

Distr.: General 11 October 2021

Original: English

General Conference

Nineteenth session Vienna, 29 November-3 December 2021

Item 11 (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 2021.

Contents

		Paragraph	Page
I.	Overview	1	2
II.	Regular and operational budgets, 2020–2021	2-8	2
III.	Prioritizations, efficiency gains and full cost recovery	9–11	3
IV.	Assessed contributions	12-13	4
V.	Voting rights	14–15	4
VI.	Multi-year payment plans	16	5
VII.	Arrears by former Member States	17	5
VIII.	Unutilized balances of appropriations as at 31 October 2021	18	5
IX.	Action required by the Conference	19	6
Annex			
	Status of assessed contributions to the regular budget		7

For reasons of sustainability, this document has not been printed. Delegates are kindly requested to refer to electronic versions of all documents.







I. Overview

- 1. The financial situation as at 31 August 2021 can be summarized in the following major points:
- (a) The gross appropriations for the regular budget for the 2020-2021 biennium amount to €144.1 million. As at 31 August 2021, €107.8 million had been spent, or 74.8 per cent of the gross biennial appropriations;
- (b) The appropriations for the operational budget amount to €37.9 million in the reporting period. As at 31 August 2021, expenditure stood at €27.4 million, or 72.4 per cent of the gross biennial appropriations;
- (c) The level of expenditure for buildings management amounted to €39.1 million in accordance with the prevailing workplan;
- (d) The rate of collection of assessed contributions as at 31 August 2021 was 84.3 per cent, compared to the 2020 and 2019 rates of 75.0 and 78.4 per cent, respectively;
- (e) The rate of collection of prior years' arrears, as compared to the current year's assessments, was 5.4 per cent. The rate as at 31 August 2020 and 2019, as compared to the assessments of those years, was 8.2 and 3.6 per cent, respectively;
- (f) Outstanding assessed contributions amounted to ϵ 99.8 million as at 31 August 2021, as shown in the annex to the present document (including arrears of former member states, namely ϵ 69.1 million owed by the United States of America, and ϵ 2.1 million owed by the former Yugoslavia). The outstanding amounts for the same period in 2020 and 2019 were ϵ 100.7 million and ϵ 99.3 million, respectively;
- (g) The Working Capital Fund was at the level of $\[\in \]$ 7,423,030. However, an amount of $\[\in \]$ 22,919 was outstanding as at 31 August 2021;
- (h) Technical cooperation delivery at the end of August 2021 reached \$139.8 million, marking a 13.5 per cent increase on \$123.2 million as at August 2020; and additionally net approvals of technical cooperation projects have also increased to \$97.5 million, which is around 30 per cent higher than August 2020;
- (i) A conference room paper (GC.19/CRP.2) will be provided on the status of assessed contributions and voting rights, updated to 31 October 2021.

II. Regular and operational budgets, 2020–2021

A. Regular budget

- 2. For the reporting period, the 2020-2021 biennium allotments were released in the amount of $\in 134.7$ million. This amount corresponds to 93.5 per cent of the total gross approved appropriations for the 2020-2021 biennium.
- 3. As at 31 August 2021, regular budget expenditures totalled €107.8 million for the biennium, which represents 74.8 per cent of the gross expenditure budget for the 2020–2021 biennium.

B. Operational budget

- 4. For the reporting period, the 2020-2021 biennium allotments were released in the amount of $\[\in \]$ 34.6 million. This amount corresponds to 91.3 per cent of the total gross approved appropriations for the 2020-2021 biennium.
- 5. As at 31 August 2021, operational budget expenditures amounted to €27.4 million, or 72.4 per cent of the gross approved operational budget for the biennium.

6. Technical cooperation activities at the end of August 2021 reached \$139.8 million, including commitments, which is \$15.9 million higher than the 2020 amount for the same period. Income from programme support costs amounted to \$15 million in 2021 up to August, with \$13.8 million collected in 2020 for the same period.

C. Buildings management

- 7. As at 31 August 2021, the total released budget stands at €48.5 million, corresponding to 83.9 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 2021 amounted to €39.1 million, which represents 67.7 per cent of the gross approved budget for buildings management.

