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### Financial situation of UNIDO

## Programme and Budget Committee

### Twenty-eighth session

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Item 5 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 2012.

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## **I. Overview**

1. The financial situation as at 31 March 2012 can be summarized in the following major points:

(a) Regular budget gross expenditure of 23.1 per cent reflects a lower level than that of the similar period in the previous biennium of 26 per cent;

(b) The operational budget expenditure amounted to €2.9 million in the reporting period. Support costs and other income amounted to €6.8 million at the end of the first quarter of 2012;

(c) The expenditure level for buildings management amounted to €13.5 million in accordance with the prevailing workplan;

(d) The level of regular budget cash resources (including the Working Capital Fund) was €77.8 million. In comparison, the cash balance as at 31 March 2011 and 2010 was €55.2 million and €74.7 million, respectively;

(e) The collection rate of 2012 assessed contributions at 31 March was 39 per cent, compared to the 2011 and 2010 rates of 26.4 and 52.3 per cent, respectively. The significantly higher collection rate in the year 2010 is due to two major contributors paying their contribution in the first quarter of the year;

(f) The collection rate of prior years' arrears, as compared to the current year's assessments, was 14.2 per cent. The rate as at 31 March 2011 and 2010, as compared to the assessments of those years, was 1 per cent.;

(g) Outstanding assessed contributions amounted to €146.1 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 2011 and 2010 were €170.1 million and €152.2 million, respectively;

(h) The Working Capital Fund was at the level of €7,423,030. However, an amount of €152,067 was outstanding as at 31 March 2012;

(i) A conference room paper will be provided on the status of assessed contributions and voting rights, updated to 31 May 2012.

## **II. Regular and operational budgets, 2012-2013**

### **A. Regular budget**

2. The implementation of the biennial regular budget commenced with the establishment of an initial release threshold by budget line and/or major object of expenditure to facilitate sufficient funding at the commencement of the biennium and to ensure a smooth run of activities for each required budget category.

3. Therefore, allotments to the value of €70.1 million were issued at the onset of the biennium. These comprised of €42.7 million for staff in established posts and €27.4 million for all other expenditure categories. Further reductions in allotments in the amount of €0.4 million were made in the first quarter.

4. As at 31 March 2012, regular budget expenditures totalled €17.9 million, which represents 23.1 per cent of the gross expenditure budget for 2012. These indicators are comparable with those of the previous biennium where at 31 March 2010, the regular budget expenditure amounted to €20.7 million with a 26.0 per cent utilization rate of the gross expenditure budget.

## **B. Operational budget**

5. Allotments of €12.8 million were issued at the start of 2012. This level is equivalent to 100 per cent of estimates included in the approved programme and budgets for all budget categories except staff costs, where the released allotments were calculated on the basis of staff on board at the commencement of the current biennium. Further allotments in the amount of €0.8 million were issued in the first quarter.

6. Operational budget expenditures amounted to €2.9 million on 31 March 2012. In the preceding biennium expenditures amounted to €2.1 million in the similar reporting period.

7. The technical cooperation activities in the first quarter of 2012 reached US\$ 81.4 million, including obligations. The income from support costs and other miscellaneous sources for this period amounted to €6.8 million.

## **C. Buildings management**

8. The buildings management budget is being implemented in accordance with the prevailing workplan.

9. An allotment of €30.2 million was issued for 2012 at the start of the biennium.

10. Expenditures as at 31 March 2012 amounted to €13.5 million compared to €11.4 million in the similar period in the previous biennium. This rate represents 42.6 per cent of the buildings management gross expenditure budget and is indicative of the fact that a greater portion of utilities and the rental and maintenance obligations of premises are routinely expended in the first quarter of the year.

# **III. Assessed contributions**

## **A. Collections**

11. A total of 42 Member States, including eight least developed countries (LDCs), have made full payments. Sixty-nine 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 2012. The collections in the period from January to March 2012, broken down by List of States, are shown in table 1.

