



Industrial Development Board

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Financial situation of UNIDO

Financial situation of UNIDO

Report by the Director-General

Provides information on the financial situation of the Organization as at 31 March 2008.

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For reasons of economy, this document has been printed in a limited number. Delegates are kindly requested to bring their copies of documents to meetings.



I. Overview

1. The financial situation as at 31 March 2008 can be summarized in the following major points:

(a) Regular budget net expenditure for the first year of the biennium 2008-2009 amounted to €19.2 million in 2008, or 24.5 per cent of the approved 2008 gross expenditure budget;

(b) Operational budget expenditure amounted to €2.0 million in the reporting period. Support cost and other income amounted to €2.0 million;

(c) The expenditure level for Buildings Management in 2008 amounted to €11.0 million in accordance with prevailing workplan;

(d) The level of regular budget cash resources (including the Working Capital Fund) was €58.5 million. In comparison, the cash balance as at 31 March 2007 and 2006 was €59.1 million and €53.3 million, respectively;

(e) The collection rate of 2008 assessed contributions was 38.1 per cent, compared to the 2007 and 2006 rates of 40.8 and 51.0 per cent, respectively – however, some major contributors' payments are expected to be received within the next months;

(f) The collection rate of prior years' arrears, as compared to the current year's assessments, was 0.7 per cent. The rates as at 31 March 2007 and 2006, as compared to the assessments of those years, were 1.3 and 0.9 per cent, respectively;

(g) Outstanding assessed contributions amounted to €167.1 million, as shown in the annex to the present document (including arrears of €69.2 million by the United States of America, and €2.1 million by the former Yugoslavia). The outstanding amounts as at 31 March 2007 and 2006 were €162.6 million and €156.2 million, respectively;

(h) The Working Capital Fund was at the level of €7,423,030. However, an amount of €195,359 was outstanding as at 31 March 2008;

(i) Unencumbered balances of appropriations and interest income in excess of budgetary estimates amounted to €7,390,354 and is to be applied in accordance with decision GC.12/Dec.10;

(j) Document IDB.34/CRP.2 will provide information on the status of assessed contributions and voting rights, updated to 30 April 2008.

II. Regular and operational budgets, 2008-2009

Regular budget

2. The implementation of the biennial regular budget commenced as planned. Cognizant of an expected collection rate of 92 per cent, an allotment of €69.0 million was issued: €41.2 million for staff on established posts and €27.8 million for all other expenditure categories. While non-staff costs were mostly issued at full rate, funds for consultancy, travel, and expert group meeting were

released at a lower rate pending finalization of work programmes. Allotments for the Regular Programme of Technical Cooperation and Special Resources for Africa have been issued in full.

3. As at 31 March 2008, regular budget expenditures totalled €19.2 million, which represents 24.5 per cent of the gross expenditure budget for 2008. These indicators are comparable with those of the previous biennium where as at 31 March 2006 the regular budget expenditure amounted to €18.3 million with 24.3 per cent utilization rate of the gross expenditure budget.

Operational budget

4. An initial allotment of €8.5 million was issued at the start of 2008. This is indicative of 75.6 per cent of estimates included in the approved programme and budgets. Given that the operational budget mainly finances established posts, this allotment level corresponds to the financial requirements of posts currently occupied, subject to later adjustments in accordance with recruitment events.

5. Operational budget expenditures amounted to €2.0 million on 31 March 2008. Correspondingly, in the preceding biennium similar expenditures amounted to €1.6 million on 31 March 2006.

6. Delivery of technical cooperation activities amounted to \$33.0 million as at end March 2008, as compared to \$29 million at end March 2007. Income for the first three months amounted to €2 million.

Buildings management

7. An initial allotment of €26.4 million was issued at the start of the biennium. The buildings management budget is being implemented in accordance with the prevailing workplan. Expenditures for the first three months of 2008 amounted to €11.0 million, compared to €10.0 million for the same period of the previous biennium. This represents 39.1 per cent usage of building management's gross expenditure budget. Furthermore, this usage rate is indicative that a greater portion of utilities and premises rental obligations are routinely expended in the first quarter of the year.