III. Prioritizations, efficiency gains and full cost recovery

- 9. The General Conference, through decision GC.18/Dec.14, approved that the regular budget for 2020–2021 should be financed from assessed contributions in the amount of ϵ 138,924,543, other income of ϵ 2,551,500, efficiency gains of ϵ 942,223, and the balance of ϵ 1,673,545 financed from all available resources, including:
 - i. Voluntary contributions;
 - ii. Increased application of the full cost recovery principle;
 - iii. Voluntary renouncement of unspent balances of appropriations;
 - iv. Further savings, prioritizations and efficiencies if appropriate; and
- v. As a last resort, to draw on the funds allocated to strengthening the United Nations development system, in accordance with Annex II of the Constitution.
- 10. At the time of writing, UNIDO had not received any voluntary contributions towards the financing of the budgetary gap. However, the Secretariat notes with appreciation that the amount of &105,995 in unspent balances of appropriations, representing &87,790 in 2020 and &18,205 in 2021, had been renounced as at 31 August 2021 to help finance the 2020–2021 budgetary gap.
- 11. As of the beginning of the 2020–2021 biennium, the Secretariat enforced procedures and monitoring mechanisms to pursue savings and efficiency gains to help fund the budgetary gap, including but not limited to:
- i. Building stronger synergies between headquarters and field locations, including improvements in internal coordination;
- ii. Continuing to reduce overall travel expenditures, inter alia, through concerted efforts aimed at optimizing the use of information and communications technology and also dictated by COVID-19-related travel restrictions; and
- iii. Continuing to mainstream the policy of full cost recovery (FCR) as a direct response to Member States' requests, including in paragraph (c) (ii) of General Conference decision GC.18/Dec.14. As at the second quarter of 2021, 60 per cent of the yearly target has been achieved. Furthermore, discussions are still ongoing with key funding partners such as the Global Environment Facility, the Green Climate Fund and the European Union to ensure eligibility and maximize recovery when charging FCR to relevant technical cooperation projects.

V.21-07122 3/11

IV. Assessed contributions

A. Collections

12. Full payments were made by 69 Member States, including 12 least developed countries (LDCs). Twenty-nine Member States, seven of which are LDCs made partial payments, including adjustments credited towards their assessed contributions for the year 2021. The collections in the period from January to August 2021, broken down by List of States, are shown in table 1.

Table 1 Collections, January to August 2021

(In millions of euros)

List of States*	Current year	Prior years	Total
A	22.23	0.66	22.89
В	31.29	0.00	31.29
C	0.06	2.94	3.00
D	4.95	0.12	5.07
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	58.53	3.72	62.25

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

B. Outstanding contributions

13. The detailed status of assessed contributions outstanding as at 31 August 2021 is contained in the annex to this 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 August 2021

	_	Millions of euros			
List of States*	Scale of assessments (%)	Current year	Prior years	Total	
A	35.134	2.17	4.76	6.93	
В	45.650	0.42	0.00	0.42	
C	12.044	8.31	10.94	19.25	
D	7.167	0.03	1.95	1.98	
Others	0.005	0.03	0.01	0.04	
Subtotal	100.000	10.96	17.66	28.62	
United States of America		0.00	69.07	69.07	
Yugoslavia (former)		0.00	2.08	2.08	
Total	100.000	10.96	88.81	99.77	

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

V. Voting rights

14. The voting rights of 38 Member States were suspended as at 31 August 2021 in accordance with Article 5.2 of the Constitution and financial regulation 5.5 (b) (see

Annex). In comparison, the voting rights of 39 Member States had been suspended at the same time last year. The status of voting rights in the various policymaking organs is shown in table 3.

Table 3
Suspension of voting rights, as at 31 August 2021

	Number of members with no voting rights					
Members of	2021	2020	2019			
General Conference	38	39	42			
Industrial Development Board	1	2	1			
Programme and Budget Committee	1	2	1			

15. To restore their voting rights for 2021, these Member States must pay their full contributions for 2018 and prior years, including advances to the Working Capital Fund, as well as a partial contribution for 2019. The minimum total amount that would have to be paid by these Member States is €4,930,390.

