



General Conference

Twentieth session

Vienna, 27 November–1 December 2023

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 30 September 2023.

Contents

	<i>Paragraphs</i>	<i>Page</i>
I. Overview	1	2
II. Regular and operational budgets, 2022–2023	2–6	2
III. Prioritizations, efficiency gains, digitalization, and full cost recovery	7–13	3
IV. Assessed contributions	14	4
V. Voting rights	16–17	5
VI. Multi-year payment plans	18	5
VII. Arrears by former Member States	19	6
VIII. Unutilized balances of appropriations as at 31 October 2023	20	6
IX. Action required of the Conference	21	6
Annex		
Status of assessed contributions to the regular budget		7



I. Overview

1. The financial situation as at 30 September 2023, is summarized in the following major points:

(a) The regular budget gross appropriations for the biennium 2022–2023 amount to €145.9 million. As at 30 September 2023, regular budget gross expenditure amounted to €120.9 million, or 82.8 per cent of the approved budget for the biennium;

(b) The operational budget gross appropriations for the biennium 2022–2023 amount to €39.6 million. As at 30 September 2023, expenditure stood at €32.2 million, or 81.5 per cent of the approved budget for the same year;

(c) The expenditure level for buildings management amounted to €47.1 million, in accordance with the prevailing workplan;

(d) As at 12 October 2023, the collection rate of assessed contributions for the year 2023 was 84.0 per cent, compared to the 2022 and 2021 rates of 85.3 per cent, in each year;

(e) The collection rate of prior years' arrears, as compared to the current year's assessments, was 9.9 per cent. The rate as at 30 September 2022 and 2021, as compared to the assessments of those years, was 6.3 and 5.4 per cent, respectively;

(f) Outstanding assessed contributions amounted to €102.7 million, as shown in the annex to the present document (including arrears of €69.1 million owed by the United States of America, and €2.1 million owed by the former Yugoslavia). The outstanding amounts for the same period in 2022 and 2021 were €101.0 million and €99.0 million, respectively;

(g) The Working Capital Fund was approved at the level of €7,423,030. However, an amount of €4,897 was outstanding as at 30 September 2023;

(h) By the end of September 2023, technical cooperation delivery reached \$176.0 million, marking a 23.9 per cent increase on the \$142.1 million delivered as at September 2022; additionally, net approvals of technical cooperation projects have also increased to \$146.0 million, which is 9.8 per cent higher than in September 2022;

(i) A conference room paper (GC.20/CRP.2) 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 €138.7 million were released in the biennium 2022–2023, against which, by 30 September 2023, regular budget net expenditures amounted to €120.9 million. This amount corresponds to 82.8 per cent of the total gross approved appropriations for 2022–2023.

B. Operational budget

3. Allotments in the amount of €38.1 million were released in the biennium 2022–2023, against which, by 30 September 2023, operational budget net expenditures amounted to €32.2 million. This amount corresponds to 81.5 per cent of the total gross approved appropriations for 2022–2023.

4. As at 30 September 2023, income from programme support costs collected in 2023 amounted to €17.5 million, with €17.0 million collected in 2022.

C. Buildings management

5. Allotments of €54.5 million were issued in the biennium 2022–2023, corresponding to 102.4 per cent of the approved budget. The allotments include €2.9 million savings from the prior biennium, released in the current biennium to offset the increased utility costs, as per GC.9/Dec.14 on creation of a special account for Buildings Management Services. The buildings management budget is being implemented in accordance with the prevailing workplan.

6. Expenditures as at 30 September 2023 amounted to €47.1 million, which represents 88.4 per cent of the buildings management gross approved budget.

III. Prioritizations, efficiency gains, digitalization, 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 2021, UNIDO adopted the use of the United Nations-wide methodology to record and measure efficiency and effectiveness gains and initiatives systematically. The results achieved in the prior 2020–2021 biennium were reported to the thirty-ninth session of the Programme and Budget Committee ([IDB.51/4-PDB.39/4](#)).

9. During 2022–2023, UNIDO launched a digital transformation initiative. This aimed to streamline and automate various processes including finance, travel management, procurement, and human resources. A key component of the transformation was the introduction of the Microsoft 365 suite. This comprehensive toolset has been instrumental in enhancing the productivity, collaboration and mobility of the UNIDO workforce, both at Headquarters and in the field. These digital enhancements have resulted in substantial annual efficiency gains, saving an estimated €0.53 million in staff time.

10. The full cost recovery (FCR) continues to be operational and targets have been included in the programme and budgets for the 2022–2023 biennium. The full cost recovery charges to technical cooperation programmes and projects are implemented on a quarterly basis, and as at the end of the third quarter of the 2022–2023 biennium amounted to €3.7 million, against a budgeted amount of €4.8 million.

11. The FCR mechanism is intended to improve and innovate internal operations through the recovery of all costs directly associated with technical cooperation projects, and facilitates the scale-up of technical cooperation delivery by up to 25 per cent. This is in line with previous requests by Member States for a fair, transparent and equitable accounting of project costs. The approach is consistent with the recommendations made by the External Auditor in their report on the accounts of UNIDO for the financial year 2020, and with the current Management Action Plans.

