General underscored the importance of the Network Group mandate. UNIDO subsequently hosted a workshop for international organizations to discuss future ERP financial systems.

In the year under review, UNIDO joined the International Aid Transparency Initiative in order to further increase the transparency of its programme and project management activities. Innovations introduced to the Open Data Platform (ODP) included a comprehensive database of over 25,000 UNIDO publications of the past 50 years. Further improvements to be rolled out in early 2017 include the publication of UNIDO data against the Initiative standard, an expanded search function and the display of historic project data.

## Procurement

The volume of procurement during the year under review reached an all-time record of \$125.1 million. The Organization's Procurement Services were instrumental in ensuring a successful UNIDO presence at COP22, in particular the showcasing of renewable energy and energy-efficient technologies and the launch of Africa's first bike-sharing scheme.

There was an increase in the number of bidders competing for UNIDO tenders. UNIDO continued to draw attention to procurement opportunities through a number of outreach activities, which included business seminars and workshops for companies, as well as an orientation seminar for Member States.

## Buildings Management

UNIDO's Buildings Management Services ensure the safe and reliable operation, maintenance and repair of the Vienna International Centre (VIC), including equipment and installations. Many of the improvements and innovations introduced during the year focused on achieving VIC's climate neutrality. VIC became the first United Nations duty station to achieve this goal, in part through modernization efforts undertaken in cooperation with the Government of Austria and by offsetting the minimum amount of unavoidable greenhouse gas emissions through the purchase of United Nations Adaptation Fund Certified Emission Reduction certificates. All VIC buildings were issued with energy efficiency certificates and a large digital energy monitor in the Rotunda—a donation by the Government of Switzerland—displays live data on energy performance in the VIC complex and offers greening tips to staff and visitors. UNIDO achieved savings of over \$500,000 by outsourcing the maintenance of the M-building conference system, and installed two new emergency power generators, increasing the stability of the existing power supply of data centres in the C-Building. In terms of outreach, the sixteenth meeting of the inter-agency network of facility managers met at UNIDO Headquarters in May to discuss best practices in facilities management. July saw the opening of an architectural exhibition and award ceremony for the winners of a competition for young architects organized in cooperation with Vienna's Technical University. The aim of the competition was to propose new design ideas for the public space areas of the VIC.



## **PART II**

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# **Integrated results and performance framework**

Note: Unless otherwise indicated, the baseline year for the UNIDO scorecard is 2015, depending on the availability of data. This part of the Annual Report looks at developments from the baseline using current, i.e. 2016, values.





## UNIDO SCORECARD

The United Nations introduced results-based management (RBM) systems in the late 1990s to improve the formulation of programmes and activities and increase effectiveness and accountability for results and performance. UNIDO has been mainstreaming RBM throughout the Organization for the past ten years. The current medium-term programme framework (MTPF) underlines the importance of a strengthened RBM system, as called for in the Lima Declaration and the “Strategic Guidance Document”. It introduces an integrated results and performance framework (IRPF), including a set of proposed indicators, grouped in two tiers, which support the monitoring and reporting of results. The first tier tracks the expected contribution and relevance to development results at the global, regional and country level while the second captures elements of the Organization’s internal performance.

IRPF complements other monitoring and reporting tools including the Annual Report, the financial and substantive reporting to project donors and partners, or programme/project level monitoring within the enterprise resource planning (ERP) system. While these tools give information on past results, they do not provide by design a comprehensive overview of results to support future planning and action. An important feature of IRPF is that it is forward-looking and lays out in numerical terms the Organization’s projected achievements in its short-, medium- and long-term planning documents. The reporting on IRPF indicators in this Annual Report provides an opportunity to assess the extent to which targets have been reached and to feed this information back into organizational planning.

IRPF indicators and goals derive from short- to long-term strategic planning documents—the Lima Declaration,

MTPF and UNIDO programme and budgets. Grounded on a thorough analysis of the changing environment in which UNIDO operates, these documents provide direction not only on ways to boost efficiency, effectiveness and impact at the country level, but also to ensure the alignment of all UNIDO services and functions to support the implementation of the 2030 Agenda.

The introduction of IRPF was only a first stepping stone. MTPF elaborated the concept and structure of IRPF and provided an initial set of proposed indicators that need continual adjustment as data become available and methodologies are refined. In line with resolution GC.16/Res.1 of the General Conference, the Organization worked on the indicators throughout the year in order to set baselines.

This included a review of the relevance, methodological soundness, measurability, availability of data and resources of all originally proposed indicators, which were grouped in categories according to their robustness. As a next step, an in-house task force elaborated a robust set of indicators, for most of which baselines and targets could be set. They will serve as the basis for future corporate results monitoring and reporting, evolving as the Organization gains more experience and as more data become available. The Annual Report includes for the first time a corporate scorecard, founded on the structure and the indicators of IRPF. The scorecard allows an assessment of UNIDO’s performance and the extent to which it is on track to achieve its goals. The scorecard will be reviewed and updated quarterly on ODP ([open.unido.org](http://open.unido.org)) and yearly in the Annual Report.

## TIER 1. DEVELOPMENT RESULTS

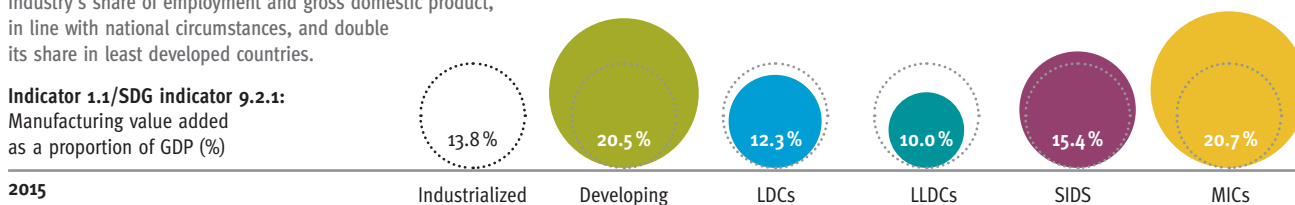
### LEVEL 1. GLOBAL DEVELOPMENT RESULTS

#### SDG INDICATORS RELATED TO INCLUSIVE AND SUSTAINABLE INDUSTRIAL DEVELOPMENT (ISID):

#### INDICATORS 1.1 AND 1.2/SDG 9.2

SDG Target: Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries.

**Indicator 1.1/SDG indicator 9.2.1:**  
Manufacturing value added as a proportion of GDP (%)



**Indicator 1.1/SDG indicator 9.2.1:**  
Manufacturing value added per capita (constant 2010 prices in US\$)



**Indicator 1.2/SDG indicator 9.2.2:**  
Manufacturing employment as percentage of total employment



#### INDICATORS 1.3 AND 1.4/SDG 9.3

SDG Target: Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets.

**Indicator 1.3/SDG indicator 9.3.1:**  
Percentage share of small-scale industries in total industry value added

**Indicator 1.4/SDG indicator 9.3.2:**  
Proportion of small-scale manufacturing industries with a loan or line of credit

#### INDICATOR 1.5/SDG 9.4

SDG Target: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

**Indicator 1.5/SDG indicator 9.4.1:**  
CO<sub>2</sub> emission per unit of value added (kg CO<sub>2</sub> equivalent per US\$ constant 2005 PPP GDP (Units))



#### INDICATOR 1.6/SDG 9.b

SDG Target: Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for, inter alia, industrial diversification and value addition to commodities.

