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**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 2016.

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I. Overview

1. The financial situation as at 31 March 2016 can be summarized in the following major points:

(a) Regular budget gross expenditure spending-rate of 26.5 per cent reflects a slightly higher level than that of the same period in the previous biennium of 25.8 per cent;

(b) The operational budget expenditures amounted to €3.8 million in the reporting period. Support costs amounted to €6.3 million as of 31 March 2016;

(c) The expenditure level for buildings management amounted to €13.4 million in accordance with the prevailing workplan;

(d) The collection rate of 2016 assessed contributions at 31 March 2016 was 32.6 per cent, compared to the 2015 and 2014 rates of 40.8 and 36.8 per cent, respectively;

(e) The collection rate of prior years' arrears, as compared to the current year's assessments, was 1.8 per cent. The rate as at 31 March 2015 and 2014, as compared to the assessments of those years, was 3.6 and 1.2 per cent, respectively;

(f) Outstanding assessed contributions amounted to €148.8 million, as shown in the annex to the present document (including arrears of €69.1 million by the United States of America, and €2.1 million by the former Yugoslavia). The outstanding amounts as at 31 March 2015 and 2014 were €140.4 million and €138.2 million, respectively;

(g) The Working Capital Fund was at the level of €7,423,030. However, an amount of €370,668 was outstanding as at 31 March 2016;

(h) A conference room paper (PBC.32/CRP.3) will be provided on the status of assessed contributions and voting rights, updated to 15 June 2016.

II. Regular and operational budgets, 2016-2017

A. Regular budget

2. The implementation of the biennial regular budget started with the establishment of an initial release threshold by budgetline and/or major object of expenditure to facilitate sufficient funding at the beginning of the biennium and to facilitate activities for each required budget category.

3. Therefore, allotments of €62.0 million were issued at the onset of the biennium and increased to the level of €62.8 million during the quarter. The initial release consisted of €42.9 million for staff on established positions and €19.1 million for all other expenditure categories.

4. As at 31 March 2016, regular budget expenditures totalled €18.1 million, which represent 26.5 per cent of the gross expenditure budget for 2016. These indicators are comparable with those of the previous biennium where at 31 March 2014 regular budget expenditures amounted to €18.7 million with a 25.8 per cent utilization rate of the gross expenditure budget.

B. Operational budget

5. Allotments of €15.3 million were issued at the beginning of 2016. This level is equivalent to 90.9 per cent of estimates included in the approved programme and budgets.

6. As at 31 March 2016, operational budget expenditures amounted to €3.8 million as in the similar reporting period in the previous biennium.

7. Technical cooperation activities in the first quarter of 2016 reached a level of \$53.7 million, including commitments. Income from support costs for this period amounted to €6.3 million.

C. Buildings management

8. Allotments of €26.3 million were issued for 2016 at the start of the biennium with allotments totalling €26.4 million at the end of the quarter.

9. Expenditures as at 31 March 2016 amounted to €13.4 million, compared to €10.7 million in 2014. The expenditure level in the current biennium represents 49.4 per cent of the buildings management gross expenditure budget.

III. Assessed contributions

A. Collections

10. A total of 46 Member States, including eight least developed countries (LDCs), made full payments. Forty-four Member States, eight of which are LDCs, made partial payments and/or their adjustments were credited towards their assessed contributions for the year 2016. The collections in the period from January to March 2016, broken down by List of States, are shown in table 1.

