



Industrial Development Board

Forty-ninth session

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Item 5 of the provisional agenda

Programme and budgets, 2022–2023

Programme and budgets, 2022–2023

Adjustments to the proposals of the Director General

Following the informal consultations held at the thirty-seventh session of the Programme and Budget Committee, the present document provides details on the changes to the proposals of the Director General on the programme and budgets, 2022–2023, contained in document [IDB.49/5-PBC.37/5](#).

Context

1. The Director General submitted the proposals on the programme and budgets, 2022–2023 ([IDB.49/5-PBC.37/5](#)) to the thirty-seventh session of the Programme and Budget Committee on 22 March 2021 in compliance with Article 14 of the Constitution and financial regulations 3.1 and 3.4.
2. The Informal Working Group on Programme and Budget Committee-related issues reviewed the submitted proposal with a recommendation that the Director General considers presenting zero real growth budgets, without constituting a precedent for future budgets, in recognition of the difficult economic situation that Member States face while addressing challenges posed by the COVID-19 pandemic.
3. At the request of Member States, the present document provides details on the adjustments to the revised programme and budgets, 2022–2023. It lists changes in resource requirements, specifically those activities for which additional funding has been retained, as well as requests for additional funding that have been decreased or removed from the revised budgets.
4. The revised summary budget tables can be found in the annex to this document.

Summary of the revised proposals

5. The adjustment to the estimates in document [IDB.49/5-PBC.37/5](#) results in gross regular budget expenditures of €145,929,543. These are to be financed from assessed contributions in the amount of €141,856,243 and other income of €4,073,300.
6. The revised proposals contain the following changes to the regular budget, resulting in a total decrease of €2,184,899 including the corresponding inflation,



compared to the Director General's proposals contained in document [IDB.49/5-PBC.37/5](#):

(a) Decrease in staff costs consisting of the cancellation of two upgrades from the GS to P category (€154,400), reduction in staff training (€60,000), as well as reduction in consultancy and general temporary assistance (€203,100);

(b) Further decrease in travel costs of €176,700 in addition to savings proposed in document [IDB.49/5-PBC.37/5](#);

(c) Reduction in information technologies of €682,550 through phased implementation of the requested enhancements;

(d) Reduction in operating costs of €177,149;

(e) Increase in income of €600,000 to be financed through savings, efficiencies, cost recovery and/or voluntary contributions;

(f) Decrease of the Regular Programme of Technical Cooperation (RPTC) by €131,000 to preserve the six per cent share of the approved net regular budget as mandated by the UNIDO Constitution.

7. The estimates of gross expenditures for the operational budget for 2022–2023 as outlined in document [IDB.49/5-PBC.37/5](#) have been retained as presented with the total resource requirement of €39,582,700, to be financed from programme support cost income in the amount of €37,785,546, and other income amounting to €1,797,154.

Implications of adjustments on results areas

8. The expected results, activities and targets under each result area of the programme and budgets, 2022–2023 remain largely valid in light of the budgetary adjustments, as per document [IDB.49/5-PBC.37/5](#). Substantive and programmatic priorities, too, are not altered by the revision of the budget proposals and remain fully aligned to the provisions of the medium-term programme framework 2022–2025 ([IDB.49/8-PBC.37/8](#)), which the programme and budgets, 2022–2023 directly complements.

9. However, the proposed adjustments to regular budget resources may have implications on the pace and scale of implementation of some of the activities foreseen under the five results areas, particularly those that rely more prominently on core resources, as described further below.

10. In particular, while emphasis is being placed by the programme and budgets, 2022–2023 on enhancing UNIDO's normative role, the ability of the Organization to prioritize these functions is determined to a large extent by the funding structure supporting Result 1 – Policies and strategies for ISID and the SDGs. Limited availability of core resources, combined with the generally earmarked nature of voluntary contributions in UNIDO, poses challenges to the Organization's ability to advance its normative role at scale, which takes place not least through upscaling country- and regional-level initiatives and through extensive generation and diffusion of products and services that are global public goods in nature. The readiness of funding partners to entrust the Organization with voluntary contributions that allow for a broader range of normative activities – including for the provision of public goods – will greatly support UNIDO's impact and its efforts.