**Indicator 1.6/SDG indicator 9.b.1:**  
Percentage of medium and high-tech industry value added in total value added



**TIER 1. DEVELOPMENT RESULTS**  
**LEVEL 1. GLOBAL DEVELOPMENT RESULTS**

 **SDG INDICATORS RELATED TO INCLUSIVE AND SUSTAINABLE INDUSTRIAL DEVELOPMENT (ISID):**

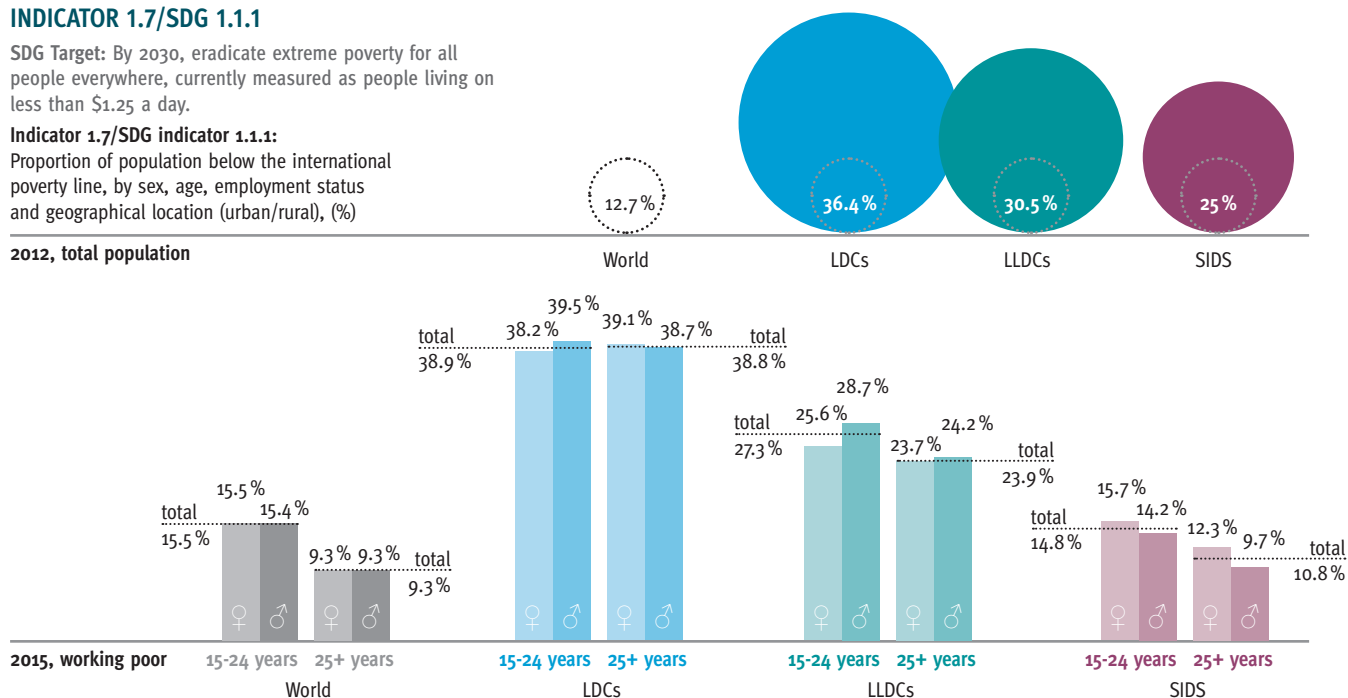
**INDICATOR 1.7/SDG 1.1.1**

SDG Target: By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day.

**Indicator 1.7/SDG indicator 1.1.1:**

Proportion of population below the international poverty line, by sex, age, employment status and geographical location (urban/rural), (%)

2012, total population



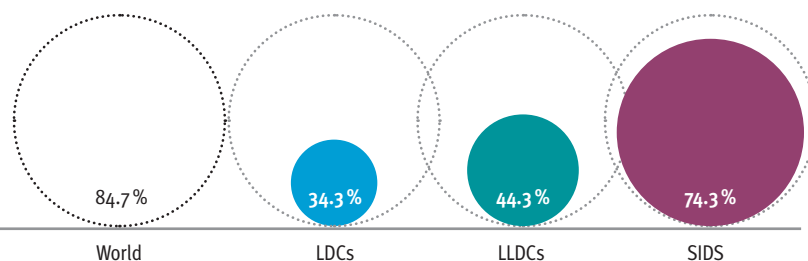
**INDICATOR 1.8/SDG 7.1.1**

SDG Target: By 2030, ensure universal access to affordable, reliable and modern energy services

**Indicator 1.8/SDG indicator 7.1.1:**

Proportion of population with access to electricity (%)

2012



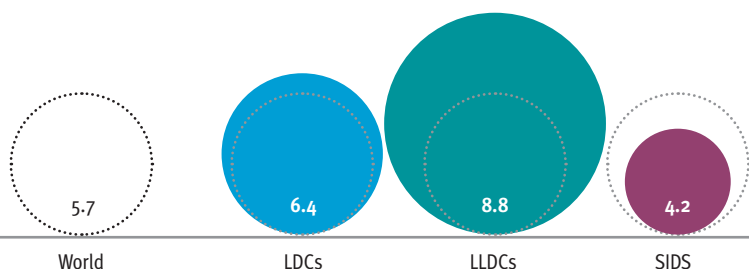
**INDICATOR 1.9/SDG 7.3.1**

SDG Target: By 2030, double the global rate of improvement in energy efficiency

**Indicator 1.9/SDG indicator 7.3.1:**

Energy intensity measured in terms of primary energy and GDP (megajoules per US\$ constant 2011 PPP GDP (Units))

2012



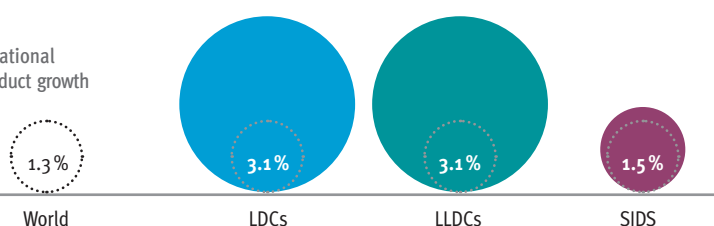
**INDICATOR 1.10/SDG 8.1.1**

SDG Target: Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries

**Indicator 1.10/SDG indicator 8.1.1:**

Growth rate of real GDP per capita (%)

2014



## TIER 1. DEVELOPMENT RESULTS

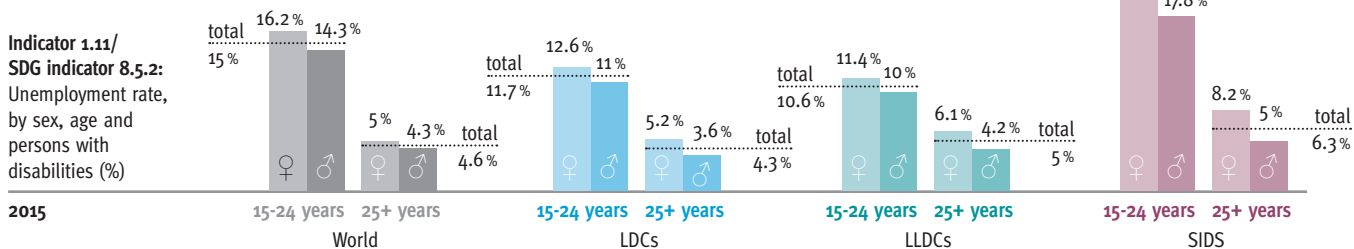
### LEVEL 1. GLOBAL DEVELOPMENT RESULTS (continued)



#### SDG INDICATORS RELATED TO INCLUSIVE AND SUSTAINABLE INDUSTRIAL DEVELOPMENT (ISID):

##### INDICATOR 1.11/SDG 8.5.2

SDG Target: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value



##### INDICATOR 1.12/SDG 11.6.2

SDG Target: By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management

##### Indicator 1.12/SDG indicator 11.6.2:

Annual mean levels of fine particulate matter (e.g. PM<sub>2.5</sub> and PM<sub>10</sub>) in cities (population weighted) (%)



##### INDICATOR 1.13/SDG 17.2.1

SDG Target: Developed countries to implement fully their official development assistance commitments, including the commitment by many developed countries to achieve the target of 0.7 per cent of gross national income for official development assistance (ODA/GNI) to developing countries and 0.15 to 0.20 per cent of ODA/GNI to least developed countries; ODA providers are encouraged to consider setting a target to provide at least 0.20 per cent of ODA/GNI to least developed countries

##### Indicator 1.13/SDG indicator 17.2.1:

Net official development assistance, total and to least developed countries, as a proportion of the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee donors' gross national income (GNI) (%)

See Open Data Platform ([open.unido.org](http://open.unido.org))

2014

##### INDICATOR 1.14/SDG 17.3.1

SDG Target: Mobilize additional financial resources for developing countries from multiple sources

##### Indicator 1.14/SDG indicator 17.3.1:

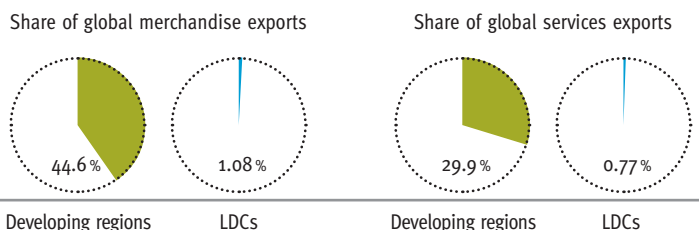
Foreign direct investments (FDI), official development assistance and South-South Cooperation as a proportion of total domestic budget

##### INDICATOR 1.15/SDG 17.11.1

SDG Target: Significantly increase exports of developing countries, in particular with a view to doubling the least developed countries' share of global exports by 2020

##### Indicator 1.15/SDG indicator 17.11.1:

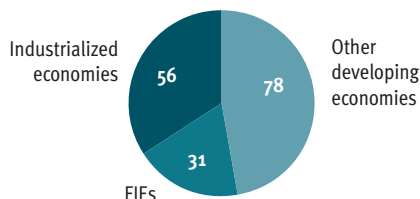
Developing countries and least developed countries' share of global exports (%)



2014

#### INDUSTRIAL COMPETITIVENESS AND INNOVATION CAPACITIES:

##### INDICATOR 1.16



##### Indicator 1.16:

Stage of industrialization (# of countries)

2015

##### INDICATOR 1.17

The CIP index is produced yearly by UNIDO and is composed of 8 indicators assessing industrial performance based on an economy's ability to competitively produce and export manufactured goods. Each indicator is weighted on a scale of 0 to 1. It is an objective index of the current competitiveness and manufacturing potential of 142 countries around the world.

