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Programme and Budget Committee

Twenty-first session Vienna, 10-12 May 2005 Item 3 of the provisional agenda

PERFORMANCE REPORT AND PROGRAMME PERFORMANCE REPORT FOR THE BIENNIUM 2004-2005

Interim financial performance report for the biennium 2004-2005

Submitted by the Director-General

Itemizes the utilization of financial resources during the period 1 January -31 December 2004 in accordance with Programme and Budget Committee conclusion 1987/19.

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Introduction

- 1. In its conclusion 1987/19, paragraph (j), the Programme and Budget Committee requested the Director-General to submit each year to the Industrial Development Board through the Committee a clear and detailed financial performance report itemizing the utilization of financial resources.
- 2. The present financial report covers the period 1 January 2004 31 December 2004 and is based on the appropriations contained in the programme and budgets 2004-2005, as adopted by the General Conference at its tenth session (decision GC.10/Dec.17).

I. FINANCIAL STATEMENTS FOR THE 12-MONTH PERIOD OF THE BIENNIUM 2004-2005 ENDED 31 DECEMBER 2004

Certification of financial statements

Director-General's responsibility

The Director-General of the United Nations Industrial Development Organization is responsible for the preparation and integrity of the financial statements. These statements have been prepared in accordance with the United Nations System Accounting Standards and article X of the Financial Regulations of UNIDO and include certain amounts that are based on management's best estimates and judgements. Financial information used elsewhere is consistent with that in the financial statements. Management considers that the statements present fairly the financial position of the Organization and of funds held in trust by it, the results of their operations and the changes in their financial position.

To fulfil its responsibility, the Organization maintains systems of internal accounting controls, policies and procedures to ensure the reliability of financial information and the safeguarding of assets. The internal control systems and financial records are subject to reviews by the Office of the Comptroller General and the External Auditor during their respective audits.

The following appended financial statements, comprising Statements I to IV, relevant schedules and supporting notes, were properly prepared in accordance with the United Nations System Accounting Standards and article X of the Financial Regulations of UNIDO.

[signed] Amita Misra Director, Financial Services Branch [signed]
Carlos A. Magariños
Director-General

STATEMENT OF INCOME AND EXPENDITURE AND CHANGES IN RESERVES AND FUND BALANCES for the year ended 31 December 2004

(In thousands of euros)

	General Fund		Other Headqu	arters	Technica	ıl		Total	Total
Heading	Working Capita		funds		cooperati		Eliminations	2004	2002
	(Note or schedule	No. 2)	(Note or schedul	e No. 3)	(Note or schedu	le No. 4)	(Note No. 2 q)		
INCOME									
Assessed contributions	71,000.0	(a)						71,000.0	66,844.9
Voluntary contributions	260.9				111,200.0			111,460.9	87,547.3
OTHER INCOME									
Revenue-producing activities	37.7	(b)	8,846.3					8,884.0	9,522.0
Funds under inter-organization arrangements					5,048.0			5,048.0	10,461.7
Jointly-financed activities			19,804.9				(2,897.2)	16,907.7	14,454.2
Income for services rendered			599.2				(203.9)	395.3	689.2
Interest income	660.5	(c)	267.9		682.2	(d)		1,610.6	1,921.6
Currency exchange adjustments	174.3	(d)	(415.7)	(c)	(1,157.1)	(e, f)	45.5	(1,353.0)	417.8
Miscellaneous income	328.0	(e)	21.0		(13.5)		(0.3)	335.2	784.0
TOTAL INCOME	72,461.4		29,123.6		115,759.6		(3,055.9)	214,288.7	192,642.7
EXPENDITURE									
Salaries and common staff costs	41,471.9		13,980.0		26,581.1		2,755.2	84,788.2	90,256.3
Operating costs and contractual services	11,830.6		13,947.1		30,687.3		(1,880.9)	54,584.1	49,841.2
Acquisitions					14,278.5		749.3	15,027.8	16,825.4
Fellowships					4,049.9		427.1	4,477.0	4,003.5
RPTC and SRA activities	5,506.4	(f)					(5,106.6)	399.8	2,312.9
Programme support costs			41.0		8,545.9			8,586.9	9,227.2
TOTAL EXPENDITURE	58,808.9		27,968.1		84,142.7		(3,055.9)	167,863.8	172,466.5
EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	13,652.5		1,155.5		31,616.9		0.0	46,424.9	20,176.2
Prior biennium adjustments	(119.3)	(g)						(119.3)	9.1
Savings on cancellation of obligations from prior biennium	3,277.8	(h)	1,359.3					4,637.1	5,187.7
Provision for delays in the collection of contributions	(6,093.9)							(6,093.9)	(4,680.4)
NET EXCESS (SHORTFALL) OF INCOME OVER									
EXPENDITURE	10,717.1		2,514.8	(d)	31,616.9			44,848.8	20,692.6
Transfers to reserves	410.9	(b, f)			103.2	(g)		514.1	2,431.4
Transfers from reserves	(0.4)					-		(0.4)	(34.1)
Credits to Member States	(2,941.1)	(p)						(2,941.1)	
Transfers to and from other funds								0.0	(247.9)
Other adjustments to reserves and fund balances					(9,557.5)			(9,557.5)	(23,762.1)
Reserves and fund balances, beginning of biennium	13,623.3		12,174.6		99,814.1			125,612.0	135,147.4
RESERVES AND FUND BALANCES, END OF BIENNIUM	21,809.8		14,689.4		121,976.7		0.0	158,475.9	134,227.3

Statement II

STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCES as at 31 December 2004

(In thousands of euros)

	General Fund	d and	Other Headqua	rters	Technica	l		Total	Total
Heading	Working Capita	al Fund	funds		cooperatio	n	Eliminations	2004	2002
	(Note or schedul	le No. 2)	(Note or schedule	No. 3)	(Note or schedul	e No. 4)	(Note 2 q)		
ASSETS									
Cash and term deposits	24,981.6		16,684.4		173,757.8	<i>(i)</i>		215,423.8	194,676.4
Accounts receivable									
Assessed contributions receivable from Member States	117,401.9							117,401.9	111,404.2
Voluntary contributions receivable									
Other contributions receivable	93.7				154.7			248.4	6,133.7
Provision for delays in the collection of contributions	(110,666.8)							(110,666.8)	(106,756.7)
Interfund balances			458.1		1,691.2			2,149.3	5,571.4
Other	3,741.2	<i>(i)</i>	8,352.9	(e)	1,891.9			13,986.0	11,850.0
Other assets	614.5		0.6		4,199.3			4,814.4	5,413.0
TOTAL ASSETS	36,166.1		25,496.0		181,694.9		0.0	243,357.0	228,292.0
LIABILITIES								•	
Payments or contributions received in advance	1,324.0	<i>(j)</i>	54.5		7,780.6			9,159.1	14,126.8
Borrowings payable within one year	737.0	(k)						737.0	958.0
Unliquidated obligations	5,116.7		8,109.0		26,002.4			39,228.1	38,945.2
Accounts payable—interfund	677.7		1,162.8		308.8			2,149.3	5,571.4
Accounts payable—other	6,500.9	(d, i, p)	1,480.3	(e)	25,626.4	(d, e)		33,607.6	32,547.3
Other funds and special accounts									
Other liabilities									
Borrowings payable after one year									1,916.0
TOTAL LIABILITIES	14,356.3		10,806.6		59,718.2		0.0	84,881.1	94,064.7
RESERVES AND FUND BALANCES									
Operating reserves			4,828.9	(f)	405.3	<i>(j)</i>		5,234.2	5,355.8
Other reserves	10,340.2	(l, m, n)			1,921.3			12,261.5	10,213.8
Balances relating to projects funded by donors					117,364.5			117,364.5	104,087.3
Working Capital Fund	7,423.0	(o)						7,423.0	7,423.0
Surplus (deficit)	4,046.6	(p)	9,860.5		2,285.6	(h)		16,192.7	7,147.4
TOTAL RESERVES AND FUND BALANCES	21,809.8		14,689.4		121,976.7		0.0	158,475.9	134,227.3
TOTAL LIABILITIES, RESERVES AND FUND BALANCES	36,166.1		25,496.0		181,694.9		0.0	243,357.0	228,292.0

STATUS OF ASSESSED CONTRIBUTIONS TO THE REGULAR BUDGET (in euros) as at 31 December 2004

Member States	Scale %	Contributions paya	ble 1 January 2004	Credits and Coll	lections in 2004	Contribution	s outstanding	Total outstanding
Wember States	2004	Prior biennium	Current biennium	Prior biennium	Current biennium	Prior biennium	Current biennium	Total outstanding
Afghanistan	0.00100	90,146	710	18,934	-	71,212	710	71,922
Albania	0.00426	-	3,025	-	3,025	-	-	-
Algeria	0.09951	-	70,652	-	6,050	-	64,602	64,602
Angola	0.00284	-	2,016	-	2,016	-	-	-
Argentina	1.37752	4,638,854	978,039	20,215	-	4,618,639	978,039	5,596,678
Armenia	0.00284	912,755	2,016	2,080	-	910,675	2,016	912,691
Austria	1.34625	-	955,838	-	955,838	-	-	-
Azerbaijan	0.00569	1,021,570	4,040	10,213	-	1,011,357	4,040	1,015,397
Bahamas	0.01706	-	12,113	-	12,113	-	-	-
Bahrain	0.02559	506	18,169	506	664	-	17,505	17,505
Bangladesh	0.01000	-	7,100	-	639	-	6,461	6,461
Barbados	0.01279	688	9,081	538	-	150	9,081	9,231
Belarus	0.02701	275,188	19,177	143,574	-	131,614	19,177	150,791
Belgium	1.60498	-	1,139,535	-	1,139,535	-	-	-
Belize	0.00100	562	710	562	710	-	-	-
Benin	0.00284	2,620	2,016	2,603	-	17	2,016	2,033
Bhutan	0.00100	-	710	-	710	-	-	-
Bolivia	0.01137	14,666	8,073	1,180	-	13,486	8,073	21,559
Bosnia and Herzegovina	0.00569	-	4,040	-	4,040	-	-	-
Botswana	0.01422	-	10,096	-	10,096	-	-	-
Brazil	3.39761	16,554,949	2,412,303	-	-	16,554,949	2,412,303	18,967,252
Bulgaria	0.01848	-	13,121	-	13,121	-	-	-
Burkina Faso	0.00284	-	2,016	-	2,016	-	-	-
Burundi	0.00100	66,368	710	7	-	66,361	710	67,071
Cambodia	0.00284	4,010	2,016	25	-	3,985	2,016	6,001
Cameroon	0.01279	-	9,081	-	3,345	-	5,736	5,736
Cape Verde	0.00100	96,115	710	7	-	96,108	710	96,818
Central African Republic	0.00100	111,478	710	7	-	111,471	710	112,181
Chad	0.00100	84,776	710	-	-	84,776	710	85,486
Chile	0.30138	211,795	213,980	159,755	-	52,040	213,980	266,020
China	2.17788	-	1,546,295	-	1,474,600	-	71,695	71,695
Colombia	0.28574	205,274	202,875	78,184	-	127,090	202,875	329,965
Comoros	0.00100	121,682	710			121,682	710	122,392
Congo	0.00100	109,354	710	108,246		1,108	710	1,818
Costa Rica	0.02843	105,580	20,185	1,880	-	103,700	20,185	123,885
Côte d'Ivoire	0.01279		9,081	-	9,081	-	-	
Croatia	0.05544	-	39,362		39,362	-	-	-

Member States	Scale %	Contributions paya	ble 1 January 2004	Credits and Coll	lections in 2004	Contribution	s outstanding	Total outstanding
Member States	2004	Prior biennium	Current biennium	Prior biennium	Current biennium	Prior biennium	Current biennium	1 otal outstanding
Cuba	0.04265	26,672	30,282	26,672	-	-	30,282	30,282
Cyprus	0.05402	-	38,354	-	38,354	=	-	-
Czech Republic	0.28858	-	204,892	-	204,892	=	-	-
Democratic People's Republic of Korea	0.01279	4,279	9,081	926	-	3,353	9,081	12,434
Democratic Republic of the Congo	0.00569	121,858	4,040	30		121,828	4,040	125,868
Denmark	1.06477	-	755,987	-	755,987	-	-	-
Djibouti	0.00100	84,776	710	-	-	84,776	710	85,486
Dominica	0.00100	649	710	93	-	556	710	1,266
Dominican Republic	0.03270	350,535	23,217	-	-	350,535	23,217	373,752
Ecuador	0.03554	-	25,233	-	25,233	-	-	-
Egypt	0.11515	71,745	81,757	71,745	81,757	-	-	-
El Salvador	0.02559	158,458	18,169	-	-	158,458	18,169	176,627
Equatorial Guinea	0.00100	121,682	710	-	-	121,682	710	122,392
Eritrea	0.00100	639	710	86	-	553	710	1,263
Ethiopia	0.00569	-	4,040	-	4,040	-	-	-
Fiji	0.00569	-	4,040	-	560	-	3,480	3,480
Finland	0.74207	-	526,870	-	526,870	-	-	-
France	9.19202	-	6,526,334	-	6,526,334	-	-	-
Gabon	0.01990	38,458	14,129	70	-	38,388	14,129	52,517
Gambia	0.00100	74,084	710	7	-	74,077	710	74,787
Georgia	0.00711	1,599,047	5,048	102	-	1,598,945	5,048	1,603,993
Germany	13.88754	-	9,860,153	-	9,860,153	-	-	-
Ghana	0.00711	1,610	5,048	436	-	1,174	5,048	6,222
Greece	0.76624	-	544,030	-	544,030	-	-	-
Grenada	0.00100	76,959	710	10,496	-	66,463	710	67,173
Guatemala	0.03838	280	27,250	280	27,250	-	-	-
Guinea	0.00426	-	3,025	-	516	-	2,509	2,509
Guinea-Bissau	0.00100	116,788	710	7	-	116,781	710	117,491
Guyana	0.00100	1,800	710	1,800	208	-	502	502
Haiti	0.00284	-	2,016	-	2,016	-	-	-
Honduras	0.00711	-	5,048	-	5,048	-	-	-
Hungary	0.17059	-	121,119	-	121,119	-	-	-
India	0.48476	-	344,180	-	344,180	-	-	-
Indonesia	0.28432	-	201,867	-	201,867	-	-	-
Iran (Islamic Republic of)	0.38667	437,147	274,536	192,640	-	244,507	274,536	519,043
Iraq	0.19334	1,697,868	137,271	-	-	1,697,868	137,271	1,835,139
Ireland	0.41795	-	296,745	-	296,745	-	-	-
Israel	0.58996	-	418,872	-	418,872	-	-	-
Italy	7.20001	-	5,112,007	-	5,112,007	-	-	-
Jamaica	0.00569	11,530	4,040	11,530	4,040	-	-	-
Japan	22.00000	-	15,620,000	-	15,620,000	-	-	-

