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**Financial situation of UNIDO**

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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 31 March 2011.

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## I. Overview

1. The financial situation as at 31 March 2011 can be summarized in the following major points:

(a) Regular budget net expenditure for the first year of the biennium 2010-2011 amounted to €70.8 million in 2010, or 92.1 per cent of the approved 2010 net budget estimates. As at 31 March 2011, €93.3 million or 57.6 per cent of the gross biennial appropriation was spent;

(b) The operational budget expenditure amounted to €12.0 million in the reporting period. Support costs and other income amounted to €12.4 million at the end of 2010 and €4.9 million in the first quarter of 2011;

(c) The expenditure level for buildings management amounted to €32.6 million in accordance with the prevailing workplan;

(d) The level of regular budget cash resources (including the Working Capital Fund) was €55.2 million. In comparison, the cash balance as at 31 March 2010 and 2009 was €74.7 million and €75.0 million, respectively; the noteworthy difference is due to the fact that significant contributions have not yet been received by the end of March 2011;

(e) The collection rate of 2011 assessed contributions at 31 March was 26.4 per cent, compared to the 2010 and 2009 rates of 52.3 and 47.3 per cent, respectively. However, on 1 April 2011 the current year's collection rate improved to 35.01 per cent upon receipt of additional contributions;

(f) The collection rate of prior years' arrears, as compared to the current year's assessments, was 1 per cent. The rates as at 31 March 2010 and 2009, as compared to the assessments of those years, were 1 and 0.3 per cent, respectively;

(g) Outstanding assessed contributions amounted to €170.1 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 31 March 2010 and 2009 were €152.2 million and €155.5 million, respectively;

(h) The Working Capital Fund was at the level of €7,423,030. However, an amount of €4,737 was outstanding as at 31 March 2011;

(i) A conference room paper on the status of assessed contributions and voting rights, updated to 30 April 2011, will be provided.

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

### Regular budget

2. Allotments of €77.9 million were issued in 2010 against which, by 31 December 2010, regular budget net expenditures amounted to €70.8 million. This amount corresponds to 92.1 per cent of the total approved net regular budget for 2010. In the first year of the preceding biennium (2008), a lower implementation rate of 85.4 per cent was recorded.

3. At the onset of the second year of the biennium allotments to the value of €79.9 million were issued. This is equivalent to the full rate of the gross expenditure budget for 2011 except for consultancies, expert group meetings and staff member travel. The allotments cover €53.3 million for staff on established posts and €26.6 million for all other expenditure categories.

4. As at 31 March 2011, total regular budget allotments for the biennium amounted to €158.8 million, which represents 98.1 per cent of the gross expenditure budget. Expenditures amounted to €93.3 million, corresponding to 57.6 per cent of the gross budget. These indicators are comparable with those of the previous biennium, by 31 March 2009: €86.6 million expenditures representing 54.2 per cent of the gross budget.

### **Operational budget**

5. Allotments of €11.2 million were issued at the start of 2010. This level is equivalent to 100 per cent of estimates included in the approved programme and budgets for 2010. Additional amounts of €11.6 million were allotted at the beginning of 2011 resulting in a total allotment of €22.8 million.

6. Operational budget expenditures amounted to €12 million on 31 March 2011. In the preceding biennium similar expenditures amounted to €11.4 million as at 31 March 2009.

7. The technical cooperation activities in 2010 reached a historic level of US\$ 153.5 million, including obligations. This surpassed annual deliveries of all years since 1986, except 1990. The income from support costs and other miscellaneous sources in 2010 amounted to €12.4 million. During the first quarter of 2011, technical cooperation project delivery reached US\$ 52.5 million, including unliquidated obligations. The income recorded for this period amounted to €4.9 million.

### **Buildings management**

8. An allotment of €31.8 million for 2010 was issued at the start of the biennium with an additional amount of €32.3 million in 2011. The buildings management budget is being implemented in accordance with the prevailing workplan.

9. Expenditures as at 31 March 2011 amounted to €32.6 million compared to €31.7 million in 2009. This represents 50.8 per cent of the buildings management gross expenditure budget.

