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Industrial Development Board Fifty-first session Vienna, 3–6 July 2023 **Programme and Budget Committee Thirty-ninth session** Vienna, 15–17 May 2023 Item 5 of the provisional agenda **Financial situation of UNIDO, including unutilized balances of appropriations**

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 2023.

Contents

		Paragraphs	Page
I.	Overview	1	2
II.	Regular and operational budgets, 2022–2023	2-6	2
III.	Prioritizations, efficiency gains and full cost recovery	7-12	3
IV.	Assessed contributions	13-14	3
V.	Voting rights	15-16	4
VI.	Multi-year payment plans	17	5
VII.	Arrears by former Member States	18	5
VIII.	Unutilized balances of appropriations	19	5
IX.	Action required of the Committee	20	6
Annex			
	Status of assessed contributions to the regular budget		7



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I. Overview

1. The financial situation as at 31 March 2023 can be summarized in the following major points:

(a) The regular budget gross appropriations for the biennium 2022-2023 amount to $\notin 145.9$ million. As at 31 March 2023, regular budget gross expenditure amounted to $\notin 87.3$ million, or 59.8 per cent of the approved budget;

(b) The operational budget gross appropriations for the biennium 2022–2023 amount to \notin 39.6 million. As at 31 March 2023, expenditure stood at \notin 22.8 million or 57.7 per cent of the approved budget;

(c) The expenditure level for buildings management for the biennium 2022-2023 amounted to \notin 41.2 million in accordance with the prevailing workplan;

(d) The collection rate of assessed contributions for the year 2023 was 33.0 per cent, compared to collection rate of the second 2021 year of the prior biennium rate of 32.4 per cent;

(e) The collection rate of prior years' arrears, as compared to the current year's assessments, was 4.3 per cent. The rate as at 31 March 2022 and 2021, as compared to the assessments of those years, was 3.6 and 3.3 per cent, respectively;

(f) Outstanding assessed contributions amounted to $\notin 142.9$ million, as shown in the annex to the present document (including arrears of $\notin 69.1$ million owed by the United States of America, and $\notin 2.1$ million owed by the former Yugoslavia). The outstanding amounts for the same period in 2022 and 2021 were $\notin 138.5$ million and $\notin 137.2$ million, respectively;

(g) The Working Capital Fund was at the level of $\notin 7,423,030$. However, an amount of $\notin 4,590$ was outstanding as at 31 March 2023;

(h) Technical cooperation delivery at the end of March 2023 reached \$74.9 million;

(i) A conference room paper (PBC.39/CRP.4) will be issued prior to the opening of the session to provide updated information on the status of assessed contributions and voting rights.

II. Regular and operational budgets, 2022–2023

A. Regular budget

2. Allotments in the amount of $\notin 138.6$ million were released in biennium 2022–2023, against which, by 31 March 2023, regular budget net expenditures amounted to $\notin 87.3$ million. This amount corresponds to 59.8 per cent of the total gross approved appropriations for 2022–2023.

B. Operational budget

3. Allotments in the amount of $\notin 37.3$ million were released in biennium 2022–2023, against which, by 31 March 2023, operational budget net expenditures amounted to $\notin 22.8$ million. This amount corresponds to 57.7 per cent of the total gross approved appropriations for 2023.

4. Technical cooperation activities at the end of March 2023 reached \$74.9 million, including commitments, which is \$2.9 million higher than for the same period of 2022. Income from programme support costs for the first quarter of 2023 amounted to $\notin 8.2$ million.

C. Buildings management

5. Allotments of \notin 54.5 million were issued in biennium 2022–2023, corresponding to 102.4 per cent of the approved budget. The allotments include \notin 2.9m savings from prior biennium released in the current biennium to offset the increased utility costs. The buildings management budget is being implemented in accordance with the prevailing workplan.

6. Expenditures as at 31 March 2023 amounted to €41.2 million, which represents 77.4 per cent of the buildings management gross approved budget.

III. Prioritizations, efficiency gains and full cost recovery

7. The General Conference, through decision GC.19/Dec.16, paragraph (h) (iii), requested the Director General to "Report to the next two sessions of the Programme and Budget Committee on efficiencies and savings between the sessions, with the understanding that the search for efficiencies and savings must be a continuous management process, without hampering the core functions of the Organization".

8. In September 2022, UNIDO completed the first pilot efficiency gains exercise in cooperation with the Innovation and Knowledge Management Division of the World Food Programme, covering efficiencies and savings achieved in 2020–2021 biennium. A cross-organizational task team focused on the most impactful internal and inter-agency efficiency initiatives.