III. Assessed contributions

A. Collections

8. A total of 38 Member States, including five least developed countries (LDCs), have made full payments and 29 Member States, six of which are LDCs, have made partial payments and/or their adjustments have been credited towards their assessed contributions for the year 2008. The collections in the period from January to March 2008, broken down by List of States, are shown in table 1.

Table 1
Collections, January-March 2008
(In millions of euros)

<i>List of States*</i>	<i>Current year</i>	<i>Prior years</i>	<i>Total</i>
A	2.80	0.12	2.92
B	24.10	0.00	24.10
C	0.12	0.24	0.36
D	2.46	0.14	2.60
Others	0.00	0.00	0.00
USA	0.00	0.00	0.00
Yugoslavia (former)	0.00	0.00	0.00
Total	29.48	0.50	29.98

* As contained in document IDB.34/3.

B. Outstanding contributions

9. The detailed status of assessed contributions outstanding as at 31 March 2008 is contained in the annex to the present document. The scale of assessments and outstanding contributions as at 31 March 2008, broken down by List of States, are shown in table 2.

Table 2
Scale of assessments and outstanding contributions as at 31 March 2008

<i>List of States*</i>	<i>Scale of assessment (%)</i>	<i>Millions of euros</i>		
		<i>Current year</i>	<i>Prior years</i>	<i>Total</i>
A	12.464	6.84	3.46	10.30
B	77.814	36.05	0.00	36.05
C	6.009	4.52	37.46	41.98
D	3.704	0.41	6.72	7.13
Others	0.009	0.01	0.37	0.38
Subtotal	100.000	47.83	48.01	95.84
USA		0.00	69.16	69.16
Yugoslavia (former)		0.00	2.08	2.08
Total	100	47.83	119.25	167.08

* As contained in document IDB.34/3.

IV. Voting rights

10. As indicated in the annex to the present document, the voting rights of 40 Member States had been suspended as at 31 March 2008 in accordance with Article 5.2 of the Constitution and financial regulation 5.5 (b), as shown in table 3.

Table 3
Suspension of voting rights, as at 31 March 2008

<i>Members of</i>	<i>Number of members</i>		
	<i>2008</i>	<i>2007</i>	<i>2006</i>
General Conference	40	43	48
Industrial Development Board	3	3	4
Programme and Budget Committee	2	0	1

11. In order to restore their voting rights for 2008, these Member States must pay their full contributions for 2005 and prior years, including advances to the Working Capital Fund, as well as a partial contribution for 2006. The minimum total amount that would have to be paid by these Member States is about €34 million; details of which are shown in the annex.

V. Multi-year payment plans

12. Table 4 shows, in summary form, the current status of those Member States that have entered into payment plan arrangements to settle outstanding assessed contributions. Since reporting on this issue to the twelfth session of the General Conference (GC.12/6), Burundi has not met its financial obligations as stipulated and the plan became obsolete. Negotiations are currently ongoing with a number of Member States. Other Member States in arrears are strongly encouraged to consider submitting payment plans to steadily reduce their outstanding assessed contributions. The Secretariat notes with appreciation and recognizes the considerable efforts made by all those Member States that have honoured their commitments and obligations as stipulated in their respective payment plans.

Table 4
Payment plans – status as at 31 March 2008
 (Amounts in euros)

<i>Member State</i>	<i>Total amount of arrears covered by the plan*</i>	<i>Outstanding amount 31/3/2008</i>	<i>Amounts received/due in 2008</i>	<i>Duration/ years</i>	<i>Instalment due in 2008 (month)</i>	<i>Instalment due</i>	<i>Payment made/due in 2008</i>
Afghanistan	90,615	18,235	18,235	5	February	Fifth	Scheduled
Azerbaijan	1,269,247	507,697	132,337	10	May	Sixth	February
Costa Rica	189,915	212,357	79,267	5	October	Second	Scheduled
Moldova	878,231	788,627	87,419	10	June	Second	Scheduled
Ukraine	9,711,236	2,961,358	1,017,320	10	October	Eighth	Scheduled
Total	12,139,244	4,488,274	1,334,578				

* Total amount of arrears at time of signing the plan.

