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Programme and Budget Committee
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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 2024.

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* Reissued for technical reasons on 5 June 2024.



I. Overview

1. The financial situation as at 31 March 2024 can be summarized in the following major points:

(a) The regular budget gross appropriations for the year 2024 amount to €80.1 million. As at 31 March 2024, regular budget expenditure amounted to €21.1 million, or 26.3 per cent of the approved budget for the same year;

(b) The operational budget gross appropriations for the year 2024 amount to €23.6 million. As at 31 March 2024, expenditure stood at €4.8 million or 20.5 per cent of the approved budget for the same year;

(c) The expenditure level for buildings management amounted to €17.5 million in accordance with the prevailing workplan;

(d) As at 31 March 2024, the collection rate of assessed contributions for the year 2024 was 21.3 per cent, compared to the 2023 and 2022 rates of 33.0 and 35.2 per cent, respectively;

(e) The collection rate of prior years' arrears, as compared to the current year's assessments, was 2.2 per cent. The rate as at 31 March 2023 and 2022, as compared to the assessments of those years, was 4.3 and 3.6 per cent, respectively;

(f) Outstanding assessed contributions amounted to €153.4 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 2023 and 2022 were €142.9 million and €138.5 million, respectively;

(g) The Working Capital Fund was approved at the level of €7,423,030. However, an amount of €156,165 was outstanding as at 31 March 2024;

(h) Technical cooperation delivery at the end of March 2024 reached \$87.1 million;

(i) A conference room paper (PBC.40/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, 2024–2025

A. Regular budget

2. Allotments in the amount of €60.2 million were released at the outset of 2024, against which, by 31 March 2024, regular budget expenditures amounted to €21.1 million. This amount corresponds to 26.3 per cent of the total gross approved appropriations for 2024.

B. Operational budget

3. Allotments in the amount of €17.9 million were released at the beginning of 2024, against which, by 31 March 2024, operational budget net expenditures amounted to €4.8 million. This amount corresponds to 20.5 per cent of the total gross approved appropriations for 2024.

4. Technical cooperation activities at the end of March 2024 reached \$87.1 million, including commitments, which is \$12.2 million higher than the 2023 amount. Income from programme support costs for the first quarter of 2024 amounted to \$7.9 million.

C. Buildings management

5. Allotments of €33.8 million were issued at the start of 2024, corresponding to 92.8 per cent of the approved budget. The buildings management budget is being implemented in accordance with the prevailing workplan.
6. Expenditures as at 31 March 2024 amounted to €17.5 million, which represents 48.0 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.20/Dec.15, paragraph (h) (ii), requested the Director General to “report to the next two sessions of the Programme and Budget Committee on efficiencies and savings between 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. From 2022 to 2024, UNIDO launched several initiatives aimed at technical cooperation (TC) efficiency increase, including the full cost recovery (FCR) and TC scale-up and optimization initiatives. The work is broadly structured around the recommendations identified in a joint report with KPMG and extensive internal consultations and workshops held towards the end of 2023 and beginning of 2024. The work is ongoing, and significant progress has been made, e.g. in reviewing and consolidating the TC project portfolio as well as introducing a new time recording system, controlling mechanisms such as prompt project closure, better forecasting and strategic portfolio management. The new TC Guidelines are also being prepared.

9. A digital transformation initiative is in place to streamline and automate key processes, including the ones in finance, travel management, procurement and human resources. Progress has been made in this context, where costs are avoided as a result of the introduction of robotic processing automation for incoming payments reconciliation, vendor bank master data entry and travel payment processing. A cost saving of €0.2 million has already been realized in the past reporting period as a result of a global banking project, which includes the consolidated use of banks by the Treasury, the harmonization of banking methods and software, and the reduction of transactional costs. The work to streamline and automate key administrative processes is ongoing, with the use of artificial intelligence, robotics and other frontier technologies being scaled up.

10. To increase organizational efficiency and effectiveness, UNIDO is strengthening its collaboration with external and implementing partners. This collaboration is expected to have major impacts on TC delivery and project implementation, while supporting UNIDO’s strategic priorities, fostering innovation by employing best practices and know-how in project and grant management, leveraging the Organization’s partners’ field presence to promote UNIDO’s impact and strengthening its back-office operations.

