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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 30 September 2009.

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## I. Overview

1. The financial situation as at 30 September 2009 can be summarized in the following major points:

(a) The overall implementation rate of 76.2 per cent of the regular budget reflects a higher level than that of the previous biennium (75.8 per cent). The rate is expected to increase to about 92 per cent by the end of the biennium;

(b) The operational budget is estimated to remain financially sound with the possibility of an increase in the reserve;

(c) The expenditure level for buildings management amounted to €35.6 million, compared to €31.9 million for the same period of the previous biennium;

(d) The level of regular budget cash resources (including the Working Capital Fund) was €65.6 million. In comparison, the cash balance as at 30 September 2008 and 2007 was €66.1 million and €49.3 million, respectively;

(e) The collection rate of 2009 assessed contributions was 86.1 per cent, compared to the 2008 and 2007 rates of 90.7 per cent and 69.1 per cent, respectively. However, on 2 October 2009 the current year's collection rate improved to 89.8 per cent upon receipt of additional contributions;

(f) The collection rate of prior years' arrears, as compared to the current year's assessment, was 4.1 per cent, compared to 2008 and 2007 rates of 3.8 per cent and 6.6 per cent, respectively;

(g) Outstanding contributions amounted to €122.6 million, as shown in the annex to the present document (including arrears of €69.1 million by the United States of America, and €2.1 million by the former Yugoslavia). However, as mentioned under (e) above, on 2 October 2009, the amount was reduced to €119.7 million. The outstanding amounts as at 30 September 2008 and 2007 were €127.1 million and €137.3 million, respectively;

(h) The Working Capital Fund was at the level of €7,423,030. However, an amount of €16,448 was outstanding as at 30 September 2009;

(i) A provisional amount of €9,560,622 from the unencumbered balances of appropriations was received during the period 1 November 2008 to 30 September 2009, and interest income in excess of budgetary estimates of €2,414,832 totalling €11,975,454;

(j) A conference room paper will provide information on the current status of assessed contributions and voting rights, updated to 30 November 2009.

## II. Regular and operational budgets (January 2008 to September 2009)

2. The regular budget status shows an overall implementation rate of 76.2 per cent of gross budgeted expenditures and reflects a higher level than that of the same period of the preceding biennium (75.8 per cent). The rate of implementation is

expected to increase to about 92 per cent during the final quarter of the biennium due to accelerated implementation of programmes and is expected to match the collection rate of assessed contributions during the biennium. Further payments and other budgetary expenditures relating to Conference Services and Common Services will be incurred before the end of the year in connection with the convening of the thirteenth session of the General Conference.

3. Operational budget expenditures were maintained through a higher-than-budgeted vacancy factor. The reserve level thus increased from €6.5 million on 1 January 2008 to €8.0 million as of 30 September 2009. It is expected, however, that the level of the reserve at the end of the biennium will be lower depending upon the actual income and expenditure in the final months of the year.

4. The Buildings Management Service budget has been implemented according to the workplan. Expenditures for 2008-2009 as at 30 September 2009 amounted to €35.6 million, compared to €31.9 million for the same period of the previous biennium.

### III. Assessed contributions

#### A. Collections

5. A total of 81 Member States, including 11 least developed countries (LDCs), have made full payments and 25 Member States, five of which are LDCs, have made partial payments and/or their adjustments have been credited towards their assessed contributions for the year 2009. Collections in the current year, up to September 2009, broken down by List of States, are shown in table 1.

Table 1  
**Collections, January-September 2009**  
(In millions of euros)

<i>List of States*</i>	<i>Current year</i>	<i>Prior years</i>	<i>Total</i>
A	9.07	0.81	9.88
B	54.73	0.00	54.73
C	0.20	2.05	2.25
D	2.55	0.31	2.86
Others	0.00	0.00	0.00
USA	0.00	0.00	0.00
Yugoslavia (former)	0.00	0.00	0.00
<b>Total</b>	<b>66.55</b>	<b>3.17</b>	<b>69.72</b>

\* As contained in document IDB.36/25.

#### B. Outstanding contributions

6. The detailed status of assessed contributions outstanding as at 30 September 2009 is contained in the annex to the present document. The scale of assessment and

outstanding contributions as of the same period, broken down by List of States, are shown in table 2.