11. In addition, Result 4 – Effective strategic management for results remains a clear priority for the Organization, which finds itself on an important trajectory of reform towards greater institutional maturity and results-orientation. However, steady and timely progress in this regard is constrained by the limited availability of dedicated core resources. Limitations in core funding allocated to Result 4 may accentuate the importance of mobilizing targeted voluntary resources in support of core activities towards the achievement of this result. This is ever-more relevant considering the importance of sound results-based management systems, including monitoring,

reporting, in the effective implementation of the results-based programme and budgets.

12. Similar considerations may apply to efforts towards Result 5 – Excellence of corporate services and operations. In particular, while the focus and modalities of the contribution by ICT services to organizational objectives outlined in [IDB.49/5-PBC.37/5](#) remains unchanged, the Organization will adopt a phased approach to the implementation of planned enhancements over multiple budget cycles, and will seek to leverage voluntary contributions to complement core resources where appropriate.

13. While no direct implications are foreseen on the specific results and targets under results areas 1 to 3, it remains important to highlight that the results of the programme and budgets are interconnected and mutually supportive, and part of an integrated result chain. Results 4 and 5 are enablers for Results 1, 2 and 3 to be achieved in a transformative manner.

14. Due to the horizontal nature of the budget adjustments, no revision of the results' targets introduced in [IDB.49/5-PBC.37/5](#) is immediately envisaged. The Organization will continue enhancing processes for transparent monitoring and reporting on the implementation of the programme and budgets, 2022–2023 and the medium-term programme framework 2022–2025, in line with its Integrated Results and Performance Framework.

Other additions

15. Further to the budgetary and programmatic adjustments described above, the following additional paragraph is to be considered in the narrative description of Result 4 – Effective strategic management for results:

“Effective legal advisory services

Under Result 4, the Office of Legal Affairs will continue to support all organs of UNIDO to ensure that all UNIDO activities are conducted properly, the rule of law is promoted consistently, and the Organization's rights and interests are defended effectively. In accordance with the mandate of UNIDO under the Constitution and the Charter of the United Nations, the Office provides legal support to the Organization's technical cooperation and all other activities through the provision of effective legal advisory services:

- On international and other areas of law, such as diplomatic law, intellectual property law, civil and criminal law, and the internal law of the Organization including all regulations, rules and administrative and policy issuances;
- In connection with international agreements and other instruments, as well as partnerships, large and complex contracts, project implementation and execution arrangements, and cooperation as well as funding arrangements;
- On employment, financial, external relations, media and other matters, as well as contractual or litigation matters before international tribunals and other forums;
- In furtherance of the development of international law and the harmonization of rules, procedures and policies in the United Nations common system.”

Action required of the Board

16. The Board may wish to recommend to the General Conference the adoption of the revised proposals of the Director General on the programme and budgets, 2022–2023, as contained in document IDB.49/5/Add.1.

Annex

Table 1
Summary of budget estimates by results for 2022–2023

(In euros, at 2022–2023 costs)

Results	Regular budget (net)	Operational budget (net)	Technical cooperation (extrabudgetary)	Total net estimates	Per cent of total estimates
1 Policies and Strategies for ISID and SDGs	35,596,095	11,200,135	43,562,597	90,358,827	17.1%
2 Conducive Industrial Ecosystems	19,450,674	9,418,360	153,759,727	182,628,761	34.5%
3 Innovative, Inclusive and Sustainable Businesses	16,396,835	7,727,075	147,791,797	171,915,707	32.5%
4 Effective Strategic Management for Results	16,976,150	5,834,530		22,810,680	4.3%
5 Excellence of Corporate Services and Operations	28,689,864	5,402,600		34,092,464	6.4%
Miscellaneous Income	(3,220,000)	(1,797,154)		(5,017,154)	
Indirect Costs	27,966,625			27,966,625	5.3%
Total net requirements	141,856,243	37,785,546	345,114,121	524,755,910	100.0%

Total volume of operations in 2022–2023 by result (including technical cooperation)