Member States	Scale %	Contributions paya	ble 1 January 2004	Credits and Coll	lections in 2004	Contribution	s outstanding	Total outstanding
wiember States	2004	Prior biennium	Current biennium	Prior biennium	Current biennium	Prior biennium	Current biennium	Total outstanding
Jordan	0.01137	-	8,073	-	378	-	7,695	7,695
Kazakhstan	0.03980	495,863	28,258	122,173	-	373,690	28,258	401,948
Kenya	0.01137	-	8,073	-	8,073	-	-	-
Kuwait	0.20897	-	148,369	-	148,369	-	-	-
Kyrgyzstan	0.00100	375,752	710	30	-	375,722	710	376,432
Lao People's Democratic Republic	0.00100	-	710	-	710	-	-	-
Lebanon	0.01706	20,479	12,113	20,479	12,113	-	-	-
Lesotho	0.00100	-	710	-	171	-	539	539
Liberia	0.00100	87,358	710	-	-	87,358	710	88,068
Libyan Arab Jamahiriya	0.09525	-	67,628	-	25,844	-	41,784	41,784
Lithuania	0.02417	335,321	17,161	101,073	-	234,248	17,161	251,409
Luxembourg	0.11373	73,672	80,748	73,672	80,748	-	-	-
Madagascar	0.00426	-	3,025	-	2,471	-	554	554
Malawi	0.00284	38,194	2,016	26	-	38,168	2,016	40,184
Malaysia	0.33407	-	237,190	-	237,190	-	-	-
Maldives	0.00100	577	710	577	467	-	243	243
Mali	0.00284	19,136	2,016	18,678	-	458	2,016	2,474
Malta	0.02132	-	15,137	-	15,137	-	-	-
Mauritania	0.00100	113,982	710	7	-	113,975	710	114,685
Mauritius	0.01564	-	11,104	-	11,104	-	-	-
Mexico	1.54385	210,056	1,096,133	210,056	1,096,133	-	-	-
Monaco	0.00569	-	4,040	-	4,040	-	-	-
Mongolia	0.00100	-	710	-	171	-	539	539
Morocco	0.06255	100	44,411	100	44,411	-	-	-
Mozambique	0.00100	-	710	-	93	-	617	617
Myanmar	0.01000	6,577	7,100	522	-	6,055	7,100	13,155
Namibia	0.00995	_	7,065	-	7,065	-	-	-
Nepal	0.00569	-	4,040	-	311	-	3,729	3,729
Netherlands	2.47073	-	1,754,218	-	1,754,218	-	-	-
New Zealand	0.34260	_	243,246		243,246	-	-	-
Nicaragua	0.00100	134,643	710	7	-	134,636	710	135,346
Niger	0.00100	96,150	710	7	-	96,143	710	96,853
Nigeria	0.09667	89,011	68,636	2,654		86,357	68,636	154,993
Norway	0.91835	-	652,029	-	652,029	-	-	-
Oman	0.08672	-	61,571	-	61,571	=	-	-
Pakistan	0.08672	-	61,571	<u> </u>	61,571	=	-	-
Panama	0.02559	2,193	18,169	833	-	1,360	18,169	19,529
Papua New Guinea	0.00853	5,241	6,056	479	-	4,762	6,056	10,818
Paraguay	0.02275	57,580	16,153	15,125	-	42,455	16,153	58,608
Peru	0.16775	296,101	119,103	344	-	295,757	119,103	414,860
Philippines	0.14216	32,009	100,934	32,009	37,103	-	63,831	63,831

Member States	Scale %	Contributions paya	ble 1 January 2004	Credits and Coll	lections in 2004	Contribution	s outstanding	Total outstanding
Wiember States	2004	Prior biennium	Current biennium	Prior biennium	Current biennium	Prior biennium	Current biennium	Total outstanding
Poland	0.53736	41,061	381,526	41,061	381,526	-	-	-
Portugal	0.65678	-	466,314	-	466,314	-	-	-
Qatar	0.04833	-	34,314	-	2,183	-	32,131	32,131
Republic of Korea	2.63137	-	1,868,272	-	634,678	-	1,233,594	1,233,594
Republic of Moldova	0.00284	872,848	2,016	93	-	872,755	2,016	874,771
Romania	0.08245	50,631	58,540	50,631	58,540	-	-	-
Russian Federation	1.70591	-	1,211,196	-	1,211,196	-	-	-
Rwanda	0.00100	9,263	710	27	-	9,236	710	9,946
Saint Kitts and Nevis	0.00100	-	710	-	93	-	617	617
Saint Lucia	0.00284	1,914	2,016	1,914	2,016	-	-	-
Saint Vincent and the Grenadines	0.00100	110,948	710	7	-	110,941	710	111,651
Sao Tome and Principe	0.00100	121,682	710	-	-	121,682	710	122,392
Saudi Arabia	0.78756	-	559,168	-	559,168	-	-	-
Senegal	0.00711	-	5,048	-	5,048	-	-	-
Serbia and Montenegro	0.02843	18,049	20,185	18,017	-	32	20,185	20,217
Seychelles	0.00284	45,828	2,016	26	-	45,802	2,016	47,818
Sierra Leone	0.00100	82,375	710	16,788	-	65,587	710	66,297
Slovakia	0.06113	-	43,402	-	43,402	-	-	-
Slovenia	0.11515	331,781	81,757	184,206	-	147,575	81,757	229,332
Somalia	0.00100	134,656	710	7	-	134,649	710	135,359
South Africa	0.58001	_	411,807	-	411,807	-	-	-
Spain	3.58064	-	2,542,254	-	2,542,254	-	-	-
Sri Lanka	0.02275	-	16,153	-	16,153	-	-	-
Sudan	0.00853	4,615	6,056	4,615	6,056	-	-	-
Suriname	0.00284	41,522	2,016	26	-	41,496	2,016	43,512
Swaziland	0.00284	-	2,016	-	482	-	1,534	1,534
Sweden	1.45962	-	1,036,330	-	1,036,330	-	-	-
Switzerland	1.81111	-	1,285,888	-	1,285,888	-	=	-
Syrian Arab Republic	0.11373	-	80,748	-	80,748	-	=	-
Tajikistan	0.00100	277,104	710	651	-	276,453	710	277,163
Thailand	0.41795	75,331	296,745	75,331	296,745	-	-	-
TFYR of Macedonia	0.00853	6,021	6,056	6,021	-	=	6,056	6,056
Timor-Leste	0.00100	-	710	=	710	-	=	-
Togo	0.00100	72,475	710	15,186	-	57,289	710	57,999
Tonga	0.00100	-	710	-	710	-	=	-
Trinidad and Tobago	0.02275	14,457	16,153	14,457	16,153	-	=	-
Tunisia	0.04265	2,336	30,282	2,336	28,293	-	1,989	1,989
Turkey	0.62550	-	444,105	<u> </u>	444,105	-	-	-
Turkmenistan	0.00426	155,308	3,025	<u>-</u>	-	155,308	3,025	158,333
Uganda	0.00711	-	5,048	-	4,690	-	358	358
Ukraine	0.07534	6,804,134	53,491	1,025,511	-	5,778,623	53,491	5,832,114

Member States	Scale %	Contributions paya	ble 1 January 2004	Credits and Coll	ections in 2004	Contribution	s outstanding	Total outstanding
Member States	2004	Prior biennium	Current biennium	Prior biennium	Current biennium	Prior biennium	Current biennium	Total outstanding
United Arab Emirates	0.28716	-	203,884	-	203,884	-	-	-
United Kingdom	7.86994	-	5,587,656	-	5,587,656	-	-	-
United Republic of Tanzania	0.00569	-	4,040	-	4,040	-	-	-
Uruguay	0.11373	192,516	80,748	31,366	-	161,150	80,748	241,898
Uzbekistan	0.01564	469,275	11,104	159	-	469,116	11,104	480,220
Vanuatu	0.00100	78,344	710	7	-	78,337	710	79,047
Venezuela (Bolivarian Republic of)	0.29569	328,131	209,940	328,131	-	-	209,940	209,940
Viet Nam	0.02275	-	16,153	-	16,153	-	-	-
Yemen	0.00853	323	6,056	323	6,056	-	-	-
Zambia	0.00284	55,544	2,016	26	-	55,518	2,016	57,534
Zimbabwe	0.01137	7,226	8,073	7,226	8,046	-	27	27
Subtotal:	100	42,521,493	71,000,000	3,288,436	64,264,899	39,233,057	6,735,101	45,968,158
FORMER MEMBER STATES:								
USA		69,228,235	-	21,887	-	69,206,348	-	69,206,348
Yugoslavia (former)		2,081,702	-	-	-	2,081,702	-	2,081,702
Sub total:		71,309,937	-	21,887	-	71,288,050	-	71,288,050
NEW MEMBER STATES:								
Chad		9,809	-	7	-	9,802	-	9,802
Comoros		12,975	-	7	-	12,968	-	12,968
Djibouti		8,787	-	7	-	8,780	-	8,780
El Salvador		17,250	-	-	-	17,250	-	17,250
Equatorial Guinea		12,975	-	7	-	12,968	-	12,968
Liberia		18,620	-	7	-	18,613	-	18,613
Sao Tome and Principe		12,975	-	7	-	12,968	-	12,968
Timor-Leste		668	-	668	-	-	-	-
Turkmenistan		52,332	=	=	=	52,332	-	52,332
Subtotal:		146,391	-	710	-	145,681	=	145,681
TOTAL		113,977,821	71,000,000	3,311,033	64,264,899	110,666,788	6,735,101	117,401,889
1986		50,465		35		50,430		50,430
1987		53,410		-		53,410		53,410
1988		82,281		17		82,264		82,264
1989		109,948		1,094		108,854		108,854
1990		525,661		9,835		515,826		515,826
1991		763,259		9,856		753,403		753,403
1992		942,764		26,744		916,020		916,020
1993		1,140,298		48,632		1,091,666		1,091,666
1994		8,072,707		56,864		8,015,843		8,015,843
1995		37,918,785		1,040,500		36,878,285		36,878,285
1996		35,079,800		24,831		35,054,969		35,054,969
1997		5,047,707		95,669		4,952,038		4,952,038

Member States	Scale %	Contributions payal	ble 1 January 2004	Credits and Collections in 2004		Contribution	Total outstanding	
Wiember States	2004	Prior biennium	Current biennium	Prior biennium	Current biennium	Prior biennium	Current biennium	Total outstanding
1998		3,956,766		133,424		3,823,342		3,823,342
1999		4,628,093		235,359		4,392,734		4,392,734
2000		3,028,794		87,689		2,941,105		2,941,105
2001		3,172,139		100,188		3,071,951		3,071,951
2002		3,985,584		388,833		3,596,751		3,596,751
2003		5,419,360		1,051,463		4,367,897		4,367,897
TOTAL		113,977,821	71,000,000	3,311,033	64,264,899	110,666,788	6,735,101	117,401,889

Schedule 2.2 STATUS OF ADVANCES TO THE WORKING CAPITAL FUND as at 31 December 2004

Member State	Scale of assessment (per cent)	Amount of advance	Collections 1986-2003	Adjustments 2004		Amour outstandin
Afghanistan	0.00100	74	308	(234)		
Albania	0.00426	316	297	19		
Algeria	0.09951	7,387	7,349	38		
Angola	0.00284	211	223	(12)		
Argentina	1.37752	102,254	120,847	(18,593)		
Armenia	0.00284	211	223	(10,5)3)		
Austria	1.34625	99,933	99,617	(12)	316	
Azerbaijan	0.00569	422	445	(23)	510	
Bahamas	0.01706	1,266	1,262	4		
Bahrain	0.02559	1,900	1,930	(30)		
Bangladesh	0.01000	742	742	-		
Barbados	0.01279	949	965	(16)		
Belarus	0.02701	2,005	2,005			
Belgium	1.60498	119,139	118,769	20	350	
Belize	0.00100	74	74	-	230	
Benin	0.00284	211	223	(12)		
Bhutan	0.00100	74	74	-		
Bolivia	0.01137	844	817	27		
Bosnia and Herzegovina	0.00569	422	445	(23)		
Botswana	0.01422	1,056	1,039	17		
Brazil	3.39761	252,206	170,093	3,064		79,0
Bulgaria	0.01848	1,372	1,336	36		,.
Burkina Faso	0.00284	211	223	(12)		
Burundi	0.00100	74	74	-		
Cambodia	0.00284	211	150	61		
Cameroon	0.01279	949	965	(16)		
Cape Verde	0.00100	74	74	-		
Central African Republic	0.00100	74	74	_		
Chad	0.00100	74	74	_		
Chile	0.30138	22,372	22,269	103		
China	2.17788	161,665	161,080	585		
Colombia	0.28574	21,211	21,156	55		
Comoros	0.00100	74	74	_		
Congo	0.00100	74	74	-		
Costa Rica	0.02843	2,110	2,078	14	18	
Côte d'Ivoire	0.01279	949	965	(16)		
Croatia	0.05544	4,115	4,083	32		
Cuba	0.04265	3,166	3,192	(26)		
Cyprus	0.05402	4,010	4,010	-		
Czech Republic	0.28858	21,421	21,376	45		
Democratic People's Republic of Korea	0.01279	949	965	(16)		
Democratic Republic of the Congo	0.00569	422	445	(23)		
Denmark	1.06477	79,039	78,759	280		
Djibouti	0.00100	74	74	-		
Dominica	0.00100	74	74	-		
Dominican Republic	0.03270	2,427	318	7		2,10

Member State	Scale of assessment (per cent)	Amount of advance	Collections 1986-2003	Adjustments 2004	Collections 2004	Amoun
Б. 1					2004	Outstanding
Ecuador	0.03554 0.11515	2,638	2,598	40 12		-
Egypt El Calvadar		8,548	8,536			1 745
El Salvador	0.02559	1,900	146	7		1,747
Equatorial Guinea	0.00100	74	74	-		-
Eritrea	0.00100	74	74	(22)		-
Ethiopia	0.00569	422	445	(23)		-
Fiji	0.00569	422	445	(23)	154	-
Finland	0.74207	55,084	54,930		154	-
France	9.19202	682,327	680,024	(0)	2,303	-
Gabon	0.01990	1,477	1,485	(8)		-
Gambia	0.00100	74	74	-		-
Georgia	0.00711	528	520	8		-
Germany	13.88754	1,030,877	1,027,422	3,455		-
Ghana	0.00711	528	520	8		-
Greece	0.76624	56,878	56,712		166	-
Grenada	0.00100	74	74	-		-
Guatemala	0.03838	2,849	2,821	28		-
Guinea	0.00426	316	297	19		-
Guinea-Bissau	0.00100	74	74	-		-
Guyana	0.00100	74	74	-		-
Haiti	0.00284	211	223	(12)		-
Honduras	0.00711	528	520	8		-
Hungary	0.17059	12,663	12,619	44		-
India	0.48476	35,984	35,853		131	-
Indonesia	0.28432	21,105	21,007		98	-
Iran (Islamic Republic of)	0.38667	28,703	28,579	124		-
Iraq	0.19334	14,352	3,630	140		10,582
Ireland	0.41795	31,025	30,954		71	-
Israel	0.58996	43,793	43,647	146		-
Italy	7.20001	534,459	532,567		1,892	-
Jamaica	0.00569	422	445	(23)		-
Japan	22.00000	1,633,067	1,633,067	-		-
Jordan	0.01137	844	817	27		-
Kazakhstan	0.03980	2,954	2,969	(15)		-
Kenya	0.01137	844	817	27		-
Kuwait	0.20897	15,512	15,440	72		-
Kyrgyzstan	0.00100	74	74	_		-
Lao People's Democratic Republic	0.00100	74	74	-		-
Lebanon	0.01706	1,266	1,262	4		_
Lesotho	0.00100	74	74	_		_
Liberia	0.00100	74	74	_		_
Libyan Arab Jamahiriya	0.09525	7,070	7,052	18		_
Lithuania	0.02417	1,794	1,782	12		
Luxembourg	0.11373	8,442	8,388	54		-
Madagascar	0.00426	316	297	19		•
Malawi	0.00428	211	223	(12)		-
	0.33407			(12) 79		-
Malaysia Maldivas		24,798	24,719	/9		_
Maldives	0.00100	74	74	(10)		-
Mali	0.00284	211	223	(12)		-