## **III. Assessed contributions**

### **A. Collections**

10. A total of 38 Member States, including five least developed countries (LDCs), have made full payments. Sixty-one Member States, eleven of which are LDCs, have made partial payments and/or their adjustments have been credited towards

their assessed contributions for the year 2011. The collections in the period from January to March 2011, broken down by List of States, are shown in table 1.

Table 1  
**Collections, January-March 2011**  
(In millions of euros)

<i>List of States*</i>	<i>Current year</i>	<i>Prior years</i>	<i>Total</i>
A	2.11	0.18	2.29
B	16.07	0.07	16.14
C	0.02	0.34	0.36
D	2.46	0.14	2.60
Others	0.00	0.01	0.01
USA	0.00	0.00	0.00
Yugoslavia (former)	0.00	0.00	0.00
<b>Total</b>	<b>20.66</b>	<b>0.74</b>	<b>21.40</b>

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

## B. Outstanding contributions

11. The detailed status of assessed contributions outstanding as at 31 March 2011 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 31 March 2011**

<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	16.494	7.64	2.88	10.52
B	73.610	44.86	0.47	45.33
C	6.079	4.69	32.47	37.16
D	3.807	0.45	5.11	5.56
Others	0.010	0.01	0.36	0.37
<b>Subtotal</b>	<b>100.000</b>	<b>57.65</b>	<b>41.29</b>	<b>98.94</b>
USA		0.00	69.07	69.07
Yugoslavia (former)		0.00	2.08	2.08
<b>Total</b>	<b>100</b>	<b>57.65</b>	<b>112.44</b>	<b>170.09</b>

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

## IV. Voting rights

12. As indicated in the annex to the present document, the voting rights of 39 Member States had been suspended as at 31 March 2011, in accordance with Article 5.2 of the Constitution and financial regulation 5.5 (b). In comparison, the

voting rights of 47 countries had been suspended at the same time last year. 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 31 March 2011**

<i>Members of</i>	<i>Number of members</i>		
	<i>2011</i>	<i>2010</i>	<i>2009</i>
General Conference	39	47	44
Industrial Development Board	3	6	3
Programme and Budget Committee	3	3	1

13. In order to restore their voting rights for 2011, these Member States must pay their full contributions for 2008 and prior years, including advances to the Working Capital Fund, as well as a partial contribution for 2009. The minimum total amount that would have to be paid by these Member States is €31,807,505.

## V. Multi-year payment plans

14. 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 31 March 2011**  
(Amounts in euros)

<i>Member State</i>	<i>Total amount of arrears covered by the plan*</i>	<i>Outstanding amounts 31/3/11</i>	<i>Amounts received/due in 2011</i>	<i>Duration/ years</i>	<i>Instalment due in 2011 (month)</i>	<i>Instalment due</i>	<i>Payment made in 2011</i>
Azerbaijan	1,269,247	126,924	131,168	10	May	Ninth	Payment received
Brazil	25,577,384	20,571,385	5,797,204	5	June	Second	Scheduled
Republic of Moldova	878,231	527,200	88,531	10	June	Fifth	Scheduled
<b>Total</b>	<b>27,724,862</b>	<b>21,225,509</b>	<b>6,016,903</b>				

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

## VI. Arrears by former Member States

15. The amount of arrears owed to UNIDO by the United States of America is €69,068,887 (1994-1996) while the arrears of the former Yugoslavia amount to €2,081,599 (1990-2001). Payment of these arrears is being pursued by the Secretariat.

## **VII. Unutilized balances of appropriations and interest income in excess of budgetary estimates**

16. Detailed information on the unutilized balances of appropriations is provided separately in document IDB.39/12-PBC.27/12.