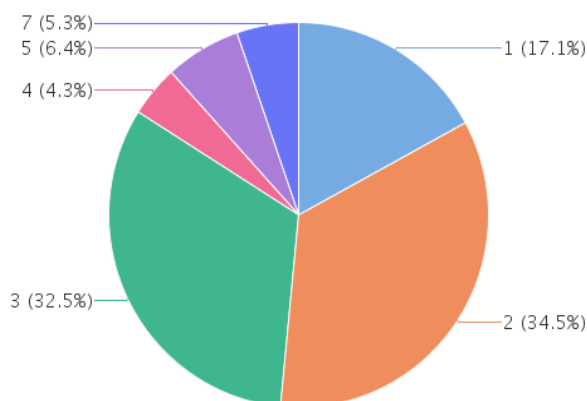


Table 2 (a)
(Excluding Result 6, Efficient VIC Buildings Management)

(In euros)

	2020–2021 approved budget	2022–2023 resource growth at 2020–2021 rates	2022–2023 resource requirements at 2020–2021 rates	Recosting to 2022–2023 rates	2022–2023 resource requirements at 2022–2023 rates
	1	2	3	4	5
Regular budget					
Expenditures	144,091,811	(1,093,968)	142,997,843	2,931,700	145,929,543
Income	(2,551,500)	(1,521,800)	(4,073,300)		(4,073,300)
Savings and Efficiency Gains	(942,223)	942,223			
Income from Other Sources	(1,673,545)	1,673,545			
Net requirements	138,924,543		138,924,543	2,931,700	141,856,243
Operational budget					
Expenditures	37,867,400	1,275,100	39,142,500	440,200	39,582,700
Income	(296,100)	(1,501,054)	(1,797,154)		(1,797,154)
Net requirements	37,571,300	(225,954)	37,345,346	440,200	37,785,546

	2020–2021 approved budget	2022–2023 resource growth at 2020–2021 rates	2022–2023 resource requirements at 2020–2021 rates	Recosting to 2022–2023 rates	2022–2023 resource requirements at 2022–2023 rates
	1	2	3	4	5
Total regular and operational budgets	176,495 843	(225,954)	176,269,889	3,371,900	179,641,789
Rate of real growth (net)					
Regular budget		0.0%			
Operational budget		(0.6%)			
Combined		(0.1%)			

Table 3
Proposed expenditure and income by Result for 2022–2023 with comparative data for 2020–2021

(In euros)

	2020–2021 approved budget ^a	2022–2023 resource growth at 2020–2021 rates	2022–2023 resource requirements at 2020–2021 rates	Recosting to 2022–2023 rates	2022–2023 resource requirements at 2022–2023 rates
	1	2	3	4	5
1. Regular and Operational Budgets					
1. Policies and Strategies for ISID and SDGs	45,100,891	984,354	46,085,245	924,185	47,009,430
Income	(607,900)	394,700	(213,200)		(213,200)
Net requirements	44,492,991	1,379,054	45,872,045	924,185	46,796,230
2. Conducive Industrial Ecosystems	28,516,070	(26,421)	28,489,649	592,785	29,082,434
Income	(607,900)	394,500	(213,400)		(213,400)
Net requirements	27,908,170	368,079	28,276,249	592,785	28,869,034
3. Innovative, Inclusive and Sustainable Businesses	24,830,647	(962,732)	23,867,915	469,295	24,337,210
Income	(607,800)	394,500	(213,300)		(213,300)
Net requirements	24,222,847	(568,232)	23,654,615	469,295	24,123,910
4. Effective Strategic Management for Results	21,814,195	740,050	22,554,245	469,835	23,024,080
Income	(607,900)	394,500	(213,400)		(213,400)
Net requirements	21,206,295	1,134,550	22,340,845	469,835	22,810,680
5. Excellence of Corporate Services and Operations	33,184,114	377,150	33,561,264	531,200	34,092,464
6. Efficient VIC Buildings Management	57,728,200	(5,926,800)	51,801,400	1,451,300	53,252,700
Income	(57,728,200)	5,926,800	(51,801,400)	(1,451,300)	(53,252,700)
Net requirements					
Miscellaneous Income	(416,100)	(4,601,054)	(5,017,154)		(5,017,154)
Savings and Efficiency Gains	(942,223)	942,223			
Income from Other Sources	(1,673,545)	1,673,545			
7. Indirect Costs	28,513,294	(931,269)	27,582,025	384,600	27,966,625
Total regular and operational budgets	176,495,843	(225,954)	176,269,889	3,371,900	179,641,789
2. Regular Budget					
1. Policies and Strategies for ISID and SDGs	34,906,096	111,984	35,018,080	791,215	35,809,295
Income	(607,900)	394,700	(213,200)		(213,200)

