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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 September 2017.

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I. Overview

1. The financial situation as at 30 September 2017 can be summarized in the following major points:

(a) Regular budget gross expenditure of 79.5 per cent reflects a slightly lower level than that of a similar period in the previous biennium of 79.9 per cent;

(b) The operational budget expenditure amounted to €27.5 million in the reporting period. Support costs and other income amounted to €16.8 million at the end of 2016 and €15.5 million in the third quarter of 2017;

(c) The expenditure level for buildings management amounted to €40.7 million in accordance with the prevailing workplan;

(d) The collection rate of 2017 assessed contributions at 30 September 2017 was 80.4 per cent, compared to the 2016 and 2015 rates of 85.1 and 73.3 per cent, respectively;

(e) The collection rate of prior years' arrears, as compared to the current year's assessments, was 15.8 per cent. The rate as at 30 September 2016 and 2015, as compared to the assessments of those years, was 6.7 and 13.3 per cent, respectively;

(f) Outstanding assessed contributions amounted to €97.6 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). The outstanding amounts as at 30 September 2016 and 2015 were €111.6 million and €114.2 million, respectively;

(g) The Working Capital Fund was at the level of €7,423,030. However, an amount of €6,095 was outstanding as at 30 September 2017;

(h) A conference room paper (GC.17/CRP.4) will be provided on the status of assessed contributions and voting rights, updated to 6 November 2017.

II. Regular and operational budgets, 2016-2017

A. Regular budget

2. The regular budget status shows an overall implementation rate of 79.5 per cent of gross budget expenditure and reflects a marginally lower level than that of the same period of the preceding biennium of 79.9 per cent. As planned, the rate of expenditure is expected to increase with additional budgetary expenditures relating to convening the General Conference, as costs for conference services and other related common services will be incurred before the end of the biennium.

3. As at 30 September 2017, regular budget allotments for the biennium totalled €127.0 million, which represents 91.4 per cent of the gross expenditure budget. Expenditures in this period amounted to €110.5 million.

B. Operational budget

4. Allotments of €31.6 million were issued in the current biennium. This level corresponds to 92.6 per cent of estimates included in the approved programme and budgets.

5. The operational budget expenditure amounted to €27.5 million on 30 September 2017. In the preceding biennium expenditures amounted to €25.6 million in the similar reporting period.

6. Technical cooperation activities in the third quarter of 2017 reached a level of \$162.78 million. Income from support costs and other miscellaneous sources for this period amounted to €15.5 million.

C. Buildings management

7. An allotment of €48.0 million related to the current biennium was issued for buildings management.

8. Expenditures as at 30 September 2017 amounted to €40.7 million, compared to €38.8 million as at September 2015. This amount is equivalent to 73.9 per cent of the gross biennial budget of the buildings management.

III. Assessed contributions

A. Collections

9. A total of seventy-one Member States, including ten least developed countries (LDCs), made full payments. Thirty-four Member States, eight of which are LDCs, made partial payments and/or their adjustments were credited towards their assessed contributions for the year 2017. The collections in the period from January to September 2017, broken down by List of States, are shown in table 1.

Table 1

Collections, January to September 2017

(In millions of euros)

<i>List of States*</i>	<i>Current year</i>	<i>Prior years</i>	<i>Total</i>
A	10.99	1.52	12.51
B	37.80	0.00	37.80
C	0.59	5.83	6.42
D	5.49	0.12	5.61
Others	0.00	0.00	0.00
USA	0.00	0.00	0.00
Yugoslavia (former)	0.00	0.00	0.00
Total	54.87	7.47	62.34

* As contained in document PBC.33/11.

B. Outstanding contributions

10. The detailed status of assessed contributions outstanding as at 30 September 2017 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 30 September 2017

<i>List 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	22.379	4.28	3.04	7.32
B	55.421	0.00	0.00	0.00
C	11.683	7.38	9.50	16.88
D	8.321	0.18	2.09	2.27
Others	0.001	0.00	0.00	0.00
Subtotal	97.805	11.84	14.63	26.47
USA		0.00	69.07	69.07
Yugoslavia (former)		0.00	2.08	2.08
Total	97.805	11.84	85.78	97.62

* As contained in document PBC.33/11.