## **VIII. Action required of the Committee**

17. 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.39/14-PBC.27/14;

“(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 31 March 2011

<i>Member State</i>	<i>Outstanding assessed contributions</i>	<i>WCF 2011 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	709	0	709	2011P	Yes	0
Albania	6,178	0	6,178	2011P	Yes	0
Algeria	0	0	0	-	Yes	0
Angola	8,692	0	8,692	2009P	Yes	0
Argentina	2,268,467	0	2,268,467	2007P	No	1,211,300
Armenia	915,617	0	915,617	1992P	No	908,750
Austria	0	0	0	-	Yes	0
Azerbaijan	126,924	0	126,924	1999P	Yes	Payment Plan
Bahamas	16,970	0	16,970	2011P	Yes	0
Bahrain	0	0	0	-	Yes	0
Bangladesh	0	0	0	-	Yes	0
Barbados	10,071	0	10,071	2011P	Yes	0
Belarus	0	0	0	-	Yes	0
Belgium	1,185,577	0	1,185,577	2011P	Yes	0
Belize	3,649	0	3,649	2007P	No	1,460
Benin	504	0	504	2011P	Yes	0
Bhutan	712	0	712	2011P	Yes	0
Bolivia (Plurinational State of)	24,829	0	24,829	2008P	No	6,270
Bosnia and Herzegovina	6,186	0	6,186	2011P	Yes	0
Botswana	14,762	0	14,762	2011P	Yes	0
Brazil	20,571,385	0	20,571,385	1998P	No	17,722,390
Bulgaria	0	0	0	-	Yes	0
Burkina Faso	0	0	0	-	Yes	0
Burundi	50,199	0	50,199	1995P	No	48,010
Cambodia	708	0	708	2011P	Yes	0
Cameroon	27,225	0	27,225	2009P	Yes	0
Cape Verde	102,174	0	102,174	1991P	No	99,990
Central African Republic	117,537	0	117,537	1989P	No	115,350
Chad	100,644	0	100,644	1991P	No	98,460
Chile	172,822	0	172,822	2011P	Yes	0
China	2,887,157	0	2,887,157	2011P	Yes	0
Colombia	108,077	0	108,077	2011P	Yes	0
Comoros	140,716	0	140,716	1986P	No	138,530
Congo	0	0	0	-	Yes	0
Costa Rica	315,196	0	315,196	1999P	No	212,430
Côte d'Ivoire	19,228	0	19,228	2010P	Yes	0
Croatia	0	0	0	-	Yes	0

<i>Member State</i>	<i>Outstanding assessed contributions</i>	<i>WCF 2011 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	116,755	0	116,755	2010P	Yes	0
Cyprus	47,332	0	47,332	2011P	Yes	0
Czech Republic	0	0	0	-	Yes	0
Democratic People's Republic of Korea	7,317	0	7,317	2011P	Yes	0
Democratic Republic of the Congo	148,410	0	148,410	1989P	No	139,205
Denmark	0	0	0	-	Yes	0
Djibouti	99,622	0	99,622	1991P	No	97,440
Dominica	5,796	0	5,796	2004P	No	3,605
Dominican Republic	577,422	2,125	579,547	1986	No	502,505
Ecuador	22,195	0	22,195	2011P	Yes	0
Egypt	94,291	0	94,291	2011P	Yes	0
El Salvador	348,104	1,925	350,029	1988	No	286,610
Equatorial Guinea	2,273	0	2,273	2011P	Yes	0
Eritrea	712	0	712	2011P	Yes	0
Ethiopia	3,047	0	3,047	2011P	Yes	0
Fiji	2,969	0	2,969	2011P	Yes	0
Finland	0	0	0	-	Yes	0
France	6,771,802	0	6,771,802	2011P	Yes	0
Gabon	40,987	0	40,987	2007P	No	15,405
Gambia	64,524	0	64,524	1994P	No	62,340
Georgia	1,611,591	0	1,611,591	1992P	No	1,602,390
Germany	4,606,256	0	4,606,256	2011P	Yes	0
Ghana	4,614	0	4,614	2011P	Yes	0
Greece	1,114,767	0	1,114,767	2010P	Yes	0
Grenada	49,481	0	49,481	1995P	No	47,300
Guatemala	65,581	0	65,581	2010P	Yes	0
Guinea	1,980	0	1,980	2010P	Yes	0
Guinea-Bissau	122,847	0	122,847	1988P	No	120,660
Guyana	129	0	129	2011P	Yes	0
Haiti	4,348	0	4,348	2010P	Yes	0
Honduras	5,557	0	5,557	2010P	Yes	0
Hungary	263,599	0	263,599	2011P	Yes	0
India	484,705	0	484,705	2011P	Yes	0
Indonesia	0	0	0	-	Yes	0
Iran (Islamic Republic of)	372,519	0	372,519	2010P	Yes	0
Iraq	622	0	622	2011P	Yes	0
Ireland	0	0	0	-	Yes	0
Israel	0	0	0	-	Yes	0
Italy	5,458,100	0	5,458,100	2011P	Yes	0
Jamaica	10,862	0	10,862	2011P	Yes	0
Japan	15,117,955	0	15,117,955	2011P	Yes	0
Jordan	13,199	0	13,199	2011P	Yes	0
Kazakhstan	0	0	0	-	Yes	0
Kenya	27,087	0	27,087	2009P	Yes	0