Arrears by former Member States

13. The amounts owed to UNIDO by the United States are as follows:

Assessed contributions (1994-1996)	€69,155,281
Income tax (under the Tax Reimbursement Agreement)	€955,784
Total	€70,111,065

Payment of these arrears is being pursued by the Secretariat.

14. Arrears of the former Yugoslavia amount to €2,081,599 (1990-2001). As stated in previous documentation to the governing bodies, the issue as to resolving this case on a system-wide basis is still pending decision of the General Assembly.

VI. Unencumbered balances of appropriations and interest income in excess of budgetary estimates

15. Detailed information on the unencumbered balances of appropriations was provided in documents GC.12/6 and GC.12/CRP.1. General Conference decision GC.12/Dec.10, inter alia, encouraged Member States to consider voluntarily renouncing their share of the unencumbered balances of appropriations to support various UNIDO activities, and further, should no information be received by 30 April 2008, the respective share will be credited to the Member State's assessed contributions in accordance with financial regulations 4.2 (b) and (c), i.e. those Member States that had fully paid their assessed contributions for the respective biennium. It further requested the Director-General to report to the Industrial Development Board at its thirty-fourth session on the amounts renounced by Member States.

16. As mentioned in document GC.12/CRP.1 (annex), the amount due from the unencumbered balances of appropriations relating to the bienniums 1992-1993 and from 1996 to 2005, and the interest income in excess of budgetary estimates is €7,390,354. So far, some Member States requested the application of their respective share towards their assessed contributions. However, further detailed information as of 30 April 2008 will be provided in document IDB.34/CRP.2.

VII. Action required of the Board

17. The Board may wish to consider the adoption of the following draft decision:

“The Industrial Development Board:

“(a) Takes note of the information provided in document IDB.34/8;

“(b) Urges those Member States and former Member States that have not yet paid their assessed contributions, including advances to the Working Capital Fund and prior years' arrears, to do so without delay;

“(c) Requests the Director-General to pursue his efforts and contacts with Member States to effect the collection of arrears.”

Annex

Status of assessed contributions to the regular budget

(In euros)

Status as at 31 March 2008

<i>Member State</i>	<i>Outstanding assessed contributions</i>	<i>WCF 2008 due</i>	<i>Total due</i>	<i>Years</i>	<i>Voting rights^a</i>	<i>Minimum payment to gain voting rights</i>
Afghanistan	18,235	0	18,235	2002(p)-2008	Yes	Payment Plan ^b
Albania	6,185	74	6,259	2008	Yes	
Algeria	91,228	519	91,747	2008	Yes	
Angola	0	0	-	-	Yes	
Argentina	8,975,936	0	8,975,936	1999(p)-2008	No	6,529,210
Armenia	915,587	0	915,587	1992(p)-2008	No	908,890
Austria	951,990	0	951,990	2008(p)	Yes	
Azerbaijan	507,697	0	507,697	1996(p)-2008	Yes	Payment Plan ^b
Bahamas	23,428	0	23,428	2007(p)-2008	Yes	
Bahrain	120,544	0	120,544	2004(p)-2008	No	18,790
Bangladesh	7,731	0	7,731	2008	Yes	
Barbados	9,902	0	9,902	2008(p)	Yes	
Belarus	21,647	148	21,795	2008	Yes	
Belgium	1,069,379	0	1,069,379	2008(p)	Yes	
Belize	2,020	0	2,020	2006(p)-2008	Yes	
Benin	2,359	0	2,359	2007(p)-2008	Yes	
Bhutan	0	0	-	-	Yes	
Bolivia	33,082	0	33,082	2005(p)-2008	No	7,450
Bosnia and Herzegovina	0	0	-	-	Yes	
Botswana	0	0	-	-	Yes	
Brazil	25,664,573	0	25,664,573	1995(p)-2008	No	21,381,660
Bulgaria	0	0	-	-	Yes	
Burkina Faso	0	0	-	-	Yes	
Burundi	63,500	0	63,500	1994(p)-2008	No	61,370
Cambodia	614	0	614	2008(p)	Yes	
Cameroon	0	0	-	-	Yes	
Cape Verde	99,835	0	99,835	1991(p)-2008	No	97,700
Central African Republic	115,198	0	115,198	1989(p)-2008	No	113,070
Chad	98,305	0	98,305	1991(p)-2008	No	96,170
Chile	613,541	0	613,541	2006(p)-2008	Yes	
China	2,865,938	53,445	2,919,383	2008	Yes	
Colombia	1,911	0	1,911	2008(p)	Yes	
Comoros	138,377	0	138,377	1986(p)-2008	No	136,250
Congo	0	0	-	-	Yes	
Costa Rica	212,357	0	212,357	1999(p)-2008	Yes	Payment Plan ^b

