



General Conference

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Item 10 (b) 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 August 2019.

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For reasons of economy, this document has not been printed. Delegates are kindly requested to bring their copies of documents to meetings.



I. Overview

1. The financial situation as at 31 August 2019 can be summarized in the following major points:

(a) Regular budget gross expenditure of €102.4 million, equivalent to 73.6 per cent of the gross biennial appropriation, reflects a slightly lower implementation level than that of a similar period in the previous biennium of 76.4 per cent;

(b) The operational budget expenditures amounted to €27.5 million in the reporting period, which is slightly higher than the operational budget performance for the same period of the prior biennium of €26.2 million;

(c) The expenditure level for buildings management amounted to €44 million in accordance with the prevailing workplan;

(d) The collection rate of 2019 assessed contributions as at 31 August 2019 was 78.4 per cent, compared to the 2018 and 2017 rates of 83.4 and 78.9 per cent, respectively;

(e) The collection rate of prior years' arrears, as compared to the current year's assessments, was 3.4 per cent. The rate as at 31 August 2018 and 2017, as compared to the assessments of those years, was 11.9 and 10.2 per cent, respectively;

(f) Outstanding assessed contributions amounted to €99.3 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 August 2018 and 2017 were €93.8 million and €98.5 million, respectively;

(g) The Working Capital Fund was at the level of €7,423,030. However, an amount of €5,281 was outstanding as at 31 August 2019;

(h) A conference room paper (GC.18/CRP.2) will be provided on the status of assessed contributions and voting rights, updated to 16 October 2019.

II. Regular and operational budgets, 2018–2019

A. Regular budget

2. As at 31 August 2019, regular budget allotments for the biennium totalled €128.5 million, which represents 92.3 per cent of the gross expenditure budget.

3. During that period, the regular budget expenditures totalled €102.4 million, which represents 73.6 per cent of the gross expenditure budget for the biennium 2018–2019. These figures are slightly lower than those of the previous biennium. On 31 August 2017, regular budget expenditure amounted to €106.2 million with a 76.4 per cent utilization rate of the gross expenditure budget. As planned, the rate of expenditure is expected to increase in the last quarter of the biennium 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.

B. Operational budget

4. As at 31 August 2019, the total operational budget release for the biennium, €34.1 million represents 94.4 per cent of the approved operational budget estimates.

5. In the current reporting period, operational budget expenditures amounted to €27.5 million, slightly higher than the expenditures of €26.2 million for the similar reporting period in the previous biennium.

6. As at 31 August 2019, technical cooperation activities reached a level of \$136.1 million, including commitments. Income from support costs as at 31 August 2019, amounted to €12.8 million.

C. Buildings management

7. The total biennium release of €52.7 million, as at 31 August 2019, corresponds to 94 per cent of the approved budget. The buildings management budget is being implemented in accordance with the prevailing workplan.

8. Expenditures as at 31 August 2019 amounted to €44 million, which is higher than the expenditure of €39.9 million in the same period in the previous biennium. This rate represents 78.6 per cent of the buildings management gross expenditure biennial budget.

III. Prioritizations and efficiencies

9. In compliance with General Conference decision GC.17/Dec.18, paragraph (f), this section provides an update on the implementation status of the areas for de-prioritization aimed at identifying further efficiencies.

10. UNIDO continues the full cost recovery exercise aimed at improving cost recovery leading to increase of organizational capacities and improved tracking, monitoring, recording, and allocating of staff time spent on programme and project implementation of TC activities funded from extrabudgetary sources.

IV. Assessed contributions

A. Collections

11. A total of sixty-eight Member States, including eleven least developed countries (LDCs), made full payments. Thirty Member States, nine of which are LDCs, made partial payments and/or their adjustments were credited towards their assessed contributions for the year 2019. The collections in the period from January to August 2019, broken down by List of States, are shown in table 1.

Table 1
Collections, January to August 2019

(In millions of euros)

<i>List of States*</i>	<i>Current year</i>	<i>Prior years</i>	<i>Total</i>
A	16.87	1.24	18.11
B	33.94	0.00	33.94
C	0.31	1.05	1.36
D	2.48	0.06	2.54
Others	0.00	0.00	0.00
United States of America	0.00	0.00	0.00
Yugoslavia (former)	0.00	0.00	0.00
Total	53.60	2.35	55.95

* As contained in document PBC.35/15/Rev.1.