Member State	Scale of assessment	Amount of	Collections	Adjustments		Amour
	(per cent)	advance	1986-2003	2004	2004	outstandin
Malta	0.02132	1,583	1,559	24		
Mauritania	0.00100	74	74	-		
Mauritius	0.01564	1,161	1,188	(27)		
Mexico	1.54385	114,600	114,240		360	
Monaco	0.00569	422	297		125	
Mongolia	0.00100	74	74	-		
Morocco	0.06255	4,643	4,602	41		
Mozambique	0.00100	74	74	-		
Myanmar	0.01000	742	742	-		
Namibia	0.00995	739	742	(3)		
Nepal	0.00569	422	445	(23)		
Netherlands	2.47073	183,404	182,755		649	
New Zealand	0.34260	25,431	25,313		118	
Vicaragua	0.00100	74	74	-		
Niger	0.00100	74	74	-		
Nigeria	0.09667	7,176	7,126	50		
Norway	0.91835	68,170	67,921		249	
Oman	0.08672	6,437	6,384	53		
Pakistan	0.08672	6,437	6,384	53		
Panama	0.02559	1,900	1,930	(30)		
Papua New Guinea	0.00853	633	668	(35)		
araguay	0.02275	1,689	1,707	(18)		
Peru	0.16775	12,452	12,396	56		
Philippines	0.14216	10,553	10,541	12		
Poland	0.53736	39,889	39,787	102		
Portugal	0.65678	48,753	48,621		132	
Qatar	0.04833	3,588	3,563	25		
Republic of Korea	2.63137	195,328	194,706		622	
Republic of Moldova	0.00284	211	223	(12)		
Romania	0.08245	6,120	6,087	33		
Russian Federation	1.70591	126,631	126,192		439	
Rwanda	0.00100	74	74	_		
aint Kitts and Nevis	0.00100	74	74	_		
Saint Lucia	0.00284	211	223	(12)		
Saint Vincent and the Grenadines	0.00100	74	74	(12)		
Sao Tome and Principe	0.00100	74	74	_		
Saudi Arabia	0.78756	58,461	58,271	190		
Senegal	0.00711	528	520	8		
Serbia and Montenegro	0.02843	2,110	2,078	0	32	
Seychelles	0.00284	2,110	223	(12)	32	
Sierra Leone	0.00100	74	74	(12)		
Slovakia	0.06113	4,538	4,528	10		
Slovenia	0.11515	8,548	7,307	247	994	
Somalia	0.00100	74	7,307	241	774	
South Africa	0.58001	43,054	42,910	-	144	
					940	
Spain Swittenko	3.58064	265,792	264,852	(10)	940	
Sri Lanka	0.02275	1,689	1,707	(18)		
Sudan Suriname	0.00853 0.00284	633 211	668 223	(35) (12)		

Member State	Scale of assessment (per cent)	Amount of advance	Collections 1986-2003	Adjustments 2004	Collections 2004	Amount
Swaziland	0.00284	211	223	(12)		
Sweden	1.45962	108,348	107,965	(12)	383	-
Switzerland	1.43902	134,439	133,986		453	-
Syrian Arab Republic	0.11373	8,442	8,388	54	433	-
Tajikistan	0.00100	6,442 74	0,300 74			-
Thailand	0.41795	31.025	30,954	71		-
TFYR of Macedonia	0.41793	633	30,934 668	(35)		-
Timor-Leste	0.00833	74	008	(33)	74	-
		74 74	74		/4	-
Togo	0.00100			-		-
Tonga	0.00100	74	74	(10)		-
Trinidad and Tobago	0.02275	1,689	1,707	(18)		-
Tunisia	0.04265	3,166	3,192	(26)	105	-
Turkey	0.62550	46,431	46,245		186	-
Turkmenistan	0.00426	316	27	29		260
Uganda	0.00711	528	520	8		-
Ukraine	0.07534	5,593	5,567	26		-
United Arab Emirates	0.28716	21,316	21,230	86		-
United Kingdom	7.86994	584,189	582,189		2,000	-
United Republic of Tanzania	0.00569	422	445	(23)		-
Uruguay	0.11373	8,442	8,388	54		-
Uzbekistan	0.01564	1,161	1,188	(27)		-
Vanuatu	0.00100	74	74	-		-
Venezuela (Bolivarian Republic of)	0.29569	21,949	21,898	51		-
Viet Nam	0.02275	1,689	1,707	(18)		-
Yemen	0.00853	633	668	(35)		-
Zambia	0.00284	211	223	(12)		-
Zimbabwe	0.01137	844	817	27		
TOTAL	100	7,423,030	7,325,458	(9,567)	13,399	93,740

Statement III

GENERAL FUND AND WORKING CAPITAL FUND Statement of cash flow for the year ended 31 December 2004 (In thousands of euros)

		Total 2004	Total 2002
Cash flows from operating activities			
Excess (shortfall) of income over expenditure (Statement I)		13,652.5	8,423.4
(Increase) decrease in contributions receivable		(3,419.9)	(389.9)
(Increase) decrease other accounts receivable		120.8	5,235.7
Increase (decrease) in contributions or payments received in advance		1,134.1	955.4
Increase (decrease) in unliquidated obligations		(7,059.9)	(9,908.9)
Increase (decrease) in accounts payable		(2,198.5)	(5,416.9)
Increase (decrease) in other funds and special accounts			(182.3)
Less: Interest income	660.5		
Currency exchange adjustments	174.3	834.8	880.3
Net cash from operating activities		1,394.3	(2,163.8)
Cash flows from investing and financing activities			
Increase (decrease) in interfund balances		(404.3)	(909.9)
Increase (decrease) in borrowings		(865.0)	(1,618.0)
Plus: Interest income	660.5		
Currency exchange adjustments	174.3	<u>834.8</u>	880.3
Net cash from investing and financing activities		(434.5)	(1,647.6)
Cash flows from other sources			
Savings on or cancellation of prior period's obligations		3,281.3	4,315.7
Transfers to (from) reserves		410.5	2,278.8
Credits to Member States and prior bienniums adjustments		(3,063.9)	<u>9.1</u>
Net cash from other sources		627.9	6,603.6
Net increase (decrease) in cash		1,587.7	2,792.2
Cash at beginning of period		23,393.9	18,328.7
Cash at end of period (Statement II)		<u>24,981.6</u>	21,120.9

GENERAL FUND Status of appropriations by major programme for 2004 as at 31 December 2004 (In thousands of euros)

(iii inousailus of curos)								
Major Programme	Original appropriation	Transfers/ other adjustments	Revised appropriation	Disbursements during 2004	Unliquidated obligations as at 31/12/04	Total expenditure	Balance of appropriations	
Governing Bodies	2,507.3	0.0	2,507.3	2,302.2	0.2	2,302.4	204.9	
General Management	5,960.3	0.0	5,960.3	5,140.7	389.7	5,530.4	429.9	
Strengthening of Industrial Capacities	14,561.0	0.0	14,561.0	9,846.3	266.9	10,113.2	4,447.8	
Cleaner and Sustainable Industrial Development	11,782.7	0.0	11,782.7	11,157.3	237.2	11,394.5	388.2	
Regional Programme	17,409.9	0.0	17,409.9	9,739.6	2,068.2	11,807.8	5,602.1	
Administration	13,159.3	0.0	13,159.3	9,628.8	663.8	10,292.6	2,866.7	
Indirect Costs	8,010.4	0.0	8,010.4	7,082.1	285.9	7,368.0	642.4	
Total A	73,390.9	0.0	73,390.9	54,897.0	3,911.9	58,808.9	14,582.0	
	Α	Approved estimate	es	Actual income	Accrued income	Total income	(Excess) shortfall	
Income								
Regional Programme	802.9	0.0	802.9	260.9	0.0	260.9	542.0	
Miscellaneous Income								
(i) Estimated in GC.9/Dec.17	689.8	0.0	689.8	698.2	0.0	698.2	(8.4)	
(ii) Not estimated in GC.9/Dec.17				502.3	0.0	502.3	(502.3)	
Total B	1,492.7	0.0	1,492.7	1,461.4	0.0	1,461.4	31.3	
Total A—B	71,898.2	0.0	71,898.2	53,435.6	3,911.9	57,347.5	14,550.7	

GENERAL FUND Status of appropriations by major object of expenditure for 2004 as at 31 December 2004 (In thousands of euros)

Major object of expenditure	Original appropriation	Transfers/ other adjustments	Revised appropriation	Disbursements during 2004	Unliquidated obligations as at 31/12/04	Total expenditure	Balance of appropriations
Salaries and common staff costs	48,784.1	0.0	48,784.1	39,142.1	1,442.1	40,584.2	8,199.9
Official travel	1,439.6	0.0	1,439.6	731.6	156.1	887.7	551.9
Operating costs	13,139.2	0.0	13,139.2	8,506.1	1,528.9	10,035.0	3,104.2
Information and communication technology	2,948.2	0.0	2,948.2	1,359.2	436.4	1,795.6	1,152.6
RPTC and SRA activities	7,079.8	0.0	7,079.8	5,158.0	348.4	5,506.4	1,573.4
Total A	73,390.9	0.0	73,390.9	54,897.0	3,911.9	58,808.9	14,582.0
	Approved estimates						
	A	Approved estimate	es	Actual income	Accrued income	Total income	(Excess) shortfall
<u>Income</u>	A	Approved estimate	es	Actual income	Accrued income	Total income	(Excess) shortfall
Regional Programme	802.9	Approved estimate	802.9	Actual income	Accrued income	Total income 260.9	(Excess) shortfall
Regional Programme Miscellaneous income	802.9	0.0	802.9	260.9	0.0	260.9	542.0
Regional Programme							
Regional Programme Miscellaneous income (i) Estimated in GC.9/Dec.17	802.9	0.0	802.9	260.9 698.2	0.0	260.9	542.0 (8.4)

OTHER HEADQUARTERS FUNDS—BUILDINGS MANAGEMENT SERVICES Status of appropriations by major object of expenditure for 2004 as at 31 December 2004

(In thousands of euros)

Major object of expenditure	Original appropriation	Transfers/other adjustments	Revised appropriation	Disbursements during 2004	Unliquidated obligations as at 31/12/04	Total expenditure	Balance of appropriations
Staff costs	6,875.6	0.0	6,875.6	5,734.3	15.0	5,749.3	1,126.3
Official travel	5.8	0.0	5.8	2.2	0.0	2.2	3.6
Operating costs	16,795.8	0.0	16,795.8	5,896.0	5,714.7	11,610.7	5,185.1
Information and communication technology	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RPTC and SRA activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total A	23,677.2	0.0	23,677.2	11,632.5	5,729.7	17,362.2	6,315.0
	Estimated income			Actual income	Accrued income	Total income	(Excess) shortfall
<u>Income</u>							
Common Buildings Management	22,777.1	0.0	22,777.1	19,711.6	93.3	19,804.9	2,972.2
Joint Buildings Management	900.1	0.0	900.1	585.5	13.6	599.1	301.0
Total B	23,677.2	0.0	23,677.2	20,297.1	106.9	20,404.0	3,273.2
Miscellaneous income							
Not estimated in GC.9/Dec.17	0.0	0.0	0.0	180.5	0.0	180.5	(180.5)
Total C	0.0	0.0	0.0	180.5	0.0	180.5	(180.5)
Total A—B—C	0.0	0.0	0.0	(8,845.1)	5,622.8	(3,222.3)	3,222.3

Cumulative fund balance — special account for BMS (GC.9/Dec.14)	
Excess of income over expenditure	3,222.3
 Savings on cancellation of obligations 	740.8
- Unliquidated obligations	(1,874.8)
Net surplus for 2004	2,088.3
Balance at the beginning of year	8,443.8
Balance at the end of year	10,532.1*

^{*} The balance at year-end reported above is attributable to the special account for Buildings Management and is not subject to financial regulations 4.2(b) and 4.2(c). As at 31 December 2004, contributions outstanding to the special account for Buildings Management from the VBOs are €4,815,676.

II. NOTES TO THE FINANCIAL STATEMENTS

Preface

UNIDO MISSION STATEMENT

The United Nations Industrial Development Organization (UNIDO) is a specialized United Nations agency dedicated to promoting sustainable industrial development in countries with developing and transition economies.

UNIDO draws on the wide industrial expertise of its staff and the resources of government, the private sector and other United Nations multilateral and national institutions to create productive employment, competitive economies and a sound environment.

Fostering growth and productivity is central to UNIDO's highly focused sectoral, regional and country-specific programmes. UNIDO is committed to maintaining excellent standards in the implementation of these programmes with the ultimate aim of assisting the developing countries and transition economies in their struggle against poverty and marginalization.