<i>Member State</i>	<i>Outstanding assessed contributions</i>	<i>WCF 2008 due</i>	<i>Total due</i>	<i>Years</i>	<i>Voting rights^a</i>	<i>Minimum payment to gain voting rights</i>
Côte d'Ivoire	7,714	0	7,714	2008(p)	Yes	
Croatia	0	0	-	-	Yes	
Cuba	157,135	0	157,135	2005(p)-2008	No	4,310
Cyprus	0	0	-	-	Yes	
Czech Republic	0	0	-	-	Yes	
Democratic People's Republic of Korea	7,360	0	7,360	2008(p)	Yes	
Democratic Republic of the Congo	139,054	0	139,054	1989(p)-2008	No	130,080
Denmark	792,654	0	792,654	2008(p)	Yes	
Djibouti	97,283	0	97,283	1991(p)-2008	No	95,150
Dominica	3,893	0	3,893	2003(p)-2008	No	1,760
Dominican Republic	500,227	2,125	502,352	1986-2008	No	400,090
Ecuador	36,837	75	36,912	2007(p)-2008	Yes	
Egypt	85,220	0	85,220	2008(p)	Yes	
El Salvador	282,607	1,925	284,532	1988-2008	No	214,780
Equatorial Guinea	6,750	0	6,750	2006(p)-2008	Yes	
Eritrea	652	0	652	2008(p)	Yes	
Ethiopia	2,944	0	2,944	2008(p)	Yes	
Fiji	7,464	0	7,464	2007(p)-2008	Yes	
Finland	0	0	-	-	Yes	
France	0	0	-	-	Yes	
Gabon	32,360	0	32,360	2005(p)-2008	No	4,400
Gambia	77,804	0	77,804	1992(p)-2008	No	75,670
Georgia	1,602,235	0	1,602,235	1992(p)-2008	No	1,593,260
Germany	4,089,674	0	4,089,674	2008(p)	Yes	
Ghana	4,639	0	4,639	2008	Yes	
Greece	640,140	4,231	644,371	2008	Yes	
Grenada	47,217	0	47,217	1995(p)-2008	No	45,090
Guatemala	34,011	0	34,011	2008(p)	Yes	
Guinea	0	0	-	-	Yes	
Guinea-Bissau	120,508	0	120,508	1988(p)-2008	No	118,380
Guyana	0	0	-	-	Yes	
Haiti	2,245	0	2,245	2008(p)	Yes	
Honduras	1,433	0	1,433	2008(p)	Yes	
Hungary	262,086	11,580	273,666	2008	Yes	
India	0	0	-	-	Yes	
Indonesia	0	0	-	-	Yes	
Iran (Islamic Republic of)	385,928	1,633	387,561	2006(p)-2008	Yes	
Iraq	16,087	0	16,087	2008(p)	Yes	
Ireland	0	0	-	-	Yes	
Israel	0	0	-	-	Yes	
Italy	5,265,000	0	5,265,000	2008(p)	Yes	