9. The total quantified efficiency gains achieved across all submitting departments in 2020 and 2021 was $\notin 3.5$ million generated by 17 identified distinct initiatives. These initiatives were organized into two groups: (a) generated directly by the UNIDO programmatic and project activities, policy advice; and (b) those generated by the enabling services comprising finance, human resources management, operational support services, etc., and funded from both regular and technical cooperation budgets. The impact of initiatives lead to efficiency gains or improved effectiveness.

10. In line with the United Nations Development Coordination Office's definitions, efficiency gains relate to the efforts associated with a given task and are quantifiable. They are composed of cost efficiencies and time efficiencies.

11. Improved effectiveness relates to the quality of a task and contributes to a better functioning organization. The continuous improvement of tools, procedures and ways of working enables UNIDO to improve the quality of the outcomes of its projects and research. Quality improvements contribute to enhanced outcomes, increased levels of oversight, control or monitoring for a given level of resource, and reductions in risk. The information used for the efficiency gains exercise included descriptions of process or service improvements and key benefits, such as reductions in carbon dioxide emissions or lead times, increased monitoring for a given level of resources.

12. In addition, full cost recovery (FCR) continues to be operational along the targets included in the programme and budgets for the 2022 -2023 biennium. As at 31 March 2023 the FCR collected amounted to $\notin 2.6$ million within the current biennium.

IV Assessed contributions

A. Collections

13. Forty Member States, including five least developed countries (LDCs), made full payments. Thirty seven Member States, nine of which are LDCs, made partial payments and/or their adjustments were credited towards their assessed contributions

for the year 2023. The collections in the period from January to March 2023, broken down by List of States, are shown in table 1.

(In millions of euros)	(In millions of euros)								
List of States ^a	Current year	Prior years	Total						
А	3.04	0.37	3.41						
В	15.05	0.00	15.05						
C	0.63	2.68	3.31						
D	4.67	0.00	4.67						
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	23.39	3.05	26.44						

Table 1 Collections, January to March 2023

^a As contained in document GC.19/23.

B. Outstanding contributions

14. The detailed status of assessed contributions outstanding as at 31 March 2023 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 March 2023

	_	Millions of euros				
List of States ^a	Scale of assessments (%)	Current year	Prior years	Total		
А	35.136	21.88	5.68	27.56		
В	45.650	17.33	0.00	17.33		
C	12.044	7.91	16.54	24.45		
D	7.167	0.42	1.94	2.36		
Others ^b	0.004	0.00	0.01	0.01		
Subtotal	100.001	47.54	24.17	71.71		
United States of America		0.00	69.07	69.07		
Yugoslavia (former)		0.00	2.08	2.08		
Total	100.001	47.54	95.32	142.86		

^a As contained in document GC.19/23.

^b Includes a new Member State Palau (Accession 17 Jan 2023), scale of assessment 0.001%.

V. Voting rights

15. As indicated in the annex to this document, the voting rights of 51 Member States were suspended as at 31 March 2023, in accordance with Article 5.2 of the Constitution and financial regulation 5.5 (b). In comparison, the voting rights of 47 Member States were suspended at the same time last year. The status of voting rights in the various policymaking organs is shown in table 3.

	Number of members					
Members of	2023	2022	2021			
General Conference	51	47	41			
Industrial Development Board	5	3	3			
Programme and Budget Committee	2	2	3			

Table 3Suspension of voting rights, as at 31 March 2023

16. To restore their voting rights for 2023, these Member States must pay their full contributions for 2020 and prior years, including advances to the Working Capital Fund, as well as a partial contribution for 2021. The minimum total amount that would have to be paid by these Member States is $\notin 10, 114, 470$.

VI. Multi-year payment plans

17. Table 4 shows, in summary form, the 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 reduce their outstanding assessed contributions.

Table 4 Payment plans – status as at 31 March 2023 (Amounts in euros)

Member State	Total amount of arrears covered by the plan ^a	Outstanding amounts 31 March 2023	Amounts due in 2023	Duration/ years	Instalment due in 2023 (month)	Instalment due	Payment made in 2023
Armenia	922,604	140,715	58,534	10	September	Seventh	Scheduled
Dominican Republic	839,529	187,200	187,200	5	June	Fourth	Scheduled
Venezuela (Bolivarian	3,487,833	6,254,338	6,254,338	5	-	Second,	In arrears
Republic of) ^b						Third,	
						Fourth, Fifth	
	5,249,966	6,582,253	6,500,072	_			

^a Total amount of arrears at time of signing the plan.

^b Current payment plan expired in 2022, option for a revised payment plan currently under discussion with the Member State.