B. Outstanding contributions

12. The detailed status of assessed contributions outstanding as at 31 August 2019, is contained in the annex to the present document. The scale of assessments and

outstanding contributions as at 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 August 2019

<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	28.249	2.44	3.57	6.01
B	49.696	0.03	0.00	0.03
C	13.473	8.90	7.76	16.66
D	8.588	3.39	2.02	5.41
Others	0.004	0.00	0.00	0.00
Subtotal	100.010**	14.76	13.35	28.11
United States of America		0.00	69.07	69.07
Yugoslavia (former)		0.00	2.08	2.08
Total	100.010	14.76	84.50	99.26

* As contained in document PBC.35/15/Rev.1.

** Scale higher than 100 per cent due to new Member States.

V. Voting rights

13. As indicated in the annex to the present document, the voting rights of 41 Member States had been suspended as at 31 August 2019, 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 31 August 2019

<i>Members of</i>	<i>Number of members</i>
	<i>2019</i>
General Conference	41
Industrial Development Board	1
Programme and Budget Committee	1

14. To restore their voting rights for 2019, these Member States must pay their full contributions for 2016 and prior years, including advances to the Working Capital Fund, as well as a partial contribution for 2017. The minimum total amount that would have to be paid by these Member States is €4,549,315.

VI. 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.

Table 4
Payment plans — status as at 31 August 2019

(Amounts in euros)

<i>Member State</i>	<i>Total amount of arrears covered by the plan*</i>	<i>Outstanding amounts 31/8/19</i>	<i>Amounts received/due in 2019</i>	<i>Duration/ years</i>	<i>Instalment due in 2019 (month)</i>	<i>Instalment due</i>	<i>Payment made in 2019</i>
Armenia	922,604	290,317	56,858	10	September	Fourth	Received
Dominican Republic	839,529	685,021	152,630	5	June	First	Received
Kyrgyzstan	385,087	153,436	78,989	5	July	Third	Received
Venezuela (Bolivarian Republic of)	3,487,833	2,919,544	1,218,674	5	March	Second	Delayed due to sanctions
Total	5,635,053	4,048,318	1,507,151				

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

VII. 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.

VIII. Unutilized balances of appropriations as at 30 September 2019

17. Information on the unutilized balances of appropriations will be provided in a conference room paper (GC.18/CRP.3).

IX. Action required of the Conference

18. 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.18/5;
- (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.”

Annex

Status of assessed contributions to the regular budget

(In euros)