11. The FCR methodology is currently being finalized, including an analysis of the results of the expanded time recording system. The FCR methodology will be fully consistent with United Nations General Assembly resolution 67/226 and best practices from the United Nations system and funding partners. It will also be aligned with previous requests by Member States for a fair, transparent and equitable accounting of project costs, as well as the recommendations made by the External Auditor in their report on the accounts of UNIDO for the financial year 2020. The work programme of the informal working group on Programme and Budget Committee-related issues includes an agenda item on FCR and progress made in this area.

12. In practical terms, the FCR targets have been included in the programme and budgets for the 2024–2025 biennium. The main objective of FCR is to minimize the

impact of TC projects on regular budget resources and to facilitate the scale-up of TC delivery by improving internal operations through the recovery of all costs directly associated with TC projects.

IV Assessed contributions

A. Collections

13. Thirty-one Member States, including four least developed countries (LDCs), made full payments. Forty-five Member States, six of which are LDCs, made partial payments and/or their adjustments were credited towards their assessed contributions for the year 2024. The collections in the period from January to March 2024, broken down by List of States, are shown in table 1.

Table 1
Collections, January to March 2024

(In millions of euros)

<i>List of States^a</i>	<i>Current year</i>	<i>Prior years</i>	<i>Total</i>
A	2.09	0.15	2.24
B	11.94	0.00	11.94
C	0.75	1.60	2.35
D	2.01	0.00	2.01
United States of America	0.00	0.00	0.00
Yugoslavia (former)	0.00	0.00	0.00
Total	16.79	1.75	18.54

^a As contained in document [GC.20/20/Rev.1](#).

B. Outstanding contributions

14. The detailed status of assessed contributions outstanding as at 31 March 2024 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 2024

<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	38.481	28.28	6.36	34.64
B	45.114	23.66	0.02	23.68
C	9.588	6.82	11.85	18.67
D	6.817	3.37	1.92	5.29
Subtotal	100.000	62.13	20.15	82.28
United States of America		0.00	69.07	69.07
Yugoslavia (former)		0.00	2.08	2.08
Total	100.000	62.13	91.3	153.43

^a As contained in document [GC.20/20/Rev.1](#).

V. Voting rights

15. As indicated in the annex to this document, the voting rights of 54 Member States were suspended as at 31 March 2024, in accordance with Article 5.2 of the Constitution and financial regulation 5.5 (b). In comparison, the voting rights of 51 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 31 March 2024

Members of	Number of members		
	2024	2023	2022
General Conference	54	51	47
Industrial Development Board	4	5	3
Programme and Budget Committee	2	2	2

16. To restore their voting rights for 2024, these Member States must pay their full contributions for 2021 and prior years, including advances to the Working Capital Fund, as well as a partial contribution for 2022. The minimum total amount that would have to be paid by these Member States is €11,956,640.

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 the 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 2024

(Amounts in euros)

Member State	Total amount of arrears covered by the plan ^a	Outstanding amounts 31 March 2024	Amounts due in 2024	Duration/years	Instalment due in 2024 (month)	Instalment due	Payment made in 2024
Armenia	922,604	91,650	59,491	10	June	Ninth	Scheduled
Venezuela (Bolivarian Republic of) ^b	3,487,833	6,421,812	6,421,812	5	March	Second, Third, Fourth, Fifth	In arrears
	4,410,437	6,513,462	6,481,303				

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

^b Current payment plan expired in 2022. An option for a revised payment plan is 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 €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 December 2023

19. From the total distributable amount of €3,153,901 in unutilized balances of appropriations, an amount of €204,635 or 6.5 per cent was renounced for various purposes, as presented in the table below. Altogether, 16 Member States voluntarily renounced their share of unutilized balances.