VII. Arrears by former Member States

18. The amount of arrears owed to UNIDO by the United States of America is ϵ 69,068,887 (1994–1996), while the arrears of the former Yugoslavia amount to ϵ 2,081,599 (1990–2001). The Secretariat is pursuing payment of these arrears.

VIII. Unutilized balances of appropriations as at 31 December 2022

19. From the total distributable amount of $\notin 2,015,973$ in unutilized balances of appropriations, an amount of $\notin 197,508$ or 9.8 per cent was renounced for various purposes, as presented in the table below. Altogether 16 Member States voluntarily renounced their share of unutilized balances.

(Amounts in Euros)	4 4 1	D
Member State	Amount renounced	Purpose
Finland	16,397	To support work of gender unit
Guyana	66	SAVCCA ^a
India	23,370	1. UNIDO's support to India's G-20 Presidency
Luxembourg	2,319	SAVCCA ^a
Madagascar	110	General-purpose contribution to the IDF ^b
Malta	523	Vienna Energy Forum 2023
Mauritius	200	SAVCCA ^a
Mauritius	200	MCIF°
Moldova	329	SAVCCA ^a
Monaco	328	SAVCCA ^a
Morocco	1,818	General-purpose contribution to the IDF ^b
Poland	22,125	Support diagnostic work within project No.: 220091
Poland	5,530	UNIDO's SAP/ERP ^d transition
Qatar	8,097	SAVCCA ^a
Republic of Korea	65,684	Special purpose contribution to the IDF ^b
Slovenia	2,923	Special purpose contribution to the IDF ^b
Switzerland	19,193	SAVCCA ^a
Switzerland	19,193	MCIF ^c
Thailand	9,103	IDF ^b
Total	197,508	

Table 5Unutilized balances of appropriations – status as at 31 December 2022

^a Special account of Voluntary Contributions for Core Activities.

^b Industrial Development Fund.

[°] Major Capital Investment Fund.

^d Enterprise Resource Planning.

IX. Action required of the Committee

20. 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 contained in document PBC.39/4;

(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

Status as at 31 March 2023

Member State	Outstanding assessed contributions	WCF due	Total due	Years outstanding (since)	Voting rights ^a	Minimum payment to gain voting rights
Afghanistan	13,122	0	13,122	2022P	Yes	0
Albania	0	0	0	-	Yes	0
Algeria	155,703	0	155,703	2023	Yes	0
Angola	13,104	0	13,104	2022P	Yes	0
Antigua and Barbuda	9,791	223	10,014	2019P	No	3,830
Argentina	3,156,018	0	3,156,018	2021P	Yes	0
Armenia	140,715	0	140,715	1999P	Yes	Payment Plan
Austria	0	0	0	-	Yes	0
Azerbaijan	0	0	0	-	Yes	0
Bahamas	60,655	0	60,655	2021P	Yes	0
Bahrain	56,775	0	56,775	2023	Yes	0
Bangladesh	13,101	0	13,101	2022P	Yes	0
Barbados	0	0	0	-	Yes	0
Belarus	0	0	0	-	Yes	0
Belize	6,819	0	6,819	2014P	No	4,860
Benin	12,850	0	12,850	2020P	No	2,440
Bhutan	563	0	563	2023P	Yes	0
Bolivia (Plurinational State of)	68,214	0	68,214	2020P	No	13,430
Bosnia and Herzegovina	11,833	0	11,833	2023P	Yes	0
Botswana	0	0	0	-	Yes	0
Brazil	9,564,909	0	9,564,909	2021P	Yes	0
Bulgaria	52,285	0	52,285	2023	Yes	0
Burkina Faso	0	0	0	-	Yes	0
Burundi	53,652	0	53,652	1995P	No	51,690
Cabo Verde	2,975	0	2,975	2019P	No	1,020
Cambodia	6,329	0	6,329	2023P	Yes	0
Cameroon	117,404	94	117,498	2015P	No	73,280
Central African Republic	125,896	7	125,903	1989	No	123,940
Chad	143,804	446	144,250	1991	No	129,610
Chile	1,812,517	0	1,812,517	2020P	No	396,840
China	12,626,792	0	12,626,792	2023P	Yes	0
Colombia	126,314	0	126,314	2023P	Yes	0
Comoros	149,075	7	149,082	1986	No	147,120
Congo	68,571	0	68,571	2012P	No	47,590
Costa Rica	269,043	0	269,043	2020P	No	53,650
Côte d'Ivoire	14,489	0	14,489	2023P	Yes	0
Croatia	0	0	0	-	Yes	0
Cuba	349,611	0	349,611	2020P	No	70,830
Cyprus	0	0	0	-	Yes	0
Czechia	0	0	0	-	Yes	0
Democratic People's Republic of Korea	0	0	0	-	Yes	0