<i>Member State</i>	<i>Outstanding assessed contributions</i>	<i>WCF 2008 due</i>	<i>Total due</i>	<i>Years</i>	<i>Voting rights^a</i>	<i>Minimum payment to gain voting rights</i>
Jamaica	23,726	148	23,874	2006(p)-2008	Yes	
Japan	16,189,229	0	16,189,229	2008(p)	Yes	
Jordan	13,143	74	13,217	2008	Yes	
Kazakhstan	30,925	297	31,222	2008	Yes	
Kenya	11,087	74	11,161	2007(p)-2008	Yes	
Kuwait	369,722	1,262	370,984	2007(p)-2008	Yes	
Kyrgyzstan	379,449	0	379,449	1993(p)-2008	No	377,320
Lao People's Democratic Republic	773	0	773	2008	Yes	
Lebanon	37,734	0	37,734	2007(p)-2008	Yes	
Lesotho	1,393	0	1,393	2007(p)-2008	Yes	
Liberia	109,698	0	109,698	1990(p)-2008	No	107,570
Libyan Arab Jamahiriya	203,374	0	203,374	2007(p)-2008	Yes	
Lithuania	33,244	594	33,838	2008	Yes	
Luxembourg	0	0	-	-	Yes	
Madagascar	2,092	0	2,092	2008(p)	Yes	
Malawi	0	0	-	-	Yes	
Malaysia	0	0	-	-	Yes	
Maldives	773	0	773	2008	Yes	
Mali	4,894	0	4,894	2006(p)-2008	Yes	
Malta	0	0	-	-	Yes	
Mauritania	80,507	0	80,507	1992(p)-2008	No	78,380
Mauritius	0	0	-	-	Yes	
Mexico	4,472,317	29,469	4,501,786	2007(p)-2008	Yes	
Moldova	788,627	0	788,627	1994(p)-2008	Yes	Payment Plan ^b
Monaco	3,092	0	3,092	2008	Yes	
Mongolia	1,236	0	1,236	2007(p)-2008	Yes	
Montenegro	0	0	-	-	Yes	
Morocco	44,098	0	44,098	2008(p)	Yes	
Mozambique	1,240	0	1,240	2007(p)-2008	Yes	
Myanmar	27,040	0	27,040	2005(p)-2008	No	6,700
Namibia	6,111	0	6,111	2008(p)	Yes	
Nepal	19,459	0	19,459	2004(p)-2008	No	7,470
Netherlands	0	0	-	-	Yes	
New Zealand	4,124	0	4,124	2008(p)	Yes	
Nicaragua	139,909	149	140,058	1986(p)-2008	No	136,380
Niger	99,870	0	99,870	1991(p)-2008	No	97,740
Nigeria	140,470	445	140,915	2006(p)-2008	Yes	
Norway	840,377	7,348	847,725	2008	Yes	
Oman	125	0	125	2008(p)	Yes	
Pakistan	121,717	149	121,866	2007(p)-2008	Yes	
Panama	43,315	0	43,315	2007(p)-2008	Yes	
Papua New Guinea	24,496	0	24,496	2003(p)-2008	No	16,300

<i>Member State</i>	<i>Outstanding assessed contributions</i>	<i>WCF 2008 due</i>	<i>Total due</i>	<i>Years</i>	<i>Voting rights^a</i>	<i>Minimum payment to gain voting rights</i>
Paraguay	29,311	0	29,311	2006(p)-2008	Yes	
Peru	182,591	0	182,591	2007(p)-2008	Yes	
Philippines	80,969	0	80,969	2008(p)	Yes	
Poland	0	0	-	-	Yes	
Portugal	565,921	3,563	569,484	2008	Yes	
Qatar	90,578	0	90,578	2008(p)	Yes	
Republic of Korea	2,334,808	30,211	2,365,019	2008	Yes	
Romania	0	0	-	-	Yes	
Russian Federation	0	0	-	-	Yes	
Rwanda	773	0	773	2008	Yes	
Saint Kitts and Nevis	1,240	0	1,240	2007(p)-2008	Yes	
Saint Lucia	624	0	624	2008(p)	Yes	
Saint Vincent and the Grenadines	114,668	0	114,668	1989(p)-2008	No	112,540
Sao Tome and Principe	138,377	0	138,377	1986(p)-2008	No	136,250
Saudi Arabia	0	0	-	-	Yes	
Senegal	9,394	0	9,394	2007(p)-2008	Yes	
Serbia	22,420	75	22,495	2008	Yes	
Seychelles	56,742	0	56,742	1995(p)-2008	No	50,050
Sierra Leone	1,395	0	1,395	2007(p)-2008	Yes	
Slovakia	0	0	-	-	Yes	
Slovenia	0	0	-	-	Yes	
Somalia	138,376	0	138,376	1986(p)-2008	No	136,250
South Africa	0	0	-	-	Yes	
Spain	3,189,100	33,997	3,223,097	2008	Yes	
Sri Lanka	16,786	0	16,786	2008(p)	Yes	
Sudan	28,638	0	28,638	2005(p)-2008	No	5,980
Suriname	47,725	0	47,725	1996(p)-2008	No	45,590
Swaziland	2,319	0	2,319	2008	Yes	
Sweden	1,151,169	2,747	1,153,916	2008	Yes	
Switzerland	1,302,705	0	1,302,705	2008(p)	Yes	
Syrian Arab Republic	14,559	0	14,559	2008(p)	Yes	
Tajikistan	148,032	0	148,032	1995(p)-2008	No	145,900
Thailand	0	0	-	-	Yes	
The former Yugoslav Republic of Macedonia	0	0	-	-	Yes	
Timor-Leste	773	0	773	2008	Yes	
Togo	58,758	0	58,758	1994(p)-2008	No	56,630
Tonga	843	0	843	2007(p)-2008	Yes	
Trinidad and Tobago	29,378	446	29,824	2008	Yes	
Tunisia	40,356	0	40,356	2007(p)-2008	Yes	
Turkey	0	0	-	-	Yes	
Turkmenistan	230,539	538	231,077	1995-2008	No	214,490

