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## Industrial Development Board

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### Financial situation of UNIDO

## Programme and Budget Committee

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Item 4 of the provisional agenda

### Financial situation of UNIDO

## Financial situation of UNIDO

### Report by the Director-General

The present document provides information on the financial situation of the Organization as at 30 June 2010.

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## I. Overview

1. The financial situation as at 30 June 2010 can be summarized in the following major points:

(a) Regular budget gross expenditure for the first six months of the biennium 2010-2011 amounted to €36.7 million, or 46.1 per cent of the approved 2010 gross expenditure budget;

(b) The operational budget expenditure amounted to €4.0 million in the reporting period. Support costs and other income amounted to €6.7 million;

(c) The expenditure level for buildings management amounted to €13.8 million in accordance with the prevailing workplan;

(d) The level of regular budget cash resources (including the Working Capital Fund) was €59.4 million. In comparison, the cash balance as at 30 June 2009 and 2008 was €63.8 million and €61.2 million, respectively;

(e) The collection rate of 2010 assessed contributions was 55.6 per cent, compared to the 2009 and 2008 rates of 51.3 and 62.2 per cent, respectively;

(f) The collection rate of prior years' arrears, as compared to the current year's assessments, was 1.7 per cent. The rates as at 30 June 2009 and 2008, as compared to the assessments of those years, were 3.9 and 1.8 per cent, respectively;

(g) Outstanding assessed contributions amounted to €149.4 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). The outstanding amounts as at 30 June 2009 and 2008 were €149.7 million and €146.8 million, respectively;

(h) The Working Capital Fund was at the level of €7,423,030. However, an amount of €4,811 was outstanding as at 30 June 2010;

(i) Document PBC.26/CRP.4 will provide information on the status of assessed contributions and voting rights, updated to 31 August 2010.

## II. Regular and operational budgets, 2010-2011

### Regular budget

2. The implementation of the biennial regular budget commenced as planned. As UNIDO has enjoyed a stable and high collection rate of assessed contributions in recent bienniums, allotments have been issued at a full rate of the gross expenditure budget for 2010, except for consultancies, expert group meetings and staff travel, which were released at 85 per cent in order to allow for priority requests.

3. Therefore, allotments to the value of €79.0 million were issued at the onset of the biennium. These comprised €53.7 million for staff on established posts and €25.3 million for all other expenditure categories.

4. As at 30 June 2010, regular budget expenditures totalled €36.7 million, which represents 46.1 per cent of the gross expenditure budget for 2010. These indicators

are comparable with those of the previous biennium where as at 30 June 2008, the regular budget expenditure amounted to €34 million with 43.4 per cent utilization rate of the gross expenditure budget.

### **Operational budget**

5. Allotments of €11.2 million value were issued at the start of 2010. This level is equivalent to 100 per cent of estimates included in the approved programme budget.

6. Operational budget expenditures amounted to €4.0 million on 30 June 2010. In the preceding biennium similar expenditures amounted to €4.5 million on 30 June 2008.

7. The delivery of technical cooperation activities in the first half of 2010 reached US\$ 87.8 million. This already exceeded the corresponding period of 2009. The income from support costs and other miscellaneous sources for six months in 2010 amounted to €6.7 million.

### **Buildings management**

8. An allotment of €31.8 million for 2010 was issued at the start of the biennium. The buildings management budget is being implemented in accordance with the prevailing workplan. Expenditures as at 30 June 2010 amounted to €13.8 million compared to €13.1 million in 2008. This represents 43.3 per cent of the buildings management gross expenditure budget.

## **III. Assessed contributions**

### **A. Collections**

9. A total of 72 Member States, including nine least developed countries (LDCs), have made full payments. Thirty-five Member States, eight of which are LDCs, have made partial payments and/or their adjustments have been credited towards their assessed contributions for the year 2010. The collections in the period from January to June 2010, broken down by Lists of States, are shown in table 1.