VI. Multi-year payment plans

16. Table 4 shows, in summary form, the status of those Member States that have entered into payment plans to settle outstanding assessed contributions. The Secretariat notes with appreciation 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 concluding payment plans to reduce their outstanding assessed contributions.

Table 4
Payment plans – status as at 31 August 2021

(Amounts in euros)

Member State	Total amount of arrears covered by the plan*	Outstanding amounts 31/08/21	Amounts due in 2021	Duration/ years	Instalment due i 2021 (month)	n Instalment due	Payment made in 2021
Armenia	922,604	190,271	58,358	10	September	Sixth	Paid
Dominican Republic	839,529	322,866	232,157	5	June	Third	Paid
Kyrgyzstan	385,087	117,155	158,045	5	July	Fourth, Fifth	Partial
Venezuela (Bolivarian Republic of)	3,487,833	4,602,047	4,035,757	5	March	Second, Third, Fourth	In arrears
	5,635,053	5,232,339	4,484,317				

^{*} Total amount of arrears at time of signing the plan.

VII. Arrears by former Member States

17. 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). The Secretariat is pursuing payment of these arrears.

VIII. Unutilized balances of appropriations as at 31 October 2021

18. Information on the unutilized balances of appropriations will be provided in a conference room paper (GC.19/CRP.3).

V.21-07122 5/11

IX. Action required by the Conference

19. 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.19/5;
- (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 2021

Member State	Outstanding assessed contributions	WCF due	Total due	Years outstanding (since)	Voting rights ^a	Minimum payment to gain voting rights
Afghanistan	0	0	0	_	Yes	0
Albania	0	0	0	-	Yes	0
Algeria	0	0	0	-	Yes	0
Angola	6,070	0	6,070	2021P	Yes	0
Antigua and Barbuda	5,535	223	5,758	2019	Yes	0
Argentina	2,092,039	0	2,092,039	2020P	Yes	0
Armenia	190,271	0	190,271	1998P	Yes	Payment Plan
Austria	0	0	0	-	Yes	0
Azerbaijan	0	0	0	-	Yes	0
Bahamas	20,646	0	20,646	2021P	Yes	0
Bahrain	56,561	0	56,561	2021P	Yes	0
Bangladesh	6,871	0	6,871	2021P	Yes	0
Barbados	0	0	0	-	Yes	0
Belarus	0	0	0	-	Yes	0
Belize	5,444	0	5,444	2014P	No	3,520
Benin	6,316	0	6,316	2020P	Yes	0
Bhutan	0	0	0	-	Yes	0
Bolivia (Plurinational State of)	33,413	0	33,413	2020P	Yes	0
Bosnia and Herzegovina	0	0	0	-	Yes	0
Botswana	0	0	0	-	Yes	0
Brazil	6,949,757	0	6,949,757	2019P	Yes	0
Bulgaria	0	0	0	-	Yes	0
Burkina Faso	0	0	0	-	Yes	0
Burundi	52,234	0	52,234	1995P	No	50,310
Cabo Verde	1,703	0	1,703	2019P	Yes	0
Cambodia	0	0	0	-	Yes	0
Cameroon	87,614	179	87,793	2015P	No	47,150
Central African Republic	124,478	7	124,485	1989	No	122,570
Chad	133,874	446	134,320	1991	No	119,280
Chile	1,338,171	0	1,338,171	2019P	Yes	0
China	0	0	0	-	Yes	0
Colombia	627,838	0	627,838	2020P	Yes	0
Comoros	147,657	7	147,664	1986	No	145,740
Congo	54,395	32	54,427	2012P	No	33,850
Costa Rica	132,386	0	132,386	2020P	Yes	0
Côte d'Ivoire	28,038	0	28,038	2020P	Yes	0
Croatia	0	0	0	-	Yes	0
Cuba	249,558	0	249,558	2019P	Yes	0
Cyprus	0	0	0	-	Yes	0