Status as at 31 August 2019

<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	17,560	0	17,560	2017P	Yes	0
Albania	0	0	0	-	Yes	0
Algeria	0	0	0	-	Yes	0
Angola	0	0	0	-	Yes	0
Antigua and Barbuda	1,367	148	1,515	2019	Yes	0
Argentina	1,758,492	0	1,758,492	2018P	Yes	0
Armenia	290,317	0	290,317	1996P	Yes	Payment Plan
Austria	0	0	0	-	Yes	0
Azerbaijan	0	0	0	-	Yes	0
Bahamas	0	0	0	-	Yes	0
Bahrain	0	0	0	-	Yes	0
Bangladesh	0	0	0	-	Yes	0
Barbados	0	0	0	-	Yes	0
Belarus	0	0	0	-	Yes	0
Belize	4,088	0	4,088	2014P	No	2,200
Benin	0	0	0	-	Yes	0
Bhutan	0	0	0	-	Yes	0
Bolivia (Plurinational State of)	65,882	0	65,882	2014P	No	28,470
Bosnia and Herzegovina	0	0	0	-	Yes	0
Botswana	0	0	0	-	Yes	0
Brazil	6,960,165	0	6,960,165	2018P	Yes	0
Bulgaria	0	0	0	-	Yes	0
Burkina Faso	14,419	0	14,419	2016P	No	1,590
Burundi	50,848	0	50,848	1995P	No	48,950
Cabo Verde	1,985	0	1,985	2017P	Yes	0
Cambodia	8,051	0	8,051	2018P	Yes	0
Cameroon	58,440	0	58,440	2015P	No	21,710
Central African Republic	123,088	7	123,095	1989	No	121,200
Chad	124,150	520	124,670	1991	No	111,840
Chile	455,217	0	455,217	2019P	Yes	0
China	0	0	0	-	Yes	0
Colombia	975,824	0	975,824	2017P	Yes	0
Comoros	146,267	7	146,274	1986	No	144,380
Congo	40,507	50	40,557	2012P	No	21,600
Costa Rica	0	0	0	-	Yes	0
Côte d'Ivoire	0	0	0	-	Yes	0
Croatia	0	0	0	-	Yes	0
Cuba	127,368	0	127,368	2018P	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>
Cyprus	0	0	0	-	Yes	0
Czechia	0	0	0	-	Yes	0
Democratic People's Republic of Korea	4,713	0	4,713	2019P	Yes	0
Democratic Republic of the Congo	183,031	445	183,476	1989P	No	166,550
Djibouti	165	0	165	2019P	Yes	0
Dominica	10,217	0	10,217	2005P	No	8,320
Dominican Republic	685,021	0	685,021	2000P	No	Payment Plan
Ecuador	0	0	0	-	Yes	0
Egypt	0	0	0	-	Yes	0
El Salvador	492,776	1,554	494,330	1988	No	444,630
Equatorial Guinea	56,255	0	56,255	2011P	No	35,920
Eritrea	0	0	0	-	Yes	0
Eswatini	1,853	0	1,853	2019P	Yes	0
Ethiopia	12,042	0	12,042	2018P	Yes	0
Fiji	913	0	913	2019P	Yes	0
Finland	0	0	0	-	Yes	0
Gabon	90,518	0	90,518	2015P	No	29,890
Gambia	70,038	0	70,038	1994P	No	68,140
Georgia	1,673,900	668	1,674,568	1992P	No	1,648,770
Germany	0	0	0	-	Yes	0
Ghana	34,446	0	34,446	2018P	Yes	0
Grenada	20,729	0	20,729	1999P	No	18,830
Guatemala	30,403	0	30,403	2018P	Yes	0
Guinea	10,858	0	10,858	2012P	No	6,230
Guinea-Bissau	128,398	7	128,405	1988	No	126,510
Guyana	3,871	0	3,871	2018P	Yes	0
Haiti	0	0	0	-	Yes	0
Honduras	71,329	0	71,329	2011P	No	44,840
Hungary	0	0	0	-	Yes	0
India	798,500	0	798,500	2019P	Yes	0
Indonesia	0	0	0	-	Yes	0
Iran (Islamic Republic of)	1,068,831	0	1,068,831	2018P	Yes	0
Iraq	287,606	0	287,606	2018P	Yes	0
Ireland	0	0	0	-	Yes	0
Israel	0	0	0	-	Yes	0
Italy	0	0	0	-	Yes	0
Jamaica	58,966	0	58,966	2014P	No	26,340
Japan	0	0	0	-	Yes	0
Jordan	0	0	0	-	Yes	0
Kazakhstan	0	0	0	-	Yes	0
Kenya	0	0	0	-	Yes	0
Kiribati	1,368	74	1,442	2018	Yes	0
Kuwait	0	0	0	-	Yes	0
Kyrgyzstan	153,436	0	153,436	1996P	Yes	Payment Plan