IV. Voting rights

11. As indicated in the annex to the present document, the voting rights of 43 Member States had been suspended as at 30 September 2017, in accordance with Article 5.2 of the Constitution and financial regulation 5.5 (b). In comparison, the voting rights of 46 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 30 September 2017

<i>Members of</i>	<i>Number of members</i>		
	<i>2017</i>	<i>2016</i>	<i>2015</i>
General Conference	43	46	45
Industrial Development Board	2	3	2
Programme and Budget Committee	0	1	2

12. In order to restore their voting rights for 2017, these Member States must pay their full contributions for 2014 and prior years, including advances to the Working Capital Fund, as well as a partial contribution for 2015. The minimum total amount that would have to be paid by these Member States is €5,688,410.

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 September 2017

(Amounts in euros)

<i>Member State</i>	<i>Total amount of arrears covered by the plan*</i>	<i>Outstanding amount 30/9/17</i>	<i>Amounts received/due in 2017</i>	<i>Duration/ years</i>	<i>Instalment due in 2017 (month)</i>	<i>Instalment due</i>	<i>Payment made in 2017</i>
Armenia	922,604	390,512	58,208	10	September	Second	Paid
Costa Rica	280,742	64,024	71,727	10	September	Seventh	Paid
Kyrgyzstan**	385,087	278,514	33,286	5	July	First	Partially paid
Total	1,588,433	733,050	163,221				

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

** Payment plan signed, but will enter into force upon receipt of a notification from the Government that the internal procedures necessary for its entry into force have been completed.

VI. Arrears by former Member States

14. 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 as at 31 October 2017

15. Information on the unutilized balances of appropriations will be provided in a conference room paper (GC.17/CRP.5).

VIII. Action required of the Conference

16. 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.17/5;
- (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;
- (d) Also requests the Director General to continue his efforts to ensure that current Member States sustain their support to the Organization.”

Annex

Status of assessed contributions to the regular budget (In euros)

Status as at 30 September 2017

<i>Member State</i>	<i>Outstanding assessed contributions</i>	<i>WCF due</i>	<i>Total due</i>	<i>Years outstanding (since)</i>	<i>Voting rights^a</i>	<i>Minimum payment to gain voting rights</i>
Afghanistan	4,801	0	4,801	2017P	Yes	0
Albania	0	0	0	-	Yes	0
Algeria	0	0	0	-	Yes	0
Angola	0	0	0	-	Yes	0
Argentina	250,958	0	250,958	2017P	Yes	0
Armenia	390,512	0	390,512	1995P	No	Payment Plan
Austria	0	0	0	-	Yes	0
Azerbaijan	0	0	0	-	Yes	0
Bahamas	16,175	0	16,175	2017P	Yes	0
Bahrain	83,136	0	83,136	2017P	Yes	0
Bangladesh	6,704	0	6,704	2017P	Yes	0
Barbados	15,011	0	15,011	2016P	Yes	0
Belarus	0	0	0	-	Yes	0
Belize	2,858	0	2,858	2013P	No	930
Benin	0	0	0	-	Yes	0
Bhutan	0	0	0	-	Yes	0
Bolivia (Plurinational State of)	39,433	0	39,433	2014P	No	19,130
Bosnia and Herzegovina	17,064	0	17,064	2017P	Yes	0
Botswana	0	0	0	-	Yes	0
Brazil	9,159,308	0	9,159,308	2015P	Yes	0
Bulgaria	0	0	0	-	Yes	0
Burkina Faso	8,385	0	8,385	2015P	Yes	0
Burundi	49,487	0	49,487	1995P	No	47,550
Cabo Verde	839	0	839	2016P	Yes	0
Cambodia	4,243	0	4,243	2017P	Yes	0
Cameroon	38,753	0	38,753	2015P	Yes	0
Central African Republic	121,720	7	121,727	1989	No	119,800
Chad	113,214	149	113,363	1991	No	107,270
Chile	378,420	0	378,420	2017P	Yes	0
China	0	0	0	-	Yes	0
Colombia	293,212	0	293,212	2017P	Yes	0
Comoros	144,899	7	144,906	1986	No	142,980
Congo	26,837	3	26,840	2012P	No	10,330
Costa Rica	64,024	0	64,024	2016P	Yes	Payment plan
Côte d'Ivoire	23,126	0	23,126	2016P	Yes	0
Croatia	142,663	0	142,663	2017P	Yes	0
Cuba	32,668	0	32,668	2017P	Yes	0
Cyprus	0	0	0	-	Yes	0
Czechia	0	0	0	-	Yes	0
Democratic People's Republic of Korea	0	0	0	-	Yes	0
Democratic Republic of the Congo	169,361	74	169,435	1989P	No	159,180
Djibouti	0	0	0	-	Yes	0
Dominica	8,878	0	8,878	2006P	No	6,950
Dominican Republic	806,776	0	806,776	1989P	No	697,700
Ecuador	47,016	0	47,016	2017P	Yes	0
Egypt	151,384	0	151,384	2017P	Yes	0