Table 2  
**Scale of assessment and outstanding contributions as at 30 September 2009**

<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	12.457	0.56	2.98	3.54
B	77.814	5.43	0.00	5.43
C	6.009	4.44	31.99	36.43
D	3.711	0.32	5.36	5.68
Others	0.009	0.01	0.38	0.39
<b>Subtotal</b>	<b>100.000</b>	<b>10.76</b>	<b>40.71</b>	<b>51.47</b>
USA		0.00	69.07	69.07
Yugoslavia (former)		0.00	2.08	2.08
<b>Total</b>	<b>100</b>	<b>10.76</b>	<b>111.86</b>	<b>122.62</b>

\* As contained in document IDB.36/25.

#### IV. Voting rights

7. As indicated in the annex to the present document, the voting rights of 38 Member States had been suspended as at 30 September 2009, 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 30 September 2009**

<i>Members of</i>	<i>Number of members</i>		
	<i>2009</i>	<i>2008</i>	<i>2007</i>
General Conference	38	37	39
Industrial Development Board	2	1	1
Programme and Budget Committee	0	0	0

8. In order to restore their voting rights for 2009, these Member States must pay their full contributions for 2006 and prior years, including advances to the Working Capital Fund, as well as a partial contribution for 2007. The minimum total amount that would have to be paid by these Member States is €28,431,440.

#### V. Multi-year payment plans

9. Table 4 shows, in summary form, the current status of those Member States that have entered into payment plan arrangements to settle their respective outstanding assessed contributions. The Secretariat notes with appreciation that, since the issuance of document GC.12/6, Afghanistan has successfully completed payments under its plan and has settled all its outstanding assessed contributions.

The Secretariat has further noted with appreciation that, as shown in table 4, all other Member States, except one, have fully met their obligations as stipulated in their multi-year payment plans. The Secretariat recognizes the considerable efforts made by those Member States to honour the commitments that they had made when they submitted their plans.

10. The Secretariat concludes that the system of multi-year payment plans, as introduced and recommended by the open-ended discussion group on timely payment of assessed contributions in 1998 (IDB.19/12 and IDB.19/Dec.5), has made a positive contribution in encouraging and assisting Member States to reduce their unpaid assessed contributions and in providing a way for them to demonstrate their commitment to meeting their financial obligations to UNIDO. Other Member States in arrears are encouraged to consider submitting payment plans to steadily reduce their outstanding assessed contributions.

Table 4  
**Payment plans—status as at 30 September 2009**  
(Amounts in euros)

<i>Member State</i>	<i>Total amount of arrears covered by the plan*</i>	<i>Outstanding amounts 30/9/09</i>	<i>Amounts received/due in 2009</i>	<i>Duration years</i>	<i>Instalment due in 2009 (month)</i>	<i>Instalment due (#)</i>	<i>Payment made in 2009</i>
Azerbaijan	1,269,247	380,012	132,337	Ten	May	Seventh	June
Costa Rica	189,915	246,355	79,267	Five	October	Second and third	Delayed
Republic of Moldova	878,231	614,233	87,748	Ten	June	Third	May/June
Ukraine	9,711,236	2,961,358	1,017,320	Ten	October	Ninth	Scheduled
<b>Total</b>	<b>12,048,629</b>	<b>4,201,958</b>	<b>1,316,672</b>				

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

#### **Arrears by former Member States**

11. The amounts owed to UNIDO by the United States of America are as follows:

Assessed contributions (1994-1996)	€69,068,887
Income tax (under the Tax Reimbursement Agreement)	€955,784
<b>Total</b>	<b>€70,024,671</b>

Payment of these arrears is being pursued by the Secretariat.

12. Arrears of the former Yugoslavia amount to €2,081,599 (1990-2001). As stated in document IDB.36/5, resolution 63/249, dated 19 March 2009, was adopted by the United Nations General Assembly, regarding the unpaid assessed contributions of the former Yugoslavia.

13. The Secretariat will continue to follow-up on this issue and as soon as the requested information is obtained regarding the respective shares due from the successor States of the Socialist Federal Republic of Yugoslavia in line with the above resolution, the governing bodies will be informed accordingly and

appropriate action will be taken by the Secretariat to resolve these outstanding arrears.

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

14. The amount of €1,503,098 from the biennium 1992-1993 and 1996-2005 was collected and distributed to eligible Member States in January 2009.

15. Pursuant to PBC conclusion 2009/3 and decision IDB.36/Dec.12 on unutilized balances of appropriations, the amount of €6,812,043, representing unspent balances of collections for the biennium 2006-2007 was to be returned to the Member States in accordance with the relevant Financial Regulations of UNIDO.

16. In addition, as at 30 September 2009 the unencumbered balances of appropriations relating to prior bienniums provisionally amounted to €9,560,622 and interest income in excess of budgetary estimates amounted to €2,414,832, totalling €11,975,454. The detailed proposal by UNIDO on the utilization of the unencumbered balances of appropriations is provided in a separate document, GC.13/8.