Note 1. Summary of significant accounting policies

The following are the significant accounting policies of UNIDO:

- (a) UNIDO's accounts are maintained in accordance with the Financial Regulations of UNIDO, as adopted by the General Conference, the rules formulated thereunder, administrative instructions in force as at the date of conversion of UNIDO into a specialized agency, and in conformity with generally accepted government accounting principles. UNIDO follows the accounting standards as approved by the High-Level Committee on Management (HLCM) on behalf of the United Nations Chief Executives Board for Coordination (CEB) at its seventh session and requested by General Assembly resolution 48/216, and the financial statements, of which these notes form an integral part, are presented in accordance with those standards, as shown below:
 - Going concern, consistency and accrual are fundamental accounting assumptions. Where fundamental
 accounting assumptions are followed in financial statements, disclosure of such assumptions is not
 required. If a fundamental accounting assumption is not followed, that fact should be disclosed
 together with the reasons;
 - (ii) Prudence, substance over form, and materiality should govern the selection and application of accounting policies;
 - (iii) Financial statements should include clear and concise disclosure of all significant accounting policies, which have been used:
 - (iv) The disclosure of the significant accounting policies used should be an integral part of the financial statements. The policies should normally be disclosed in one place;
 - (v) Financial statements should show corresponding figures for the preceding period;
 - (vi) A change in an accounting policy that has a material effect in the current period or may have a material effect in subsequent periods should be disclosed together with the reasons. The effect of the change should, if material, be disclosed and quantified.
- (b) The UNIDO financial statements are prepared on the historical cost basis of accounting and have not been adjusted to reflect the effects of changing prices for goods and services.
- (c) Until 31 December 2001, the accounts of the Organization were presented in United States dollars. With effect from January 2002, the currency of accounts was changed to euros (GC.8/Dec.16). Therefore, all assets, liabilities, reserves and fund balances of the General Fund and other Headquarters funds were converted to euros on 1 January 2002, using the exchange rates approved by the General Conference (GC.9/Dec.15), i.e. ATS 13.7603 = $\[\in \]$ and $\[\in \]$ 1.123 (or $\[\in \]$ = $\[\in \]$ 0.890472). Most extrabudgetary activities, however, continue to be in United States dollars. Therefore, for the Organization's consolidated financial statements purposes, these accounts are converted to euros using the methodology stated in note 1(g) below.
- (d) Fund accounting. The UNIDO accounts are maintained on a "fund accounting" basis. Separate funds for general or special purposes may be established by the General Conference or the Director-General. Each fund is maintained as a distinct financial and accounting entity, with a separate self-balancing double-entry group of accounts.
 - (e) The fiscal period of the Organization is a biennium and consists of two consecutive calendar years.
- (f) The income, expenditure, assets and liabilities are recognized on the accrual basis of accounting except for trust funds, the Industrial Development Fund, Montreal Protocol and Global Environmental Facility. For these funds, the actual contributions received from donors are shown as income (voluntary contributions), which are held in trust by UNIDO for the purpose of carrying out the implementation of projects/activities agreed to by the donors.
- (g) Translation of currencies. In accordance with General Conference decision GC.8/Dec.16, the accounts of the Organization are presented in euros. Transactions in other currencies are converted into euros as follows: income, expenditure and changes in reserves and fund balances at the applicable United Nations operational rate of exchange at the deemed date of the transaction; and assets, liabilities, reserves and fund balances at the applicable United Nations

operational rate of exchange at the date of the statement (see also note 1 (q) below on Other income—Gain/loss on exchange).

- (h) Assessed contributions. In accordance with financial regulation 5.6, payments made by a Member State are credited first to the Working Capital Fund and then to the contributions due, in the order in which the Member State was assessed.
- (i) Contributions in kind received or receivable and the value thereof are not accounted for, but disclosed in the notes to the financial statements. Where necessary, amounts are estimated locally based on a fair commercial value in an arms-length transaction.
- (j) Funds on deposit in interest-bearing bank accounts, certificates of deposit, time deposits and call accounts are shown in the statements of assets and liabilities as cash.
 - (k) Deferred charges—shown under other assets:
 - Deferred charges comprise expenditure items that are not properly chargeable in the current fiscal period and that will be charged as expenditure in a subsequent fiscal period;
 - (ii) For balance sheet statement purposes only, that portion of the education grant advance, which is assumed to pertain to the scholastic year completed as at the date of the financial statement is shown under deferred charges. The full amount of the advance is maintained in the accounts receivable from staff members until such time as the staff member produces the required proof of entitlement to the education grant, at which time the budgetary account is charged and the advance recovered.
- (l) Fixed assets. Furniture, equipment, other non-expendables and leasehold improvements are not included in the assets of the Organization. Acquisitions are charged against budgetary accounts in the year of purchase.
- (m) Commitments approved for future fiscal periods that are necessary in the interest of UNIDO, in accordance with financial rule 109.6, are disclosed in the notes to the financial statements of the respective fund. Such commitments are normally restricted to administrative requirements of a continuing nature and to other contracts or legal obligations where long lead times are required for delivery.
- (n) No provision is made in the General Fund for end-of-service entitlements or to meet contingencies under appendix D to the Staff Rules of UNIDO, as funds are provided for in the budget appropriations. However, provision is made to meet repatriation grant entitlements and contingency liabilities for compensation payments under appendix D to the Staff Rules for personnel financed by technical cooperation other than UNDP and are calculated on the basis of one per cent of net base pay.
- (o) Special accounts. The General Conference at its ninth session established, with effect from 1 January 2002, a special account for Buildings Management Services (for other than staff costs) and a special account for the Regular Programme of Technical Cooperation (GC.9/Dec.14). These special accounts are not subject to financial regulations 4.2(b) and 4.2(c); thus the budgetary surplus due to Member States excludes the balances available in these special accounts.
- (p) Surpluses due to Member States are funds available for credit to Member States arising from unencumbered balances of the appropriations and contributions from new Member States. In accordance with financial regulation 4.2(b), the unencumbered balance of the appropriations at the end of a fiscal period shall be surrendered to the Members at the end of the first calendar year following the fiscal period after deducting therefrom any contributions from Members relating to that fiscal period which remain unpaid, and shall be credited to the Members in proportion to their assessed contributions in accordance with the provisions of the financial regulations 4.2(c) and 5.2(d). Financial regulation 4.2(c) requires that, before the respective share of the balance is surrendered to any Member that has outstanding regular budget obligations to the Organization, those obligations shall first be brought to account. Financial regulation 5.2(d) requires that any balance of the appropriations shall be adjusted against future assessments unless the General Conference decides otherwise.

(q) Other income:

- (i) One-half of the gross income from the sales of publications is reported under revenue-producing activities. The other half of income attributable to the sales publications revolving fund less related costs is disclosed in the note to the General Fund (note 2(b));
- (ii) Refunds of expenditures charged to prior fiscal periods are credited to miscellaneous income;
- (iii) Moneys accepted in respect of which no purpose is specified are treated as miscellaneous income;
- (iv) Gain/loss on exchange arises from transactions conducted in currencies other than euros, for the general and other Headquarters funds and the revaluation of assets and liabilities held in local currencies. Unrealized exchange gains are not recorded as income, but set aside in accounts payable on the grounds of prudence until realized at which point they would be treated as income. Gains arising from the revaluation of non-euro cash and bank amounts are treated as realized;
- (v) Gain/loss on exchange arises from transactions conducted in currencies other than dollars (i.e. for the dollar-based extrabudgetary technical cooperation activities in annex I, dollar statements) and the revaluation of assets and liabilities held in non-dollar currencies. Current year obligations have been revalued at the year-end United Nations operational rate of exchange. Unrealized exchange gains are not recorded as income, but set aside in accounts payable on the grounds of prudence until realized at which point they would be treated as income. Gains arising from the revaluation of non-dollar cash and bank amounts are treated as realized, with the exception of euro cash and bank deposits where such gains are also set aside in accounts payable, pending utilization in the restoration of purchasing power to projects with euro expenditures. However, for the euro presentation of dollar-based extrabudgetary activities in annex I, euro statements, the gain/loss resulting from the revaluation of non-euro assets, liabilities, reserves and funds balances is shown as "other adjustments to reserves and funds balances" on statement 1:
- (vi) Proceeds from the sale of surplus property are credited to the miscellaneous income of the respective funds.

(r) Technical cooperation accounts:

- (i) The appropriations for the Regular Programme of Technical Cooperation (RPTC) are administered in accordance with the financial regulations of UNIDO, and in accordance with the General Conference decision mentioned in paragraph (o) above;
- (ii) Allocation income—UNDP. The figures for allocation income from UNDP and UNDP trust funds are the same as reported for total expenditure in line with UNDP procedures, which require that allocations be adjusted to equal actual expenditure;
- (iii) Contributions income—trust funds and Industrial Development Fund (IDF). Voluntary contributions from Governments or other donors are recorded upon receipt of cash. The use of such contributions is governed by agreements between UNIDO and the Government/donor. Upon termination, expiration, or revision of an agreement or receipt of other instructions from the Government/donor, any surplus remaining in a trust/other funds is returned to the Government/donor or disposed of as requested by the Government/donor;
- (iv) Interest and miscellaneous income. Interest income arising from the RPTC is credited to the General Fund; however, the miscellaneous income relating to the RPTC is credited to the special account. Interest income arising from the special account for Buildings Management is credited to that account, and finally prorated to the Vienna-based organizations taking into account the funds contributed by them and the date of receipt of such funds in the account. Interest income arising from UNDP activities is credited to the operating fund account maintained with that organization. Interest income arising from the Industrial Development Fund, other than the general-purpose segment, as well as the trust funds relating to the technical cooperation activities is credited to accounts payable until instructions regarding its disposal are received from the donor. Interest accrued under the General Purpose segment of the Industrial Development Fund is credited to that Fund. Interest income

attributable to the Montreal Protocol is treated immediately as an additional programmable balance. Interest income credited to the Global Environmental Facility, excluding interest income earned on funds transferred as UNIDO fees, is set aside as accounts payable pending instructions to its return to the trustee;

(v) The criteria for recording and reporting unliquidated obligations against the current biennium for the RPTC are the same as those for the regular budget; however, as stated in paragraph (o) above, these obligations are not subject to financial regulation 4.2(b) that requires that obligations shall remain available for twelve months following the end of the fiscal period to which they relate. For all other technical cooperation fund sources, obligations may be reported as expenditure of the current year on the basis of the following criteria:

Personnel services

The cost of salaries and related expenses corresponding to services rendered within the calendar year. Personnel services, in this context, include temporary assistance and overtime as well as consultants who have subscribed to Special Service Agreements. However, when the remuneration of the consultant is expressed as a lump sum rather than a sum per period worked, the full cost of the contract may be treated as an obligation of the current year.

Supplies and equipment

The full cost of contracts or purchase orders entered into prior to the end of the year, whether or not delivery has been effected, as long as there is budgetary provision in the current period.

Subcontracts

An obligation can be maintained on the basis of the payment schedule included in the signed contract with the contractor. Where no payment schedule exists, the basis is the estimated timing of payments.

Fellowships

The cost of the fellowship from the date of commencement of study to completion of study or 31 December, whichever is earlier. The fellow must have been placed, i.e. the fellowship awarded to a named individual and the place, course and the duration of the study established and the recipient Government notified.

Travel

The full cost of travel, including the cost of transportation, subsistence allowances and other incidental expenses if travel started prior to the end of the calendar year.

Group training

The cost of activities held in the current year. In the case of activities beginning in one year and continuing into the next, the full cost of the activity should be charged to the current year.

- (vi) Unliquidated obligations for the current period in respect of all technical cooperation activities other than the regular budget remain valid for 12 months following the end of the year, rather than the biennium, to which they relate. However, in accordance with UNDP reporting requirements, executing agencies may retain unliquidated obligations beyond 12 months when a firm liability to pay still exists; such liabilities are reported as accounts payable in the financial statements. Savings on or the cancellation of obligations relating to the RPTC are credited to the special account approved by the General Conference. Savings on or the liquidation of prior period obligations in respect of all other technical activities are credited to individual projects as a reduction of current period expenditure in accordance with UNDP reporting requirements. The UNDP requirements are also applied in the case of the Industrial Development Fund, trust funds, Montreal Protocol and the Global Environmental Facility.
- (s) Trust funds. Director-General's bulletin UNIDO/DG/B.18/Rev.1 dated 15 May 1992 sets out revised policies for establishing and managing trust funds with effect from 26 May 1992. Extrabudgetary funds provided to reimburse the Organization for the use of its facilities are excluded from the provisions of UNIDO/DG/B.18/Rev.1.

(t) Special account for programme support costs:

- (i) Reimbursement for programme support costs is provided for in respect of extrabudgetary technical cooperation activities. Reimbursement is calculated as a percentage of programme resources expended. The Montreal Protocol Fund, under a new arrangement that became effective January 2003, makes an annual lump sum payment of US\$ 1.5 million as support cost for the implementation of its programme/projects; this amount is recorded as current year income. The Fund also pays a reduced support cost in respect of each of its projects, which, similar to most other technical cooperation activities, is calculated as a percentage of programme resources expended;
- (ii) In the financial statements of the Organization, the special account for programme support costs is shown separately from the inter-organization funds, from which its income derives;
- (iii) Unliquidated obligations in respect of the special account for programme support costs are accounted for on the same basis as for the regular budget.
- (u) Ex gratia payments made in accordance with financial rule 109.13 are reported in the notes to the financial statements of the respective fund pursuant to financial regulation 9.3.

Note 2. General Fund and Working Capital Fund

(a) Assessed contributions

The General Conference approved an amount of €142,000,000 for the regular budget for the biennium 2004-2005 (GC.10/Dec.17) to be financed from contributions by Member States, one half of which €71,000,000 was assessed to Member States for 2004, in accordance with financial regulation 5.1(c). Full provision is made for contributions outstanding from prior years of €10,666,788 as at 31 December 2004.

(b) Revenue-producing activities

Gross revenue from the sale of UNIDO publications was €75,455, one-half of which (€7,727) was transferred to the sales publications revolving fund. Sales promotional activities and other costs charged to the sales publications revolving fund of €26,576 resulted in a net surplus for the year 2004 of €1,152. The net balance of the sales publications revolving fund as at 31 December 2004 is €132,267.

(c) Interest income in excess of the budgetary estimates

Interest income in excess of the budgetary estimate ($\mathfrak{C}60,500$) for the year 2004 is $\mathfrak{C}7,870$; actual amount, if any, due for distribution to eligible Member States will be determined at the end of the biennium. Pursuant to decision GC.8/Dec.10, this amount is added to accounts payable established for this purpose in 1999. As at 31 December 2004, the balance on this account was $\mathfrak{C}89,527$, out of which funds amounting to $\mathfrak{C}31,657$ were credited to eligible Member States, in accordance with the "S" curve formula, when their assessed contributions for the year 2005 were calculated.

(d) Currency exchange adjustments

The amount of €174,307 represents the net realized exchange gain from regular budget activities.

An unrealized exchange gain of €600,063 resulting from the revaluation of non-euro monetary assets and liabilities using the United Nations operational rate of exchange as at 31 December 2004 has not been recorded as income, but set aside within "accounts payable—other" until realized. Of this amount, €386,000 is attributable to the revaluation of the outstanding loan from the United Nations.

(e) Miscellaneous income

Of the total miscellaneous income, an amount of €171,127 relates to CTBTO support costs charged on BMS activities.

(f) Regular Programme of Technical Cooperation

In accordance with General Conference decision GC.9/Dec.14, a special account was established for fully programmable appropriations under the RPTC, not subject to financial regulations 4.2(b) and 4.2(c). Funds from cancellation of obligations, if any, would be retained in the special account for carrying out RPTC activities. As of 31 December 2004, the accumulated fund balance in the special account amounts to €2,867,824, including a transfer of €399,728 during 2004.