Table 1  
**Collections, January-June 2010**  
(In millions of euros)

<i>Lists of States*</i>	<i>Current year</i>	<i>Prior years</i>	<i>Total</i>
A	3.98	0.20	4.18
B	36.50	0.56	37.06
C	0.24	0.54	0.78
D	2.79	0.00	2.79
Others	0.00	0.02	0.02
USA	0.00	0.00	0.00
Yugoslavia (former)	0.00	0.00	0.00
<b>Total</b>	<b>43.51</b>	<b>1.32</b>	<b>44.83</b>

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

## B. Outstanding contributions

10. The detailed status of assessed contributions outstanding as at 30 June 2010 is contained in the annex to the present document. The scale of assessments and outstanding contributions as of the same period, broken down by Lists of States, are shown in table 2.

Table 2  
**Scale of assessments and outstanding contributions as at 30 June 2010**

<i>Lists of States*</i>	<i>Scale of assessments (%)</i>	<i>Millions of euros</i>		
		<i>Current year</i>	<i>Prior years</i>	<i>Total</i>
A	12.457	5.77	2.82	8.59
B	77.813	24.42	0.00	24.42
C	6.009	4.47	34.80	39.27
D	3.711	0.12	5.42	5.54
Others	0.010	0.01	0.37	0.38
<b>Subtotal</b>	<b>100.000</b>	<b>34.79</b>	<b>43.41</b>	<b>78.20</b>
USA		0.00	69.07	69.07
Yugoslavia (former)		0.00	2.08	2.08
<b>Total</b>	<b>100</b>	<b>34.79</b>	<b>114.56</b>	<b>149.35</b>

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

## IV. Voting rights

11. As indicated in the annex to the present document, the voting rights of 44 Member States had been suspended as at 30 June 2010, in accordance with Article 5.2 of the Constitution and financial regulation 5.5 (b). The status of voting rights in respect of the various policymaking organs is shown in table 3.

Table 3  
Suspension of voting rights, as at 30 June 2010

Members of	Number of members		
	2010	2009	2008
General Conference	44	40	37
Industrial Development Board	4	4	1
Programme and Budget Committee	3	1	2

12. In order to restore their voting rights for 2010, these Member States must pay their full contributions for 2007 and prior years, including advances to the Working Capital Fund, as well as a partial contribution for 2008. The minimum total amount that would have to be paid by these Member States is €34,017,471.

## V. Multi-year payment plans

13. 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. 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. 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 June 2010  
(Amounts in euros)

Member State	Total amount of arrears covered by the plan*	Outstanding amounts 30/6/10	Amounts received/due in 2010	Duration/ years	Instalment due in 2010 (month)	Instalment due	Payment made in 2010
Azerbaijan	1,269,247	385,493	131,168	10	May	Eighth	Delayed
Republic of Moldova	878,231	614,165	87,680	10	June	Fourth	Scheduled
Ukraine	9,711,236	1,951,901	1,951,901	10	October	Ninth, Tenth	Payment delayed since 2009
<b>Total</b>	<b>11,858,714</b>	<b>2,951,559</b>	<b>2,170,749</b>				

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

### Arrears by former Member States

14. 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.

15. As stated in document IDB.36/5, the United Nations General Assembly adopted resolution 63/249, dated 19 March 2009, regarding the unpaid assessed contributions of the former Yugoslavia.

16. 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

17. In accordance with PBC conclusion 2009/3, decision IDB.36/Dec.12 and decision GC.13/Dec.15(g), concerning unutilized balances of appropriations, the amount of €6,812,043 representing unspent balances of collections for the biennium 2006-2007 was distributed to eligible Member States in 2010, except for three Member States who renounced their shares totalling €86,037.

18. Through the implementation of General Conference decision GC.13/Dec.15(h), adopted in December 2009, out of the total of €12,113,949 including interest income in excess of budgetary estimates of €2,414,832, an amount of €6,545,524 became available for the two purposes of financing the change management initiative (€5,079,098) and for special accounts for technical cooperation activities during the biennium 2010-2011 (€1,466,426). The balance of €5,568,425 was returned or applied against assessed contributions, as requested by 14 Member States.

19. In addition, a total of €252,862 in the form of voluntary contributions was received from two Member States for the change management initiative (€202,862) and technical cooperation activities (€50,000).

20. As at 30 June 2010, the provisional amount of unencumbered balances for prior years, due for later distribution, amounts to €224,830.

## VII. Action required of the Committee

21. The Committee may wish to consider recommending to the Board, the adoption of the following draft decision:

“The Industrial Development Board:

“(a) Takes note of the information provided in document IDB.38/7-PBC.26/7;

“(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 and former Member States to effect the collection of arrears.”