## **VII. Action required of the Conference**

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

“The General Conference:

“(a) Takes note of the information provided in document GC.13/12;

“(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 of 30 September 2009

<i>Member State</i>	<i>Outstanding assessed contributions</i>	<i>WCF 2009 due</i>	<i>Total due</i>	<i>Years</i>	<i>Voting rights<sup>a</sup></i>	<i>Minimum payment to gain voting rights</i>
Afghanistan	0	0	-	-	Yes	
Albania	11,884	0	11,884	2008P	Yes	
Algeria	0	0	-	-	Yes	
Angola	2,565	0	2,565	2009P	Yes	
Argentina	1,565,235	0	1,565,235	2007P	Yes	
Armenia	913,268	0	913,268	1992P	No	906,520
Austria	0	0	-	-	Yes	
Azerbaijan	380,012	0	380,012	1997P	Yes	Payment Plan <sup>b</sup>
Bahamas	0	0	-	-	Yes	
Bahrain	0	0	-	-	Yes	
Bangladesh	0	0	-	-	Yes	
Barbados	0	0	-	-	Yes	
Belarus	0	0	-	-	Yes	
Belgium	1,162,758	0	1,162,758	2009P	Yes	
Belize	2,150	0	2,150	2007P	Yes	
Benin	2,646	0	2,646	2007P	Yes	
Bhutan	0	0	-	-	Yes	
Bolivia (Plurinational State of)	22,025	0	22,025	2007P	Yes	
Bosnia and Herzegovina	0	0	-	-	Yes	
Botswana	0	0	-	-	Yes	
Brazil	25,591,629	0	25,591,629	1995P	No	22,037,770
Bulgaria	0	0	-	-	Yes	
Burkina Faso	0	0	-	-	Yes	
Burundi	54,271	0	54,271	1994P	No	52,120
Cambodia	646	0	646	2009P	Yes	
Cameroon	7,784	0	7,784	2009P	Yes	
Cape Verde	100,608	0	100,608	1991P	No	98,460
Central African Republic	115,971	0	115,971	1989P	No	113,820
Chad	99,078	0	99,078	1991P	No	96,930
Chile	362,204	0	362,204	2007P	Yes	
China	0	0	-	-	Yes	
Colombia	95,783	0	95,783	2009P	Yes	
Comoros	139,150	0	139,150	1986P	No	137,000
Congo (Republic of)	0	0	-	-	Yes	
Costa Rica	246,355	0	246,355	1999P	No	Payment Plan*
Côte d'Ivoire	0	0	-	-	Yes	
Croatia	0	0	-	-	Yes	
Cuba	162,398	0	162,398	2007P	Yes	
Cyprus	0	0	-	-	Yes	

<i>Member State</i>	<i>Outstanding assessed contributions</i>	<i>WCF 2009 due</i>	<i>Total due</i>	<i>Years</i>	<i>Voting rights<sup>a</sup></i>	<i>Minimum payment to gain voting rights</i>
Czech Republic	0	0	-	-	Yes	
Democratic People's Republic of Korea	0	0	-	-	Yes	
Democratic Republic of the Congo	142,146	0	142,146	1989P	<b>No</b>	133,100
Denmark	0	0	-	-	Yes	
Djibouti	98,056	0	98,056	1991P	<b>No</b>	95,910
Dominica	4,297	0	4,297	2004P	<b>No</b>	2,150
Dominican Republic	525,740	2,125	527,865	1986	<b>No</b>	438,540
Ecuador	56,521	0	56,521	2007P	Yes	
Egypt	0	0	-	-	Yes	
El Salvador	304,254	1,925	306,179	1998P	<b>No</b>	238,910
Equatorial Guinea	8,446	0	8,446	2006P	<b>No</b>	1,700
Eritrea	1,068	0	1,068	2008P	Yes	
Ethiopia	0	0	-	-	Yes	
Fiji	5,045	0	5,045	2008P	Yes	
Finland	0	0	-	-	Yes	
France	0	0	-	-	Yes	
Gabon	39,897	0	39,897	2005P	<b>No</b>	13,240
Gambia	62,958	0	62,958	1994P	<b>No</b>	60,810
Georgia	1,605,327	0	1,605,327	1992P	<b>No</b>	1,596,280
Germany	0	0	-	-	Yes	
Ghana	0	0	-	-	Yes	
Greece	0	0	-	-	Yes	
Grenada	47,915	0	47,915	1995P	<b>No</b>	45,770
Guatemala	140	0	140	2009P	Yes	
Guinea	0	0	-	-	Yes	
Guinea-Bissau	121,281	0	121,281	1988P	<b>No</b>	119,130
Guyana	0	0	-	-	Yes	
Haiti	1,831	0	1,831	2009P	Yes	
Honduras	545	0	545	2009P	Yes	
Hungary	246,193	0	246,193	2009P	Yes	
India	0	0	-	-	Yes	
Indonesia	0	0	-	-	Yes	
Iran (Islamic Republic of)	194,757	0	194,757	2008P	Yes	
Iraq	0	0	-	-	Yes	
Ireland	0	0	-	-	Yes	
Israel	0	0	-	-	Yes	
Italy	0	0	-	-	Yes	
Jamaica	0	0	-	-	Yes	
Japan	0	0	-	-	Yes	
Jordan	0	0	-	-	Yes	
Kazakhstan	0	0	-	-	Yes	
Kenya	21,011	0	21,011	2008P	Yes	
Kuwait	0	0	-	-	Yes	
Kyrgyzstan	380,222	0	380,222	1993P	<b>No</b>	378,070