(g) Prior biennium adjustments

The total adjustment of €119,311 in 2004 comprises:

- (i) A charge of €3,000 for the biennium 1996-1997 in respect for a payment made to a UNIDO staff member as recommended by the Joint Appeals Board;
- (ii) A payment against the biennium 1998-1999 of €0,853 to a UNIDO staff member as recommended by the Joint Appeals Board;
- (iii) Biennium 2000-2001 charges of €23,137 related to IAEA library staff costs;
- (iv) Various late charges for the biennium 2002-2003 of €42,321 including €18,291 for projects under IDDA.

(h) Savings on or cancellation of obligations from the prior biennium

An amount of \mathfrak{S} ,277,774 net saving arises from the cancellation of 2002-2003 obligations. This amount consists of savings on the cancellation of obligations from the prior biennium of \mathfrak{S} ,287,665 less \mathfrak{S} ,891 exchange loss on liquidation of prior biennium IDDA obligations.

(i) Accounts receivable—other

"Accounts receivable—other" include the Organization's claim amounting to ♥55,784 submitted to the Government of the United States of America in respect of United States income tax reimbursed to UNIDO staff members during the period 1994 to 1996 under the Tax Reimbursement Agreement. The Government of the United States of America had communicated to the Organization that it acknowledges this debt, however, no payment was received during 2004.

The Organization's claim to the International Atomic Energy Agency under the cost-sharing agreement for termination indemnity costs for Buildings Management staff separated during the 1995 staff reduction exercise is not resolved. The amount claimed is \$644,453 (€723,720 at the United Nations operational rate of exchange approved by the ninth session of the General Conference (GC.9/Dec.15)). A provision for a possible write off of this receivable is included in accounts payable.

(i) Assessed contributions received in advance

Assessed contributions of €1,324,078 were received in advance from Member States in 2004 to be applied against the 2005 assessment.

(k) Borrowings

At the time UNIDO became a specialized agency, an interest-free loan of \$16,000,000 was received from the United Nations. The loan is repayable at the rate of \$1,000,000 a year, commencing in 1990. The total amount due as at 31 December 2004 amounts to \$1,000,000 (€737,000 at the United Nations operational rate of exchange as at 31 December 2004).

(l) Other reserves

Other reserves comprise the following:

	<u>€000's</u>
Separation indemnity reserves	5,499.3
Sales Publication Revolving Fund	132.3
Reserve for exchange rate fluctuations	1,840.8
Special account for RPTC	2,867.8
	10,340.2

(m) Separation indemnity reserves

Pursuant to decision GC.6/Dec.15, paragraph (e), the amount of \$9,546,732 representing the balance of appropriations for the biennium 1992-1993, which was actually received by the Organization, was transferred to a separation indemnity reserve in 1995. The reserve balance of €1,109,698 at the beginning of the year was unchanged at 31 December 2004 as no payments were made during 2004. Pursuant to General Conference decision GC.7/Dec.17, the amount of \$13.9 million was transferred from the unencumbered balance of appropriations for the biennium 1994-1995 for the funding of the separation indemnity reserve to meet the cost of staff separations resulting from the 1998-1999 programme and budgets. Unlike the previous allocation from the 1992-1993 biennium, the allocation from the 1994-1995 biennium was not supported by the actual cash, as large arrears for this biennium exist. This reserve had effectively been reduced to \$3,908,824 (€4,389,609) by payments made during the period 1998-2001 of \$9,991,176. No payments were made during 2004, thus the balance remained at €4,389,609. The total under separation indemnity reserves as at 31 December 2004 was €5,499,308.

(n) Reserve for exchange rate fluctuations

In order to protect the Organization from exchange rate fluctuations resulting from the introduction of the euro as a single currency for the preparation of the programme and budgets, appropriation and assessment, collection of contributions and advances, and currency of accounts, the General Conference in decision GC.8/Dec.16 authorized the Director-General to establish a reserve, not subject to the provisions of the financial regulations 4.2(b) and 4.2(c). The balance of €1,840,776 as at 31 December 2004 in the reserve represents the amount set aside during the previous biennium.

(o) Working Capital Fund

The amount of the Working Capital Fund was set by the General Conference at \$9 million (GC.2/Dec.27). The level of the Fund was reduced to \$6,750,000 (GC.6/Dec.16) for the biennium 1996-1997 and was further reduced to \$6,610,000 for the biennium 1998-1999 (GC.7/Dec.12); \$6,610,000 was approved for the biennium 2000-2001 (GC.8/Dec.14), and the biennium 2002-2003 (GC.9/Dec.13). Effective 1 January 2002, the amount (\$6,610,000) was converted to euros in accordance with GC.9/Dec.15, resulting in a Working Capital Fund of €7,423,030. The General Conference decided (GC.10/Dec.15) to maintain the Fund at the same level for the biennium 2004-2005.

(p) Surplus due to Member States

The following is an analysis of the surpluses due to Member States, expressed in millions of euros, after application of the provision for the delay in the collection of assessed contributions. The provision represents contributions receivable from Member States for prior bienniums and from new Member States at the balance sheet date. As at the balance sheet date, the surpluses due for distribution—representing assessed contributions received after the end of a biennium together with receipts from new Member States are set aside in "accounts payable—other", pending receipt of Member States' instructions. Of the total amount due for distribution of €3,624,342 as at 31 December 2004, an amount of €36,534 was applied against the 2005 assessments.

	Surplus	Surpluses disposed and applied to assessments	Prior biennium adjustments	Surpluses due for distribution	Provisions for delays in the collection of <u>contributions</u>	Surpluses due to Member <u>States</u>	<u>Remarks</u>
2004	13.6					13.6	Provisional
2002-2003	10.3			2.2	7.9	0.2	
2000-2001	10.3	3.7		0.5	6.0	0.1	
1998-1999	14.3	5.3	0.1	0.6	8.2	0.1	
1996-1997 (GC.8/Res.4)	46.9	7.1		0.2	40.0	(0.4)	
1994-1995 (GC.7/Dec.17)	35.4	15.6			44.9	(25.1)	
1992-1993 (GC.6/Dec.15) (GC.8/Dec.10) (GC.8/Res.4)	16.5	14.4		0.1	2.0	0.0	
1990-1991	9.8				1.3	8.5	Retained – GC.5/Dec.14
1988-1989	7.3				0.2	7.1	Retained – GC.4/Dec.15
1986-1987 (GC.4/Dec.15)	4.8	4.8				0.0	
Total	169.2	50.9	0.1	3.6	110.5	4.1	
Contributions from new Member States	1.9	1.7		0.0	0.2	0.0	
Total	171.1	52.6	0.1	3.6	110.7	4.1	

(q) Eliminations

Eliminations comprise two elements as shown below:

- (a) Buildings Management Service costs charged to UNIDO. An amount of €3,101,107 is eliminated from both operating costs and contractual services to avoid double counting of UNIDO's contribution to buildings management costs;
 - (b) Expenditure of €5,106,636 on RPTC and SRA activities is re-analysed into its component parts.

(r) Long-term contracts

Long-term contracts awarded for the operation of the VIC are not reported as commitments, as they may be terminated at any time without penalty.

(s) Commitments

Commitments of €420,038 representing legal obligations for which disbursements will be made in future years were entered into prior to 31 December 2004.

(t) Contributions in kind

Contributions in kind estimated at €152,011 were received from Member States in support of UNIDO field offices during the year.

(u) Ex gratia payments

No ex gratia payments were made in 2004.

(v) Non-expendable equipment

The following table shows the non-expendable equipment, at cost, expressed in millions of euros, according to the cumulative inventory records of UNIDO as at 31 December 2004. In accordance with UNIDO accounting policies, non-expendable equipment is not included in the fixed assets of the Organization, but is charged against the appropriations when acquired. The minimum euro value per item of non-expendable property is \bigcirc 500.

Balance as at 1 January 2004	12.6
Adjustments to the opening balance	0.1
Adjusted balance at 1 January 2004	12.7
Add: acquisitions during 2004	0.5
Deduct: disposals during 2004	1.0
Balance as at 31 December 2004	12.2

During the year 2004, non-expendable equipment to the value of €409 was reported as stolen and written off in the inventory records.

(w) Contingent liabilities

(i) End-of-service payment to staff

In accordance with the decision taken by the Panel of External Auditors in 1989 at Manila, UNIDO calculated the amounts required to cover the estimated costs of contingency liabilities for end-of-service payment as at 31 December 2004.

In line with United Nations accounting standards, liabilities for end-of-service payments comprise end-of-service allowance, repatriation grant and compensation for accrued annual leave. To provide a more realistic picture, the amount required for the removal of household goods has also been included. The valuation is based on the United Nations salary scale and the entitlements defined in the staff regulations and rules, as well as taking into account the actual cost of staff separating during the year 2004. The amounts are estimated to be:

Regular budget \iff 9.2 million Operational budget \iff 4.4 million

Post retirement benefits are excluded.

It should be noted that no budgetary provision has been made, except that in the case of the operational budget, as reflected in statement II and note 3(f) (operating reserve).

(ii) The United Nations Joint Staff Pension Fund

UNIDO is a member organization participating in the United Nations Joint Staff Pension Fund, which was established by the United Nations General Assembly to provide retirement, death, disability and related benefits. The Pension Fund is a funded defined benefit plan. The financial obligation of the Organization to the United Nations Joint Staff Pension Fund consists of its mandated contribution at the rate established by the United Nations General Assembly, together with any share of any actuarial deficiency payments under Article 26 of the Regulations of the

Fund. Such deficiency payments are only payable if and when the United Nations General Assembly has invoked the provision of Article 26, following determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Fund as of the valuation date. At the time of this report, the United Nations General Assembly has not invoked this provision.

(iii) After-service health insurance

Staff members (their spouses, dependent children or survivors) retiring from service under the Pension Fund regulations at age 55 or later are eligible for after-service health insurance coverage after having been a participant in a contributory health insurance scheme of the common system for at least 10 years. The same applies to staff members receiving compensation for disability under Appendix D to the staff rules. Costs of participation in this scheme are borne on the basis of joint contributions by UNIDO and the participants concerned.

During the year 2004, the Organization's contribution to the scheme amounted to €1,659,567. The contributions against the Buildings Management Services amounted to €7,538, which were cost-shared with other Vienna-based organizations. In accordance with Programme and Budget Committee conclusion 2000/2, a detailed actuarial study to determine the financial impact of the after-service health insurance was carried out, which showed the level of unfunded liabilities as at December 2004 to be €35.2 million (\$47.7 million based on the year-end exchange rate). A United Nations system-wide solution is being sought to address the issue of unfunded liabilities. The lead agency on this issue, established by the High-Level Committee on Management, Financial and Budget Network, is the United Nations who are scheduled to submit a report to the General Assembly in 2005.

(x) Common Fund for Major Repairs and Replacements

On 1 January 1981, an agreement between the Republic of Austria, the United Nations and the IAEA went into effect to establish a common fund for the purpose of financing the cost of major repairs and replacements of buildings, facilities and technical installations, which are the property of the Republic of Austria and form part of the Headquarters areas of the United Nations and IAEA at the Vienna International Centre. This agreement has also applied to UNIDO since 1986, when it became a specialized agency. The Fund is administered by UNIDO through a joint committee. Annual financial statements are prepared by UNIDO and audited by its Internal Oversight Group.

In 2002, an agreement was reached between the Vienna-based organizations and the Republic of Austria under which reimbursement of the disbursements made during the year 2001 (\$988,626) was not required. Under this agreement, there will only be annual assessed contributions to the Fund as follows: the Republic of Austria (€1,235,300) and the Vienna-based organizations (€1,235,300). Furthermore, unexpected major repairs and replacements, which are not included in the agreed investment plan, will have to be shared by all parties. In the past, such costs were fully absorbed by the Austrian Government.

The fund balance as at 31 December 2004 is €1,936,547.

Note 3. Other Headquarters funds

- (a) Funds reported under this heading comprise:
 - (i) Special Account for Programme Support Costs;
 - (ii) Computer Model for Feasibility Analysis and Reporting (COMFAR);
 - (iii) Buildings Management Services (BMS).
- (b) With effect from 1 January 2002, the General Conference approved (GC.9/Dec.17) BMS as a separate, self-balancing major programme in the programme and budgets of UNIDO. All BMS expenditures are offset by income, i.e. contributions received from other Vienna-based organizations and from UNIDO. Consequently, under the UNIDO General Fund, only UNIDO's share of the BMS operations is included (reference IDB.24/3-PBC.17/3). In view of the above, the BMS is reported under other funds rather than under General Fund and Working Capital Fund from the previous biennium. The General Fund and Working Capital Fund now show only UNIDO's contribution to BMS costs. The BMS operations are further split into two components:

- (i) Staff costs: This continues to be subject to the provisions of financial regulations 4.2(b) and 4.2(c);
- (ii) Special account for Buildings Management Services (for other than staff costs): The ninth session of the General Conference (GC.9/Dec.14), established with effect from January 2002, a special account for BMS (for other than staff costs), which is not subject to financial regulations 4.2(b) and 4.2(c). Thus the budgetary surplus, if any, will not require distribution to Member States. Each Vienna-based organization (UNIDO, IAEA, UNOV and CTBTO) is required to pay its share into this account. Interest income is credited to the account. This amount is then prorated to each Vienna-based organization taking into account the funds contributed by it and the date of receipt of such funds in the special account.

Additional analysis of BMS operations is provided in schedule 4.1 (supplementary) and the analysis on the special account is provided in annex III. The surplus on the special account for BMS costs of €10,532,077 does not form part of the unencumbered balances of the appropriations due to Member States at the end of the biennium; this amount includes €4,815,676 due from the Vienna-based organizations. The accumulation of funds under the special account is primarily caused by the delay experienced in the removal of asbestos from the VIC complex and related maintenance work.

(c) Currency adjustment

The €15,683 exchange difference results primarily from the revaluation of the United States dollar cash and term deposits held by the special account for programme support costs.

(d) Net excess (shortfall) of income over expenditure

The following is an analysis of income and expenditure during the year 2004 for the funds reported under this heading:

Special account for Buildings programme support Computer Model for Management Total Feasibility and Analysis costs Services (In thousands of euros) Income (including savings on cancellation of obligations from prior biennium) 9.296.8 276.9 21,325,4 30,899.1 8,779.5 367.7 19,237.1 28 384 3 Expenditure (including loss on exchange) Net (shortfall) of income over expenditure 517.3 (90.8)2,088.3* 2,514.8

Table 1

(e) Accounts receivable—other

Within the Special Account for Buildings Management Services, there is an amount of €349,061 representing a claim for reimbursement from the Austrian authorities for stranded costs, Renewable Energy Surcharge and KWK-Zuschlag. In the unlikely event of the claim not being settled, full provision has been made within "accounts payable—other".

The first instalment of \bigcirc 1,220,000 due from the Austrian Government towards the replacement of carpets and cables at the Vienna International Centre is reflected within "accounts receivable—other". Pending the disbursement of the funds, \bigcirc 1,000,000 of this amount is shown under "accounts payable—other". The balance \bigcirc 220,000 is reported in the financial statements of major repairs and replacements fund.