Table 1
Collections, January to March 2016
(In millions of euros)

<i>List of States*</i>	<i>Current year</i>	<i>Prior years</i>	<i>Total</i>
A	3.53	0.44	3.97
B	14.28	0.00	14.28
C	0.15	0.08	0.23
D	4.29	0.00	4.29
Others	0.00	0.09	0.09
USA	0.00	0.00	0.00
Yugoslavia (former)	0.00	0.00	0.00
Total	22.25	0.61	22.86

* As contained in document PBC.31/11

B. Outstanding contributions

11. The detailed status of assessed contributions outstanding as at 31 March 2016 is contained in the annex to the present 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 2016

<i>List of States*</i>	<i>Scale of assessments (%)</i>	<i>Millions of euros</i>		
		<i>Current year</i>	<i>Prior years</i>	<i>Total</i>
A	22.347	11.71	4.36	16.07
B	57.617	25.06	0.00	25.06
C	11.683	7.82	23.96	31.78
D	8.321	1.39	3.11	4.50
Others	0.032	0.02	0.18	0.20
Subtotal	100.000	46.00	31.61	77.61
USA		0.00	69.07	69.07
Yugoslavia (former)		0.00	2.08	2.08
Total	100.000	46.00	102.76	148.76

* As contained in document PBC.31/11

IV. Voting rights*

12. As indicated in the annex to the present document, the voting rights of 49 Member States had been suspended as at 31 March 2016, in accordance with Article 5.2 of the Constitution and financial regulation 5.5 (b). In comparison, the voting rights of 47 countries had been suspended at the same time last year. The status of voting rights in respect of the various policymaking organs is shown in table 3.

Table 3
Suspension of voting rights, as at 31 March 2016

<i>Members of</i>	<i>Number of members</i>		
	<i>2016</i>	<i>2015</i>	<i>2014</i>
General Conference	49	47	42
Industrial Development Board	3	1	2
Programme and Budget Committee	1	1	1

13. In order to restore their voting rights for 2016, these Member States must pay their full contributions for 2013 and prior years, including advances to the Working Capital Fund, as well as a partial contribution for 2014. The minimum total amount that would have to be paid by these Member States is €6,914,080.

V. Multi-year payment plans

14. Table 4 shows, in summary form, the current 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 steadily reduce their outstanding assessed contributions.

Table 4
Payment plans — status as at 31 March 2016
(Amounts in euros)

<i>Member State</i>	<i>Total amount of arrears covered by the plan*</i>	<i>Outstanding amounts 31/3/16</i>	<i>Amounts received/due in 2016</i>	<i>Duration/ years</i>	<i>Instalment due in 2016 (month)</i>	<i>Instalment due</i>	<i>Payment made in 2016</i>
Brazil*	25,577,384	18,219,408	18,219,408	5	June	Fourth/Fifth	Delayed
Costa Rica	280,742	169,496	72,265	10	September	Sixth	Scheduled
Republic of Moldova	878,231	81,098	81,098	10	June	Tenth	Scheduled
Ukraine	1,949,104	263,451	263,451	5	April	Fifth	Scheduled
Total	28,685,461	18,733,453	18,636,222				

* Total amount of arrears at time of signing the plan.

VI. Arrears by former Member States

15. 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). Payment of these arrears is being pursued by the Secretariat.

VII. Unutilized balances of appropriations

16. A total of €2,457,415 of the total distributable amount of €8,751,234 became available for various purposes, as presented in the table below. Altogether twelve Member States voluntarily renounced their share of the unutilized balances.

<i>Member State</i>	<i>Amount renounced</i>	<i>Purpose</i>
China	439,580	Special purpose contribution to Industrial Development Fund
Finland	84,674	UNIDO Gender Equality and Empowerment of Women Strategy 2016-2019
Israel	56,931	Agri-business Development and Environment
Italy	751,994	Special purpose contribution to IDF
Malta	2,465	Fifty per cent to the Special Account of Voluntary Contributions for Core Activities (SAVCCA); 50 per cent for UNIDO's Major Capital Investment Fund (MCIF)

<i>Member State</i>	<i>Amount renounced</i>	<i>Purpose</i>
Mexico	82,486	Special Fund for Latin America and the Caribbean
Poland	113,481	Technical cooperation programmes
Russian Federation	246,709	Partnership Trust Fund
Slovenia	14,806	Special purpose contribution to the Industrial Development Fund (IDF)
Spain	462,542	Special account of the Industrial Development Fund
Switzerland	171,128	UNIDO's Major Capital Investment Fund
Thailand	30,619	Thailand's Industrial Development Fund
Total	2,457,415	

VIII. Action required of the Committee

17. 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 provided in document IDB.44/4-PBC.32/4;

(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;

(d) Also requests the Director General to intensify his efforts to ensure that current Member States sustain their support to the Organization, and communicate to Member States on that matter through existing reporting channels.”