V.21-07122 **7/11**

Member State	Outstanding assessed contributions	WCF due	Total due	Years outstanding (since)	Voting rights ^a	Minimum payment to gain voting rights
Czechia	0	0	0	-	Yes	0
Democratic People's Republic of Korea	5,938	0	5,938	2021P	Yes	0
Democratic Republic of the Congo	196,923	445	197,368	1989P	No	176,800
Djibouti	1,451	0	1,451	2019P	Yes	0
Dominica	11,587	0	11,587	2005P	No	9,670
Dominican Republic	322,866	0	322,866	2016P	No	Payment Plan
Ecuador	90,622	0	90,622	2021P	Yes	0
Egypt	0	0	0	-	Yes	0
El Salvador	520,560	1,332	521,892	1988	No	478,540
Equatorial Guinea	70,122	0	70,122	2011P	No	49,550
Eritrea	0	0	0	-	Yes	0
Eswatini	3,716	0	3,716	2020P	Yes	0
Ethiopia	6,885	0	6,885	2021P	Yes	0
Fiji	3,652	0	3,652	2020P	Yes	0
Finland	0	0	0	-	Yes	0
Gabon	124,856	0	124,856	2015P	No	71,140
Gambia (the)	0	0	0	-	Yes	0
Georgia	1,691,960	668	1,692,628	1992P	No	1,665,840
Germany	0	0	0	-	Yes	0
Ghana	67,050	0	67,050	2018P	No	14,020
Grenada	22,098	0	22,098	1999P	No	20,180
Guatemala	49,907	0	49,907	2020P	Yes	0
Guinea	17,804	118	17,922	2012P	No	9,080
Guinea-Bissau	129,788	7	129,795	1988	No	127,880
Guyana	0	0	0	-	Yes	0
Haiti	3,433	0	3,433	2021P	Yes	0
Honduras	92,167	109	92,276	2011P	No	62,710
Hungary	0	0	0	-	Yes	0
India	0	0	0	-	Yes	0
Indonesia	0	0	0	-	Yes	0
Iran (Islamic Republic of)	1,433,461	0	1,433,461	2019P	Yes	0
Iraq	571,733	0	571,733	2018P	No	130,410
Ireland	419,916	0	419,916	2021P	Yes	0
Israel	0	0	0	-	Yes	0
Italy	0	0	0	-	Yes	0
Jamaica	55,171	0	55,171	2016P	No	27,010
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	1,390	0	1,390	2020	Yes	0
Kuwait	0	0	0	-	Yes	0
Kyrgyzstan	117,155	0	117,155	1997P	Yes	Payment Plan
Lao People's Democratic Republic	0	0	0	-	Yes	0
Lebanon	50,426	0	50,426	2021P	Yes	0

Member State	Outstanding assessed contributions	WCF due	Total due	Years outstanding (since)	Voting rights ^a	Minimum payment to gain voting rights
Lesotho	3,680	0	3,680	2016P	No	1,760
Liberia	805	0	805	2020P	Yes	0
Libya	626,373	0	626,373	2016P	No	415,600
Luxembourg	0	0	0	-	Yes	0
Madagascar	12,701	0	12,701	2019P	Yes	0
Malawi	16,270	0	16,270	2014P	No	10,210
Malaysia	0	0	0	-	Yes	0
Maldives	18,427	331	18,758	2011P	No	7,140
Mali	0	0	0	-	Yes	0
Malta	0	0	0	-	Yes	0
Marshall Islands	614	0	614	2021P	Yes	0
Mauritania	0	0	0	-	Yes	0
Mauritius	0	0	0	-	Yes	0
Mexico	1,457,311	0	1,457,311	2021P	Yes	0
Micronesia (Federated States of)	1,582	0	1,582	2019P	Yes	0
Monaco	0	0	0	-	Yes	0
Mongolia	5,114	0	5,114	2021P	Yes	0
Montenegro	0	0	0	-	Yes	0
Morocco	0	0	0	-	Yes	0
Mozambique	4,833	0	4,833	2021P	Yes	0
Myanmar	6,891	0	6,891	2021P	Yes	0
Namibia	19,215	0	19,215	2020P	Yes	0
Nepal	0	0	0	-	Yes	0
Netherlands	0	0	0	-	Yes	0
Nicaragua	5,527	0	5,527	2021P	Yes	0
Niger	65,578	0	65,578	1995P	No	59,510
Nigeria	678,357	0	678,357	2019P	Yes	0
North Macedonia	96,998	0	96,998	2009P	No	72,280
Norway	0	0	0	-	Yes	0
Oman	0	0	0	-	Yes	0
Pakistan	15,737	0	15,737	2021P	Yes	0
Panama	99,896	0	99,896	2020P	Yes	0
Papua New Guinea	85,213	733	85,946	2003P	No	59,090
Paraguay	45	0	45	2021P	Yes	0
Peru	171,960	0	171,960	2021P	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	0	0	0	-	Yes	0
Romania	0	0	0	-	Yes	0
Russian Federation	0	0	0	_	Yes	0
Rwanda	8,403	0	8,403	2019P	Yes	0
Saint Kitts and Nevis	684	0	684	2021P	Yes	0
Saint Lucia	639	0	639	2021P	Yes	0
		-			-	v