12. To enhance and increase FCR, the Secretariat produced a joint concept report with the support of the consultancy firm KPMG. This report highlighted 11 key recommendations, identified along the various stages of the technical cooperation portfolio and project lifecycle, and endorsed by the Director General. These include the following objectives:

(a) Increasing technical cooperation delivery of UNIDO, while generating new income and enabling additional resources;

(b) Consolidating and cleaning up the integrated technical cooperation project portfolio;

(c) Increasing income from FCR, with more transparent mechanisms based on a cost accounting and time-recording approach;

(d) Developing a lean and efficient project implementation, with increased use of implementing partners or outsourcing;

(e) Improving project steering and financial compliance mechanisms, including a budget planning and reporting approach with key performance indicators;

(f) Redesigning project delivery roles and organizational set-up, with incentives and disincentives schemes; and

(g) Modernizing the financial regulatory framework and regulations to enable more flexibility.

13. Furthermore, in line with FCR principles, as of September 2023, UNIDO has implemented a monthly direct charge for the utilization of Microsoft 365 licences applicable to technical cooperation projects and buildings management services. The estimated annual savings of €0.2 million stand in line with the amounts projected during the budget discussions at the thirty-seventh session of the Programme and Budget Committee, and are thus not included in the 2022–2023 regular budget.

IV Assessed contributions

A. Collections

14. Seventy-eight Member States, including ten least developed countries (LDCs), made full payments. Fifteen Member States, 6 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 September 2023, broken down by List of States, are shown in Table 1.

Table 1
Collections, January to 12 October 2023

(In millions of euros)

<i>List of States^a</i>	<i>Current year</i>	<i>Prior years</i>	<i>Total</i>
A	21.17	0.48	21.65
B	32.38	0.00	32.38
C	1.00	6.48	7.48
D	5.06	0.06	5.12
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	59.61	7.02	66.63

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

B. Outstanding contributions

15. The detailed status of assessed contributions outstanding as at 12 October 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 12 October 2023

<i>List of States^a</i>	<i>Scale of assessments (%)</i>	<i>Millions of euros</i>		
		<i>Current year</i>	<i>Prior years</i>	<i>Total</i>
A	35.142	3.75	5.57	9.32
B	45.650	0.00	0.00	0.00
C	12.044	7.54	12.73	20.27
D	7.167	0.03	1.88	1.91
Others	0.004	0.00	0.01	0.01
Subtotal	100	11.32	20.19	31.51
United States of America		0.00	69.07	69.07
Yugoslavia (former)		0.00	2.08	2.08
Total	100	11.32	91.34	102.66

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

V. Voting rights

16. As indicated in the annex to this document, the voting rights of 50 Member States were suspended as at 30 September 2023, in accordance with Article 5.2 of the Constitution and financial regulation 5.5 (b). In comparison, the voting rights of 42 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.

Table 3
Suspension of voting rights, as at 12 October 2023

<i>Members of</i>	<i>Number of members</i>		
	<i>2023</i>	<i>2022</i>	<i>2021</i>
General Conference	50	42	38
Industrial Development Board	5	2	1
Programme and Budget Committee	2	1	1

17. 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 €10,012,740.

VI. Multi-year payment plans

18. 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 acknowledges the efforts of Dominican Republic for completing all the payments under its payment plan and for fulfilling its financial obligations to UNIDO up to the end of 2023. Contributing to strengthening the financial situation of the Organization, 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 12 October 2023

(Amounts in euros)

<i>Member State</i>	<i>Total amount of arrear covered by the plan^a</i>	<i>Outstanding amounts 12 October 2023</i>	<i>Amounts due in 2023</i>	<i>Duration/ years</i>	<i>Instalment due in 2023 (month)</i>	<i>Instalment due</i>	<i>Payment made in 2023</i>
Armenia	922,604	82,181	58,534	10	June	Eighth	Paid
Venezuela (Bolivarian Republic of) ^b	3,487,833	6,254,338	6,254,338	5	March	Second, Third, Fourth, Fifth	In arrears
	4,410,437	6,336,519	6,312,872				

^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

19. 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 2023

20. Information on the unutilized balances of appropriations will be provided in a conference room paper (GC.20/CRP.3).

IX. Action required of the Conference

21. The General Conference may wish to consider adopting the following draft decision:

“The General Conference:

- (a) Takes note of the information contained in document GC.20/5;
- (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 12 October 2023