Annex

Status of assessed contributions to the regular budget (In euros)

Status as at 31 March 2016

<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	4,926	0	4,926	2016P	Yes	0
Albania	10,485	0	10,485	2016P	Yes	0
Algeria	139,322	0	139,322	2016P	Yes	0
Angola	5,921	0	5,921	2016P	Yes	0
Argentina	947,413	5,763	953,176	2015P	Yes	0
Armenia	914,131	144	914,275	1992P	No	899,550
Austria	792,739	0	792,739	2016P	Yes	0
Azerbaijan	43,586	0	43,586	2016P	Yes	0
Bahamas	0	0	0	-	Yes	0
Bahrain	39,343	0	39,343	2016P	Yes	0
Bangladesh	11,792	62	11,854	2015P	Yes	0
Barbados	19,650	0	19,650	2014P	Yes	0
Belarus	57,194	0	57,194	2016P	Yes	0
Belize	2,224	6	2,230	2013P	No	340
Benin	16,698	31	16,729	2012P	No	6,640
Bhutan	0	0	0	-	Yes	0
Bolivia (Plurinational State of)	51,805	94	51,899	2011P	No	21,330
Bosnia and Herzegovina	0	0	0	-	Yes	0
Botswana	0	0	0	-	Yes	0
Brazil*	21,422,291	159,026	21,581,317	2005P	No	Payment plan
Bulgaria	0	0	0	-	Yes	0
Burkina Faso	6,431	31	6,462	2015P	Yes	0
Burundi	48,819	7	48,825	1995P	No	46,930
Cabo Verde	211	0	211	2016P	Yes	0
Cambodia	4,341	0	4,341	2016P	Yes	0
Cameroon	25,148	126	25,274	2015P	Yes	0
Central African Republic	121,038	7	121,045	1989	No	119,150
Chad	111,168	149	111,317	1991	No	105,330
Chile	352,540	0	352,540	2016P	Yes	0
China	5,874,779	68,208	5,942,987	2016	Yes	0
Colombia	652,089	3,398	655,487	2014P	Yes	0
Comoros	144,217	7	144,224	1986	No	142,330
Congo	21,380	50	21,430	2012P	No	5,200
Costa Rica	169,496	538	170,034	2012P	Yes	Payment plan
Côte d'Ivoire	11,016	0	11,016	2016P	Yes	0
Croatia	407,445	1,665	409,110	2014P	Yes	0
Cuba	69,827	0	69,827	2016P	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>
Cyprus	0	0	0	-	Yes	0
Czech Republic	396,419	0	396,419	2016P	Yes	0
Democratic People's Republic of Korea	0	0	0	-	Yes	0
Democratic Republic of the Congo	165,951	74	166,025	1989P	No	155,940
Denmark	0	0	0	-	Yes	0
Djibouti	0	0	0	-	Yes	0
Dominica	8,236	6	8,242	2006P	No	6,190
Dominican Republic	799,917	1,255	801,172	1987	No	650,450
Ecuador	140,443	600	141,043	2014P	Yes	0
Egypt	140,760	0	140,760	2016P	Yes	0
El Salvador	442,918	1,851	444,769	1988	No	390,990
Equatorial Guinea	35,993	62	36,055	2011P	No	15,730
Eritrea	0	0	0	-	Yes	0
Ethiopia	13,055	62	13,117	2015P	Yes	0
Fiji	0	0	0	-	Yes	0
Finland	592,048	6,877	598,925	2016	Yes	0
Gabon	91,164	208	91,372	2012P	No	23,940
Gambia (the)	68,013	6	68,019	1994P	No	66,130
Georgia	1,647,943	594	1,648,537	1992P	No	1,625,480
Germany	2,895,425	0	2,895,425	2016P	Yes	0
Ghana	0	0	0	-	Yes	0
Greece	650,606	0	650,606	2016P	Yes	0
Grenada	18,747	0	18,747	1995P	No	51,080
Guatemala	17,816	0	17,816	2016P	Yes	0
Guinea	6,191	6	6,197	2012P	No	4,300
Guinea-Bissau	126,348	7	126,355	1988P	No	124,460
Guyana	810	6	816	2015P	Yes	0
Haiti	2,942	0	2,942	2016P	Yes	0
Honduras	45,233	82	45,315	2011P	No	18,840
Hungary	266,458	0	266,458	2016P	Yes	0
India	692,657	0	692,657	2016P	Yes	0
Indonesia	0	0	0	-	Yes	0
Iran (Islamic Republic of)	1,769,032	4,761	1,773,793	2011P	No	573,750
Iraq	74,605	0	74,605	2016P	Yes	0
Ireland	0	0	0	-	Yes	0
Israel	0	0	0	-	Yes	0
Italy	5,076,060	58,886	5,134,946	2016	Yes	0
Jamaica	62,618	113	62,731	2012P	No	26,020
Japan	11,566,153	0	11,566,153	2016P	Yes	0
Jordan	23,589	0	23,589	2016P	Yes	0
Kazakhstan	128,385	0	128,385	2016P	Yes	0
Kenya	13,609	0	13,609	2016P	Yes	0
Kuwait	0	0	0	-	Yes	0
Kyrgyzstan	385,178	19	385,197	1993P	No	379,210