V.21-07122 **9/11**

Member State	Outstanding assessed contributions	WCF due	Total due	Years outstanding (since)	Voting rights ^a	Minimum payment to gain voting rights
Saint Vincent and the Grenadines	123,948	7	123,955	1989P	No	122,040
Samoa	0	0	0	-	Yes	0
Sao Tome and Principe	147,657	7	147,664	1986	No	145,740
Saudi Arabia	0	0	0	-	Yes	0
Senegal	7,244	0	7,244	2020P	Yes	0
Serbia	0	0	0	-	Yes	0
Seychelles	1,971	0	1,971	2021P	Yes	0
Sierra Leone	4,391	0	4,391	2015P	No	2,470
Slovenia	0	0	0	-	Yes	0
Somalia	147,656	7	147,663	1986	No	145,740
South Africa	0	0	0	-	Yes	0
Spain	0	0	0	-	Yes	0
Sri Lanka	0	0	0	-	Yes	0
State of Palestine	9,051	0	9,051	2020P	Yes	0
Sudan	20,570	0	20,570	2019P	Yes	0
Suriname	46,616	0	46,616	2013P	No	28,820
Sweden	0	0	0	-	Yes	0
Switzerland	0	0	0	-	Yes	0
Syrian Arab Republic	17,996	0	17,996	2020P	Yes	0
Tajikistan	0	0	0	-	Yes	0
Thailand	23,614	0	23,614	2021P	Yes	0
Timor-Leste	0	0	0	-	Yes	0
Togo	0	0	0	-	Yes	0
Tonga	1,320	0	1,320	2020P	Yes	0
Trinidad and Tobago	45,420	0	45,420	2021P	Yes	0
Tunisia	6,235	0	6,235	2021P	Yes	0
Turkey	0	0	0	-	Yes	0
Turkmenistan	0	0	0	-	Yes	0
Tuvalu	6,948	74	7,022	2012P	No	5,100
Uganda	64,437	0	64,437	2012P	No	43,860
Ukraine	0	0	0	-	Yes	0
United Arab Emirates	704,347	0	704,347	2021	Yes	0
United Republic of Tanzania	6,895	0	6,895	2021P	Yes	0
Uruguay	91,674	0	91,674	2021P	Yes	0
Uzbekistan	496,912	0	496,912	1998P	No	397,460
Vanuatu	110	0	110	2021P	Yes	0
Venezuela (Bolivarian Republic of)	4,583,860	18,187	4,602,047	2015P	No	Payment Plan
Viet Nam	87,836	0	87,836	2021P	Yes	19 220
Yemen	68,888	0	68,888	2012P	No	48,320
Zambia	19,468	0	19,468	2019P	Yes	0
Zimbabwe	10,635	22.010	10,635	2020P	Yes	4 020 200
		22,919		10007		4,930,390
Subtotal: Yugoslavia (former) ^b	28,582,058 2,081,599	22,919	28,604,977 2,081,599	1990(P)- 2001		

Member State	Outstanding assessed contributions	WCF due	Total due	Years outstanding (since)	Voting rights ^a	Minimum payment to gain voting rights
Non-Member: United States of America ^c	69,068,887		69,068,887	1994(P)–		
	07,000,007		07,000,007	1996		
TOTAL	99,732,544	22,919	99,755,463			4,930,390

Notes:

(P) refers to partial payment.

- a Voting rights of 38 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.

V.21-07122 11/11