##### Indicator 1.17:

Competitive industrial performance (CIP) index (for bottom 40 countries in CIP ranking, scale: 0-1)

See Open Data Platform ([open.unido.org](http://open.unido.org))

2013



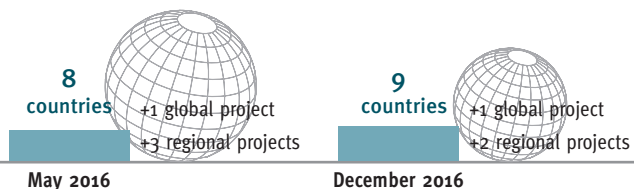
## TIER 1. DEVELOPMENT RESULTS

### LEVEL 2. COUNTRY RESULTS WITH UNIDO ISID SUPPORT

#### INDUSTRIAL STATISTICAL CAPACITIES:

##### INDICATOR 2.1

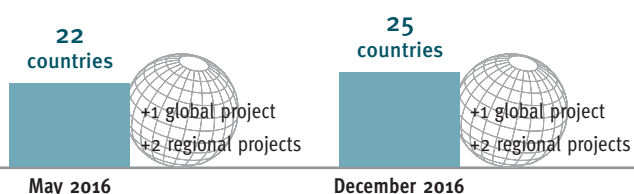
**Indicator 2.1:**  
Strengthened industrial statistics systems and related institutional capacities of countries (# of countries)



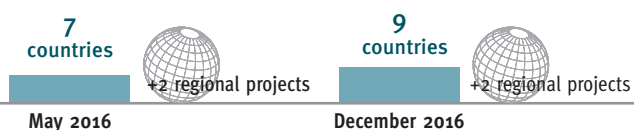
#### COUNTRIES WITH UNIDO PROGRAMMES THAT CREATE SHARED PROSPERITY:

##### INDICATORS 2.2, 2.3 AND 2.4

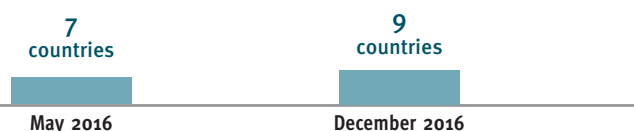
**Indicator 2.2:**  
Increased capacities of countries to address food security and other human security threats through industrial solutions (# of countries)



**Indicator 2.3:**  
Countries with enhanced participation and equal opportunities for women in political, economic and public life (# of countries)



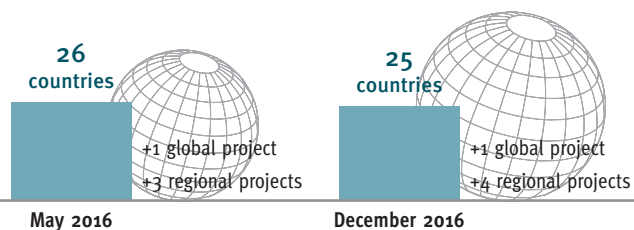
**Indicator 2.4:**  
Countries in a post-crisis situation with increased livelihood opportunities for affected populations via restoring micro and small-scale enterprises, rehabilitation of damaged agricultural or industrial infrastructure, and employment creation (# of countries)



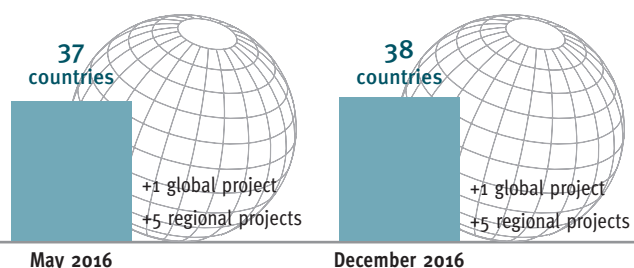
#### COUNTRIES WITH UNIDO PROGRAMMES THAT ADVANCE ECONOMIC COMPETITIVENESS:

##### INDICATORS 2.5 AND 2.6

**Indicator 2.5:**  
Higher levels of ISID achieved in countries, through entrepreneurship, creativity and innovation, and the formalization and growth of enterprises including through higher levels of private sector investments (# of countries)



**Indicator 2.6:**  
Increased capacity of countries to integrate small and medium industrial and other enterprises into national and global value chains and markets (# of countries)



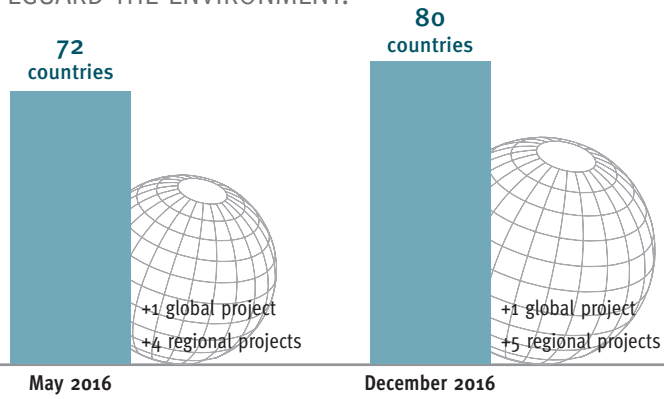
**TIER 1. DEVELOPMENT RESULTS**

**LEVEL 2. COUNTRY RESULTS WITH UNIDO ISID SUPPORT (continued)**

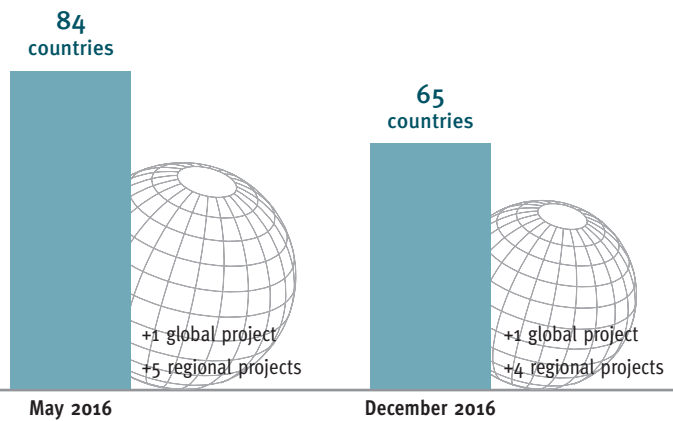
**COUNTRIES WITH UNIDO PROGRAMMES THAT SAFEGUARD THE ENVIRONMENT:**

**INDICATORS 2.8 AND 2.9**

**Indicator 2.8:**  
Enhanced capacity of countries to implement multilateral environmental agreements (MEAs) and mainstream into national and subnational policy, planning, financial and legal frameworks (# of countries)





**Indicator 2.9:**  
Countries with enhanced capacities to manage transformational shifts towards a low-emission and resilient development path, including through low-emission technologies (# of countries)



## TIER 2. ORGANIZATIONAL PERFORMANCE

### LEVEL 3. PROGRAMME MANAGEMENT EFFECTIVENESS

INDICATOR	Baseline year		Target	STATUS		
	2015	2016	2017			
<b>Portfolio management, results-based management (RBM), and monitoring and evaluation (M&amp;E)</b>						
3.1: # of programmes/projects approved by the Executive Board (EB) per region*	AFR	39	32	N/A	-	
	ARB	17	17			
	ASP	22	21			
	EUR	9	4			
	LAC	10	6			
	INT and GLO	19	23			
	Total	116	103			
3.4: Quality of technical cooperation programmes/projects: (%) programmes/projects quality rated moderately satisfactory or higher, at completion	2012-2015	Relevance (HS+S/MS)	91/6	-	≥ 2012-2015	-
		Effectiveness (HS+S/MS)	61/32	-		
		Efficiency (HS+S/MS)	53/28	-		
		Likelihood of sustainability (HS+S/MS)	30/56	-		
		Programme/project management (HS+S/MS)	66/25	-		
		M and E (HS+S/MS)	46/22	-		
<b>Partnership mobilization, gender mainstreaming and knowledge management</b>						
3.6: Amount of partnership-based co-financing/leveraging achieved (million US\$)		0	380	N/A	-	
3.8: Percentage of programmes/projects with gender-informed design as captured by the UNIDO gender marker (%)	Some attention to gender	53.5	60	≥ baseline		
	Significant attention to gender	16.6	23			
	Gender as central focus	0.8	1			
	No attention to gender	6.9	5			
	To be evaluated	22.2	11			
3.10: (%) of programmes/projects addressing gender mainstreaming, at completion		2012-2015 70	-	≥ 70	-	
3.12: Monthly visitor count of UNIDO public website (visitors/month)	Avg. sessions/mon (visits)	82,000	67,000	73,000		
	Avg. users/mon (visitors)	57,000	42,000	46,000		