	2020–2021 approved budget ^a	2022–2023 resource growth at 2020–2021 rates	2022–2023 resource requirements at 2020–2021 rates	Recosting to 2022–2023 rates	2022–2023 resource requirements at 2022–2023 rates
	1	2	3	4	5
Net requirements	34,298,196	506,684	34,804,880	791,215	35,596,095
2. Conducive Industrial Ecosystems	19,797,800	(601,941)	19,195,859	468,215	19,664,074
Income	(607,900)	394,500	(213,400)		(213,400)
Net requirements	19,189,900	(207,441)	18,982,459	468,215	19,450,674
3. Innovative, Inclusive and Sustainable Businesses	16,743,522	(520,552)	16,222,970	387,165	16,610,135
Income	(607,800)	394,500	(213,300)		(213,300)
Net requirements	16,135,722	(126,052)	16,009,670	387,165	16,396,835
4. Effective Strategic Management for Results	16,264,285	470,660	16,734,945	454,605	17,189,550
Income	(607,900)	394,500	(213,400)		(213,400)
Net requirements	15,656,385	865,160	16,521,545	454,605	16,976,150
5. Excellence of Corporate Services and Operations	27,866,814	377,150	28,243,964	445,900	28,689,864
6. Efficient VIC Buildings Management	57,728,200	(5,926,800)	51,801,400	1,451,300	53,252,700
Income	(57,728,200)	5,926,800	(51,801,400)	(1,451,300)	(53,252,700)
Net requirements					
Miscellaneous Income	(120,000)	(3,100,000)	(3,220,000)		(3,220,000)
Savings and Efficiency Gains	(942,223)	942,223			
Income from Other Sources	(1,673,545)	1,673,545			
7. Indirect Costs	28,513,294	(931,269)	27,582,025	384,600	27,966,625
Total regular budget	138,924,543		138,924,543	2,931,700	141,856,243
3. Operational Budget					
1. Policies and Strategies for ISID and SDGs	10,194,795	872,370	11,067,165	132,970	11,200,135
2. Conducive Industrial Ecosystems	8,718,270	575,520	9,293,790	124,570	9,418,360
3. Innovative, Inclusive and Sustainable Businesses	8,087,125	(442,180)	7,644,945	82,130	7,727,075
4. Effective Strategic Management for Results	5,549,910	269,390	5,819,300	15,230	5,834,530
5. Excellence of Corporate Services and Operations	5,317,300		5,317,300	85,300	5,402,600
Miscellaneous Income	(296,100)	(1,501,054)	(1,797,154)		(1,797,154)
Total operational budget	37,571,300	(225,954)	37,345,346	440,200	37,785,546

^a Reflects budget adjustments to the base.

Table 4 (a)
**Proposed expenditure and income by major object of expenditure for
 2022–2023 with comparative data for 2020–2021 (Excluding Result 6, Efficient
 VIC Buildings Management)**

(In euros)