Table 5
Unutilized balances of appropriations – status as at 31 December 2023

(Amounts in euros)

<i>Member State</i>	<i>Amount renounced</i>	<i>Purpose</i>
Bhutan	37	Thematic trust funds
Bulgaria	2,407	Special purpose contribution to the IDF ^a
Hungary	10,646	Special purpose contribution to the IDF ^a
Israel	25,073	Special purpose contribution to the IDF ^a
Luxembourg	3,511	ITF ^b
Malawi	96	ITF ^b
Malta	881	IVECF ^c
Monaco	552	UNIDO's SAP/ERP ^d transition
Morocco	2,860	Special purpose contribution to the IDF ^a
Myanmar	316	ITF ^b
Nepal	314	ITF ^b
Norway	39,477	Gender Equality and Empowerment of Women Unit
Poland	40,000	Special purpose contribution to the IDF ^a
Poland	1,384	UNIDO's SAP/ERP ^d transition
Republic of Korea	16,718	Special purpose contribution to the IDF ^a
State of Palestine	372	ITF ^b
Switzerland	29,996	ITF ^b
Switzerland	29,996	MCIF ^e
Total	204,635	

^a Industrial Development Fund.

^b Innovation and Transformation Fund.

^c International Vienna Energy and Climate Forum.

^d System Applications and Products/Enterprise Resource Planning.

^e Major Capital Investment Fund.

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.40/5;

(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 continue to accord priority to 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 March 2024

