



United Nations Industrial Development Organization

Distr.: General
17 May 2012

Original: English

Industrial Development Board

Fortieth session

Vienna, 20-22 November 2012

Item 4 (b) of the provisional agenda

Financial situation of UNIDO

Programme and Budget Committee

Twenty-eighth session

Vienna, 25-26 June 2012

Item 5 of the provisional agenda

Financial situation of UNIDO

Request from Ukraine for restoration of voting rights based on payment plan

Note by the Director-General

The present note draws the attention of the Committee to a request from Ukraine for restoration of voting rights based on a payment plan agreement.

Introduction

1. A letter dated 7 May 2012 from the Ambassador of Ukraine requesting a decision by the Programme and Budget Committee 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 17 May 2012.

I. Payment plan

2. On 28 November 2011, Ukraine signed a payment plan agreement with UNIDO of five years' duration to cover the arrears of €1,949,104, including the commitment to meet future years' assessments. Payment of €367,547 received in April 2012 was applied against the first instalment. The second, third, fourth and fifth instalments due in 2013, 2014, 2015 and 2016 will each amount to about €389,821 (exact amount will depend on the adjustment credits due). The agreement

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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).

III. Action required of the Committee

4. The Committee may wish to consider adoption of the following draft conclusion:

“The Programme and Budget Committee:

“(a) Takes note of information provided in document PBC.28/11;

“(b) Welcomes the commitment of Ukraine to settle its arrears through a payment plan agreement and encourages Ukraine to pay regularly its instalments in line with the conditions therein;

“(c) At the request of Ukraine, decides to restore its voting rights at the Programme and Budget Committee in accordance with article 5.2 of the UNIDO Constitution;

“(d) Recommends to the Industrial Development Board and the General Conference to consider positively the request of Ukraine for the restoration of voting rights in accordance with Article 5.2 of the Constitution of UNIDO.”

Annex¹

**Permanent Mission of Ukraine to the International
Organizations in Vienna**

N.4131/35-194/029/1-763

Vienna, 7 May 2012

Excellency,

I have the honour to refer to the “Agreement between the United Nations Industrial Development Organization (UNIDO) and the Government of Ukraine regarding the settlement of outstanding assessed contributions under a payment plan” signed on 28 November 2011 and inform you that Ukraine deposited, on 20 April 2012, its first instalment, in the amount of EUR 367,547.

In this connection, I would like to reiterate the strong commitment of the Government of Ukraine to settle its outstanding contributions in order to fully comply with Ukraine’s obligations to the budget of UNIDO. Ukraine is interested in further enhancing its cooperation with UNIDO and supports its activities in order to achieve sustainable industrial development.

On behalf of the Government of Ukraine, I would like to request the restoration of the voting rights of Ukraine in the Programme and Budget Committee, the Industrial Development Board and the General Conference of UNIDO.

Herewith I would like, Excellency, to seek your personal assistance to bring my Government’s request to the attention of the forthcoming sessions of the policymaking organs in 2012 and 2013. I sincerely hope that the above-mentioned request will be positively considered.

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

[Signed]

Ihor PROKOPCHUK
Ambassador, Permanent Representative

His Excellency
Mr. Kandeh Yumkella
Director-General
United Nations Industrial Development Organization
UNIDO

¹ This letter is reproduced in the form in which it was received by the Secretariat.