## Annex

### Status of assessed contributions to the regular budget

(In euros)

Status as at 30 June 2010

<i>Member State</i>	<i>Outstanding assessed contributions</i>	<i>WCF 2010 due</i>	<i>Total due</i>	<i>Years outstanding (since)</i>	<i>Voting rights<sup>a</sup></i>	<i>Minimum payment to gain voting rights</i>
Afghanistan	579	0	579	2010P	Yes	
Albania	0	0	0	–	Yes	
Algeria	0	0	0	–	Yes	
Angola	5,629	0	5,629	2009P	Yes	
Argentina	1,919,172	0	1,919,172	2007P	No	866,490
Armenia	913,268	0	913,268	1992P	No	906,431
Austria	0	0	0	–	Yes	
Azerbaijan	385,493	0	385,493	1997P	Yes	Payment Plan
Bahamas	0	0	0	–	Yes	
Bahrain	0	0	0	–	Yes	
Bangladesh	0	0	0	–	Yes	
Barbados	0	0	0	–	Yes	
Belarus	0	0	0	–	Yes	
Belgium	0	0	0	–	Yes	
Belize	2,933	0	2,933	2007P	No	760
Benin	3,429	0	3,429	2007P	No	1,250
Bhutan	715	0	715	2010P	Yes	
Bolivia (Plurinational State of)	28,289	0	28,289	2007P	No	9,810
Bosnia and Herzegovina	0	0	0	–	Yes	
Botswana	0	0	0	–	Yes	
Brazil	25,577,384	0	25,577,384	1995P	No	22,740,480
Bulgaria	0	0	0	–	Yes	
Burkina Faso	0	0	0	–	Yes	
Burundi	49,416	0	49,416	1995P	No	47,240
Cambodia	315	0	315	2010P	Yes	
Cameroon	17,147	0	17,147	2009P	Yes	
Cape Verde	101,391	0	101,391	1991P	No	99,210
Central African Republic	116,754	0	116,754	1989P	No	114,570
Chad	99,861	0	99,861	1991P	No	97,680
Chile	310,974	0	310,974	2009P	Yes	
China	2,699,275	0	2,699,275	2010P	Yes	
Colombia	0	0	0	–	Yes	
Comoros	139,933	0	139,933	1986P	No	137,760
Congo	0	0	0	–	Yes	
Costa Rica	280,809	0	280,809	1999P	No	178,480
Côte d'Ivoire	9,158	0	9,158	2010P	Yes	
Croatia	0	0	0	–	Yes	



<i>Member State</i>	<i>Outstanding assessed contributions</i>	<i>WCF 2010 due</i>	<i>Total due</i>	<i>Years outstanding (since)</i>	<i>Voting rights<sup>a</sup></i>	<i>Minimum payment to gain voting rights</i>
Cuba	155,535	0	155,535	2008P	Yes	
Cyprus	43,883	0	43,883	2010P	Yes	
Czech Republic	0	0	0	–	Yes	
Democratic People's Republic of Korea	6,808	0	6,808	2010P	Yes	
Democratic Republic of the Congo	145,278	0	145,278	1989P	No	136,120
Denmark	0	0	0	–	Yes	
Djibouti	98,839	0	98,839	1991P	No	96,660
Dominica	5,080	0	5,080	2004P	No	2,900
Dominican Republic	551,581	2,125	553,706	1986	No	476,990
Ecuador	0	0	0	–	Yes	
Egypt	0	0	0	–	Yes	
El Salvador	326,179	1,925	328,104	1988	No	263,040
Equatorial Guinea	10,795	0	10,795	2006P	No	3,960
Eritrea	0	0	0	–	Yes	
Ethiopia	0	0	0	–	Yes	
Fiji	7,768	0	7,768	2008P	Yes	
Finland	0	0	0	–	Yes	
France	0	0	0	–	Yes	
Gabon	48,511	0	48,511	2005P	No	23,040
Gambia	63,741	0	63,741	1994P	No	61,560
Georgia	1,608,459	0	1,608,459	1992P	No	1,599,300
Germany	4,238,016	0	4,238,016	2010P	Yes	
Ghana	0	0	0	–	Yes	
Greece	495,579	0	495,579	2010P	Yes	
Grenada	48,698	0	48,698	1995P	No	46,520
Guatemala	31,457	0	31,457	2010P	Yes	
Guinea	0	0	0	–	Yes	
Guinea-Bissau	122,064	0	122,064	1988P	No	119,890
Guyana	0	0	0	–	Yes	
Haiti	2,077	0	2,077	2010P	Yes	
Honduras	163	0	163	2010P	Yes	
Hungary	0	0	0	–	Yes	
India	0	0	0	–	Yes	
Indonesia	0	0	0	–	Yes	
Iran (Islamic Republic of)	181,707	0	181,707	2010P	Yes	
Iraq	0	0	0	–	Yes	
Ireland	0	0	0	–	Yes	
Israel	0	0	0	–	Yes	
Italy	0	0	0	–	Yes	
Jamaica	0	0	0	–	Yes	
Japan	15,884,323	0	15,884,323	2010P	Yes	
Jordan	0	0	0	–	Yes	
Kazakhstan	0	0	0	–	Yes	