<i>Member State</i>	<i>Outstanding assessed contributions</i>	<i>WCF due</i>	<i>Total due</i>	<i>Years outstanding (since)</i>	<i>Voting rights^a</i>	<i>Minimum payment to gain voting rights</i>
El Salvador	461,334	1,851	463,185	1988	No	407,820
Equatorial Guinea	42,814	14	42,828	2011P	No	22,150
Eritrea	0	0	0	-	Yes	0
Ethiopia	6,709	0	6,709	2017P	Yes	0
Fiji	0	0	0	-	Yes	0
Finland	0	0	0	-	Yes	0
Gabon	57,161	0	57,161	2015P	Yes	0
Gambia (the)	68,677	0	68,677	1994P	No	66,750
Georgia	1,656,128	594	1,656,722	1992P	No	1,632,560
Germany	0	0	0	-	Yes	0
Ghana	0	0	0	-	Yes	0
Grenada	19,383	0	19,383	1999P	No	17,450
Guatemala	0	0	0	-	Yes	0
Guinea	6,832	0	6,832	2012P	No	4,900
Guinea-Bissau	127,030	7	127,037	1988	No	125,110
Guyana	783	0	783	2016P	Yes	0
Haiti	3,331	0	3,331	2017P	Yes	0
Honduras	54,100	32	54,132	2011P	No	27,210
Hungary	0	0	0	-	Yes	0
India	3,077	0	3,077	2017P	Yes	0
Indonesia	0	0	0	-	Yes	0
Iran (Islamic Republic of)	424,789	0	424,789	2016P	Yes	0
Iraq	0	0	0	-	Yes	0
Ireland	0	0	0	-	Yes	0
Israel	446,699	0	446,699	2017P	Yes	0
Italy	0	0	0	-	Yes	0
Jamaica	62,787	0	62,787	2013P	No	37,620
Japan	0	0	0	-	Yes	0
Jordan	0	0	0	-	Yes	0
Kazakhstan	125,782	0	125,782	2017P	Yes	0
Kenya	16,437	0	16,437	2016P	Yes	0
Kiribati	1,364	74	1,438	2016	Yes	0
Kuwait	0	0	0	-	Yes	0
Kyrgyzstan	278,514	0	278,514	1994P	No	Payment plan
Lao People's Democratic Republic	0	0	0	-	Yes	0
Lebanon	47,358	0	47,358	2017P	Yes	0
Lesotho	1,167	0	1,167	2016P	Yes	0
Liberia	0	0	0	-	Yes	0
Libya	611,839	0	611,839	2014P	No	120,580
Luxembourg	0	0	0	-	Yes	0
Madagascar	3,127	0	3,127	2017P	Yes	0
Malawi	8,175	0	8,175	2014P	No	2,080
Malaysia	0	0	0	-	Yes	0
Maldives	4,601	6	4,607	2011P	No	2,680
Mali	0	0	0	-	Yes	0
Malta	0	0	0	-	Yes	0
Marshall Islands	2,083	74	2,157	2015	Yes	0
Mauritania	700	0	700	2017P	Yes	0
Mauritius	0	0	0	-	Yes	0
Mexico	2,073,121	0	2,073,121	2017P	Yes	0
Monaco	0	0	0	-	Yes	0
Mongolia	0	0	0	-	Yes	0
Montenegro	0	0	0	-	Yes	0