\* Indicator 3.1 does not include Montreal Protocol projects as they do not follow the same approval process

	2015	2016	
Montreal Protocol projects	AFR	7	19
	ASP	6	8
	EUR	18	3
	West Asia Arab States	16	6
	African Arab States	12	8
	LAC	22	11
	INT and GLO	3	3
	Total	84	58

## TIER 2. ORGANIZATIONAL PERFORMANCE

### LEVEL 4. ORGANIZATIONAL EFFECTIVENESS AND MODERNIZATION

INDICATOR	Baseline year		Target	STATUS	
	2015	2016	2017		
<b>Governance and management</b>					
4.1: Transparency of activities and resource management (index, 0-5)	4.5	3.9	4.5		
4.3: Policymaking organs sessional documents issued in line with legislative deadline and language requirements (%)	54	79	80		
<b>Asset and resource management, alignment, mobilization and stability</b>					
4.4: Collection rate of assessed contributions (%)	87.8	88	N/A	-	
4.5: Average payment delays of assessed contributions (days)	117	117	N/A	-	
4.6: Vacancy ratio (%)	10.7	14	N/A	-	
4.7: Voluntary contributions (million US\$, net approvals)	204.96	210.12	N/A	-	
4.8: Indicator to illustrate the focus of technical cooperation activities per thematic area (%)	Environment and energy	60	-	N/A	
	Poverty reduction	28	-		
	Trade capacity-building	10	-		
	Cross-cutting	2	3.3		
	Safeguarding the environment	-	54.8		
	Advancing economic competitiveness	-	21.5		
	Creating shared prosperity	-	20.4		
4.9: Indicator to reflect budget utilization rate (%)	83	89.7	N/A	-	
<b>Capacity development and knowledge management</b>					
4.10: Geographical diversity of UNIDO human capital: (a) % of Member States nationals under staff contract represented (out of the total number of Member States) (b) % of Member States nationals under all types of contracts (staff and ISA) (out of total number of Member States)	Staff diversity (%)	46	46	50	
	Employee/human capital diversity (%)	82	81	80	
4.11: Gender parity and equality (at different grades) (%)	Internationally recruited staff (M/F)	67/33	68/32	Internationally recruited staff, ≥ P-5, experts/consultants: +1% increase in share of women compared to baseline; locally recruited staff: M/F: 50%/50%	
	≥ P-5 (M/F)	78/22	78/22		
	Locally recruited staff (M/F)	51/49	51/49		
4.12: Breakdown of UNIDO training programmes (%)	Effectively accomplish strategic objectives through managerial and technical skills upgrading	40.7	51.3	N/A	-
	Strengthen internal structures and communications	59.1	48.6		
	Other general competencies upgrading	0.2	0.1		
<b>Business modernization and operational management</b>					
4.13: Average procurement timelines (calendar days)	81.20	75.77	remain within ±10%		
4.14: Average number of companies bidding for a UNIDO procurement action (# of companies)	4.80	4.37	remain unchanged, rounded to 5		
4.15: Satisfactory contract and contractor performance evaluation (%)	98.48	95.10	>90		
4.16: Proportion of sustainable procurement transactions (%)	N/A	2.89	N/A	-	
4.17: Quality of enterprise resource planning (ERP) system, based on client surveys (index)	2014-2015 66%	2016-2017 68%	2018-2019 70%		



## TIER I. DEVELOPMENT RESULTS

### Level 1: Global development results

Level 1 indicators determine the broader industrial development context in which UNIDO is operating. They provide direction that allows the Organization to assess the relevance of its interventions and development progress towards ISID indicators. They illustrate the state of ISID globally and its role in the achievement of SDG 9 as well as other industry-related goals. Level 1 indicators show, for example, the link between ISID and poverty reduction, energy efficiency and access, productive employment, including for women, economic growth, environmental protection and sustainable cities.

The initial set of indicators for this level preceded both the adoption of Agenda 2030 in 2015 and the SDG indicator framework by the United Nations Statistical Commission (UNSC) in March. To show UNIDO's alignment with the current development agenda, the original set of indicators was largely replaced by SDG 9 and other industry-related SDG indicators once available.

UNIDO can now rely partly on its own compilation of data for those SDG indicators for which it is the custodian agency and partly on data provided by international organizations responsible for the other industry-related indicators under the umbrella of UNSC. Throughout the year, UNIDO has been working with UNSC, partner agencies and national statistical offices (NSOs) to improve SDG indicators. Level 1 will evolve together with the SDG indicator framework. Additional indicators that are strongly interlinked with ISID will be taken up as soon as the new robust data become available. Through its collaboration with UNSC and other partners, UNIDO has supported NSOs in the implementation of SDG indicators within their statistical programmes, leading to enhanced cooperation with national and international stakeholders of SDG 9.

#### › IRPF INDICATOR 1.1/SDG INDICATOR 9.2.1:

**Manufacturing value added (MVA) as a proportion of gross domestic product (GDP) and per capita (constant 2010 prices, for selected groups of countries)**

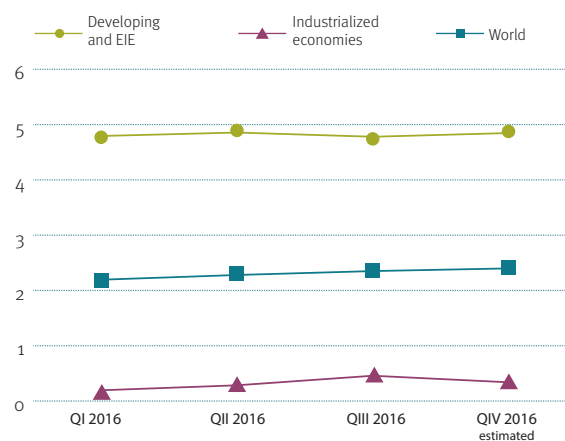
**Target:** To promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of GDP, in line with national circumstances, and double its share in LDCs.

The year following the adoption of the SDGs offered bleak prospects for manufacturing growth and a serious challenge to international development. Slow global manufacturing

growth during the year reflected a prolonged and fragile recovery process in industrialized economies that in turn negatively affected the growth prospects of developing and emerging industrial economies. Midterm annual estimates released in August indicated that the annual growth of MVA was likely to be less than 3 per cent. Manufacturing growth rates remained below 1 per cent in industrialized economies and below 5 per cent in developing and emerging industrial economies.

In China, the largest manufacturing nation, lower growth has become a systematic pattern, pushing downward the average industrial growth of developing and emerging industrial economies. Countries of Latin America and the Caribbean faced a severe decline in manufacturing output, while African countries experienced weaker exports and a lower inflow of capital goods. Particular concerns emerged with regard to the viability of SDG 9.2, which aims to raise industry's share of employment and GDP in line with national circumstances and double its share in LDCs. LDCs need to achieve a double-digit growth of MVA in the coming 13 years to double their share in GDP by 2030—a remote possibility under current trends. The share of MVA in the GDP of African LDCs dropped from 10.6 per cent to 8.6 per cent in 2005. A number of LDCs are small island nations where manufacturing growth is constrained by the size of the domestic market and the cost of transportation of manufactured goods for export. Similar problems face LLDCs in Asia and the Pacific and in sub-Saharan Africa, which lack the infrastructure and international legal transit arrangements with neighbouring countries to transport goods for international trade.