Table 1  
**Collections, January-March 2012**  
(In millions of euros)

<i>List of States*</i>	<i>Current year</i>	<i>Prior years</i>	<i>Total</i>
A	2.04	0.59	2.63
B	23.12	1.37	24.49
C	1.78	8.03	9.81
D	2.97	0.64	3.61
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>29.91</b>	<b>10.64</b>	<b>40.55</b>

\* As contained in document GC.14/16/Rev.1.

## B. Outstanding contributions

12. The detailed status of assessed contributions outstanding as at 31 March 2012 is contained in the annex to the present document. The scale of assessments and outstanding contributions as of the same period, broken down by List of States, are shown in table 2.

Table 2  
**Scale of assessments and outstanding contributions as at 31 March 2012**

<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	16.102	9.14	2.78	11.92
B	69.611	32.42	1.98	34.40
C	8.277	3.96	18.31	22.27
D	5.965	1.12	4.81	5.93
Others	0.045	0.03	0.35	0.38
<b>Subtotal</b>	<b>100.000</b>	<b>46.67</b>	<b>28.23</b>	<b>74.90</b>
USA		0.00	69.07	69.07
Yugoslavia (former)		0.00	2.08	2.08
<b>Total</b>	<b>100.000</b>	<b>46.67</b>	<b>99.38</b>	<b>146.05</b>

\* As contained in document GC.14/16/Rev.1.

## IV. Voting rights

13. As indicated in the annex to the present document, the voting rights of 39 Member States had been suspended as at 31 March 2012, in accordance with Article 5.2 of the Constitution and financial regulation 5.5 (b). In comparison, the voting rights of the same number of countries (39) 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 2012

<i>Members of</i>	<i>Number of members</i>		
	<i>2012</i>	<i>2011</i>	<i>2010</i>
General Conference	39	39	47
Industrial Development Board	4	6	6
Programme and Budget Committee	2	3	3

14. In order to restore their voting rights for 2012, these Member States must pay their full contributions for 2009 and prior years, including advances to the Working Capital Fund, as well as a partial contribution for 2010. The minimum total amount that would have to be paid by these Member States is €9,683,370.

## V. Multi-year payment plans

15. 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. Azerbaijan has successfully completed a 10-year payment plan.

Table 4  
Payment plans — status as at 31 March 2012  
(Amounts in euros)

<i>Member State</i>	<i>Total amount of arrears covered by the plan*</i>	<i>Outstanding amounts 31/3/12</i>	<i>Amounts received/due in 2012</i>	<i>Duration/ years</i>	<i>Instalment due in 2012 (month)</i>	<i>Instalment due</i>	<i>Payment made in 2012</i>
Azerbaijan	1,269,247	0	128,600	10	May	-	Payment received
Brazil	25,577,384	16,550,443	6,700,989	5	June	Third	Scheduled
Costa Rica	280,742	351,072	62,528	10	March	First	Expected
Republic of Moldova	878,231	440,879	89,890	10	June	Sixth	Scheduled
Ukraine	1,949,104	1,926,830	367,547	5	April	First	Expected
<b>Total</b>	<b>29,954,708</b>	<b>19,269,224</b>	<b>7,349,554</b>				

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

## VI. Arrears by former Member States

16. 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**

17. Information on the unutilized balances of appropriations was provided in document GC.14/18. Further information on the amounts of unutilized balances of appropriations that were renounced by Member States and how these funds are being used to strengthen UNIDO programmes will be provided in document IDB.40/8-PBC.28/8.