<i>Member State</i>	<i>Outstanding assessed contributions</i>	<i>WCF 2009 due</i>	<i>Total due</i>	<i>Years</i>	<i>Voting rights<sup>a</sup></i>	<i>Minimum payment to gain voting rights</i>
Lao People's Democratic Republic	0	0	-	-	Yes	
Lebanon	36,164	0	36,164	2009P	Yes	
Lesotho	532	0	532	2009P	Yes	
Liberia	110,471	0	110,471	1990P	No	108,320
Libyan Arab Jamahiriya	255,673	0	255,673	2007P	Yes	
Lithuania	0	0	-	-	Yes	
Luxembourg	0	0	-	-	Yes	
Madagascar	181	0	181	-	Yes	
Malawi	0	0	-	-	Yes	
Malaysia	0	0	-	-	Yes	
Maldives	381	0	381	2009P	Yes	
Mali	5,180	0	5,180	2006P	No	1,520
Malta	0	0	-	-	Yes	
Mauritania	81,280	0	81,280	1992P	No	79,130
Mauritius	0	0	-	-	Yes	
Mexico	6,897,579	11,637	6,909,216	2007P	Yes	
Monaco	0	0	-	-	Yes	
Mongolia	0	0	-	-	Yes	
Montenegro	0	0	-	-	Yes	
Morocco	40,105	0	40,105	2009P	Yes	
Mozambique	0	0	-	-	Yes	
Myanmar	32,049	0	32,049	2005P	No	13,840
Namibia	0	0	-	-	Yes	
Nepal	22,178	0	22,178	2004P	No	11,620
Netherlands	0	0	-	-	Yes	
New Zealand	0	0	-	-	Yes	
Nicaragua	142,228	149	142,377	1986P	No	137,140
Niger	100,643	0	100,643	1991P	No	98,490
Nigeria	182,557	0	182,557	2006P	No	33,120
Norway	828,314	0	828,314	2009P	Yes	
Oman	0	0	-	-	Yes	
Pakistan	74,021	0	74,021	2008P	Yes	
Panama	16,860	0	16,860	2009P	Yes	
Papua New Guinea	26,458	0	26,458	2003P	No	18,950
Paraguay	0	0	-	-	Yes	
Peru	83,496	0	83,496	2009P	Yes	
Philippines	0	0	-	-	Yes	
Poland	0	0	-	-	Yes	
Portugal	559,261	0	559,261	2009P	Yes	
Qatar	0	0	-	-	Yes	
Republic of Moldova	614,233	0	614,233	1994P	Yes	Payment Plan <sup>b</sup>
Republic of Korea	0	0	-	-	Yes	
Romania	0	0	-	-	Yes	
Russian Federation	0	0	-	-	Yes	
Rwanda	1,154	0	1,154	2008P	Yes	