#### GROWTH OF WORLD MANUFACTURING OUTPUT IN % COMPARED TO THE SAME QUARTER OF THE PREVIOUS YEAR



Source: UNIDO statistics

› **IRPF INDICATOR 1.2/SDG INDICATOR 9.2.2:**

**Manufacturing employment as a percentage of total employment (world and selected groups of countries)**

**Target:** To promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and GDP, in line with national circumstances, and double its share in LDCs

In recent years, low growth in production and investment has curbed the number of new jobs in manufacturing, while the share of manufacturing in employment has shown an overall decline in industrialized economies in both absolute and relative terms, from 36.7 per cent in 1970 to 18.8 per cent of total employment in 2014. A rising share of high-technology sectors in manufacturing in industrialized and emerging economies increases labour productivity with a subsequent drop in the number of jobs. Although extensive industrial growth in developing countries, especially in a number of LDCs, has the potential to increase manufacturing employment by attracting labour from agriculture and other traditional sectors, prolonged sluggishness in investment and the mass emigration of the surplus labour force meant that no significant growth in employment was recorded during the year.

› **IRPF INDICATOR 1.5/SDG INDICATOR 9.4.1:**

**CO<sub>2</sub> emission per unit of value added (kg CO<sub>2</sub> equivalent per \$1 constant 2005 purchasing power parity (PPP) GDP)**

**Target:** By 2030, to upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities

Energy efficiency, cleaner fuels and technologies have reduced carbon dioxide emissions per unit of value added. As countries shift away from energy-intensive industries, almost all regions have shown a reduction in the carbon intensity of their GDP. The proportion of the world's energy use covered by mandatory energy efficiency regulations has almost doubled over the last decade, from 14 per cent in 2005 to 27 per cent in 2014.

› **IRPF INDICATOR 1.6/SDG INDICATOR 9.B.1:**

**Percentage of medium- and high-tech industry value added in total value added (for selected groups of countries)**

**Target:** Support the development of domestic technology, research and innovation in developing countries, including by ensuring a conducive policy environment for, inter alia, industrial diversification and value addition to commodities

The classification of industry by technological intensity is based on research and development (R&D) intake

in manufacturing output. The greater the share of R&D expenditure, the higher the level of technological intensity. In 2013, the percentage of medium- and high-technology value added was 50.7 per cent for industrialized economies, 10.0 per cent for LDCs and 38.8 per cent for developing countries and emerging economies.

› **IRPF INDICATOR 1.7/SDG INDICATOR 1.1.1:**

**Proportion of population below the international poverty line, by gender, age, employment status and geographical location (urban/rural)**

**Target:** By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day

The proportion of the global population living below the extreme poverty line dropped from 26 to 13 per cent between 2002 and 2012. Poverty remains widespread in LDCs, where almost 40 per cent of people were living on less than \$1.25 a day<sup>1</sup> in 2012.

› **IRPF INDICATOR 1.8/SDG INDICATOR 7.1.1:**

**Proportion of population with access to electricity**

**Target:** By 2030, ensure universal access to affordable, reliable and modern energy services

Access to affordable, reliable and modern energy services plays a critical role in the economic development of developing countries and countries with economies in transition. Energy for productive uses helps create jobs and greater income-generating opportunities for local communities. The proportion of the global population with access to electricity increased steadily, from 79 per cent in 2000 to 85 per cent in 2012, although in LDCs 65 per cent of the population have no access.

› **IRPF INDICATORS 1.9/SDG INDICATOR 7.3.1:**

**Energy intensity measured in terms of primary energy and GDP (megajoules/\$ constant 2011 PPP GDP)**

**Target:** Double the global rate of improvement in energy efficiency by 2030

Primary energy intensity is obtained by dividing total primary energy supply over GDP and reveals how much energy is used to produce one unit of economic output. Global energy intensity improved by 1.3 per cent per year between 2000 and 2012, falling from 6.7 megajoules per unit of GDP (2011/\$/PPP) in 2000 to 5.7 in 2012. Despite this, progress is being made at only two-thirds of the pace required to reach the target.

<sup>1</sup>Although the World Bank recently changed the poverty line to \$1.90, the official SDG Target 1.1 currently refers to the \$1.25 threshold: <http://unstats.un.org/sdgs/indicators/Official%20List%20of%20Proposed%20SDG%20Indicators.pdf>

#### › IRPF INDICATOR 1.10/SDG INDICATOR 8.1.1:

##### Growth rate of real GDP per capita

**Target:** Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent growth in GDP per annum for LDCs

In 2014, the average annual growth of real GDP per capita was 3.1 per cent in LDCs and 1.3 for the whole world, less than half the target rate of 7 per cent per annum.

#### › IRPF INDICATOR 1.11/SDG INDICATOR 8.5.2:

##### Unemployment rate, by gender, age and persons with disabilities

**Target:** To achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

Sustainable employment prospects are conditional on social security, legal frameworks, labour rights, and access to financial and educational resources. Promoting employment for all plays an important part in ensuring the economic participation and social integration of the poorest population groups and ultimately ISID. In 2015, the unemployment rate for women aged 15 to 24 was 16.2 per cent against 14.3 per cent for men globally. Gender differences are most marked in LDCs where the unemployment rate for women and men aged 25 and beyond was 5.2 per cent for women and 3.6 per cent for men.

#### › IRPF INDICATOR 1.12/SDG INDICATOR 11.6.2:

##### Annual mean levels of fine particulate matter (e.g. PM<sub>2.5</sub> and PM<sub>10</sub>) in cities (population weighted) (%)

**Target:** By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management

More than half of the world's population lives in cities. While cities can be drivers of sustainable development, they can also pose challenges with regard to air pollution, particularly in developing countries. Fine particulate matter such as PM<sub>2.5</sub> and PM<sub>10</sub>, which to a large extent stems from industrial processes, is a particularly problematic pollutant, as it is able to penetrate the respiratory tract. Worldwide, ambient air pollution contributes to 5.4 per cent of all deaths. This, in turn, has a negative impact on economic activity. In 2014, about half the global population living in cities was exposed to air pollution at least 2.5 times higher than the maximum standards set by the World Health Organization

#### › IRPF INDICATOR 1.13/SDG INDICATOR 17.2.1:

##### Net official development assistance, total and to least developed countries, as a proportion of OECD Development Assistance Committee donors' gross national income (GNI)

**Target:** To encourage industrialized countries to commit 0.7 per cent of gross national income to official development assistance (ODA)

ODA remains an important external resource for sustainable development in many developing countries and a crucial means to mobilize public and private finance into ISID investments. The indicator measures the size of flows that are concessional and aimed mainly at promoting development and welfare in developing countries. In addition to the 0.7 per cent for developing countries, ODA providers are encouraged to consider a target of at least 0.20 per cent of ODA/GNI to LDCs. ODA totaled \$131.6 billion in 2015, 6.9 per cent higher in real terms than in 2014, and represents the highest level ever reached.

#### › IRPF INDICATOR 1.15/SDG INDICATOR 17.11.1:

##### Developing countries and LDCs' share of global exports

**Target:** Significantly increase the exports of developing countries, in particular with a view to doubling the LDC share of global exports by 2020

While the share of LDC merchandise exports nearly doubled from 2000 to 2014, it still represents a small fraction of global exports. The share of global merchandise exports in developing regions was 44.6 per cent for 2014 compared to 1.1 per cent in LDCs.

### *Industrial competitiveness and innovation capacities*

#### › IRPF INDICATOR 1.16: Stage of industrialization

The designation of economies as "industrialized" or "developing and emerging industrial" is based on adjusted MVA per capita. An economy is considered to be "industrialized" if its adjusted MVA per capita is higher than \$2,500 or its GDP per capita is above \$20,000 by PPP. An "emerging industrial economy" corresponds to an economy with an adjusted MVA per capita ranging between \$1,000 and \$2,500 or an economy whose share of world MVA is higher than 0.5 per cent. All remaining economies fall in the category of "other developing economies." In 2015, 56 countries were considered industrialized, 31 emerging industrial economies and 78 countries were designated as developing economies.

› **IRPF INDICATOR 1.17: Competitive industrial performance (CIP) index for bottom 40 countries in CIP ranking scale: 0-1**  
The CIP index is produced yearly by UNIDO and is composed of eight indicators assessing industrial performance based on an economy's ability to competitively produce and export manufactured goods. Each indicator is weighted on a scale of 0 to 1. It is an objective index of the current competitiveness and manufacturing potential of 142 countries around the world. The CIP index for the bottom 40 countries in CIP ranking scale 0-1 is available on ODP ([open.unido.org](http://open.unido.org)).

## Level 2: Country results with UNIDO ISID support

Tier I level 2 indicators are intended to report on how well UNIDO is supporting countries in achieving their desired sustainable development results through its ISID programmes and projects, dealing with increasing the effectiveness of institutions and addressing gaps in infrastructure, investment and connectedness. The indicator groupings are in line with the thematic priorities defined in MTPF and the programme and budgets document. Level 2 establishes the link between UNIDO's technical cooperation implementation level and strategic level.