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

18. 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.40/4-PBC.28/4;

“(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 2012

<i>Member State</i>	<i>Outstanding assessed contributions</i>	<i>WCF 2012 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	0	0	0	-	Yes	0
Albania	8,221	0	8,221	2012P	Yes	0
Algeria	103,772	0	103,772	2012P	Yes	0
Angola	14,696	0	14,696	2009P	No	1,650
Argentina	2,387,790	0	2,387,790	2007P	No	1,376,850
Armenia	918,125	249	918,374	1992P	No	908,970
Austria	0	0	0	-	Yes	0
Azerbaijan	0	0	0	-	Yes	0
Bahamas	13,111	0	13,111	2012P	Yes	0
Bahrain	0	0	0	-	Yes	0
Bangladesh	4,389	0	4,389	2012P	Yes	0
Barbados	5,274	0	5,274	2012P	Yes	0
Belarus	0	0	0	-	Yes	0
Belgium	0	0	0	-	Yes	0
Belize	3,510	0	3,510	2008P	No	1,400
Benin	3,172	0	3,172	2012P	Yes	0
Bhutan	0	0	0	-	Yes	0
Bolivia (Plurinational State of)	31,131	0	31,131	2008P	No	11,120
Bosnia and Herzegovina	13,253	0	13,253	2012P	Yes	0
Botswana	0	0	0	-	Yes	0
Brazil	16,475,647	74,796	16,550,443	2002P	Yes	Payment plan
Bulgaria	0	0	0	-	Yes	0
Burkina Faso	0	0	0	-	Yes	0
Burundi	46,018	0	46,018	1995P	No	43,910
Cambodia	2,723	0	2,723	2012P	Yes	0
Cameroon	20,839	0	20,839	2011P	Yes	0
Cape Verde	52,788	0	52,788	1996P	No	36,750
Central African Republic	118,224	0	118,224	1989P	No	116,120
Chad	102,726	128	102,854	1991P	No	99,360
Chile	205,544	0	205,544	2012P	Yes	0
China	3,367,346	51,810	3,419,156	2012P	Yes	0
Colombia	151,957	2,314	154,271	2012P	Yes	0
Comoros	141,403	0	141,403	1986P	No	139,300
Congo	1,359	0	1,359	2012P	Yes	0
Costa Rica	350,834	238	351,072	1999P	No	246,240
Côte d'Ivoire	0	0	0	-	Yes	0
Croatia	87,067	0	87,067	2012P	Yes	0

<i>Member State</i>	<i>Outstanding assessed contributions</i>	<i>WCF 2012 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	61,179	0	61,179	2012P	Yes	0
Cyprus	0	0	0	-	Yes	0
Czech Republic	293,195	0	293,195	2012P	Yes	0
Democratic People's Republic of Korea	7,632	0	7,632	2012P	Yes	0
Democratic Republic of the Congo	151,879	40	151,919	1989P	No	142,340
Denmark	0	0	0	-	Yes	0
Djibouti	100,309	0	100,309	1991P	No	98,200
Dominica	5,657	0	5,657	2005P	No	3,550
Dominican Republic	600,006	0	600,006	1987P	No	504,070
Ecuador	0	0	0	-	Yes	0
Egypt	0	0	0	-	Yes	0
El Salvador	367,532	1,734	369,266	1988	No	308,100
Equatorial Guinea	8,494	0	8,494	2011P	Yes	0
Eritrea	0	0	0	-	Yes	0
Ethiopia	8,705	0	8,705	2011P	Yes	0
Fiji	5,707	0	5,707	2011P	Yes	0
Finland	597,236	0	597,236	2012P	Yes	0
France	5,237,498	0	5,237,498	2012P	Yes	0
Gabon	37,314	0	37,314	2009P	No	6,340
Gambia	65,211	0	65,211	1994P	No	63,100
Georgia	1,617,836	309	1,618,145	1992P	No	1,605,790
Germany	3,880,935	0	3,880,935	2012P	Yes	0
Ghana	4,523	0	4,523	2012P	Yes	0
Greece	1,218,511	0	1,218,511	2011P	Yes	0
Grenada	50,168	0	50,168	1995P	No	48,060
Guatemala	18,175	0	18,175	2012P	Yes	0
Guinea	3,049	0	3,049	2010P	Yes	0
Guinea-Bissau	123,534	0	123,534	1988P	No	121,450
Guyana	0	0	0	-	Yes	0
Haiti	2,300	0	2,300	2012P	Yes	0
Honduras	11,634	0	11,634	2011P	Yes	0
Hungary	250,212	0	250,212	2012P	Yes	0
India	564,115	8,384	572,499	2012P	Yes	0
Indonesia	0	0	0	-	Yes	0
Iran (Islamic Republic of)	352,971	0	352,971	2011P	Yes	0
Iraq	0	0	0	-	Yes	0
Ireland	0	0	0	-	Yes	0
Israel	401,365	0	401,365	2012P	Yes	0
Italy	5,267,647	0	5,267,647	2012P	Yes	0
Jamaica	23,133	0	23,133	2011P	Yes	0
Japan	12,882,388	0	12,882,388	2012P	Yes	0
Jordan	11,606	0	11,606	2012P	Yes	0
Kazakhstan	68,699	0	68,699	2012P	Yes	0
Kenya	23,911	0	23,911	2010P	Yes	0



