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Item 6 of the provisional agenda

Programme and budgets, 2020–2021

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Additional adjustments to the proposals of the Director General

Following the informal discussions in preparation for the resumed forty-seventh session of the Industrial Development Board, the present document provides details on the changes to the proposals of the Director General on the programme and budgets, 2020–2021, contained in document [IDB.47/5-PBC.35/5](#) and complements information provided in [IDB.47/5/Add.1](#).

Context

1. The Director General submitted the proposal on the programme and budgets, 2020–2021 ([IDB.47/5-PBC.35/5](#)) to the Industrial Development Board, through the Programme and Budget Committee, on 5 March 2019 in compliance with Article 14 of the Constitution and financial regulations 3.1 and 3.4.
2. The forty-seventh session of the Industrial Development Board was adjourned on 3 July 2019 with a recommendation that the President of the forty-seventh session of the Industrial Development Board, His Excellency Mr. Senén Florensa Palau, Permanent Representative of Spain to UNIDO, organize further consultations on the programme and budgets aiming to reach consensus between Member States. The President nominated Her Excellency Ms. Maria Assunta Accili Sabbatini, Permanent Representative of Italy to UNIDO, to act as the facilitator of these consultations. In the course of the consultations, an agreement was reached on the adjustments to the overall regular budget ceiling, as provided in paragraph 5 below, and includes the full biennial cost of UNIDO's contribution to the United Nations Resident Coordinator (UNRC) system of \$5,274,242 (€4,456,734).
3. At the request of Member States, the present document provides details of the adjustments to the revised programme and budgets, 2020–2021. It lists changes in resource requirements, specifically those activities for which additional funding has been retained, as well as requests for additional funding that have been decreased or removed from the revised budgets.
4. The revised summary budget table can be found in the Annex to this document.



Summary of revised proposals

5. The adjustment to the estimates in document [IDB.47/5-PBC.35/5](#) results in gross regular budget expenditures of €144,091,811. These are to be financed from assessed contributions in the amount of €138,924,543, miscellaneous income of €2,551,500, efficiency gains of €942,223, with the remaining balance of €1,673,545 to be financed from other sources ([IDB.47/5/Add.1](#)).

6. In the revised proposals, the following estimates have been removed from the regular budget resulting in a total decrease of €1,069,451 compared to the Director General's proposal contained in document [IDB.47/5-PBC.35/5](#):

(a) Liaison Office consultancy funds of €343,400;

(b) Transfer of a P-5 position from the regular budget to the operational budget, resulting in a decrease of funds in the amount of €357,300 in the regular budget and a corresponding increase in the operational budget;

(c) Adjustments to align the budgetary resource requirements to the exact amount of UNIDO's share to the UNRC system for 2020–2021, as per the letter to UNIDO from Mr. Robert Piper, Assistant Secretary-General for Development Coordination, dated 6 June 2019, resulting in a reduction of €190,824;

(d) The Regular Programme of Technical Cooperation (RPTC) has been decreased by €177,927 to preserve the six per cent share of the approved net regular budget as mandated by the UNIDO Constitution.

7. Member States agreed to retain the following net increases within programmes at no additional cost and already compensated by other cost reductions as described in document [IDB.47/5-PBC.35/5](#):

(a) To change the position of Ethics Officer from part-time (50 per cent) to full-time resulting in an increase of €167,750;

(b) To increase travel costs for the Audit Advisory Committee by €33,200;

(c) To maintain grade adjustments to two positions in Programme D, resulting in an additional €110,000;

(d) To increase the UNIDO contribution to Buildings Management due to growing utilities and maintenance costs in the amount of €328,100;

(e) To increase UNIDO contributions to joint activities of the United Nations bodies in the amounts of €155,700.

8. The estimates of gross expenditures for the operational budget for 2020–2021 as outlined in document [IDB.47/5-PBC.35/5](#) have been adjusted to include the shift of a P-5 position from the regular budget as described in paragraph 6 (b) above, and result in a total resource requirement of €37,867,400, to be financed from programme support cost income in the amount of €37,571,300, and other income amounting to €296,100, as provided for in the financial regulations.

Action required of the Board

9. The Board may wish to consider and adopt the revised proposals of the Director General on the programme and budgets, 2020–2021, as contained in documents [IDB.47/5](#) and Add.2, and submit them to the General Conference for consideration and approval at its eighteenth session.

Annex

Summary of regular and operational budgets
(Excluding Major Programme E, Buildings Management)
(In euros)

	2018–2019 approved budget 1	2020–2021 resource growth at 2018–2019 rates 2	2020–2021 resource requirements at 2018–2019 rates 3	Recosting to 2020–2021 rates 4	2020–2021 resource requirements at 2020–2021 rates 5
<u>Regular budget</u>					
Expenditures	139,203,543	2,665,768	141,869,311	2,222,500	144,091,811
Income	(2,501,500)	(50,000)	(2,551,500)		(2,551,500)
Savings and efficiency gains		(942,223)	(942,223)		(942,223)
Other Sources		(1,673,545)	(1,673,545)		(1,673,545)
Net requirements - assessed contribution	136,702,043		136,702,043	2,222,500	138,924,543
<u>Operational budget</u>					
Expenditures	36,152,400	338,500	36,490,900	1,376,500	37,867,400
Income	(355,100)	59,000	(296,100)		(296,100)
Net requirements	35,797,300	397,500	36,194,800	1,376,500	37,571,300
Total regular and operational budgets	172,499,343	397,500	172,896,843	3,599,000	176,495,843
Rate of real growth (net)					
Regular budget		0.0%			
Operational budget		1.1%			
Combined		0.2%			