In practice, data for level 2 are collected from UNIDO's ERP system. The projects are grouped and counted according to the priority area and project country assigned at their entry in the system by the project manager. While ERP-based monitoring of country-level results is the most efficient and comprehensive option available, it is contingent on the further development of the Organization's information technology capabilities. During the year, UNIDO introduced a monitoring process for level 2 indicators that is reliable and implementable with current capabilities. The agreed methodology will ensure regular reporting on the number of countries served in UNIDO's programmatic areas. Preparatory work has been undertaken to further develop the methodology and IT resources to improve or supplement current level 2 indicators to better capture results achieved at the country level.

Technical constraints on the measurement of level 2 indicators mean that projects covering multiple thematic areas can only be counted once. Similarly, individual countries that fall under the coverage of regional or global projects are not recognized by the system and are excluded from the count. The system provides a snapshot of portfolio composition and geographical representation at the point of measurement—the end of the year for the purpose of this scorecard—rather than an average or total of projects implemented during a given period. It should be noted that the figures themselves are not indicative of the size of

UNIDO's portfolio in each country. Indicators relating to portfolio growth are featured at level 3.

### › IRPF INDICATOR 2.1: Strengthened industrial statistics systems and related institutional capacities of countries

Established quality standards and periodic statistical reports are used to gauge the success of efforts to strengthen national statistical capacities. By the end of the year, UNIDO projects had enabled nine countries to improve their statistical operations, in addition to one global and two regional programmes. These numbers show an increase of one country programme and a decrease of one regional programme in comparison to a measurement taken in May, which is considered the baseline for this level of indicators.

### *Countries with UNIDO programmes that create shared prosperity*

#### › IRPF INDICATOR 2.2: Increased capacities of countries to address food security and other human security threats through industrial solutions

Programmes are focused on agricultural productivity, value chains and agricultural technologies.

The indicator measures the number of countries supported by UNIDO activities in the upgrading of institutional and business capacities in the field of food and human security. At the end of 2016, UNIDO supported more than 25 countries (an increase of three since May 2016) with programmes focusing on raising agricultural productivity, value chain upgrading, and adoption and modernization of agricultural technologies addressing food security, and is running one global and two regional programmes.

#### › IRPF INDICATOR 2.3: Countries with enhanced participation and equal opportunities for women in political, economic and public life

When women and men are equal, economies grow faster and fewer people remain in poverty. This indicator measures the number of countries where gender inequalities have been reduced with the support of UNIDO. Technical cooperation services focus on investments in women-owned businesses, strengthening women networks, improving access to markets and providing training, technology and clean energy solutions for ISID.

By the end of 2016, programmes in nine countries had helped create an environment with more equitable opportunities for women. In 2015, there were two regional programmes with this focus. New projects have been initiated in two countries since May while the number of regional and global programmes in this area between May and December remained unchanged.



› **IRPF INDICATOR 2.4:** Countries in a post-crisis situation with increased livelihood opportunities for affected populations via restoring micro and small-scale enterprises, rehabilitation of damaged agricultural or industrial infrastructure and employment creation

Support services in this field concentrate on local capacity-building, institutional strengthening, access to renewable energy, SME development and promoting investment in infrastructure. Programmes under this priority numbered nine at the end of the year, an addition of two since May.

*Countries with UNIDO programmes that advance economic competitiveness*

› **IRPF INDICATOR 2.5:** Higher levels of ISID achieved in countries, through entrepreneurship, creativity and innovation, and the formalization and growth of enterprises including through higher levels of private sector investments

In order to tackle global industrial development issues effectively and carry out its ISID mandate, UNIDO complements its expertise and services with the resources and know-how of the private sector. UNIDO also supports countries improve institutional and business capacities in the field of entrepreneurship, innovation and enterprise development. Consequently, by the end of the year, a higher level of ISID was evident in 25 countries, in addition to the results of one global, and four regional projects.

› **IRPF INDICATOR 2.6:** Increased capacity of countries in integrating small and medium industrial and other enterprises into national and global value chains and markets

In the field of SME development and internationalization, UNIDO's services cover the establishment and maintenance of global networks, policy recommendations and advisory services for the private sector on integration into the global economy, investment promotion, export competitiveness, technology, exchange of expertise and other partnership opportunities. By the end of the year, trade capacity-building and policy advice programmes were in place in 38 countries, one more than in May, in addition to one global and five regional programmes.

*Safeguarding the environment*

› **IRPF INDICATOR 2.8:** Enhanced capacity of countries to implement multilateral environmental agreements and mainstream into national and subnational policy, planning, financial and legal frameworks

UNIDO advises governments on how to adopt new technologies and strategies that will support their efforts

towards green growth. It also supports countries in the management of environmental resources, energy-saving policies and compliance with international environmental agreements. At the end of the year, UNIDO had programmes in place to help 80 countries to meet their obligations under multilateral environmental agreements—an increase of eight since May—in addition to one global and five regional programmes.

› **IRPF INDICATOR 2.9:** Countries with enhanced capacities to manage transformational shifts towards a low-emission and resilient development path, including through low-emission technologies

UNIDO interventions in this field include the promotion of clean energy, international partnerships to reduce greenhouse gas emissions, shared technical expertise, green finance promotion, research and specialized analyses. With the completion of projects in 19 countries during the second half of the year, the number of countries supported by activities that fall in the above categories was 65 in December. Four regional programmes were under implementation at the end of the year, while one regional project has been completed since May 2015. The number of global programmes has remained the same.

## TIER II. ORGANIZATIONAL PERFORMANCE

### Level 3: Programme management effectiveness

Level 3 indicators track the effectiveness of UNIDO's programme management in achieving the desired development results. Particular attention is given to monitoring the quality of programmes and projects at entry and at completion. They also track the degree to which UNIDO mainstreams gender equality, the empowerment of women, partnership mobilization and other cross-cutting priorities. Level 3 indicators draw on and complement performance enhancing measures in place prior to the introduction of IRPF. These include quality assurance processes, self-evaluations, real time monitoring of performance and results, independent evaluation and external audits. The diversity of sources that provide data for level 3 indicators—ERP and ODP, findings and ratings published in independent evaluation reports and desk reviews—is an indication of the complexity inherent in this level.

#### **IRPF INDICATOR 3.1: Number of programmes/projects approved by the Executive Board per region**

The programmes and projects approved each year by UNIDO's Executive Board cover all six geographical categories in which the Organization has operations. The number of UNIDO's approved projects and programmes decreased slightly from 116 in 2015 to 103 in 2016. The majority of the projects approved cover the regions of Africa and Asia and the Pacific with 32 and 21 projects respectively, with a slight decline from the baseline year (2015).

These numbers do not include the projects/programmes that are funded for the implementation of the Montreal Protocol. These projects follow a different approval process and are therefore not included in the above indicator.

The total number of Montreal Protocol projects and programmes approved by the Executive Board was 58 in 2016 compared to the 2015 baseline of 84.

The geographical distribution of the Montreal Protocol projects for 2016 was: 19 in Africa, 8 in Asia and the Pacific; 6 in West Asia Arab States, 8 in African Arab States, 11 in Latin America and the Caribbean; 3 in Europe and Central Asia; and 3 international or global projects. This represents a decrease in the number of the projects in all regions with the exception of the projects with global focus, for which the number remained the same.

#### **IRPF INDICATOR 3.4: Quality of technical cooperation projects and programmes rated moderately satisfactory or higher, at completion**

A baseline for quality criteria was synthesized from independent evaluations conducted between 2012 and 2015 of projects implemented between 2009 and 2012. The baseline shows an overall positive picture. The quality of technical cooperation projects was particularly positively evaluated in the areas of relevance, effectiveness, and programme and project management, with 97 per cent, 93 per cent and 91 per cent of projects respectively rated as moderately satisfactory or higher. Areas to which UNIDO could pay greater attention are efficiency, sustainability, and monitoring and evaluation mechanisms. In these respective areas, 81 per cent, 86 per cent, and 68 per cent of projects were rated moderately satisfactory or higher. A new value will be synthesized after four years. A target for this indicator will be values that exceed the 2012-2015 baseline.

#### *Partnership mobilization, gender mainstreaming and knowledge management*

#### **IRPF INDICATOR 3.6: Amount of partnership-based co-financing/leveraging achieved**

Partnership-based co-financing is funding that may be channelled entirely or partly from the financier to UNIDO's partner and not necessarily through UNIDO. The operationalization of UNIDO's partnership approach led to a mobilization by the end of the year of \$380 million as partnership-based co-financing. No partnership based co-financing funds were leveraged in 2015 under this methodology.

#### **IRPF INDICATOR 3.8: Percentage of programmes/projects with gender-informed design as captured by the UNIDO gender marker**

The definition measures the percentage of project outputs by gender relevance as captured by the UNIDO gender marker. The gender marker provides a way to categorize UNIDO's technical cooperation project outputs based on their "gender relevance" and expected contribution to gender equality and/or the empowerment of women within the context of ISID. The focus on gender shows a slight increase over 2015 following staff training, with 60 per cent of ongoing programmes incorporating a gender-informed design against 53 per cent in the baseline year. A higher target was set for 2017.