<i>Member State</i>	<i>Outstanding assessed contributions</i>	<i>WCF due</i>	<i>Total due</i>	<i>Years outstanding (since)</i>	<i>Voting rights^a</i>	<i>Minimum payment to gain voting rights</i>
Morocco	0	0	0	-	Yes	0
Mozambique	2,856	0	2,856	2017P	Yes	0
Myanmar	0	0	0	-	Yes	0
Namibia	0	0	0	-	Yes	0
Nepal	25,977	0	25,977	2014P	No	5,300
Netherlands	0	0	0	-	Yes	0
Nicaragua	0	0	0	-	Yes	0
Niger	57,319	0	57,319	1995P	No	51,230
Nigeria	196,719	0	196,719	2016P	Yes	0
Norway	0	0	0	-	Yes	0
Oman	0	0	0	-	Yes	0
Pakistan	0	0	0	-	Yes	0
Panama	1,494	0	1,494	2017P	Yes	0
Papua New Guinea	53,419	111	53,530	2003P	No	39,100
Paraguay	16,376	0	16,376	2016P	Yes	0
Peru	0	0	0	-	Yes	0
Philippines	1,299	0	1,299	2017P	Yes	0
Poland	0	0	0	-	Yes	0
Qatar	237,124	0	237,124	2017P	Yes	0
Republic of Korea	2,247,598	0	2,247,598	2017P	Yes	0
Republic of Moldova	0	0	0	-	Yes	0
Romania	0	0	0	-	Yes	0
Russian Federation	0	0	0	-	Yes	0
Rwanda	9,134	0	9,134	2012P	No	3,040
Saint Kitts and Nevis	0	0	0	-	Yes	0
Saint Lucia	0	0	0	-	Yes	0
Saint Vincent and the Grenadines	121,190	7	121,197	1989P	No	119,270
Samoa	0	0	0	-	Yes	0
Sao Tome and Principe	144,899	7	144,906	1986	No	142,980
Saudi Arabia	0	0	0	-	Yes	0
Senegal	12,741	0	12,741	2016P	Yes	0
Serbia	0	0	0	-	Yes	0
Seychelles	285	0	285	2017P	Yes	0
Sierra Leone	1,878	0	1,878	2015P	Yes	0
Slovakia	0	0	0	-	Yes	0
Slovenia	0	0	0	-	Yes	0
Somalia	144,898	7	144,905	1986	No	142,980
South Africa	0	0	0	-	Yes	0
Spain	0	0	0	-	Yes	0
Sri Lanka	0	0	0	-	Yes	0
Sudan	18,036	0	18,036	2015P	Yes	0
Suriname	22,042	44	22,086	2013P	No	7,660
Swaziland	2,833	0	2,833	2017P	Yes	0
Sweden	0	0	0	-	Yes	0
Switzerland	0	0	0	-	Yes	0
Syrian Arab Republic	2,574	0	2,574	2017P	Yes	0
Tajikistan	40,719	0	40,719	1999P	No	30,610
Thailand	0	0	0	-	Yes	0
The former Yugoslav Republic of Macedonia	64,487	58	64,545	2009P	No	37,620
Timor-Leste	0	0	0	-	Yes	0
Togo	0	0	0	-	Yes	0
Tonga	502	0	502	2017P	Yes	0

<i>Member State</i>	<i>Outstanding assessed contributions</i>	<i>WCF due</i>	<i>Total due</i>	<i>Years outstanding (since)</i>	<i>Voting rights^a</i>	<i>Minimum payment to gain voting rights</i>
Trinidad and Tobago	43,683	0	43,683	2017P	Yes	0
Tunisia	16,536	0	16,536	2017P	Yes	0
Turkey	0	0	0	-	Yes	0
Turkmenistan	135,881	0	135,881	2012P	No	70,100
Tuvalu	4,190	74	4,264	2012P	No	2,340
Uganda	37,428	12	37,440	2012P	No	16,770
Ukraine	0	0	0	-	Yes	0
United Arab Emirates	0	0	0	-	Yes	0
United Republic of Tanzania	31,429	0	31,429	2013P	No	10,750
Uruguay	0	0	0	-	Yes	0
Uzbekistan	469,169	0	469,169	1998P	No	418,010
Vanuatu	74,217	0	74,217	1993P	No	72,290
Venezuela (Bolivarian Republic of)	2,880,250	2,876	2,883,126	2013P	No	716,300
Viet Nam	47,365	0	47,365	2017P	Yes	0
Yemen	42,137	7	42,144	2011P	No	21,470
Zambia	20,232	0	20,232	2015P	Yes	0
Zimbabwe	7,949	0	7,949	2014P	No	1,860
Subtotal:	26,464,632	6,095	26,470,727			5,688,410
Yugoslavia (former) ^b	2,081,599		2,081,599	1990(P)-2001		
Non-Member:						
United States of America ^c	69,068,887		69,068,887	1994(P)-1996		
TOTAL	97,615,118	6,095	97,621,213			5,688,410

Notes:

(P) refers to partial payment.

^a Voting rights of 43 Member States have been suspended in accordance with Article 5.2 of the Constitution of UNIDO.

^b Outstanding contributions to be resolved (General Assembly resolution 63/249).

^c Member State of UNIDO until 31 December 1996.