<i>Member State</i>	<i>Outstanding assessed contributions</i>	<i>WCF 2011 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>
Kuwait	0	0	0	-	Yes	0
Kyrgyzstan	380,388	0	380,388	1993P	No	378,960
Lao People's Democratic Republic	0	0	0	-	Yes	0
Lebanon	36,636	0	36,636	2011P	Yes	0
Lesotho	1,960	0	1,960	2009P	Yes	0
Liberia	108,266	0	108,266	1990P	No	106,080
Libyan Arab Jamahiriya	64,914	0	64,914	2011P	Yes	0
Lithuania	60,729	0	60,729	2010P	Yes	0
Luxembourg	91,403	0	91,403	2011P	Yes	0
Madagascar	4,528	0	4,528	2010P	Yes	0
Malawi	81	0	81	2011P	Yes	0
Malaysia	204,544	0	204,544	2011P	Yes	0
Maldives	1,809	0	1,809	2009P	Yes	0
Mali	1,491	0	1,491	2010P	Yes	0
Malta	18,669	0	18,669	2011P	Yes	0
Mauritania	82,846	0	82,846	1992P	No	80,660
Mauritius	0	0	0	-	Yes	0
Mexico	11,704,552	0	11,704,552	2007P	No	4,366,610
Monaco	0	0	0	-	Yes	0
Mongolia	713	0	713	2011P	Yes	0
Montenegro	0	0	0	-	Yes	0
Morocco	44,953	0	44,953	2011P	Yes	0
Mozambique	1,428	0	1,428	2010P	Yes	0
Myanmar	42,944	0	42,944	2005P	No	26,720
Namibia	6,171	0	6,171	2011P	Yes	0
Nepal	5,771	0	5,771	2010P	Yes	0
Netherlands	0	0	0	-	Yes	0
New Zealand	0	0	0	-	Yes	0
Nicaragua	146,926	149	147,075	1986P	No	140,210
Niger	102,209	0	102,209	1991P	No	100,020
Nigeria	51,229	0	51,229	2011P	Yes	0
Norway	0	0	0	-	Yes	0
Oman	0	0	0	-	Yes	0
Pakistan	63,572	0	63,572	2011P	Yes	0
Panama	18,334	0	18,334	2011P	Yes	0
Papua New Guinea	31,089	0	31,089	2003P	No	24,230
Paraguay	5,561	0	5,561	2010P	Yes	0
Peru	83,793	0	83,793	2010P	Yes	0
Philippines	2,213	0	2,213	2011P	Yes	0
Poland	0	0	0	-	Yes	0
Portugal	568,548	0	568,548	2011P	Yes	0
Qatar	91,730	0	91,730	2011P	Yes	0
Republic of Korea	2,349,491	0	2,349,491	2011P	Yes	0
Republic of Moldova	527,200	0	527,200	1995P	Yes	Payment Plan
Romania	74,292	0	74,292	2011P	Yes	0