<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	1,922	0	1,922	2016P	Yes	0
Lebanon	137,415	507	137,922	2014P	Yes	0
Lesotho	539	0	539	2016P	Yes	0
Liberia	0	0	0	-	Yes	0
Libya	450,111	1,902	452,013	2014P	Yes	0
Luxembourg	80,743	0	80,743	2016P	Yes	0
Madagascar	9,306	31	9,337	2014P	Yes	0
Malawi	6,164	19	6,183	2013P	No	190
Malaysia	0	0	0	-	Yes	0
Maldives	3,966	6	3,972	2011P	No	2,080
Mali	0	0	0	-	Yes	0
Malta	18,416	237	18,653	2016	Yes	0
Marshall Islands	1,401	74	1,475	2015	Yes	0
Mauritania	90,443	156	90,599	1992P	No	84,610
Mauritius	0	0	0	-	Yes	0
Mexico	4,040,350	0	4,040,350	2015P	Yes	0
Monaco	0	0	0	-	Yes	0
Mongolia	9,882	31	9,913	2014P	Yes	0
Montenegro	25,146	288	25,434	2012P	No	9,200
Morocco	0	0	0	-	Yes	0
Mozambique	0	0	0	-	Yes	0
Myanmar	6,146	0	6,146	2016P	Yes	0
Namibia	0	0	0	-	Yes	0
Nepal	19,200	62	19,262	2014P	Yes	0
Netherlands	0	0	0	-	Yes	0
Nicaragua	0	0	0	-	Yes	0
Niger	55,278	19	55,297	1995P	No	49,310
Nigeria	95,346	0	95,346	2016P	Yes	0
Norway	0	0	0	-	Yes	0
Oman	0	0	0	-	Yes	0
Pakistan	86,348	0	86,348	2016P	Yes	0
Panama	25,109	0	25,109	2016P	Yes	0
Papua New Guinea	48,644	159	48,803	2003P	No	34,620
Paraguay	9,679	0	9,679	2016P	Yes	0
Peru	120,362	1,570	121,932	2016P	Yes	0
Philippines	0	0	0	-	Yes	0
Poland	0	0	0	-	Yes	0
Qatar	0	0	0	-	Yes	0
Republic of Korea	1,982,385	0	1,982,385	2016P	Yes	0
Republic of Moldova	90,707	31	90,738	2000P	Yes	Payment plan
Romania	236,342	0	236,342	2016P	Yes	0
Russian Federation	0	0	0	-	Yes	0
Rwanda	7,116	19	7,135	2012P	No	1,150
Saint Kitts and Nevis	0	0	0	-	Yes	0
Saint Lucia	538	0	538	2016P	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>
Saint Vincent and the Grenadines	120,508	7	120,515	1989P	No	118,620
Samoa	0	0	0	-	Yes	0
Sao Tome and Principe	144,217	7	144,224	1986	No	142,330
Saudi Arabia	876,314	0	876,314	2016P	Yes	0
Senegal	6,027	0	6,027	2016P	Yes	0
Serbia	0	0	0	-	Yes	0
Seychelles	0	0	0	-	Yes	0
Sierra Leone	1,864	6	1,870	2014P	Yes	0
Slovakia	89,031	0	89,031	2016P	Yes	0
Slovenia	0	0	0	-	Yes	0
Somalia	144,216	7	144,223	1986	No	142,330
South Africa	0	0	0	-	Yes	0