<i>Member State</i>	<i>Outstanding assessed contributions</i>	<i>WCF 2010 due</i>	<i>Total due</i>	<i>Years outstanding (since)</i>	<i>Voting rights<sup>a</sup></i>	<i>Minimum payment to gain voting rights</i>
Kenya	31,088	0	31,088	2008P	Yes	
Kuwait	182,034	0	182,034	2010P	Yes	
Kyrgyzstan	380,366	0	380,366	1993P	No	378,190
Lao People's Democratic Republic	0	0	0	–	Yes	
Lebanon	34,419	0	34,419	2010P	Yes	
Lesotho	1,247	0	1,247	2009P	Yes	
Liberia	111,254	0	111,254	1990P	No	109,080
Libyan Arab Jamahiriya	54,263	0	54,263	2010P	Yes	
Lithuania	31,287	0	31,287	2010P	Yes	
Luxembourg	0	0	0	–	Yes	
Madagascar	2,257	0	2,257	2010P	Yes	
Malawi	0	0	0	–	Yes	
Malaysia	186,628	0	186,628	2010P	Yes	
Maldives	1,096	0	1,096	2009P	Yes	
Mali	783	0	783	2010	Yes	
Malta	0	0	0	–	Yes	
Mauritania	82,063	0	82,063	1992P	No	79,890
Mauritius	0	0	0	–	Yes	
Mexico	9,255,724	0	9,255,724	2007P	No	1,948,940
Monaco	0	0	0	–	Yes	
Mongolia	0	0	0	–	Yes	
Montenegro	783	0	783	2010P	Yes	
Morocco	0	0	0	–	Yes	
Mozambique	715	0	715	2010P	Yes	
Myanmar	37,530	0	37,530	2005P	No	21,380
Namibia	0	0	0	–	Yes	
Nepal	2,723	0	2,723	2010P	Yes	
Netherlands	0	0	0	–	Yes	
New Zealand	0	0	0	–	Yes	
Nicaragua	144,577	149	144,726	1986P	No	137,890
Niger	101,426	0	101,426	1991P	No	99,250
Nigeria	201,901	0	201,901	2007P	No	45,990
Norway	783,868	0	783,868	2010P	Yes	
Oman	0	0	0	–	Yes	
Pakistan	67,226	0	67,226	2009P	Yes	
Panama	18,413	0	18,413	2010P	Yes	
Papua New Guinea	28,807	0	28,807	2003P	No	21,970
Paraguay	4,323	0	4,323	2010P	Yes	
Peru	158,932	0	158,932	2009P	Yes	
Philippines	673	0	673	2010P	Yes	
Poland	0	0	0	–	Yes	
Portugal	0	0	0	–	Yes	
Qatar	0	0	0	–	Yes	
Republic of Korea	2,186,800	0	2,186,800	2010P	Yes	