⁽In euros)

IDB.51/4 PBC.39/4

Member State	Outstanding assessed contributions	WCF due	Total due	Years outstanding (since)	Voting rights ^a	Minimum payment to gain voting rights
Democratic Republic of the Congo	211,109	445	211,554	1989P	No	190,580
Djibouti	1,272	0	1,272	2022P	Yes	0
Dominica	12,963	0	12,963	2006P	No	11,000
Dominican Republic	187,200	0	187,200	2020P	Yes	Payment Plan
Ecuador	92,135	0	92,135	2023P	Yes	0
Egypt	190,468	0	190,468	2023P	Yes	0
El Salvador	548,932	1,332	550,264	1988	No	508,150
Equatorial Guinea	84,290	0	84,290	2011P	No	63,310
Eritrea	0	0	0	-	Yes	0
Eswatini	1,763	0	1,763	2023P	Yes	0
Ethiopia	19,989	0	19,989	2021P	Yes	0
Fiji	3,436	0	3,436	2023P	Yes	0
Finland	0	0	0	-	Yes	0
Gabon	160,216	0	160,216	2015P	No	107,540
Gambia (the)	0	0	0	-	Yes	0
Georgia	1,710,402	668	1,711,070	1992P	No	1,683,750
Germany	3,324,582	0	3,324,582	2023P	Yes	0
Ghana	102,338	0	102,338	2018P	No	49,660
Grenada	23,474	0	23,474	1999P	No	21,520
Guatemala	36,217	0	36,217	2023P	Yes	0
Guinea	24,896	76	24,972	2012P	No	14,560
Guinea-Bissau	131,206	7	131,213	1988	No	129,250
Guyana	2,128	0	2,128	2023	Yes	0
Haiti	3,436	0	3,436	2023P	Yes	0
Honduras	113,445	64	113,509	2011P	No	81,970
Hungary	0	0	0	-	Yes	0
India	973,843	0	973,843	2023	Yes	0
Indonesia	619,045	0	619,045	2023P	Yes	0
Iran (Islamic Republic of)	1,738,096	0	1,738,096	2020P	No	354,110
Iraq	871,003	0	871,003	2018P	No	423,160
Ireland	421,762	0	421,762	2023P	Yes	0
Israel	0	0	0	-	Yes	0
Italy	3,860,619	0	3,860,619	2023	Yes	0
Jamaica	51,563	0	51,563	2018P	No	24,250
Japan	7,287,098	0	7,287,098	2023P	Yes	0
Jordan	21,350	0	21,350	2023P	Yes	0
Kazakhstan	0	0	0	-	Yes	0
Kenya	27,825	0	27,825	2023P	Yes	0
Kuwait	294,352	0	294,352	2023	Yes	0
Kiribati	2,710	0	2,710	2020	No	750
Kyrgyzstan	0	0	0	-	Yes	0
Lao People's Democratic Republic	5,571	0	5,571	2023P	Yes	0
Lebanon	151,683	0	151,683	2021P	Yes	0
Lesotho	508	0	508	2023P	Yes	0
Liberia	2,077	0	2,077	2021P	Yes	0
Libya	194,415	0	194,415	2019P	No	91,020
Luxembourg	0	0	0	_	Yes	0