<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	21,013	0	21,013	2022P	Yes	0
Albania	10,845	0	10,845	2024P	Yes	0
Algeria	0	0	0	-	Yes	0
Angola	20,995	0	20,995	2022P	Yes	0
Antigua and Barbuda	12,158	223	12,381	2019P	No	5,910
Argentina	3,077,669	0	3,077,669	2022P	Yes	0
Armenia	91,650	0	91,650	Payment Plan	Yes	0
Austria	0	0	0	-	Yes	0
Azerbaijan	38,016	0	38,016	2024P	Yes	0
Bahamas	85,905	148	86,053	2021P	No	18,400
Bahrain	72,595	742	73,337	2024P	Yes	0
Bangladesh	20,992	0	20,992	2022P	Yes	0
Barbados	0	0	0	-	Yes	0
Belarus	0	0	0	-	Yes	0
Belize	7,608	0	7,608	2014P	No	5,560
Benin	19,163	223	19,386	2020P	No	6,140
Bhutan	789	0	789	2024	Yes	0
Bolivia (Plurinational State of)	93,464	398	93,862	2020P	No	31,880
Bosnia and Herzegovina	15,782	0	15,782	2024P	Yes	0
Botswana	2,541	0	2,541	2024P	Yes	0
Brazil	2,433,948	0	2,433,948	2024P	Yes	0
Bulgaria	0	0	0	-	Yes	0
Burkina Faso	0	0	0	-	Yes	0
Burundi	53,732	0	53,732	1995P	No	51,680
Cabo Verde	3,764	0	3,764	2019P	No	1,710
Cambodia	14,220	0	14,220	2023P	Yes	0
Cameroon	134,764	168	134,932	2015P	No	87,940
Central African Republic	126,685	7	126,692	1989	No	124,640
Chad	147,749	297	148,046	1991	No	134,330
Chile	2,374,340	3,118	2,377,458	2020P	No	865,350
China	16,704,247	0	16,704,247	2024P	Yes	0
Colombia	0	0	0	-	Yes	0
Comoros	149,864	7	149,871	1986	No	147,820
Congo	74,730	0	74,730	2012P	No	54,390
Costa Rica	361,365	936	362,301	2020P	No	125,440
Côte d'Ivoire	29,196	1,188	30,384	2024P	Yes	0
Croatia	119,411	0	119,411	2024P	Yes	0
Cuba	476,653	2,153	478,806	2020P	No	164,670
Cyprus	0	0	0	-	Yes	0
Czechia	0	0	0	2024	Yes	0
Democratic People's Republic of Korea	0	0	0	-	Yes	0
Democratic Republic of the Congo	219,000	445	219,445	1989P	No	197,520
Djibouti	2,061	0	2,061	2022P	Yes	0
Dominica	13,752	0	13,752	2006P	No	11,700
Dominican Republic	89,955	2,004	91,959	2024P	Yes	0
Ecuador	117,606	0	117,606	2023P	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>
Egypt	0	0	0	-	Yes	0
El Salvador	566,292	1,480	567,772	1988	No	522,190
Equatorial Guinea	100,072	743	100,815	2011P	No	71,000
Eritrea	752	0	752	2024P	Yes	0
Eswatini	4,130	0	4,130	2023P	Yes	0
Ethiopia	7,891	0	7,891	2024P	Yes	0
Fiji	8,960	149	9,109	2023P	Yes	0
Finland	0	0	0	-	Yes	0
Gabon	177,353	0	177,353	2015P	No	124,680
Gambia	0	0	0	-	Yes	0
Georgia	1,721,449	742	1,722,191	1992P	No	1,692,860
Germany	4,100,756	0	4,100,756	2024P	Yes	0
Ghana	134,690	1,187	135,877	2018P	No	68,220
Grenada	24,263	0	24,263	1999P	No	22,210
Guatemala	55,235	164	55,399	2024P	Yes	0
Guinea	28,841	76	28,917	2012P	No	18,040
Guinea-Bissau	131,995	7	132,002	1988	No	129,950
Guyana	5,620	297	5,917	2023P	Yes	0
Haiti	11,327	371	11,698	2023P	Yes	0
Honduras	87,219	0	87,219	2016P	No	54,260
Hungary	278,997	0	278,997	2024	Yes	0
India	1,397,457	29,544	1,427,001	2024	Yes	0
Indonesia	722,325	0	722,325	2024	Yes	0
Iran (Islamic Republic of)	1,739,891	0	1,739,891	2021P	No	314,560
Iraq	1,042,233	371	1,042,604	2018P	No	570,790
Ireland	587,074	9,872	596,946	2024P	Yes	0
Israel	0	0	0	2024	Yes	0
Italy	4,264,734	0	4,264,734	2024	Yes	0
Jamaica	62,610	74	62,684	2018P	No	33,350
Japan	8,975,893	0	8,975,893	2024P	Yes	0
Jordan	29,196	149	29,345	2024P	Yes	0
Kazakhstan	158,351	0	158,351	2024P	Yes	0
Kenya	40,243	817	41,060	2024P	Yes	0
Kiribati	3,499	0	3,499	2020	No	1,450
Kuwait	311,927	0	311,927	2024P	Yes	0
Kyrgyzstan	0	0	0	-	Yes	0
Lao People's Democratic Republic	13,462	148	13,610	2023P	Yes	0
Lebanon	196,253	0	196,253	2021P	No	39,040
Lesotho	789	0	789	2024P	Yes	0
Liberia	2,866	0	2,866	2021P	No	810
Libya	184,386	0	184,386	2019P	No	90,570
Luxembourg	0	0	0	-	Yes	0
Madagascar	10,489	0	10,489	2023	Yes	0
Malawi	22,850	0	22,850	2014P	No	16,380
Malaysia	450,316	0	450,316	2024P	Yes	0
Maldives	33,881	289	34,170	2011P	No	18,870
Mali	10,710	74	10,784	2023P	Yes	0
Malta	0	0	0	-	Yes	0
Marshall Islands	2,082	0	2,082	2022P	Yes	0
Mauritania	0	0	0	-	Yes	0
Mauritius	0	0	0	-	Yes	0
Mexico	1,580,232	0	1,580,232	2024P	Yes	0
Micronesia (Federated States of)	3,789	0	3,789	2019P	No	1,740
Monaco	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>
Mongolia	5,296	0	5,296	2024P	Yes	0
Montenegro	0	0	0	-	Yes	0
Morocco	73,384	148	73,532	2024	Yes	0
Mozambique	10,349	0	10,349	2023P	Yes	0
Myanmar	14,779	0	14,779	2023P	Yes	0
Namibia	11,499	0	11,499	2024P	Yes	0
Nepal	7,891	0	7,891	2024	Yes	0
Netherlands (Kingdom of the)	1,779,098	0	1,779,098	2024P	Yes	0
Nicaragua	6,313	0	6,313	2024P	Yes	0
Niger	422	0	422	2024P	Yes	0
Nigeria	1,342,062	0	1,342,062	2020P	No	513,940
North Macedonia	123,447	0	123,447	2009P	No	97,110
Norway	0	0	0	-	Yes	0
Oman	148,272	0	148,272	2024P	Yes	0
Pakistan	289,660	296	289,956	2022P	Yes	0
Palau	0	0	0	-	Yes	0
Panama	120,729	4,419	125,148	2024P	Yes	0
Papua New Guinea	121,325	763	122,088	2003P	No	86,130
Paraguay	69,261	1,336	70,597	2022P	Yes	0
Peru	129,930	0	129,930	2024P	Yes	0
Philippines	0	0	0	-	Yes	0
Poland	0	0	0	-	Yes	0
Qatar	0	0	0	-	Yes	0
Republic of Korea	3,444,324	47,063	3,491,387	2024	Yes	0
Republic of Moldova	6,313	8	6,321	2024P	Yes	0
Romania	417,422	15,069	432,491	2024P	Yes	0
Russian Federation	2,335,274	0	2,335,274	2024	Yes	0
Rwanda	19,090	0	19,090	2019P	No	8,210
Saint Kitts and Nevis	4,323	149	4,472	2021P	No	840
Saint Lucia	0	0	0	-	Yes	0
Saint Vincent and the Grenadines	126,155	7	126,162	1989P	No	124,110
Samoa	0	0	0	-	Yes	0
Sao Tome and Principe	149,864	7	149,871	1986	No	147,820
Saudi Arabia	1,585,257	5,940	1,591,197	2024	Yes	0
Senegal	28,122	0	28,122	2021P	No	6,200
Serbia	42,610	593	43,203	2024P	Yes	0
Seychelles	3,858	0	3,858	2023P	Yes	0
Sierra Leone	6,554	0	6,554	2015P	No	4,500
Slovenia	0	0	0	-	Yes	0
Somalia	149,863	7	149,870	1986	No	147,820
South Africa	0	0	0	-	Yes	0
South Sudan	6,623	668	7,291	2023	Yes	0
Spain	2,855,672	6,459	2,862,131	2024	Yes	0
Sri Lanka	59,970	297	60,267	2024P	Yes	0
State of Palestine	24,658	0	24,658	2022P	Yes	0
Sudan	34,364	0	34,364	2020P	No	12,440
Suriname	61,633	0	61,633	2013P	No	46,490
Sweden	1,084,189	0	1,084,189	2024P	Yes	0
Switzerland	0	0	0	-	Yes	0
Syrian Arab Republic	31,375	0	31,375	2022P	Yes	0
Tajikistan	0	0	0	-	Yes	0
Thailand	492,384	8,834	501,218	2024	Yes	0
Timor-Leste	4,401	0	4,401	2022P	Yes	0
Togo	2,367	0	2,367	2024P	Yes	0
Tonga	3,381	0	3,381	2020P	No	1,330