(f) Operating reserve

An operating reserve, established in respect of the special account for programme support costs in accordance with PBC conclusion 1989/4 at \$5,504,190 was reduced to \$4,300,000 (€4,828,900) in accordance with Board decision IDB.14/Dec.12.

^{*} Relates to the special account (see annex III).

The net reserve as at 31 December 2004 amounts to \circlearrowleft ,650,469 (\circlearrowleft ,133,155 at 31 December 2003) as a result of a net surplus of \circlearrowleft 17,313 for 2004.

(g) Commitments

Commitments, representing legal obligations for which disbursements will be made in future years, were entered into prior to 31 December 2004 as below.

	<u>€000's</u>
Special account for programme support costs	84.5
Buildings Management Services	53.7

(h) Contributions in kind

Contributions in kind estimated at €72,952 were received from Member States in support of UNIDO projects.

Note 4. Technical cooperation

(a) Technical cooperation activities

Technical cooperation activities reported under this heading comprise activities executed by UNIDO with funds provided through the Industrial Development Fund, trust funds and inter-organization arrangements with UNDP, UNEP and other organizations. These activities are governed by various agreements signed by two or more parties, i.e. donor(s) and UNIDO.

(b) Euro presentation of technical cooperation activities

The significant majority of voluntary contributions are received in United States dollars for projects programmable almost exclusively in that currency. From 2004, euro-based management of technical cooperation programmes was introduced for some projects. In accordance with General Conference decision GC.9/Dec.15, donor reporting is also undertaken in United States dollars.

However, in order to present consolidated financial statements (Statements I and II) of UNIDO for the year ending 31 December 2004, all technical cooperation activities required conversion to euros.

Annex I, Tables 1 and 2 are, therefore, provided in both United States dollars and euros.

The approach for preparing the euro statement is based on the following:

- (i) Non-euro income, expenditure and changes in reserves and fund balances—other than as highlighted below—will be stated at the equivalent amount of euros applicable as at the deemed date of the transaction applying the United Nations operational rate of exchange as at that date;
- (ii) Non-euro assets, liabilities, reserves and fund balances as at 31 December 2004 will be converted to a euro equivalent using the United Nations operational rate of exchange as at 31 December 2004 (reference GC.9/Dec.15). The gain or loss that would result from these revaluations is reflected in the "other adjustments to reserves and fund balances" figure;
- (iii) The currency exchange adjustment figure essentially represents the realized gain or loss on non-euro transactions during the year and the savings achieved in 2004 on the liquidation of prior year United States dollar obligations.

(c) Montreal Protocol promissory notes

Promissory notes in favour of UNIDO held by the Multilateral Fund for the implementation of the Montreal Protocol to the value of \$20,264,334 (€16,231,732) at 31 December 2003 were encashed during 2004.

(d) Interest on donor funds

For the Industrial Development Fund, other than the general pool, and from the last biennium for trust funds, interest earned from the investment of funds, net of bank charges, realized exchange gains, realized and unrealized losses is represented as a liability within "accounts payable—other". As at 31 December 2004, the amounts were as follows:

	<u>US\$ 000's</u>	<u>€000's</u>
Industrial Development Fund	5,801.9	4,276.0
Trust funds	2,748.7	2,025.8
Global Environment Fund	361.4	266.4
	<u>8,912.0</u>	6,568.2

The disposal of the interest income is governed by agreements with donors. This may include the return of such funds to donors, or their transfer to other projects, in which case they will be shown as voluntary contributions.

(e) Unrealized exchange gains and losses

In accordance with the United Nations System Accounting Standards, monetary assets and liabilities are revalued at the United Nations operational rate of exchange in effect at 31 December 2004.

Any resultant unrealized gain is not recorded as income for the period, but set aside within "accounts payable—other". Gains arising from revaluation of cash and term deposits are considered realized, however specifically, for the Industrial Development Fund and trust funds, any gain arising from the revaluation of euro cash and term deposits are similarly set aside on the grounds of prudence (IDB.27/9-PBC.19/9 and decision IDB.27/Dec.5). Under the transition to a single currency system, and in accordance with document IDB.28/9 and decision IDB.28/Dec.5, the euro-based management of technical cooperation programmes was introduced during the year 2004. Consequently, distributions of €789,415 (\$985,537) and €32,467 (\$1,039,285) were made to the Industrial Development Fund and trust funds, respectively. The accumulated amounts of unrealized gains as at 31 December 2004, included in "accounts payable—other", are as follows:

	<u>US\$ 000's</u>	€000's
Industrial Development Fund	1,831.5	1,349.8
Trust funds	6,575.3	4,846.0
Global Environment Facility	0.6	0.4
Montreal Protocol	1.5	1.1
	8,408.9	6,197.3

(f) Currency exchange adjustment

Annex I, table 1—US dollar statements

Table A shows the analysis of the currency exchange credit. A distinction is drawn between realized gains and losses resulting through the conduct of transactions in other than United States dollars and gains and losses resulting from the re-statement of non-United States dollar assets and liability values to an equivalent dollar value as at 31 December 2004.

For these funds, where contributions are received, programmed and disbursed almost exclusively in United States dollars, any realized gains and both realized and unrealized losses from the revaluation of non-United States dollar assets and liabilities, are recorded through table 1 and the programmable fund balance adjusted accordingly.

Table A

	Regular Programme	Montreal Protocol	GEF	IOA*	Total	
	(In thousands of US dollars)					
Realized						
On 2004 transactions	4.1	(0.1)	3.4		7.4	
Unrealized Revaluation of non-US dollar assets and liabilities at 31 December 2004	(58.1)	1.4	(6.9)	(1.2)	(64.9)	
at 31 December 2004	(30.1)	1.4	(0.9)	(1.2)	(64.8)	
Currency exchange adjustment	(54.0)	1.3	(3.5)	(1.2)	(57.4)	

^{*} IOA - Inter-organization arrangements.

Annex I, table 1—euro statements

Table B shows the analysis of the currency exchange credit. A distinction is drawn between realized gains and losses resulting through the conduct of transactions in other than euros and the savings resulting from the settlement of United States dollar obligations from prior years at a different euro rate of exchange.

Table B

	Regular programme	IDF	Montreal Protocol	GEF	Trust fund	Total		
	(In thousands of euros)							
Revaluation of US\$ obligations	113.7					113.7		
Realized								
On 2004 transactions	1.9		(17.6)	(0.8)		(16.5)		
On liquidation of prior year US\$ obligations	(70.1)	(424.9)	(325.3)	(33.4)	(355.1)	(1,208.8)		
Currency exchange adjustment	45.5	(424.9)	(342.9)	(34.2)	(355.1)	(1,111.6)		

(g) Transfers to reserves

This represents the charge to projects in respect of the provision for compensation payments under Appendix D to the staff rules.

The amount of \$1,100,000 ($\textcircled{\oplus}62,500$) reflected in transfers to/from reserves represents the income received for Global Environment Facility (GEF) projects under inter-organization arrangements with UNEP, previously recorded in GEF main programme.

(h) Surplus

The amount of 3,101,237 (2,285,613) represents the accumulated surplus under the general-purpose segment of the Industrial Development Fund.

(i) Cash and term deposits

The equivalent of \$1,491,424 (€1,099,180) is held in currencies classified as non-convertible, as follows:

	<u>US\$ 000's</u>	<u>€000's</u>
Industrial Development Fund	1,083.1	798.2
Trust funds	408.3	<u>300.9</u>
	<u>1,491.4</u>	1,099.1

(j) Operating reserves

The Industrial Development Board, in decision IDB.2/Dec.7, authorized the freezing of the operational reserve of the Industrial Development Fund at \$550,000 (€405,350 at the United Nations rate of exchange as at 31 December 2004).

(k) Commitments

Commitments, representing legal obligations for which disbursements will be made in future years, were entered into prior to 31 December 2004, as below:

	<u>US\$ 000's</u>	<u>€000's</u>
Industrial Development Fund	3,232.3	2,515.3
Montreal Protocol	5,651.7	4,452.3
Global Environment Facility	4,033.8	3,262.7
Trust funds	5,738.0	4,474.4
Regular Programme of Technical Cooperation	784.1	618.9
Inter-organization arrangements	<u>1,345.1</u>	<u>1,065.6</u>
	20,785.0	16,389.2

(l) Contributions in kind

Contributions in kind estimated at \$343,476 (€278,106) were received from Member States in support of UNIDO projects and \$39,778 (€32,207) in support of project travel.

(m) Ex gratia payments

No ex gratia payments were made in 2004.

(n) Field IOVs

The backlog of unprocessed field inter-office vouchers (IOVs) of \$8,473,317 brought forward from the previous year, together with a total of \$19,863,927 inter-office vouchers received for the year 2004 was reduced to \$4,528,761 (€3,337,697) by 31 December 2004. The unprocessed IOV balance at year-end comprises payroll charges of \$509,757 for the entire 2004 received only in January 2005 and IOVs of \$485,056 rejected due to insufficient information.

(o) Lost or stolen non-expendable equipment

No non-expendable equipment was written off from inventory as lost or stolen during 2004.

Notes to the financial statements—Annex I

TECHNICAL COOPERATION ACTIVITIES EXECUTED BY UNIDO

Table 1. Combined statement of income and expenditure and changes in reserves and fund balances for the year ended 31 December 2004

(In thousands of euros)

	Regular Programme	Industrial Development Fund	Montreal Protocol	GEF	Trust Fund	Inter- organization arrangements	Subtotal Extra- budgetary Funds	Total
INCOME								
Assessed contributions								
Voluntary contributions		25,611.8	39,262.6		45,274.5	1,051.1	111,200.0	111,200.0
Other income								
 Funds received under inter- organization arrangements 						5,048.0	5,048.0	5,048.0
 Allocations from other funds 	3,914.2							3,914.2
- Interest income		12.2	641.3			28.7	682.2	682.2
- Currency exchange adjustments	45.5	(424.9)	(342.9)	(34.2)	(355.1)		(1,157.1)	(1,111.6)
- Miscellaneous	(0.3)	(2.2)	(11.7)		0.7	(0.3)	(13.5)	(13.8)
TOTAL INCOME	3,959.4	25,196.9	39,549.3	(34.2)	44,920.1	6,127.5	115,759.6	119,719.0
EXPENDITURE								
Salaries and common staff costs	1,733.8	10,678.2	1,533.9	722.4	11,576.6	2,070.0	26,581.1	28,314.9
Contractual services	902.5	996.7	19,382.5	3,361.7	3,393.2	1,236.0	28,370.1	29,272.6
Operational expenses	162.2	967.4	384.6	24.6	822.6	118.0	2,317.2	2,479.4
Acquisitions	739.6	1,653.4	8,682.8		2,224.1	1,718.2	14,278.5	15,018.1
Fellowships	421.3	1,119.3	351.8	1.2	2,184.5	393.1	4,049.9	4,471.2
Programme support costs		1,869.8	4,002.3	450.9	1,886.0	336.9	8,545.9	8,545.9
TOTAL EXPENDITURE	3,959.4	17,284.8	34,337.9	4,560.8	22,087.0	5,872.2	84,142.7	88,102.1
EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE		7,912.1	5,211.4	(4,595.0)	22,833.1	255.3	31,616.9	31,616.9
Prior biennium adjustments								
Provision for delay in collection of contributions								
NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE		7,912.1	5,211.4	(4,595.0)	22,833.1	255.3	31,616.9	31,616.9
Savings on cancellation of prior biennium's obligations								
Transfers to reserves		51.5	5.4	4.1	42.2		103.2	103.2
Transfers from reserves								
Transfers to/from other funds				(962.5)		962.5		
Credits to Member States								
Other adjustments to reserves and fund balances		(3,037.6)	(3,086.0)	264.0	(3,539.1)	(158.8)	(9,557.5)	(9,557.5)
Reserves and fund balances, beginning of year		36,772.7	26,730.3	7,461.7	28,849.4		99,814.1	99,814.1
RESERVES AND FUND BALANCES, END OF YEAR		41,698.7	28,861.1	2,172.3	48,185.6	1,059.0	121,976.7	121,976.7

Table 1. Combined statement of income and expenditure and changes in reserves and fund balances for the year ended 31 December 2004

(In thousands of United States dollars)

	Regular Programme	Industrial Development Fund	Montreal Protocol	GEF	Trust Fund	Inter- organization arrangements	Subtotal Extra- budgetary Funds	Total
INCOME								
Assessed contributions								
Voluntary contributions		32,415.2	46,750.9		56,884.9	1,300.0	137,351.0	137,351.0
Other income								
- Funds received under inter-								
organization arrangements						6,244.1	6,244.1	6,244.1
 Allocations from other funds 	4,994.1							4,994.1
- Interest income		16.3	814.0			38.1	868.4	868.4
- Currency exchange adjustments	(54.0)		1.3	(3.5)		(1.2)	(3.4)	(57.4)
- Miscellaneous	(0.4)	(2.8)	(14.6)		1.1	(0.4)	(16.7)	(17.1)
TOTAL INCOME	4,939.7	32,428.7	47,551.6	(3.5)	56,886.0	7,580.6	144,443.4	149,383.1
			•	` `				
EXPENDITURE								
Salaries and common staff costs	2,171.4	13,397.1	1,913.9	901.0	14,488.8	2,596.9	33,297.7	35,469.1
Contractual services	1,107.7	1,258.9	23,213.2	3.815.2	4,143.4	1,497.2	33,927.9	35,035.6
Operational expenses	199.9	1,231.4	488.2	30.9	1,037.3	146.4	2.934.2	3,134.1
Acquisitions	933.8	2,122.3	10,830.5	20.5	2,833.1	2,096.3	17,882.2	18,816.0
Fellowships	526.9	1,460.8	448.3	4.3	2,735.5	493.2	5,142.1	5,669.0
Programme support costs	320.9	2,352.2	4,875.3	518.1	2,336.5	413.7	10,495.8	10,495.8
8		2,332.2	4,073.3	310.1	2,330.3	413.7	10,475.0	10,475.0
TOTAL EXPENDITURE	4,939.7	21,822.7	41,769.4	5,269.5	27,574.6	7,243.7	103,679.9	108,619.6
	4,939.1	21,822.7	41,709.4	3,209.3	21,314.0	7,243.7	103,079.9	100,019.0
EXCESS (SHORTFALL) OF								
INCOME OVER EXPENDITURE		10,606.0	5,782.2	(5,273.0)	29,311.4	336.9	40,763.5	40,763.5
Prior biennium adjustments								
Provision for delay in collection of								
contributions								
NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE		10.606.0	5,782.2	(5,273.0)	29,311.4	336.9	40,763.5	40,763.5
Savings on cancellation of prior		10,000.0	3,762.2	(3,273.0)	29,311.4	330.9	40,703.3	40,703.3
biennium's obligations								
Transfers to reserves		64.5	6.8	5.1	52.4		128.8	128.8
Transfers from reserves								
Transfers to/from other funds				(1,100.0)		1,100.0		
Credits to Member States						•		
Other adjustments to reserves and								
fund balances								
Reserves and fund balances,		45 000 5	22 271 2	0.215.5	26.016.9		1246120	124,612.0
beginning of year		45,908.5	33,371.2	9,315.5	36,016.8		124,612.0	124,012.0
RESERVES AND FUND								
BALANCES, END OF YEAR		56,579.0	39,160.2	2,947.6	65,380.6	1,436.9	165,504.3	165,504.3