Member State	Outstanding assessed contributions	WCF due	Total due	Years outstanding (since)	Voting rights ^a	Minimum payment to gain voting rights
Madagascar	4,965	0	4,965	2023	Yes	0
Malawi	20,483	0	20,483	2014P	No	14,300
Malaysia	387,745	0	387,745	2023	Yes	0
Maldives	28,357	289	28,646	2011P	No	14,010
Mali	4,397	0	4,397	2023P	Yes	0
Malta	19,860	0	19,860	2023	Yes	0
Marshall Islands	1,293	0	1,293	2022P	Yes	0
Mauritania	0	0	0	-	Yes	0
Mauritius	0	0	0	-	Yes	0
Mexico	1,249,717	0	1,249,717	2023P	Yes	0
Micronesia (Federated States of)	3,000	0	3,000	2019P	No	1,040
Monaco	0	0	0	-	Yes	0
Mongolia	0	0	0	-	Yes	0
Montenegro	9,200	0	9,200	2022P	Yes	0
Morocco	0	0	0	-	Yes	0
Mozambique	4,825	0	4,825	2023P	Yes	0
Myanmar	6,888	0	6,888	2023P	Yes	0
Namibia	10,302	0	10,302	2023P	Yes	0
Nepal	13,983	0	13,983	2022P	Yes	0
Netherlands	0	0	0	-	Yes	0
Nicaragua	5,534	0	5,534	2023P	Yes	0
Niger	69,834	0	69,834	1995P	No	63,650
Nigeria	1,105,883	0	1,105,883	2020P	No	235,400
North Macedonia	113,978	0	113,978	2009P	No	88,780
Norway	0	0	0	-	Yes	0
Oman	130,474	0	130,474	2023P	Yes	0
Pakistan	137,368	0	137,368	2022P	Yes	0
Palau	709	74	783	2023	Yes	0
Panama	0	0	0	-	Yes	0
Papua New Guinea	107,911	689	108,600	2003P	No	74,940
Paraguay	34,542	0	34,542	2022P	Yes	0
Peru	90,972	0	90,972	2023P	Yes	0
Philippines	0	0	0	-	Yes	0
Poland	0	0	0	-	Yes	0
Qatar	0	0	0	-	Yes	0
Republic of Korea	2,646,329	0	2,646,329	2023	Yes	0
Republic of Moldova	2,705	0	2,705	2023P	Yes	0
Romania	224,815	0	224,815	2023P	Yes	0
Russian Federation	0	0	0	-	Yes	0
Rwanda	15,145	0	15,145	2019P	No	4,730
Saint Kitts and Nevis	1,956	0		2021P	Yes	0
Saint Lucia	1,911	0	1,911	2021P	Yes	0
Samoa	0	0	0	-	Yes	0
Sao Tome and Principe	149,075	7	149,082	1986	No	147,120
Saudi Arabia	1,368,203	0	1,368,203	2023	Yes	0
Senegal	20,544	0	20,544	2021P	Yes	0
Serbia	31,586	0	31,586		Yes	0

IDB.51/4 PBC.39/4

Member State	Outstanding assessed contributions	WCF due	Total due	Years outstanding (since)	Voting rights ^a	Minimum payment to gain voting rights
Seychelles	6,079	0	6,079	2021P	Yes	0
Sierra Leone	5,765	0	5,765	2015P	No	3,810
Slovenia	0	0	0	-	Yes	0
Somalia	149,074	7	149,081	1986	No	147,120
South Africa	0	0	0	-	Yes	0
Spain	2,418,644	0	2,418,644	2023P	Yes	0
Sri Lanka	45,707	0	45,707	2023P	Yes	0
St. Vincent and the Grenadines	125,366	7	125,373	1989P	No	123,410
State of Palestine	18,442	0	18,442	2022	Yes	0
Sudan	26,473	0	26,473	2020P	No	5,500
Suriname	57,918	0	57,918	2013P	No	41,170
Sweden	0	0	0	-	Yes	0
Switzerland	0	0	0	-	Yes	0
Syrian Arab Republic	19,762	0	19,762	2022P	Yes	0
Tajikistan	0	0	0	-	Yes	0
Thailand	0	0	0	-	Yes	0
Timor-Leste	3,761	0	3,761	2022P	Yes	0
Togo	1,982	0	1,982	2023P	Yes	0
Tonga	2,592	0	2,592	2020P	No	630
Trinidad and Tobago	40,631	0	40,631	2023P	Yes	0
Tunisia	36,266	0	36,266	2022P	Yes	0
Türkiye	0	0	0	-	Yes	0
Turkmenistan	37,466	0	37,466	2023P	Yes	0
Tuvalu	9,149	148	9,297	2011P	No	7,340
Uganda	78,580	0	78,580	2012P	No	57,600
Ukraine	60,577	0	60,577	2023	Yes	0
United Arab Emirates	719,211	0	719,211	2023	Yes	0
United Republic of Tanzania	19,999	0	19,999	2021P	Yes	0
Uruguay	99,021	0	99,021	2023P	Yes	0
Uzbekistan	531,629	0	531,629		No	419,780
Vanuatu	1,382	0	1,382	2022P	Yes	0
Venezuela (Bolivarian Republic of)	6,254,338	0	6,254,338		No	3,722,900
Viet Nam	88,359	0	88,359		Yes	0
Yemen	83,026	0	83,026	2012P	No	62,050
Zambia	0	0	0	-	Yes	0
Zimbabwe	21,234	0	21,234	2020P	No	4,480
Subtotal	71,699,266	4,590	71,703,856			10,114,470
Yugoslavia (former) ^b	2,081,599			1990(P)-200	1	
Non-Member:	_,~~_,~//		,,			
United States of America ^c	69,068,887		69,068,887			
TOTAL	142,849,752	4,590		1994(P)–199	6	10,114,470

Notes:

(P) refers to partial payment.

^a Voting rights of 51 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.