<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>
Lao People's Democratic Republic	4,531	0	4,531	2018P	Yes	0
Lebanon	52,630	0	52,630	2019	Yes	0
Lesotho	2,313	0	2,313	2016P	No	420
Liberia	0	0	0	-	Yes	0
Libya	734,062	0	734,062	2015P	No	286,170
Luxembourg	0	0	0	-	Yes	0
Madagascar	3,284	0	3,284	2019P	Yes	0
Malawi	12,126	0	12,126	2014P	No	6,130
Malaysia	0	0	-	-	Yes	0
Maldives	8,703	54	8,757	2011P	No	4,130
Mali	0	0	0	-	Yes	0
Malta	18,455	0	18,455	2019	Yes	0
Marshall Islands	1,368	74	1,442	2018	Yes	0
Mauritania	4,414	0	4,414	2017P	Yes	0
Mauritius	0	0	0	-	Yes	0
Mexico	1,636,322	0	1,636,322	2019P	Yes	0
Micronesia (Federated States of)	684	74	758	2019	Yes	0
Monaco	10,861	0	10,861	2019P	Yes	0
Mongolia	0	0	0	-	Yes	0
Montenegro	0	0	0	-	Yes	0
Morocco	0	0	0	-	Yes	0
Mozambique	4,587	0	4,587	2019P	Yes	0
Myanmar	6,444	0	6,444	2019P	Yes	0
Namibia	10,999	0	10,999	2019P	Yes	0
Nepal	6,835	0	6,835	2019P	Yes	0
Netherlands	0	0	0	-	Yes	0
Nicaragua	7,255	0	7,255	2018P	Yes	0
Niger	61,414	0	61,414	1995P	No	55,420
Nigeria	230,385	0	230,385	2019P	Yes	0
North Macedonia	80,364	0	80,364	2009P	No	55,250
Norway	0	0	0	-	Yes	0
Oman	122,686	0	122,686	2019P	Yes	0
Pakistan	1,272	0	1,272	2019P	Yes	0
Panama	36,904	0	36,904	2019P	Yes	0
Papua New Guinea	62,989	87	63,076	2003P	No	48,890
Paraguay	0	0	0	-	Yes	0
Peru	29,414	0	29,414	2019P	Yes	0
Philippines	0	0	0	-	Yes	0
Poland	0	0	0	-	Yes	0
Qatar	0	0	0	-	Yes	0
Republic of Korea	0	0	0	-	Yes	0
Republic of Moldova	2,060	0	2,060	2019P	Yes	0
Romania	0	0	0	-	Yes	0
Russian Federation	3,365,892	0	3,365,892	2019P	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>
Rwanda	1,670	0	1,670	2019P	Yes	0
Saint Kitts and Nevis	0	0	0	-	Yes	0
Saint Lucia	641	0	641	2019P	Yes	0
Saint Vincent and the Grenadines	122,558	7	122,565	1989P	No	120,665
Samoa	0	0	0	-	Yes	0
Sao Tome and Principe	146,267	7	146,274	1986	No	144,380
Saudi Arabia	0	0	0	-	Yes	0
Senegal	9,253	0	9,253	2018P	Yes	0
Serbia	0	0	0	-	Yes	0
Seychelles	1,200	0	1,200	2018P	Yes	0
Sierra Leone	3,024	0	3,024	2015P	No	1,130
Slovenia	0	0	0	-	Yes	0
Somalia	146,266	7	146,273	1986	No	144,380
South Africa	0	0	0	-	Yes	0
Spain	0	0	0	-	Yes	0
Sri Lanka	33,958	0	33,958	2019P	Yes	0
State of Palestine	9,569	520	10,089	2018	Yes	0
Sudan	15,779	0	15,779	2017P	Yes	0
Suriname	35,676	0	35,676	2013P	No	17,390
Sweden	0	0	0	-	Yes	0
Switzerland	0	0	0	-	Yes	0
Syrian Arab Republic	43,237	0	43,237	2018P	Yes	0
Tajikistan	23,822	0	23,822	2013P	No	11,000
Thailand	0	0	0	-	Yes	0
Timor-Leste	2,486	0	2,486	2019P	Yes	0
Togo	0	0	0	-	Yes	0
Tonga	1,648	0	1,648	2017P	Yes	0
Trinidad and Tobago	65,329	0	65,329	2018P	Yes	0
Tunisia	4,096	0	4,096	2019P	Yes	0
Turkey	0	0	0	-	Yes	0
Turkmenistan	26,657	0	26,657	2019P	Yes	0
Tuvalu	5,558	74	5,632	2012P	No	3,740
Uganda	50,582	0	50,582	2012P	No	30,100
Ukraine	0	0	0	-	Yes	0
United Arab Emirates	0	0	0	-	Yes	0
United Republic of Tanzania	6,549	0	6,549	2019P	Yes	0
Uruguay	86,929	0	86,929	2019P	Yes	0
Uzbekistan	521,115	897	522,012	1998P	No	453,200
Vanuatu	0	0	0	-	Yes	0
Venezuela (Bolivarian Republic of)	2,919,544	0	2,919,544	2015P	No	Payment Plan
Viet Nam	63,636	0	63,636	2019P	Yes	0
Yemen	55,042	0	55,042	2012P	No	34,710

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<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>
Zambia	6,447	0	6,447	2019P	Yes	0
Zimbabwe	16,761	0	16,761	2014P	No	5,300
Subtotal:	28,118,770	5,281	28,124,051			4,549,315
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	99,269,256	5,281	99,274,537			4,549,315

Notes: (P) refers to partial payment.

^a Voting rights of 41 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.