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## GENERAL CONFERENCE

Eleventh session

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Item 10 (b) of the provisional agenda

### FINANCIAL SITUATION OF UNIDO

#### Request from Afghanistan for restoration of voting rights based on payment plan

Note by the Director-General

Draws the attention of the Conference to a request from Afghanistan for restoration of voting rights based on a payment plan agreement and provides information on the status of payments.

#### Introduction

1. A letter dated 21 October 2005 from the Permanent Representative of Afghanistan requesting a decision by the General Conference on the restoration of voting rights is shown in the annex to the present document. The letter was also circulated to permanent missions with an information note on 24 October 2005.

#### I. PAYMENT PLAN AND STATUS OF PAYMENTS

2. During the period 1986 and 1992, payments amounting to €60,926 had been received from Afghanistan. Between 1992 and 1 January 2004, the outstanding assessed contributions have accumulated steadily to a total of €90,615. On 21 May 2004, Afghanistan signed a payment plan agreement of five years' duration covering these arrears and has since then fully met its financial obligations stipulated therein. Thus, payments of first and second instalments of €18,693 and €18,691 each have been received, thereby reducing the arrears to the current status of €53,941. The agreement is in accordance with the

terms for payment plans outlined in the report of the open-ended discussion group on timely payment of assessed contributions (IDB.19/12 and Corr.1), adopted by the Industrial Development Board in decision IDB.19/Dec.5.

#### II. VOTING RIGHTS

3. Article 5.2 of the UNIDO Constitution stipulates that any organ may permit a Member in arrears to vote in that organ if it is satisfied that the failure to pay is due to conditions beyond the control of the Member. Voting rights are governed by the respective rules of procedure of the governing bodies (rule 91 of the General Conference, rule 50 of the Industrial Development Board and rule 42 of the Programme and Budget Committee). In its report to the Board, the open-ended discussion group on timely payment of assessed contributions states: "When considering applications for the restoration of voting rights, the competent body should regularly take into account the state of payments made under an agreed payment plan" (IDB.19/12 and Corr.1, para. 14).

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### **III. ACTION REQUIRED OF THE CONFERENCE**

4. The Conference may wish to consider adopting the following draft decision:

The General Conference:

(a) Recalls the report of the open-ended discussion group on timely payment of assessed contributions (IDB.19/12 and Corr.1), in particular paragraphs 13 and 14;

(b) Also recalls Board decision IDB.19/Dec.5 and General Conference decisions GC.9/Dec.12, GC.10/Dec.12 and GC.10/Dec.14;

(c) Welcomes the commitment of Afghanistan to settle its arrears, as reported in document GC.11/16;

(d) Gives satisfaction to the request by Afghanistan for the restoration of its voting rights in accordance with Article 5.2 of the UNIDO Constitution;

(e) Takes note of the signature of a payment plan agreement and encourages Afghanistan to pay regularly its instalments in line with the conditions therein.

**Annex**

**LETTER FROM THE AMBASSADOR OF AFGHANISTAN TO UNIDO**

Embassy and Permanent Mission of the  
Islamic Republic of Afghanistan  
Vienna

21.10.05  
979/PMA/84/UNIDO

Excellency,

I have the honor to inform you that the government of Afghanistan would like to request to restore its voting right in the United Nations Industrial Development Organization (UNIDO), which was suspended due to long-term arrears of my government.

As you may wish to note, however, the arrears accumulated by Afghanistan are the result of 25 years of war and social conflict, as well as the long-term drought and other national calamities that prevented Afghanistan to timely pay its dues to the UNIDO budget.

Being committed to the objectives of the UNIDO activities and wishing to continue fruitful co-operation, the government has made substantial efforts to reduce the arrears under a payment plan. The government of Afghanistan is ready to settle its outstanding contributions to the UNIO budget as stipulated in the payment plan that my government signed on 21 May 2004. The second installment of €18.665 was paid on 23 March 2005.

Given the afore-mentioned circumstances, that were beyond its control and being one of the Least Developed Countries in the region, I would like to ask the General Conference of UNIDO to take a positive decision on restoring the voting right of Afghanistan, commencing with the 11th session of the General Conference, based on the provisions of Article 5 of the UNIDO constitution. I should be grateful if this letter could be made available to the Member States of the Organization.

Please accept, Excellency, the assurances of my highest consideration.

*[Signed]*

Ambassador Dr. Zia Nezam  
Resident Representative

H. E. Carlos Alfredo Magariños  
Director-General  
United Nations Industrial Development Organization  
Vienna