<i>Member State</i>	<i>Outstanding assessed contributions</i>	<i>WCF 2008 due</i>	<i>Total due</i>	<i>Years</i>	<i>Voting rights^a</i>	<i>Minimum payment to gain voting rights</i>
Uganda	2,721	0	2,721	2008(p)	Yes	
Ukraine	2,961,358	0	2,961,358	1997(p)-2008	Yes	Payment Plan ^b
United Arab Emirates	324,708	5,790	330,498	2008	Yes	
United Kingdom	0	0	-	-	Yes	
United Republic of Tanzania	12,070	0	12,070	2007(p)-2008	Yes	
Uruguay	79,623	0	79,623	2007(p)-2008	Yes	
Uzbekistan	487,236	0	487,236	1997(p)-2008	No	448,720
Vanuatu	82,064	0	82,064	1992(p)-2008	No	79,930
Venezuela (Bolivarian Republic of)	220,728	2,153	222,881	2007(p)-2008	Yes	
Viet Nam	0	0	-	-	Yes	
Yemen	7,843	0	7,843	2007(p)-2008	Yes	
Zambia	4,993	0	4,993	2006(p)-2008	Yes	
Zimbabwe	15,492	75	15,567	2007(p)-2008	Yes	
Subtotal:	95,838,349	195,359	96,033,708			34,293,720
Yugoslavia (former) ^c	2,081,599		2,081,599	1990(p)-2001		
Non-Member:						
United States of America ^d	69,155,281		69,155,281	1994(p)-1996		
TOTAL	167,075,229	195,359	167,270,588			34,293,720

<i>Summary of outstanding assessed contributions by biennium/year:</i>	<i>Euros</i>
1986 / 1987	90,872
1988 / 1989	164,200
1990 / 1991	1,121,899
1992 / 1993	1,553,528
1994 / 1995	43,531,053
1996 / 1997	36,494,982
1998 / 1999	7,379,677
2000 / 2001	5,599,460
2002 / 2003	6,507,451
2004 / 2005	7,306,431
2006 / 2007	9,492,271
<i>Subtotal:</i>	119,241,824
2008	47,833,405
TOTAL:	167,075,229

Notes:

(p) refers to partial payment.

^a Voting rights of 40 Member States have been suspended in accordance with Article 5.2 of the Constitution of UNIDO.

^b In General Conference decisions GC.12/Dec.11, GC.12/Dec.12, GC.11/Dec.11, GC.10/Dec.12, and GC.9/Dec.12, voting rights of Afghanistan, Azerbaijan, Costa Rica, Moldova and Ukraine were restored in accordance with Article 5.2 of the Constitution.

^c Outstanding contributions to be resolved.

^d Member State of UNIDO until 31 December 1996.