Major object of expenditure	2020–2021	2022–2023	2022–2023	Recosting to	2022–2023
	approved budget	resource growth at 2020–2021 rates	resource requirements at 2020–2021 rates	2022–2023 rates	resource requirements at 2022–2023 rates
	1	2	3	4	5
1. Regular, Operational and Technical Cooperation (extrabudgetary) Budgets					
1. Staff costs	129,208,742	112,131,358	241,340,100	2,645,400	243,985,500
2. Official travel	4,658,059	13,943,450	18,601,509	124,200	18,725,709
3. Operating costs	31,579,641	218,827,864	250,407,505	405,800	250,813,305
4. Information and communication technology	7,187,300	382,550	7,569,850	20,400	7,590,250
5. RPTC and Special Resources for Africa	9,325,469	10,031	9,335,500	176,100	9,511,600
Income	(2,847,600)	(3,022,854)	(5,870,454)		(5,870,454)
Savings and Efficiency Gains	(942,223)	942,223			
Income from Other Sources	(1,673,545)	1,673,545			
Total net regular, operational and technical cooperation (extrabudgetary) budgets	176,495,843	344,888,167	521,384,010	3,371,900	524,755,910
2. Regular and Operational Budgets					
1. Staff costs	129,208,742	1,119,314	130,328,056	2,645,400	132,973,456
2. Official travel	4,658,059	(340,620)	4,317,439	124,200	4,441,639
3. Operating costs	31,579,641	(990,143)	30,589,498	405,800	30,995,298
4. Information and communication technology	7,187,300	382,550	7,569,850	20,400	7,590,250
5. RPTC and Special Resources for Africa	9,325,469	10,031	9,335,500	176,100	9,511,600
Income	(2,847,600)	(3,022,854)	(5,870,454)		(5,870,454)
Savings and Efficiency Gains	(942,223)	942,223			
Income from Other Sources	(1,673,545)	1,673,545			
Total net regular and operational budgets	176,495,843	(225,954)	176,269,889	3,371,900	179,641,789
3. Regular Budget					
1. Staff costs	94,059,742	163,914	94,223,656	2,279,000	96,502,656
2. Official travel	2,189,459	(660,320)	1,529,139	50,400	1,579,539
3. Operating costs	31,329,841	(990,143)	30,339,698	405,800	30,745,498
4. Information and communication technology	7,187,300	382,550	7,569,850	20,400	7,590,250
5. RPTC and Special Resources for Africa	9,325,469	10,031	9,335,500	176,100	9,511,600
Income	(2,551,500)	(1,521,800)	(4,073,300)		(4,073,300)
Savings and Efficiency Gains	(942,223)	942,223			
Income from Other Sources	(1,673,545)	1,673,545			
Total net regular budget	138,924,543		138,924,543	2,931,700	141,856,243
4. Operational Budget					
1. Staff costs	35,149,000	955,400	36,104,400	366,400	36,470,800
2. Official travel	2,468,600	319,700	2,788,300	73,800	2,862,100
3. Operating costs	249,800		249,800		249,800

Major object of expenditure	2020–2021	2022–2023	2022–2023 resource	Recosting to	2022–2023 resource
	approved budget	resource growth at 2020–2021 rates	requirements at 2020–2021 rates	2022–2023 rates	requirements at 2022–2023 rates
	1	2	3	4	5
Income	(296,100)	(1,501,054)	(1,797,154)		(1,797,154)
Total net operational budget	37,571,300	(225,954)	37,345,346	440,200	37,785,546
5. Technical Cooperation (extrabudgetary) Budget					
1. Staff costs		111,012,044	111,012,044		111,012,044
2. Official travel		14,284,070	14,284,070		14,284,070
3. Operating costs		219,818,007	219,818,007		219,818,007
Total net technical cooperation (extrabudgetary) budget		345,114,121	345,114,121		345,114,121

Table 4 (b)
Annual proposed expenditure and income by major object of expenditure for 2022–2023 (Excluding Result 6, Efficient VIC Buildings Management)

(In euros)

Major object of expenditure	2022 resource	2023 resource	2022–2023 resource
	requirements at 2022 rates	requirements at 2023 rates	requirements at 2022–2023 rates
	1	2	3
1. Regular, Operational and Technical Cooperation (extrabudgetary) Budgets			
1. Staff costs	125,955,672	10,322,881	8,402,828
2. Official travel	10,322,881	8,402,828	18,725,709
3. Operating costs	135,179,058	115,634,247	250,813,305
4. Information and communication technology	3,798,050	3,792,200	7,590,250
5. RPTC and Special Resources for Africa	4,710,100	4,801,500	9,511,600
Income	(3,041,477)	(2,828,977)	(5,870,454)
Total net regular, operational and technical cooperation (extrabudgetary) budgets	276,924,284	247,831,626	524,755,910
2. Regular and Operational Budgets			
1. Staff costs	65,748,668	67,224,788	132,973,456
2. Official travel	2,524,169	1,917,470	4,441,639
3. Operating costs	15,293,753	15,701,545	30,995,298
4. Information and communication technology	3,798,050	3,792,200	7,590,250
5. RPTC and Special Resources for Africa	4,710,100	4,801,500	9,511,600
Income	(3,041,477)	(2,828,977)	(5,870,454)
Total net regular and operational budgets	89,033,263	90,608,526	179,641,789
3. Regular Budget			
1. Staff costs	47,735,018	48,767,638	96,502,656
2. Official travel	778,069	801,470	1,579,539
3. Operating costs	15,122,753	15,622,745	30,745,498
4. Information and communication technology	3,798,050	3,792,200	7,590,250
5. RPTC and Special Resources for Africa	4,710,100	4,801,500	9,511,600
Income	(2,142,900)	(1,930,400)	(4,073,300)
Total net regular budget	70,001,090	71,855,153	141,856,243
4. Operational Budget			
1. Staff costs	18,013,650	18,457,150	36,470,800
2. Official travel	1,746,100	1,116,000	2,862,100
3. Operating costs	171,000	78,800	249,800