<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>
Trinidad and Tobago	48,284	0	48,284	2024P	Yes	0
Tunisia	30,714	0	30,714	2023P	Yes	0
Türkiye	9,133	0	9,133	2024P	Yes	0
Turkmenistan	45,767	297	46,064	2024P	Yes	0
Tuvalu	9,938	148	10,086	2011P	No	8,030
Uganda	86,471	0	86,471	2012P	No	64,550
Ukraine	74,962	74	75,036	2024P	Yes	0
United Arab Emirates	849,837	4,676	854,513	2024	Yes	0
United Republic of Tanzania	0	0	0	-	Yes	0
Uruguay	121,655	0	121,655	2024P	Yes	0
Uzbekistan	415,235	0	415,235	2003P	No	303,910
Vanuatu	2,171	0	2,171	2022P	Yes	0
Venezuela (Bolivarian Republic of)	6,421,812	0	6,421,812	2015P	No	4,488,170
Viet Nam	123,138	0	123,138	2024P	Yes	0
Yemen	90,917	0	90,917	2012P	No	68,990
Zambia	7,891	0	7,891	2024P	Yes	0
Zimbabwe	9,469	297	9,766	2024P	Yes	0
Subtotal	82,112,765	156,165	82,268,930			11,956,640
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	153,263,251	156,165	153,419,416	1994(P)–1996		11,956,640

Notes:

(P) refers to partial payment.

^a Voting rights of 54 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.