Spain	3,392,679	39,451	3,432,130	2016	Yes	0
Sri Lanka	0	0	0	-	Yes	0
Sudan	11,268	62	11,330	2015P	Yes	0
Suriname	17,347	44	17,391	2013P	No	3,210
Swaziland	0	0	0	-	Yes	0
Sweden	0	0	0	-	Yes	0
Switzerland	0	0	0	-	Yes	0
Syrian Arab Republic	55,067	445	55,512	2015P	Yes	0
Tajikistan	77,354	31	77,385	1997P	No	67,300
Thailand	0	0	0	-	Yes	0
The former Yugoslav Republic of Macedonia	55,620	82	55,702	2009P	No	29,230
Timor-Leste	0	0	0	-	Yes	0
Togo	15,134	6	15,140	1999P	No	13,250
Tonga	2,086	6	2,092	2013P	No	200
Trinidad and Tobago	0	0	0	-	Yes	0
Tunisia	71,250	445	71,695	2014P	Yes	0
Turkey	0	0	0	-	Yes	0
Turkmenistan	206,003	0	206,003	1999P	No	141,980
Tuvalu	3,508	74	3,582	2012P	No	1,690
Uganda	30,607	62	30,669	2012P	No	10,340
Ukraine	262,137	1,314	263,451	2014P	Yes	Payment plan
United Arab Emirates	631,826	0	631,826	2016P	Yes	0
United Republic of Tanzania	24,658	62	24,720	2012P	No	4,390
Uruguay	55,578	0	55,578	2016P	Yes	0
Uzbekistan	500,017	225	500,242	1997P	No	450,410
Vanuatu	73,555	6	73,561	1992P	No	71,670
Venezuela (Bolivarian Republic of)	2,164,745	8,285	2,173,030	2013P	No	58,850
Viet Nam	0	0	0	-	Yes	0
Yemen	35,316	62	35,378	2011P	No	15,050
Zambia	13,433	62	13,495	2015P	Yes	0
Zimbabwe	8,729	19	8,748	2013P	No	2,760
Subtotal:	77,613,885	370,668	77,984,552			6,914,080

<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>
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	1994(P)-1996		
TOTAL	148,764,371	370,668	149,135,038			6,914,080
<i>New Member:</i>						
Kiribati	682	74	756	2016	Yes	

Notes:

(P) refers to partial payment.

^a Voting rights of 49 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.

* Brazil: In accordance with the report of the open-ended discussion on timely payment of assessed contributions (IDB.19/12, para. 15), in the case of non-adherence (delayed payment) to the agreed payment plan, including the payment of the current year's contribution, the remaining amount owed by the Member State should be considered as arrears. In accordance with Article 5.2 of the Constitution the voting right had to be suspended.