Table 2. Combined statement of assets, liabilities, and reserves and fund balances as at 31 December 2004

(In thousands of euros)

	Industrial Development Fund	Montreal Protocol	GEF	Trust Fund	Inter- organization arrangements	Total 2004
ASSETS						
Cash and term deposits	51,161.1	46,079.1	5,669.1	62,278.6	8,569.9	173,757.8
Accounts receivable						
Assessed contributions receivable from Member States						
Voluntary contributions receivable						
Other contributions receivable					154.7	154.7
Less provision for delay in collection of contributions						
Interfund balances		120.4	72.9	301.4	1,196.4	1,691.1
Other	575.2	395.9	81.2	555.3	284.3	1,891.9
Other assets	44.9	8.1	0.1	89.4	4,056.8	4,199.3
TOTAL ASSETS	51,781.2	46,603.5	5,823.3	63,224.7	14,262.1	181,694.8
LIABILITIES						
Payments or contributions received in advance					7,780.6	7,780.6
Unliquidated obligations	3,216.8	11,866.5	2,578.6	5,692.5	2,647.9	26,002.3
Accounts payable						
Interfund balances	211.0				97.8	308.8
Other	6,654.7	5,875.9	1,072.4	9,346.6	2,676.8	25,626.4
Other funds and special accounts						
Other liabilities						
TOTAL LIABILITIES	10,082.5	17,742.4	3,651.0	15,039.1	13,203.1	59,718.1
RESERVES AND FUND BALANCES						
Operating reserves	405.3					405.3
Other reserves	1,017.6	12.1	12.8	878.8		1,921.3
Balances relating to projects funded by donors	37,990.2	28,849.0	2,159.5	47,306.8	1,059.0	117,364.5
Working capital funds	,	-,-	,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,	. ,
Surplus (deficit)	2,285.6					2,285.6
TOTAL RESERVES AND FUND BALANCES	41,698.7	28,861.1	2,172.3	48,185.6	1,059.0	121,976.7
TOTAL LIABILITIES, RESERVES AND FUND BALANCES	51,781.2	46,603.5	5,823.3	63,224.7	14,262.1	181,694.8

Table 2. Combined statement of assets, liabilities, and reserves and fund balances as at 31 December 2004

(In thousands of United States dollars)

	Industrial Development Fund	Montreal Protocol	GEF	Trust Fund	Inter- organization arrangements	Total 2004
ASSETS						
Cash and term deposits	69,418.0	62,522.5	7,692.1	84,502.7	11,628.2	235,763.5
Accounts receivable Assessed contributions receivable from Member States						
Voluntary contributions receivable Other contributions receivable Less provision for delay in collection					209.9	209.9
of contributions						
Interfund balances		163.4	98.9	409.1	1,623.4	2,294.8
Other	780.4	537.2	110.2	753.5	385.8	2,567.1
Other assets	61.0	10.9	0.2	121.3	5,504.4	5,697.8
TOTAL ASSETS	70,259.4	63,234.0	7,901.4	85,786.6	19,351.6	246,533.0
LIABILITIES						
Payments or contributions received in advance					10,557.1	10,557.1
Unliquidated obligations	4,364.7	16,101.0	3,498.7	7,724.0	3,592.8	35,281.2
Accounts payable						
Interfund balances	286.3				132.8	419.1
Other	9,029.4	7,972.8	1,455.1	12,682.0	3,632.0	34,771.3
Other funds and special accounts						
Other liabilities						
TOTAL LIABILITIES	13,680.4	24,073.8	4,953.8	20,406.0	17,914.7	81,028.7
RESERVES AND FUND BALANCES						
Operating reserves	550.0					550.0
Other reserves	1,380.7	16.4	17.4	1,192.4		2,606.9
Balances relating to projects funded by donors	51,547.1	39,143.8	2,930.2	64,188.2	1,436.9	159,246.2
Working capital funds	- ,- ,	,	,	- ,/-	, - 000	,
Surplus (deficit)	3,101.2					3,101.2
TOTAL RESERVES AND FUND BALANCES	56,579.0	39,160.2	2,947.6	65,380.6	1,436.9	165,504.3
TOTAL LIABILITIES, RESERVES AND FUND BALANCES	70,259.4	63,234.0	7,901.4	85,786.6	19,351.6	246,533.0

Table 3. Summary of transactions on sub-accounts of the Industrial Development Fund for the year 2004 as at 31 December 2004

(In United States dollars)

	Fund balance at 01/01/2004	Cash received in 2004	Expenditures 2004	Misc. income incl. General Pool interest	Fund balance as at 31/12/2004
General-purpose convertible	2,902,353	371,370	187,874	15,387	3,101,237
Agence de Coopération Culturelle et Technique	30,295	0	0	0	30,295
Agence Wallonne à l'Exportation	425,247	46,288	236,312	0	235,223
Argentina	20,170	0	0	0	20,170
Australia	55,469	295	0	0	55,764
Austria	3,789,938	4,422,282	2,477,029	(20)	5,735,170
Austria—Integrated Programme	430,401	12,608	119,420	(336)	323,253
Bahrain	120,293	409,090	389,268	0	140,115
Belgium	130,736	183,451	152,398	0	161,790
Brazil	75,117	0	13,735	0	61,383
Chile	0	10,000	0	0	10,000
China	1,973,501	530,990	143,218	0	2,361,273
Côte d'Ivoire	(108,618)	0	0	0	(108,618)
Czech Republic (Ministry of Agriculture)	106,770	138,660	103,136	0	142,294
Czech Republic (Ministry of Trade and Industry)	28	(28)	0	0	0
Democratic People's Republic of Korea	41,439	714	0	0	42,153
Denmark	4,908,809	85,699	1,663,589	(463)	3,330,455
Egypt	(101,718)	0	0	0	(101,718)
Finland	214,660	3,781	8,198	0	210,242
France	199,467	803,158	793,971	0	208,653
France (Ministry of Agriculture)	678,961	201,904	274,879	0	605,987
Germany	375,639	(29,673)	21,163	0	324,803
Germany—Deutsche Gesellschaft für Technische Zusammenarbeit	28,098	0	23,698	0	4,400
Greece	368,685	1,134,142	538,941	0	963,886
Guatemala	12,201	545,556	115,733	0	442,025
Honduras	193	(193)	0	0	0
Hungary	373,557	7,829	94,858	337	286,866
India	3,766,057	1,128,540	726,565	9,972	4,178,004
Indonesia	14,986	14,784	0	0	29,770
Ireland	31,909	807	867	0	31,849
Italy	8,947,939	9,563,983	5,370,716	(767)	13,140,438
Japan	688,385	1,603,774	1,950,474	0	341,684
Japan Overseas Development Corporation, Bangkok	424	0	0	0	424
Kuwait	108,455	2,728	1,529	0	109,654
Luxembourg	142,191	3,226	40,097	0	105,320
Mexico	0	76,925	0	0	76,925
Myanmar	577	0	0	0	577
Netherlands	575,982	134,838	101,232	17	609,606
New Zealand	34,510	0	0	0	34,510
Norway	182,507	(26,458)	0	0	156,049

	Fund balance at 01/01/2004	Cash received in 2004	Expenditures 2004	Misc. income incl. General Pool interest	Fund balance as at 31/12/2004
Norway—Integrated programme (Africa)	128,206	29,840	73,826	0	84,220
Poland	80,133	577,759	598,129	0	59,763
Portugal	1,281,461	122,086	5,717	0	1,397,829
Republic of Korea	1,301,307	112,763	335,950	0	1,078,121
Romania	13,434	0	0	0	13,434
Russian Federation	321,933	8,063	64,513	0	265,483
Rwanda	355	0	355	0	0
Saudi Arabia	1,401,979	(120,369)	(13,938)	(2,336)	1,293,212
Saudi Arabian General Investment Authority	0	306,489	0	0	306,489
Slovakia	54,268	0	0	0	54,268
Spain	1,254,924	206,162	586,345	0	874,741
Sweden	52,231	0	11,549	0	40,681
Switzerland	4,406,275	7,978,814	3,906,637	(1,217)	8,477,234
Thailand	4,911	0	2,622	0	2,289
Turkey	1,025	51,980	47,468	(206)	5,332
United Kingdom—Integrated programme	1,022,769	443,850	605,876	(62)	860,681
Undefined	6,837	0	0	(5,145)	1,693
UB—Millennium Development Goals	0	209,798	0	0	209,798
UB—Integrated programmes and country service framework activities	0	531,616	0	0	531,616
UB—post-crisis situation	0	473,620	55,035	0	418,584
Special-purpose convertible	39,975,309	31,942,169	21,641,110	(225)	50,276,143
Bulgaria	28	0	0	0	28
China	55,638	84,684	14,633	0	125,690
Cuba	391,148	21,000	0	0	412,148
Egypt	(45,546)	0	0	0	(45,546)
Egypt Iron and Steel Co.	31,942	0	0	0	31,942
India	568,714	388	(20,885)	9,364	599,351
Poland	15,034	(15,034)	0	0	0
Slovakia	147,001	0	0	0	147,001
Tifac, New Delhi	388	(388)	0	0	0
Undefined	295	0	0	0	295
Special-purpose non-convertible	1,164,643	90,650	(6,252)	9,364	1,270,909
		22 121 122	21.022.722	04.55=	
	44,042,305	32,404,190	21,822,733	24,527	54,648,289

Table 4. Summary of technical cooperation activities financed by trust funds for the year 2004 as at 31 December 2004

(In United States dollars)

	Fund balance 01/01/2004	Contributions received, interest and miscellaneous income 2004	Expenditures 2004	Fund balance 31/12/2004
Projects financed by recipient Governments				
Algeria	66,052	0	52,033	14,019
Argentina	424,860	0	0	424,860
Argentina—Centro de investigacion de celulosa y papel	10,887	0	(594)	11,480
Bolivia	12,460	0	0	12,460
Brazil	204,135	0	41,422	162,713
Bulgaria	0	16,274	9,419	6,855
Belarus	26,204	0	0	26,204
Chile	6,824	0	0	6,824
Colombia	242,377	190,557	109,399	323,535
China	929,524	371,203	498,849	801,877
Democratic People's Republic of Korea	50,746	113,011	124,833	38,924
Ecuador	369,782	74,800	203,409	241,173
Egypt	3,462,983	1,151,166	1,274,856	3,339,293
Egypt—Social Fund for Development	240,823	88,612	156,570	172,865
Gabon	2,790	0	(813)	3,604
Honduras	2,577	20	84	2,513
India	1,662,709	1,576,282	912,925	2,326,066
Iran (Islamic Republic of)	413,353	45,000	130,946	327,407
Iran—Organization for Investment, Economic and Technical Assistance of Iran	47,322	0	(4,790)	52,112
Iraq	210,936	13,837	111,030	113,744
Côte d'Ivoire	49,807	0	41,735	8,073
Kenya	11,904	28,673	6,530	34,047
Lebanon	27,308	0	(3,272)	30,580
Libyan Arab Jamahiriya—Benghazi Development Centre	8,093	0	0	8,093
Libyan Arab Jamahiriya—General Pipe Company Benghazi	2,700	0	0	2,700
Libyan Arab Jamahiriya—Industrial Research Centre of Libya	10,049	0	0	10,049
Libyan Arab Jamahiriya—Secretariat of Strategic Industry	53,081	0	0	53,081
Lithuania	28,250	0	20,263	7,987
Madagascar	135,093	0	0	135,093
Mauritius	18,826	0	(8,112)	26,938
Mexico	10,596	0	(10,461)	21,058
Nigeria	2,500,605	766,701	692,933	2,574,373
Oman	11,311	0	0	11,311
Panama	10,057	0	0	10,057
Paraguay	17,780	0	0	17,780
Russian Federation	176,831	121,583	195,876	102,538
Russian Federation—The Foundation NEM and CPCOGI	1,662	0	(110)	1,772
Saudi Arabia	0	1,337,867	8,668	1,329,198

	Fund balance 01/01/2004	Contributions received, interest and miscellaneous income 2004	Expenditures 2004	Fund balance 31/12/2004
Saudi Arabian General Investment Authority	189,908	(137,730)	(1)	52,179
Saudi German Hospitals Group	21,127	0	4,977	16,150
Slovenia	22,674	0	0	22,674
Thailand	18,243	0	113	18,130
Turkey	118,176	1,500,000	743,069	875,108
Subtotal	11,831,425	7,257,855	5,311,785	13,777,495
Associate Experts & JPOs				
Austria	40,565	(42,057)	(1,491)	0
Belgium	214,679	3,502	102,609	115,572
Denmark	292,234	312,906	288,307	316,833
France	21,388	0	1,053	20,335
Germany	45,930	107,702	37,643	115,989
Italy	532,056	572,544	605,019	499,581
Japan	529,794	72,877	436,020	166,651
Netherlands	368,880	605,979	606,089	368,771
Norway	288,888	318,417	303,437	303,868
Republic of Korea	12,143	0	15,659	(3,516)
Russian Federation	4,617	87,959	80,149	12,428
Spain	34,783	0	9,477	25,307
Switzerland	126,295	121,928	113,914	134,309
Subtotal	2,512,254	2,161,759	2,597,886	2,076,127
JPOs travel				
Belgium	31,514	0	0	31,514
Denmark	32,193	0	0	32,193
Germany	10,661	0	0	10,661
Japan	61,564	(61,564)	0	0
Netherlands	348,537	(348,537)	0	0
Norway	4,267	0	0	4,267
Subtotal	488,736	(410,101)	0	78,635
Projects financed by donor Governments				
Australia	23,155	0	(119)	23,274
Austria	46,664	13,953	(2,398)	63,015
Belgium	114,892	0	33,612	81,280
Canada	5,493	(5,493)	0	0
Czech Republic	99,303	(23,410)	66,310	9,583
Denmark	451,208	0	213,977	237,231
Finland	772,086	786,905	550,522	1,008,469
France	1,600,428	1,075,358	582,284	2,093,502
Germany	101,339	113,017	111,748	102,608
Greece	23,427	0	(97)	23,524
Italy	5,474,318	18,667,978	8,461,448	15,680,847
Japan	2,232,270	439,546	1,043,006	1,628,810
Japanese Embassy—Guinea TF/GUI/00/001	1,539	84	1,623	0
Norway	2,482	1,906,617	177,323	1,731,776
Republic of Korea	500,980	(10,698)	263,710	226,573
				*