#### **IRPF INDICATOR 3.10: Percentage of projects/programmes addressing gender mainstreaming, at completion**

This indicator measures projects addressing gender mainstreaming at their completion. Based on independent evaluations in the period 2012-2015 of projects implemented and completed between 2009 and 2012, it was found that 70 per cent of all projects at completion addressed gender issues. A higher target has been set for the next four years. In 2017, UNIDO will continue efforts to address knowledge and data gaps in order to improve gender-related statistics.

#### **IRPF INDICATOR 3.12: Monthly visitor count at the UNIDO public website**

According to Google Analytics data, during 2016 the updated UNIDO website received an average of 67,000 monthly visits by an average of 42,000 users. This shows a decrease over the monthly figures for 2015 (82,000 visits and 57,000 users) as a result of a system upgrade carried out by an external company, which altered the resulting figures. The target for 2017 is a ten per cent increase, although the planned migration of the public website to a new content management system is expected to have an unpredictable impact on the 2017 reported figures.

### **Level 4: Organizational effectiveness and modernization**

In common with level 3, level 4 focuses on the Organization's internal performance. It monitors the Organization's capacity to manage its processes effectively as well as its ability to rise to challenges and adapt to change. The indicators capture aspects of governance as well as management, such as financial, human resources and operational management. Although most of the data for these indicators derives from ERP modules and reports, some indicators require additional surveys or progress reports. The frequency of data collection can vary depending on the indicator. Since this set of indicators is based on established processes, databases and responsibilities, they have from the outset been more robust, as already anticipated in MTPF 2016-2019. With the strengthening of the original set during the year, the IRPF in-house task force was able to establish baselines and targets for most indicators.

#### *Governance and management*

##### **› IRPF INDICATOR 4.1: Transparency of activities and resource management**

UNIDO's focus on results and accountability requires the commitment of the management to improve internal operations and increase transparency for stakeholders. This translates

into a necessity to improve the overall capacity to monitor and share data and knowledge, and to optimize business operations. In an effort to measure this commitment, as well as the effectiveness of the distribution of relevant resources, UNIDO created a composite index. The factors to be averaged together were financial and human resources, inventory and several milestones to be reached such as the publishing and development of ODP. The overall level of transparency is given as an index from 1 (poor) to 5 (excellent).

In 2015 when ODP was introduced, the average rating was 4.5 and serves as a baseline. The only factor that received a rating of 3 concerned financial capacity. During the second phase in 2016, the overall index decreased to 3.9. The two factors with the lowest ratings were financial capacity and preparation of ODP for International Aid Transparency Initiative publishing. The target for 2017 is 4.5 depending on ratings given for the development of SDG indicators, the launching of SDG reporting, project outcomes reporting, continuous improvements to ODP and others.

##### **› IRPF INDICATOR 4.3: Policymaking organs sessional documents issued in line with legislative deadline and language requirements**

The indicator of corporate governance and issuance of documents for the sessions of the policymaking organs in compliance with legislative deadlines and language requirements was 79 per cent in the current year, measured against a baseline of 54 per cent in 2015. The target for 2017 remains close to the 2016 value, at 80 per cent, since three sessions of the governing bodies in 2017 are expected to increase the volume of documentation.

#### *Asset and resource management, alignment, mobilization and stability*

##### **› IRPF INDICATOR 4.4: Collection rate of assessed contributions**

UNIDO's budget is financed through a combination of assessed and voluntary contributions. The above indicator measures the collection rate of assessed contributions received from Member States during a fiscal year, which are payable in full. The collection rate of assessed contributions rose marginally from 87.8 per cent in 2015 to 88.0 per cent in 2016.

##### **› IRPF INDICATOR 4.5: Average payment delays of assessed contributions**

The above indicator measures the average payment delays of assessed contributions that are received within the year of due date, i.e. excluding amounts received outside the billing year and amounts received for prior years. For the current year, the average payment delay of assessed contributions was 117 days, as was the case in 2015.

› **IRPF INDICATOR 4.6: Vacancy ratio**

This indicator measures the percentage of positions under active recruitment at the end of the reporting period as well as the demand for staff. The ratio considers the details of established positions under the regular and operational budgets for all locations and includes information for both Professional and General Service staff. The ratio for the baseline year 2015 was 11 per cent and climbed to 14 per cent during the current year.

› **IRPF INDICATOR 4.7: Voluntary contributions**

This indicator reflects the voluntary financial resources approved for implementation during the reporting period of a calendar year. It includes new project allotments as well as changes to project budgets authorized for implementation during the reporting period. Funding from Special Resources for Africa is not included in the calculation of this indicator. Voluntary contributions for 2015 were \$204.961 million compared to \$210.120 million in 2016.

› **IRPF INDICATOR 4.8: Indicator to illustrate the focus of technical cooperation activities per thematic area**

The indicator measures the volume of voluntary contributions that are earmarked during the reporting period for the thematic areas of work as established in the programme and budgets document. In 2015, 60 per cent of voluntary contributions were allocated to environment and energy; 28 per cent to poverty reduction; 10 per cent to trade capacity-building; and 2 per cent to cross-cutting. For 2016, the distribution was as follows: safeguarding the environment: 54.8 per cent; advancing economic competitiveness: 21.5 per cent; creating shared prosperity: 20.4 per cent; and cross-cutting: 3.3 per cent.

› **IRPF INDICATOR 4.9: Indicator to reflect budget utilization rate**

This indicator aims to reflect the extent of utilization of budget appropriation of the regular and operational budget. The rate for 2015 was 83.25 per cent, increasing to 90 per cent in 2016.

### *Capacity development and knowledge management*

› **IRPF INDICATOR 4.10: Geographical diversity of UNIDO human capital**

Capturing the number of Member States' nationalities granted a UNIDO employment contract out of the total number of UNIDO Member States, this indicator measures the percentage of Member States represented in UNIDO's human capital (staff and consultants). In both 2015 and 2016, the percentage of Member States represented by staff members

holding regular contracts in the Professional and higher categories was 46. The representation of Member States among staff holding Individual Service Agreements (ISAs) dropped from 82 per cent in 2015 to 81 per cent in 2016. The target for this indicator is a value higher than 50 per cent for regular contracts and higher than 80 per cent for ISAs.

› **IRPF INDICATOR 4.11: Gender parity and equality at different grades**

The indicator measures female staff as a share of the total number of international and national staff within a budget year. The share of women in the Professional and higher categories was 32 per cent in 2016, 1 per cent less than in the previous year. One of the three Managing Director (D-2) posts was filled with a woman during the year.

› **IRPF INDICATOR 4.12: Breakdown of UNIDO training programmes**

This indicator measures the percentage of training courses in three areas. The courses in the first area are tailored to the advancement of technical skills within the Organization's thematic priorities, such as industrial competitiveness and innovation, industrial human resources and gender equality, industrial governance, the environmental footprint of industries and other focus areas related to SDG 9. Courses in the second grouping aim at the improvement of internal structures and communications, for example through multilingual capacities. Courses in the third group are geared towards the general upgrading of competencies.

Training courses aligned to the accomplishment of strategic objectives through managerial and technical skills rose from 40.7 per cent in 2015 to 51.3 per cent in 2016. Training covering the thematic priority "strengthening internal structures and communication" showed a decline from 59.1 per cent in 2015 to 48.60 per cent in 2016. Training on upgrading in other general competencies showed a negligible change of 0.2 per cent in 2015 to 0.1 per cent in 2016.

### *Business modernization and operational management*

The following set of indicators assesses the efficiency of procurement processes, the attractiveness of UNIDO in the commercial business community and the business friendliness of the procurement framework.

› **IRPF INDICATOR 4.13: Average procurement timelines;**  
**IRPF INDICATOR 4.14: Average number of companies bidding for a UNIDO procurement action;**  
**IRPF INDICATOR 4.15: Satisfactory contract and contractor performance evaluation;**



**IRPF INDICATOR 4.16: Proportion of sustainable procurement transactions; IRPF INDICATOR 4.17: Quality of the ERP system, based on client surveys**

The average length of the procurement cycle for open competition under centralized procurement dropped from 81 days in 2015 to 75 days in 2016, but remained within the target range of +/- 10 per cent. The number of companies bidding for a UNIDO procurement action slightly decreased from rounded 5 companies to rounded 4 (4.37) companies. During the year, 95 per cent of contract and contractor performance evaluations received a satisfactory rating, slightly less than the 98 per cent figure for 2015 but above the target threshold of 90 per cent or more.