<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	13,122	0	13,122	2022P	Yes	0
Albania	0	0	0	-	Yes	0
Algeria	0	0	0	-	Yes	0
Angola	13,104	0	13,104	2022P	Yes	0
Antigua and Barbuda	9,791	223	10,014	2019P	No	3,830
Argentina	2,856,018	0	2,856,018	2021P	Yes	0
Armenia	82,181	0	82,181	2013P	Yes	0
Austria	0	0	0	-	Yes	0
Azerbaijan	0	0	0	-	Yes	0
Bahamas	60,655	0	60,655	2021P	Yes	0
Bahrain	0	0	0	-	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	0	0	0	2023P	Yes	0
Bolivia (Plurinational State of)	68,214	0	68,214	2020P	No	13,430
Bosnia and Herzegovina	0	0	0	-	Yes	0
Botswana	0	0	0	-	Yes	0
Brazil	6,223,484	0	6,223,484	2022P	Yes	0
Bulgaria	0	0	0	-	Yes	0
Burkina Faso	0	0	0	-	Yes	0
Burundi	52,943	0	52,943	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	0	0	0	-	Yes	0
Colombia	0	0	0	-	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	0	0	0	-	Yes	0
Croatia	0	0	0	-	Yes	0
Cuba	349,611	0	349,611	2020P	No	70,830

<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	0	0	0	-	Yes	0
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	0	0	0	-	Yes	0
Ecuador	92,135	0	92,135	2023P	Yes	0
Egypt	0	0	0	-	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	0	0	0	-	Yes	0
Ghana	102,338	0	102,338	2018P	No	49,660
Grenada	23,474	0	23,474	1999P	No	21,520
Guatemala	0	0	0	-	Yes	0
Guinea	24,896	76	24,972	2012P	No	14,560
Guinea-Bissau	131,206	7	131,213	1988	No	129,250
Guyana	96	0	96	2023P	Yes	0
Haiti	3,436	0	3,436	2023P	Yes	0
Honduras	75,434	0	75,434	2016P	No	43,890
Hungary	0	0	0	-	Yes	0
India	0	0	0	-	Yes	0
Indonesia	0	0	0	-	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	0	0	0	2023P	Yes	0
Israel	0	0	0	-	Yes	0
Italy	0	0	0	-	Yes	0
Jamaica	51,563	0	51,563	2018P	No	24,250
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	2,710	0	2,710	2020	No	750
Kuwait	0	0	0	-	Yes	0
Kyrgyzstan	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>
Lao People's Democratic Republic	5,571	0	5,571	2023P	Yes	0
Lebanon	151,683	0	151,683	2021P	Yes	0
Lesotho	0	0	0	-	Yes	0
Liberia	2,077	0	2,077	2021P	Yes	0
Libya	161,261	0	161,261	2019P	No	91,020
Luxembourg	0	0	0	-	Yes	0
Madagascar	4,965	0	4,965	2023	Yes	0
Malawi	20,483	0	20,483	2014P	No	14,300
Malaysia	0	0	0	-	Yes	0
Maldives	28,357	289	28,646	2011P	No	14,010
Mali	4,397	0	4,397	2023P	Yes	0
Malta	0	0	0	-	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	0	0	0	-	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	0	0	0	-	Yes	0
Nepal	0	0	0	-	Yes	0
Netherlands (Kingdom of the)	0	0	0	-	Yes	0
Nicaragua	5,534	0	5,534	2023P	Yes	0
Niger	0	0	0	-	Yes	0
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	0	0	0	-	Yes	0
Pakistan	137,368	0	137,368	2022P	Yes	0
Palau	0	0	0	-	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	126,329	0	126,329	2023P	Yes	0
Republic of Moldova	0	0	0	-	Yes	0
Romania	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>
Russian Federation	0	0	0	-	Yes	0
Rwanda	15,145	0	15,145	2019P	No	4,730
Saint Kitts and Nevis	1,956	0	1,956	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	0	0	0	-	Yes	0
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
South Sudan	4,256	445	4,701	2023	Yes	0
Spain	0	0	0	2023P	Yes	0
Sri Lanka	0	0	0	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	0	0	0	-	Yes	0
Tonga	2,592	0	2,592	2020P	No	630
Trinidad and Tobago	0	0	0	-	Yes	0
Tunisia	36,266	0	36,266	2022P	Yes	0
Türkiye	0	0	0	-	Yes	0
Turkmenistan	0	0	0	-	Yes	0
Tuvalu	9,149	148	9,297	2011P	No	7,340
Uganda	78,580	0	78,580	2012P	No	57,600
Ukraine	0	0	0	-	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	0	0	0	-	Yes	0
Uzbekistan	531,629	0	531,629	1999P	No	419,780
Vanuatu	1,382	0	1,382	2022P	Yes	0
Venezuela (Bolivarian Republic of)	6,254,338	0	6,254,338	2015P	No	3,722,900
Viet Nam	88,359	0	88,359	2023	Yes	0
Yemen	83,026	0	83,026	2012P	No	62,050
Zambia	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>
Zimbabwe	21,234	0	21,234	2020P	No	4,480
Subtotal	31,514,795	4,897	31,519,692			10,012,740
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			
TOTAL	102,665,281	4,897	102,670,178	1994(P)–1996		10,012,740

Notes:

(P) refers to partial payment.

^a Voting rights of 50 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.