<i>Member State</i>	<i>Outstanding assessed contributions</i>	<i>WCF 2011 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>
Russian Federation	0	0	0	-	Yes	0
Rwanda	713	0	713	2011P	Yes	0
Saint Kitts and Nevis	3,120	0	3,120	2007P	No	930
Saint Lucia	2,199	0	2,199	2009P	Yes	0
Saint Vincent and the Grenadines	117,007	0	117,007	1989P	No	114,820
Samoa	783	0	783	2011P	Yes	0
Sao Tome and Principe	140,716	0	140,716	1986P	No	138,530
Saudi Arabia	804,689	0	804,689	2011P	Yes	0
Senegal	12,834	0	12,834	2009P	Yes	0
Serbia	0	0	0	-	Yes	0
Seychelles	4,427	0	4,427	2010P	Yes	0
Sierra Leone	0	0	0	-	Yes	0
Slovakia	0	0	0	-	Yes	0
Slovenia	0	0	0	-	Yes	0
Somalia	140,715	0	140,715	1986P	No	138,530
South Africa	0	0	0	-	Yes	0
Spain	3,196,954	0	3,196,954	2011P	Yes	0
Sri Lanka	17,087	0	17,087	2011P	Yes	0
Sudan	21,826	0	21,826	2009P	Yes	0
Suriname	1,431	0	1,431	2010P	Yes	0
Swaziland	4,419	0	4,419	2010P	Yes	0
Sweden	0	0	0	-	Yes	0
Switzerland	0	0	0	-	Yes	0
Syrian Arab Republic	16,545	0	16,545	2011P	Yes	0
Tajikistan	119,216	0	119,216	1995P	No	117,030
Thailand	0	0	0	-	Yes	0
The former Yugoslav Republic of Macedonia	14,858	0	14,858	2009P	Yes	0
Timor-Leste	675	0	675	2011P	Yes	0
Togo	58,743	0	58,743	1994P	No	56,560
Tonga	1,827	0	1,827	2009P	Yes	0
Trinidad and Tobago	29,396	0	29,396	2011P	Yes	0
Tunisia	19,493	0	19,493	2011P	Yes	0
Turkey	0	0	0	-	Yes	0
Turkmenistan	249,252	538	249,790	1995	No	231,230
Uganda	9,140	0	9,140	2009P	Yes	0
Ukraine	1,949,104	0	1,949,104	1998P	No	1,801,890
United Arab Emirates	0	0	0	-	Yes	0
United Kingdom	7,153,076	0	7,153,076	2011P	Yes	0
United Republic of Tanzania	7,282	0	7,282	2010P	Yes	0
Uruguay	43,925	0	43,925	2010P	Yes	0
Uzbekistan	487,456	0	487,456	1997P	No	461,880
Vanuatu	84,403	0	84,403	1992P	No	82,215
Venezuela (Bolivarian Republic of)	304,450	0	304,450	2010P	Yes	0
Viet Nam	25,684	0	25,684	2011P	Yes	0

<i>Member State</i>	<i>Outstanding assessed contributions</i>	<i>WCF 2011 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>
Yemen	14,649	0	14,649	2010P	Yes	
Zambia	0	0	0	-	Yes	
Zimbabwe	8,546	0	8,546	2011P	Yes	
Subtotal:	<b>98,939,896</b>	<b>4,737</b>	<b>98,944,633</b>			31,807,505
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>170,090,382</b>	<b>4,737</b>	<b>170,095,119</b>			<b>31,807,505</b>

*Notes:*

(P) refers to partial payment.

<sup>a</sup> Voting rights of 39 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.

<i>Summary of outstanding assessed contributions by biennium/year</i>	<i>Euros</i>
1986/1987	90,872
1988/1989	164,200
1990/1991	1,118,128
1992/1993	1,533,190
1994/1995	41,106,317
1996/1997	31,792,544
1998/1999	4,181,381
2000/2001	3,485,628
2002/2003	4,382,340
2004/2005	4,659,585
2006/2007	7,148,521
2008/2009	7,867,024
Subtotal:	107,529,730
2010	4,907,757
2011	57,652,895
<b>TOTAL</b>	<b>170,090,382</b>