<i>Member State</i>	<i>Outstanding assessed contributions</i>	<i>WCF 2009 due</i>	<i>Total due</i>	<i>Years</i>	<i>Voting rights<sup>a</sup></i>	<i>Minimum payment to gain voting rights</i>
Saint Kitts and Nevis	1,621	0	1,621	2007P	Yes	
Saint Lucia	912	0	912	2008P	Yes	
Saint Vincent and the Grenadines	115,441	0	115,441	1989P	No	113,290
Samoa	773	74	847	2009P	Yes	
Sao Tome and Principe	139,150	0	139,150	1986P	No	137,000
Saudi Arabia	0	0	-	-	Yes	
Senegal	13,302	0	13,302	2007P	Yes	
Serbia	0	0	-	-	Yes	
Seychelles	32,923	0	32,923	1998P	No	26,180
Sierra Leone	1,776	0	1,776	2007P	Yes	
Slovakia	0	0	-	-	Yes	
Slovenia	0	0	-	-	Yes	
Somalia	139,149	0	139,149	1986P	No	137,000
South Africa	0	0	-	-	Yes	
Spain	2,883,813	0	2,883,813	2009P	Yes	
Sri Lanka	0	0	-	-	Yes	
Sudan	6,943	0	6,943	2009P	Yes	
Suriname	1,709	0	1,709	2007P	Yes	
Swaziland	0	0	-	-	Yes	
Sweden	0	0	-	-	Yes	
Switzerland	0	0	-	-	Yes	
Syrian Arab Republic	0	0	-	-	Yes	
Tajikistan	147,932	0	147,932	1995P	No	145,780
Thailand	0	0	-	-	Yes	
The former Yugoslav Republic of Macedonia	4,603	0	4,603	2009P	Yes	
Timor-Leste	1,494	0	1,494	2008P	Yes	
Togo	57,950	0	57,950	1994P	No	56,570
Tonga	399	0	399	2009P	Yes	
Trinidad and Tobago	26,819	0	26,819	2009P	Yes	
Tunisia	0	0	-	-	Yes	
Turkey	0	0	-	-	Yes	
Turkmenistan	236,724	538	237,262	1995	No	219,770
Uganda	5,110	0	5,110	2008P	Yes	
Ukraine	1,906,452	0	1,906,452	1998P	Yes	Payment Plan <sup>b</sup>
United Arab Emirates	0	0	-	-	Yes	
United Kingdom	0	0	-	-	Yes	
United Republic of Tanzania	4,028	0	4,028	2009P	Yes	
Uruguay	19,168	0	19,168	2009P	Yes	
Uzbekistan	478,732	0	478,732	1997P	No	446,800
Vanuatu	82,837	0	82,837	1992P	No	80,690
Venezuela (Bolivarian Republic of)	134,995	0	134,995	2009P	Yes	
Viet Nam	0	0	-	-	Yes	
Yemen	7,080	0	7,080	2009P	Yes	

<i>Member State</i>	<i>Outstanding assessed contributions</i>	<i>WCF 2009 due</i>	<i>Total due</i>	<i>Years</i>	<i>Voting rights<sup>a</sup></i>	<i>Minimum payment to gain voting rights</i>
Zambia	0	0	-	-	Yes	
Zimbabwe	0	0	-	-	Yes	
<b>Subtotal:</b>	<b>51,468,903</b>	<b>16,448</b>	<b>51,485,351</b>			<b>28,431,440</b>
Yugoslavia (former) <sup>c</sup>	2,081,599		2,081,599	1990(P)-2001		
Non-Member:						
United States of America <sup>d</sup>	69,068,887		69,068,887	1994(P)-1996		
<b>TOTAL:</b>	<b>122,619,389</b>	<b>16,448</b>	<b>122,635,837</b>			<b>28,431,440</b>

<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	1,536,939
1994 / 1995	42,234,117
1996 / 1997	36,223,782
1998 / 1999	6,015,786
2000 / 2001	3,489,500
2002 / 2003	4,386,455
2004 / 2005	5,271,355
2006 / 2007	6,986,470
2008	4,338,196
<i>Subtotal:</i>	111,859,571
2009	10,759,818
<b>TOTAL:</b>	<b>122,619,389</b>

*Notes:*

P Refers to partial payment

<sup>a</sup> Voting rights of 38 Member States have been suspended in accordance with Article 5.2 of the Constitution of UNIDO.

<sup>b</sup> In General Conference decisions GC.12/Dec.12, GC.10/Dec.12 and GC.9/Dec.12, voting rights of Azerbaijan, Republic of Moldova and Ukraine were restored in accordance with Article 5.2 of the Constitution.

<sup>c</sup> Outstanding contributions to be resolved (General Assembly – A/RES/63/249)

<sup>d</sup> Member State of UNIDO until 31 December 1996.

\* Costa Rica: In accordance with the report of the open-ended discussion group on timely payment of assessed contributions (IDB.19/12, para. 15), in the case of non-adherence (delayed payment) to the agreed payment plan, including the payment of the current year's contribution, the remaining amount owed by the Member State should be considered as arrears. In accordance with Article 5.2 of the Constitution the voting right was suspended.

*Additional:*

It should be noted that as of 2 October 2009, full payments were received by Spain (€2,883,813) and Trinidad and Tobago (€26,819), bringing the current year's collection rate to 89.8 per cent.