	Fund balance 01/01/2004	Contributions received, interest and miscellaneous income 2004	Expenditures 2004	Fund balance 31/12/2004
	01/01/2001	medile 2001	2001	51/12/2001
Republic of Korea—Korean Research Institute of Standards and Science	131,305	0	(1,697)	133,002
Slovakia	7,398	0	0	7,398
Spain	125,891	0	0	125,891
Sweden	4,632	0	4,059	572
United Kingdom	984,561	568,293	676,383	876,470
United States of America	373,232	0	0	373,232
Subtotal	13,076,601	23,532,150	12,181,694	24,427,057
	22.105	151.005	125.051	4 < 222
Undefined	23,107	151,087	127,961	46,233
Subtotal	23,107	151,087	127,961	46,233
Other trust funds				
African Productive Capacity Facility	0	61,245	0	61,245
AIDC (Automative Industry Development Centre), South Africa	30,253	0	(9)	30,262
Aluminium Company of America (Alcoa), USA	17,507	0	0	17,507
Austria Rural Energy	1,076,613	0	0	1,076,613
Badea: Arab Bank for Economic Development in Africa	2,450	0	0	2,450
Beni-Suef Cement Company, Egypt	33,822	0	0	33,822
Centro de Investigaciones Textiles, Argentina	116,969	95,286	151,694	60,561
Ceylon Steel Corporation Ltd., Sri Lanka	5,284	0	0	5,284
CFC—FC/INT/97/021	54,708	0	162,806	(108,098)
CFC—FC/RAF/03/065	132,715	0	478,624	(345,909)
CFC—FC/RAF/04/088	0	250,000	9,172	240,828
CFC—FC/RAF/96/001	(164,337)	149,990	339,947	(354,294)
CFC—FC/RAS/00/153	(24,241)	148,462	116,500	7,721
CFC—FC/URT/04/118	0	149,990	0	149,990
Chugoku Electric Power Co. Inc., Japan	137,747	0	82,925	54,821
Eastern and Southern African Leather Industries Association	6,660	0	2,620	4,040
Engineering for the Petroleum and Process Industry	2,000	_	_,	-,
(ENPPI), Egypt	8,179	0	0	8,179
Engineering Consulting Firms Association, Japan	11,441	0	0	11,441
Epstein Engineering Export Ltd., USA	807	0	0	807
European Union	439,182	4,396,016	2,456,637	2,378,561
European Union Commission	74,701	171,778	52,622	193,857
FAO	275	0	0	275
Federal Chemical and Ceramics Corporation, Pakistan	(1,677)	0	0	(1,677)
France	0	463,120	441,067	22,053
Glucosan Factories, Iran (Islamic Republic of)	13	0	185	(172)
Gulf Co-Operation Council, Saudi Arabia	11,676	0	0	11,676
Gulf Organization for Industrial Consulting, Qatar IFAD (International Fund for Agricultural	38,420	38,420	52,065	24,775
Development) Institute for Scientific and Technological	57,380	0	(885)	58,265
Development (IDCT), Brazil	88,958	0	83,777	5,181
International Development Association	144,643	0	0	144,643
Inversiones Cofide S.A., Peru	15,405	0	0	15,405

	Fund balance 01/01/2004	Contributions received, interest and miscellaneous income 2004	Expenditures 2004	Fund balance 31/12/2004
Iranian Fuel Conservation Organization (IFCO), Iran				
(Islamic Republic of)	0	45,000	1,929	43,071
Islamic Development Bank, Saudi Arabia	5,840	0	(249)	6,090
Italy	0	152,430	152,418	12
Jiangsu Baixue Electric Appliances Company Ltd., China	407	0	0	407
Kuwait Finance House	0	153,680	0	153,680
MAGFA Information Technology Development Centre, Iran (Islamic Republic of)	0	46,887	5,558	41,329
Magnetti Marelli:Fiat Group TFIND99009, Italy	10,103	0	0	10,103
Nadsme—Slovak Republic	8,181	0	0	8,181
New Energy and Industrial Technology Development Organization, Japan	24,664	44,893	53,177	16,380
New Nigeria Development Company, Nigeria	28,325	0	0	28,325
Nigerian National Petroleum Corporation, Nigeria	492,155	0	(10,494)	502,649
Norwegian Agency for Development Cooperation (NORAD), Norway	1,221,545	1,790,826	721,500	2,290,870
Oil and Natural Gas Corporation Ltd, India	33,727	1,030,000	205,845	857,882
Petroliam Nasional Berhad (Petronas), Malaysia	28,179	0	0	28,179
Premag Handelsges.M.B.H, Austria	2,595	0	0	2,595
Procter & Gamble Far East Inc., Japan	475	0	0	475
RENPAP Member Countries	0	27,688	0	27,688
Serviço Nacional de Aprendizagem Ind., Brazil	51,126	11,684	27,566	35,245
Sezione Speciale per l'assicurazione del Credito, Italy	36,448	0	0	36,448
Shahid Modarres Industrial Pharmaceutical Complex, Iran (Islamic Republic of)	53,878	0	0	53,878
Standards Organization of Nigeria (SON), Nigeria	0	243,341	0	243,341
Staudhammer Finanz AG, Switzerland	3,357	0	0	3,357
Sudan	329	0	0	329
Swedish International Enterprise Development Corporation (Swedcorp), Sweden	201,445	0	144,259	57,186
TESIDE (Turkish Electronic Industry Association), Turkey	1,781	0	0	1,781
The Ford Foundation, USA	1,762	18,000	0	19,762
Trust Fund Trade	665,444	540,905	307,453	898,897
United Nations Fund for International Partnerships	517,479	570,870	666,496	421,854
UNDG Iraq Trust Fund	0	10,950,550	66,254	10,884,296
UNDP/UNDHA	499	(499)	0	0
Unilever Research, United Kingdom	2,497	0	0	2,497
United Nations Trust Fund for Human Security	1,221,608	2,135,399	583,862	2,773,145
UNOPS	0	507,324	0	507,324
US Agency for International Development, USA	(399)	0	0	(399)
Yemen Corporation for Cement Industry and Marketing	15,708	0	0	15,708
Subtotal	6,944,712	24,193,287	7,355,323	23,782,675
GRAND TOTAL	34,876,835	56,886,037	27,574,648	64,188,223
ORLID TOTAL	37,070,033	30,000,037	21,317,070	07,100,443

Table 5. Summary of technical cooperation activities for 2004 financed under inter-organization agreements

(in United States dollars)

	Project expenditure	Programme support	Total expenditure
UNDP			
UNDP main programme	975,398	97,605	1,073,003
Project for which UNIDO is the associated agency	155,991	25,810	181,801
Government-executed projects for which UNIDO is the implementing agency	2,328,797	66,154	2,394,951
UNDP trust funds	2,449,771	144,548	2,594,319
	5,909,957	334,117	6,244,074
UNEP			
UNEP/GEF	919,947	79,624	999,571
	919,947	79,624	999,571
Total	6,829,904	413,741	7,243,645

Annex II

Operating Funds—UNDP and UNDP Trust Funds

Report No. 1

UNITED NATIONS DEVELOPMENT PROGRAMME (Name of Executing Agency)

(UNIDO)

Status of Funds as at 31 December 2004

(Expressed in US dollars)

Opera	ting Funds			
	Opening balance as at 1 January 2004			18,308,560
	Credited to project clearing account			(15,897,201)
	Other charges and credits for prior years		_	(4,054,999)
				(1,643,640)
Add:	Service Clearing Account			
	Cash drawings from UNDP		(22,700,000)	
	IOV's		19,863,927	
	2004 charges and credits		2,950	
	Miscellaneous income and exchange adjustments (Report No. 8)		131,724	
	Miscellaneous items refunded to UNDP (Report No. 8)		7,095	
	Closing balance as at 31 December 2004			(2,694,304)
Add:	Project Clearing Account			
	Opening balance as at 1 January 2004		15,897,201	
Less:	Expenditure and support costs for lines implemented for			
	self-executed projects (Executing PDRs)	1,073,003		
	Expenditure and support costs for lines implemented for			
	projects executed by other agencies and Governments			
	(Implementing PDRs)	2,576,752	3,649,755	

Closing balance as at 31 December 2004		12,247,446	IDB.3 PBC.2 Page ²
Balance as at 31 December 2004		7,909,502	30/9 .21/9 .48
Represented by:			
Cash at banks, on hand and in transit	9,553,051		
Accounts receivable (Report No. 9)	5,882,140	15,435,191	
Less: Accounts payable (Report No. 10)	6,976,563		
2004 unliquidated obligations	549,126	7,525,689	
Balance as at 31 December 2004		7,909,502	

STATEMENT I GLOBAL ENVIRONMENT FACILITY

(Title of Trust Fund)

(Name of Participating and Executing Agency)
(UNIDO)

Status of Funds at 31 December 2004

(Expressed in US dollars)

Operating Fund		\$	\$
Balance	e at 1 January 2004		(1,013,070)
Add:	Cash drawings from UNDP		
	IOVs		
	Other charges/credits (net)		
	Miscellaneous income and exchange adjustments (net) (Report No. 19)	(3,515)	
	Miscellaneous items charged to trust fund (net)		
	(Report No. 19)	(9,108)	(12,623)
			(1,025,693)
Less:	Expenditure during 2004		
	For projects		
	Disbursements (Report No. 15A)	1,423,193	
	Unliquidated obligations (Report No. 16)	849,746	
	For AOS (Report No. 15A)	126,865	2,399,804
			(3,425,497)
Add/sub	otract:		
	Adjustments to prior years (Report No. 15B):		
	Expenditure		6,014,113
	Support costs		
	AOS		59,024
Balance	e at 31 December 2004	- -	2,647,640
ъ.			
Represe	ented by:	0	
	Cash at banks, on hand and in transit	0	2.064.210
	Accounts receivable (Report No. 20)	3,864,219	3,864,219
Less:	Accounts payable (Report No. 21)	363,389	
	Unliquidated obligations (Report No. 16)	853,190	1,216,579
		-	2,647,640

STATEMENT I REPUBLIC OF KOREA FOR THE TUMEN REGION

(Title of Trust Fund)

(Name of Participating and Executing Agency)
(UNIDO)

Status of Funds at 31 December 2004

(Expressed in US dollars)

perating F	<u>und</u>		
Balance at 1 January 2004			(14,352)
Add:	Cash drawings from UNDP		
	IOV's		
	Other charges/credits (net)		
	Miscellaneous income and exchange adjustments (net) (Report No. 19)	(1,026)	
	Miscellaneous items refunded to trust fund (net) (Report No. 18)		(1,026)
	· · · ·		(15,378)
Less:	Expenditure during 2004		(- ,- · - ,
	For projects		
	Disbursements (Report No. 15A)	101,669	
	Unliquidated obligations (Report No. 16)	75,163	
	For AOS (Report No. 15A)	17,683	194,515
			(209,893)
Add/su	btract:		
	Adjustments to prior years (Report No. 15B):		
	Expenditure		
	Support costs		
	AOS		
Balance	e at 31 December 2004		(209,893)
Represe	ented by:		
	Cash at banks, on hand and in transit	0	
	Accounts receivable (Report No. 20)	0	0
Less:	Accounts payable (Report No. 21)	134,071	
	Unliquidated obligations (Report No. 16)	75,822	209,893
			(209,893)

Annex III

SPECIAL ACCOUNT FOR BUILDINGS MANAGEMENT SERVICES (FOR OTHER THAN STAFF COSTS)

(In euros)

Statement of income and expenditure for the year ended 31 December 2004

INCOME	
Contributions received IAEA UNIDO UNOV CTBTO	7,493,565 2,339,502 3,147,843 1,225,440 14,206,350
Interest income Currency exchange loss Miscellaneous income	1,225,440 14,206,350 159,591 (83) 20,973
TOTAL INCOME	14,386,831
EXPENDITURE	
Rental and maintenance of premises Utilities Supplies and materials Capital goods Bank charges Other general operating expenses	7,556,955 5,286,288 74,791 103,430 4,792 13,069
TOTAL EXPENDITURE	13,039,325
EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE FOR 2004	1,347,506
Savings on cancellation of obligations	740,779
NET SURPLUS FOR 2004	2,088,285
${\bf Statement\ of\ assets,\ liabilities,\ reserves\ and\ fund\ balances\ as\ at\ 31\ Dec} \\ {\bf \underline{ASSETS}}$	ember 2004
ASSETS Cash	ember 2004 11,961,926
<u>ASSETS</u>	
ASSETS Cash Accounts receivable Taxation Contributions receivable*	11,961,926 1,100,575 4,815,676
ASSETS Cash Accounts receivable Taxation Contributions receivable* Other	11,961,926 1,100,575 4,815,676 1,560,610
Cash Accounts receivable Taxation Contributions receivable* Other TOTAL ASSETS LIABILITIES Unliquidated obligations	11,961,926 1,100,575 4,815,676 1,560,610
Cash Accounts receivable Taxation Contributions receivable* Other TOTAL ASSETS LIABILITIES	11,961,926 1,100,575 4,815,676 1,560,610 19,438,787
Cash Accounts receivable Taxation Contributions receivable* Other TOTAL ASSETS LIABILITIES Unliquidated obligations Accounts payable	11,961,926 1,100,575 4,815,676 1,560,610 19,438,787 7,500,884
Cash Accounts receivable Taxation Contributions receivable* Other TOTAL ASSETS LIABILITIES Unliquidated obligations Accounts payable Other	11,961,926 1,100,575 4,815,676 1,560,610 19,438,787 7,500,884 1,405,826
Cash Accounts receivable Taxation Contributions receivable* Other TOTAL ASSETS LIABILITIES Unliquidated obligations Accounts payable Other TOTAL LIABILITIES	11,961,926 1,100,575 4,815,676 1,560,610 19,438,787 7,500,884 1,405,826
Cash Accounts receivable Taxation Contributions receivable* Other TOTAL ASSETS LIABILITIES Unliquidated obligations Accounts payable Other TOTAL LIABILITIES FUND BALANCE Balance available as at 1 January 2004	11,961,926 1,100,575 4,815,676 1,560,610 19,438,787 7,500,884 1,405,826 8,906,710
Cash Accounts receivable Taxation Contributions receivable* Other TOTAL ASSETS LIABILITIES Unliquidated obligations Accounts payable Other TOTAL LIABILITIES FUND BALANCE Balance available as at 1 January 2004 Add: Net surplus for 2004	11,961,926 1,100,575 4,815,676 1,560,610 19,438,787 7,500,884 1,405,826 8,906,710 8,443,792 2,088,285

	IAEA	UNIDO	UNOV	CTBTO	Total
2004 opening fund balance	4,399,747	1,456,095	1,865,459	722,491	8,443,792
2004 contributions	7,493,565	2,339,502	3,147,843	1,225,440	14,206,350
Interest (net of bank charges)	32,285	43,721	50,601	28,192	154,799
Net expenditure	(6,473,690)	(2,021,095)	(2,719,421)	(1,058,658)	(12,272,864)
	5,451,907	1,818,223	2,344,482	917,465	10,532,077
* Contributions receivable	4,812,392	0	3,205	79	4,815,676