<i>Member State</i>	<i>Outstanding assessed contributions</i>	<i>WCF 2012 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	228,000	0	228,000	2012P	Yes	0
Kyrgyzstan	380,287	0	380,287	1993P	No	378,200
Lao People's Democratic Republic	0	0	0	-	Yes	0
Lebanon	34,573	0	34,573	2012P	Yes	0
Lesotho	1,745	0	1,745	2010P	Yes	0
Liberia	108,953	0	108,953	1990P	No	106,850
Libya	167,347	0	167,347	2011P	Yes	0
Lithuania	19,059	0	19,059	2012P	Yes	0
Luxembourg	68,709	0	68,709	2012P	Yes	0
Madagascar	6,796	0	6,796	2010P	Yes	0
Malawi	0	0	0	-	Yes	0
Malaysia	212,105	0	212,105	2012P	Yes	0
Maldives	1,636	0	1,636	2010P	Yes	0
Mali	4,159	0	4,159	2011P	Yes	0
Malta	0	0	0	2012P	Yes	0
Mauritania	83,533	0	83,533	1992P	No	81,430
Mauritius	11,796	32	11,828	2012P	Yes	0
Mexico	949,377	0	949,377	2012P	Yes	0
Monaco	0	0	0	-	Yes	0
Mongolia	1,199	0	1,199	2012P	Yes	0
Montenegro	4,163	220	4,383	2012P	Yes	0
Morocco	49,745	0	49,745	2012P	Yes	0
Mozambique	3,469	263	3,732	2012P	Yes	0
Myanmar	47,257	0	47,257	2005P	No	30,900
Namibia	6,338	0	6,338	2012P	Yes	0
Nepal	10,550	0	10,550	2010P	Yes	0
Netherlands	0	0	0	-	Yes	0
New Zealand	0	0	0	-	Yes	0
Nicaragua	0	0	0	-	Yes	0
Niger	104,291	128	104,419	1991P	No	100,930
Nigeria	58,298	0	58,298	2012P	Yes	0
Norway	0	0	0	-	Yes	0
Oman	0	0	0	-	Yes	0
Pakistan	70,489	0	70,489	2012P	Yes	0
Panama	18,901	0	18,901	2012P	Yes	0
Papua New Guinea	32,086	0	32,086	2003P	No	25,460
Paraguay	4,585	0	4,585	2012P	Yes	0
Peru	70,746	0	70,746	2012P	Yes	0
Philippines	3,379	0	3,379	2012P	Yes	0
Poland	0	0	0	-	Yes	0
Portugal	392,010	0	392,010	2012P	Yes	0
Qatar	126,685	0	126,685	2012P	Yes	0
Republic of Korea	2,386,215	7,535	2,393,750	2012P	Yes	0
Republic of Moldova	440,751	128	440,879	1995P	Yes	Payment plan
Romania	165,721	0	165,721	2012P	Yes	0