Major object of expenditure	2022 resource requirements at 2022 rates	2023 resource requirements at 2023 rates	2022–2023 resource requirements at 2022–2023 rates
	1	2	3
Income	(898,577)	(898,577)	(1,797,154)
Total net operational budget	19,032,173	18,753,373	37,785,546
5. Technical Cooperation (extrabudgetary) Budget			
1. Staff costs	60,207,004	50,805,040	111,012,044
2. Official travel	7,798,712	6,485,358	14,284,070
3. Operating costs	119,885,305	99,932,702	219,818,007
Total net technical cooperation (extrabudgetary) budget	187,891,021	157,223,100	345,114,121

Table 5

Positions established under the regular and operational budgets 2020–2021 and 2022–2023 (Excluding Result 6, Efficient VIC Buildings Management)

A. Total UNIDO

	2020–2021			2022–2023			Increase/decrease
	RB	OB	Total	RB	OB	Total	
<u>Professional and above</u>							
Director-General	1.0	-	1.0	1.0	-	1.0	-
Director	20.0	6.0	26.0	20.0	6.0	26.0	-
P-5	41.0	22.0	63.0	41.0	22.0	63.0	-
P-4	55.0	6.0	61.0	54.0	6.0	60.0	-1.0
PS (P-1 to P-3)	82.0	19.0	101.0	86.0	23.0	109.0	8.0
NP (National Programme Officer)	-	42.0	42.0	-	42.0	42.0	-
Subtotal	199.0	95.0	294.0	202.0	99.0	301.0	7.0
General Service	208.0	73.0	281.0	205.0	73.0	278.0	-3.0
GRAND TOTAL	407.0	168.0	575.0	407.0	172.0	579.0	4.0

B. Headquarters (including offices at New York, Geneva and Brussels)

	2020–2021			2022–2023			Increase/decrease
	RB	OB	Total	RB	OB	Total	
<u>Professional and above</u>							
Director-General	1.0	-	1.0	1.0	-	1.0	-
Director	18.0	3.0	21.0	18.0	3.0	21.0	-
P-5	37.0	12.0	49.0	37.0	12.0	49.0	-
P-4	55.0	6.0	61.0	54.0	6.0	60.0	-1.0
PS (P-1 to P-3)	82.0	19.0	101.0	86.0	23.0	109.0	8.0
NP (National Programme Officer)	-	-	-	-	-	-	-
Subtotal	193.0	40.0	233.0	196.0	44.0	240.0	7.0
General Service	154.0	56.0	210.0	151.0	56.0	207.0	-3.0
GRAND TOTAL	347.0	96.0	443.0	347.0	100.0	447.0	4.0

C. Field Offices

	2020-2021			2022-2023			Increase/decrease
	RB	OB	Total	RB	OB	Total	
<u>Professional and above</u>							
Director-General	-	-	-	-	-	-	-
Director	2.0	3.0	5.0	2.0	3.0	5.0	-
P-5	4.0	10.0	14.0	4.0	10.0	14.0	-
P-4	-	-	-	-	-	-	-
PS (P-1 to P-3)	-	-	-	-	-	-	-
NP (National Programme Officer)	-	42.0	42.0	-	42.0	42.0	-
Subtotal	6.0	55.0	61.0	6.0	55.0	61.0	-
General Service	54.0	17.0	71.0	54.0	17.0	71.0	-
GRAND TOTAL	60.0	72.0	132.0	60.0	72.0	132.0	-