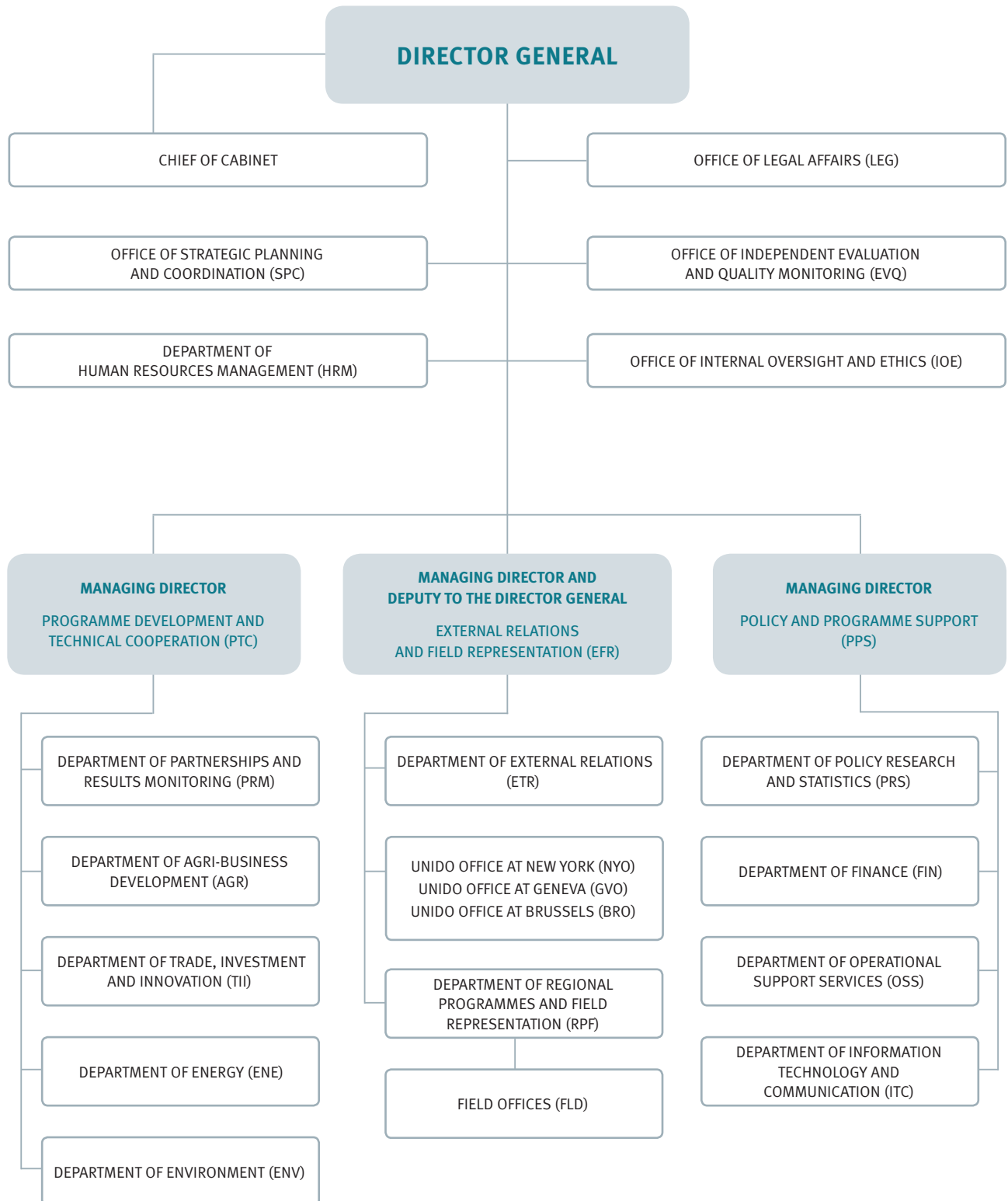
The indicator referring to sustainable procurement transaction aims to assess UNIDO's performance in managing sustainability goals—with a specific focus on environmental goals—during the procurement process of services, goods and works. Measured for the first time in 2016, the baseline value of the indicator is 2.89 per cent.

Indicator 4.17 measures the success of ERP implementation, based on user attitude and feedback. As part of IRPF, a uniform ERP survey was released in July that measured various factors that culminate in an “overall satisfaction” rating by ERP users. The overall satisfaction rate of 66 per cent in 2014/2015 jumped up two percentage points in 2016/2017. A 70 per cent satisfaction target is set for 2018/19.

## ABBREVIATIONS

<b>BRICS</b>	Brazil, Russian Federation, India, China, South Africa
<b>CIP</b>	competitive industrial performance
<b>COP 22</b>	Conference of the Parties to the United Nations Framework Convention on Climate Change (twenty-second session)
<b>DaO</b>	Delivering as One
<b>DFI</b>	development finance institution
<b>ECOWAS</b>	Economic Community of West African States
<b>EIE</b>	emerging industrial economy
<b>ERP</b>	enterprise resource planning
<b>FAO</b>	Food and Agriculture Organization of the United Nations
<b>GDP</b>	gross domestic product
<b>GEF</b>	Global Environment Facility
<b>GNI</b>	gross national income
<b>HFC</b>	hydrofluorocarbon
<b>HLPF</b>	High-level Political Forum on sustainable development
<b>IATF</b>	Inter-agency Task Force
<b>IATT</b>	United Nations Inter-agency Task Team
<b>ILO</b>	International Labour Organization
<b>IRPF</b>	integrated results and performance framework
<b>ISID</b>	inclusive and sustainable industrial development
<b>ISO</b>	International Organization for Standardization
<b>ITPO</b>	Investment and Technology Promotion Office
<b>LCET</b>	low-carbon low-emission clean energy technology transfer
<b>LDC</b>	least developed country
<b>LKDF</b>	Learning and Knowledge Development Facility
<b>LLDC</b>	landlocked developing country
<b>MLF</b>	Multilateral Fund for the Implementation of the Montreal Protocol
<b>MSME</b>	micro, small and medium-sized enterprise
<b>MTPF</b>	medium-term programme framework
<b>MVA</b>	manufacturing value added
<b>NSO</b>	national statistical office
<b>ODA</b>	official development assistance
<b>ODP</b>	Open Data Platform
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>PAGE</b>	Partnership for Action on Green Economy
<b>PCP</b>	Programme for Country Partnership
<b>PFAN</b>	Private Financing Advisory Network
<b>POP</b>	persistent organic pollutant
<b>PPP</b>	purchasing power parity
<b>RBM</b>	results-based management
<b>SDG</b>	sustainable development goal
<b>SECO</b>	Swiss State Secretariat for Economic Affairs
<b>Sida</b>	Swedish International Development Cooperation Agency
<b>SIDS</b>	small island developing State
<b>SME</b>	small and medium-sized enterprise
<b>STI</b>	science, technology and innovation
<b>TICAD</b>	Tokyo International Conference on African Development
<b>UNDAF</b>	United Nations Development Assistance Framework
<b>UNEP</b>	United Nations Environment Programme
<b>UNFCCC</b>	United Nations Framework Convention on Climate Change
<b>UNIDO</b>	United Nations Industrial Development Organization
<b>UNSC</b>	United Nations Statistical Commission
<b>UN-SWAP</b>	United Nations System-wide Action Plan on Gender Equality and the Empowerment of Women
<b>USAID</b>	United States Agency for International Development
<b>VIC</b>	Vienna International Centre

# UNIDO ORGANIZATIONAL STRUCTURE









“By supporting developing countries to benefit from the next industrial revolution, you are helping to drive the transformation the world needs. As the world advances towards the Sustainable Development Goals, UNIDO’s relevance will continue to grow. I wish UNIDO and its partners every success.”

[Ban Ki-Moon, Secretary-General of the United Nations, on the occasion of UNIDO’s fiftieth anniversary](#)

“With the 2030 Agenda, we really have it within our reach to end poverty, hunger and inequalities once and for all. Inclusive and sustainable industrialization is one of the most effective means to do that.”

[Neven Mimica, European Commissioner for International Cooperation and Development](#)

“Defining the strategy of development until 2030 is among the most important long-term multilateral agendas existing today. The task is complex, but the mission should be clear: make our common industrial development sustainable.”

[Istvan Lepsenyi, Minister of State for Economic Development and Regulation, Hungary](#)

“Looking back at the past 50 years, industrialization has been the key in changing the lives of people all over the world ... UNIDO has played an essential role in this transformation.”

[Mitsuru Kitano, Permanent Representative and Ambassador of Japan](#)



UNITED NATIONS  
INDUSTRIAL DEVELOPMENT ORGANIZATION