<i>Member State</i>	<i>Outstanding assessed contributions</i>	<i>WCF 2012 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	460	0	460	2012P	Yes	0
Saint Kitts and Nevis	2,981	0	2,981	2009P	No	880
Saint Lucia	1,972	0	1,972	2010P	Yes	0
Saint Vincent and the Grenadines	117,694	0	117,694	1989P	No	115,600
Samoa	687	0	687	2012P	Yes	0
Sao Tome and Principe	141,403	0	141,403	1986P	No	139,300
Saudi Arabia	641,105	0	641,105	2012P	Yes	0
Senegal	8,027	0	8,027	2011P	Yes	0
Serbia	36,531	0	36,531	2012P	Yes	0
Seychelles	4,311	0	4,311	2011P	Yes	0
Sierra Leone	0	0	0	-	Yes	0
Slovakia	136,071	0	136,071	2012P	Yes	0
Slovenia	0	0	0	-	Yes	0
Somalia	141,402	0	141,402	1986P	No	139,300
South Africa	0	0	0	-	Yes	0
Spain	4,849,958	0	4,849,958	2011P	Yes	0
Sri Lanka	16,243	0	16,243	2012P	Yes	0
Sudan	27,195	0	27,195	2009P	No	4,750
Suriname	2,625	0	2,625	2012P	Yes	0
Swaziland	6,726	0	6,726	2010P	Yes	0
Sweden	0	0	0	-	Yes	0
Switzerland	0	0	0	-	Yes	0
Syrian Arab Republic	26,367	927	27,294	2012P	Yes	0
Tajikistan	106,584	0	106,584	1996P	No	103,870
Thailand	163,342	0	163,342	2012P	Yes	0
The former Yugoslav Republic of Macedonia	21,379	0	21,379	2009P	No	2,940
Timor-Leste	573	0	573	2011P	Yes	0
Togo	50,738	0	50,738	1995P	No	48,630
Tonga	0	0	0	-	Yes	0
Trinidad and Tobago	39,346	0	39,346	2012P	Yes	0
Tunisia	21,913	0	21,913	2012P	Yes	0
Turkey	0	0	0	-	Yes	0
Turkmenistan	277,007	2,639	279,646	1995	No	240,060
Tuvalu	694	67	761	2011	Yes	0
Uganda	5,501	0	5,501	2012P	Yes	-
Ukraine	1,926,830	0	1,926,830	1999P	No	1,736,730
United Arab Emirates	0	0	0	-	Yes	0
United Kingdom	0	0	0	-	Yes	0
United Republic of Tanzania	5,132	0	5,132	2012P	Yes	0
Uruguay	44,290	0	44,290	2011P	Yes	0
Uzbekistan	488,556	126	488,682	1997P	No	461,890
Vanuatu	85,090	0	85,090	1992P	No	82,980
Venezuela (Bolivarian Republic of)	252,865	0	252,865	2012P	Yes	0

<i>Member State</i>	<i>Outstanding assessed contributions</i>	<i>WCF 2012 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>
Viet Nam	0	0	0	-	Yes	0
Yemen	19,012	0	19,012	2010P	Yes	0
Zambia	0	0	0	-	Yes	0
Zimbabwe	427	0	427	2012P	Yes	0
Subtotal:	<b>74,901,176</b>	<b>152,067</b>	<b>75,053,243</b>			9,683,370
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>146,051,662</b>	<b>152,067</b>	<b>146,203,729</b>			<b>9,683,370</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	56,073
1988/1989	146,929
1990/1991	1,089,708
1992/1993	1,484,732
1994/1995	40,953,184
1996/1997	31,756,168
1998/1999	2,360,201
2000/2001	659,444
2002/2003	3,013,959
2004/2005	4,647,988
2006/2007	5,004,067
2008/2009	2,964,305
2010/2011	5,247,768
Subtotal:	99,384,526
2012	46,667,136
<b>TOTAL</b>	<b>146,051,662</b>