<i>Member State</i>	<i>Outstanding assessed contributions</i>	<i>WCF 2010 due</i>	<i>Total due</i>	<i>Years outstanding (since)</i>	<i>Voting rights<sup>a</sup></i>	<i>Minimum payment to gain voting rights</i>
Republic of Moldova	614,165	0	614,165	1995P	Yes	Payment Plan
Romania	0	0	0	–	Yes	
Russian Federation	0	0	0	–	Yes	
Rwanda	0	0	0	–	Yes	
Saint Kitts and Nevis	2,404	0	2,404	2007P	No	230
Saint Lucia	1,491	0	1,491	2009P	Yes	
Saint Vincent and the Grenadines	116,224	0	116,224	1989P	No	114,050
Samoa	1,556	74	1,630	2009	Yes	
Sao Tome and Principe	139,933	0	139,933	1986P	No	137,760
Saudi Arabia	0	0	0	–	Yes	
Senegal	18,000	0	18,000	2007P	No	4,180
Serbia	20,801	0	20,801	2010P	Yes	
Seychelles	2,145	0	2,145	2010P	Yes	
Sierra Leone	2,559	0	2,559	2007P	No	380
Slovakia	0	0	0	–	Yes	
Slovenia	0	0	0	–	Yes	
Somalia	139,932	0	139,932	1986P	No	137,760
South Africa	0	0	0	–	Yes	
Spain	2,980,267	0	2,980,267	2010P	Yes	
Sri Lanka	0	0	0	–	Yes	
Sudan	14,092	0	14,092	2009P	Yes	
Suriname	715	0	715	2010P	Yes	
Swaziland	2,145	0	2,145	2010P	Yes	
Sweden	0	0	0	–	Yes	
Switzerland	0	0	0	–	Yes	
Syrian Arab Republic	0	0	0	–	Yes	
Tajikistan	132,375	0	132,375	1995P	No	129,450
Thailand	0	0	0	–	Yes	
The former Yugoslav Republic of Macedonia	9,471	0	9,471	2009P	Yes	
Timor-Leste	2,209	0	2,209	2008P	Yes	
Togo	57,960	0	57,960	1994P	No	55,780
Tonga	1,114	0	1,114	2009P	Yes	
Trinidad and Tobago	0	0	0	–	Yes	
Tunisia	0	0	0	–	Yes	
Turkey	0	0	0	–	Yes	
Turkmenistan	242,988	538	243,526	1995	No	225,040
Uganda	7,629	0	7,629	2008P	Yes	
Ukraine*	1,951,901	0	1,951,901	1998P	No	1,805,310
United Arab Emirates	0	0	0	–	Yes	
United Kingdom	0	0	0	–	Yes	
United Republic of Tanzania	9,679	0	9,679	2009P	Yes	
Uruguay	14,778	0	14,778	2010P	Yes	
Uzbekistan	478,842	0	478,842	1997P	No	453,370

<i>Member State</i>	<i>Outstanding assessed contributions</i>	<i>WCF 2010 due</i>	<i>Total due</i>	<i>Years outstanding (since)</i>	<i>Voting rights<sup>a</sup></i>	<i>Minimum payment to gain voting rights</i>
Vanuatu	83,620	0	83,620	1992P	No	81,440
Venezuela (Bolivarian Republic of)	309,293	0	309,293	2009P	Yes	
Viet Nam	0	0	0	–	Yes	
Yemen	6,912	0	6,912	2010P	Yes	
Zambia	0	0	0	–	Yes	
Zimbabwe	0	0	0	–	Yes	
Subtotal:	78,196,872	4,811	78,201,683			34,017,471
Yugoslavia (former) <sup>b</sup>	2,081,599		2,081,599	1990(P)–2001		
Non-Member:						
United States of America <sup>c</sup>	69,068,887		69,068,887	1994(P)–1996		
<b>TOTAL</b>	<b>149,347,358</b>	<b>4,811</b>	<b>149,352,169</b>			<b>34,017,471</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	1,533,951
1994/1995	41,242,520
1996/1997	36,215,278
1998/1999	6,000,129
2000/2001	3,485,628
2002/2003	4,382,407
2004/2005	4,663,006
2006/2007	7,238,391
2008/2009	8,413,113
Subtotal:	114,551,394
2010	34,795,964
<b>TOTAL</b>	<b>149,347,358</b>

*Notes:*

P refers to partial payment.

<sup>a</sup> Voting rights of 44 Member States have been suspended in accordance with Article 5.2 of the Constitution of UNIDO.

<sup>b</sup> Outstanding contributions to be resolved (General Assembly resolution 63/249).

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

\* Ukraine: In accordance with the report of the open-ended discussion 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 had to be suspended.