



United Nations Industrial Development Organization

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Item 4 (c) of the provisional agenda

Financial situation of UNIDO, including unutilized balances of appropriations

Request from Armenia for restoration of voting rights based on a payment plan

Note by the Director General

The present note complements the note by the Director General (IDB.44/10) presenting a payment plan for Armenia and draws the attention of the Board to a request from Armenia for restoration of voting rights based on the payment plan agreement.

I. Introduction

1. A letter dated 24 October 2016 from the Permanent Representative of Armenia requesting a decision by the Industrial Development Board on the restoration of voting rights is shown in the annex to the present document. The letter was also circulated to Permanent Missions with an information note on 9 November 2016.

II. Payment plan

2. On 16 September 2016, a payment plan of ten years duration was signed with Armenia, to cover the arrears of €922,604, including the commitment to meet future years' assessments. At the date of writing, three payments totalling €472,399 were made by the Government of Armenia. This amount covers the first instalment

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requirement in full. The agreement is in accordance with the terms for payment plans outlined in the report of the open-ended discussion group on timely payments of assessed contributions (IDB.19/12 and Corr.1), adopted by the Industrial Development Board in decision IDB.19/Dec.5.

III. Voting rights

3. Article 5.2 of the UNIDO Constitution stipulates that any organ may permit a Member in arrears to vote in that organ if it is satisfied that the failure to pay is due to conditions beyond the control of the Member. Voting rights are governed by the respective rules of procedure of the governing bodies (rule 91 of the General Conference, rule 50 of the Industrial Development Board, and rule 42 of the Programme and Budget Committee). In its report to the Board, the open-ended discussion group on timely payment of assessed contributions stated: “When considering applications for the restoration of voting rights, the competent body should regularly take into account the state of payments made under an agreed payment plan” (IDB.19/12 and Corr.1, para. 14).

IV. Action required of the Industrial Development Board

4. Document IDB.44/10 already included a draft decision suggesting that the Board may wish to approve the payment plan for Armenia. In light of the most recent developments, the following revised version, superseding the previous one, is submitted for the Board’s consideration and adoption:

“The Industrial Development Board:

- (a) Takes note of the information provided in documents IDB.44/10 and Add.1;
- (b) Welcomes the commitment of Armenia to settle its arrears and decides to approve the payment plan as reported in document IDB.44/10;
- (c) Takes note of the payment of the first instalment in line with the conditions of the payment plan and encourages Armenia to continue paying regularly its instalments;
- (d) At the request of Armenia, decides to restore its voting rights at the Industrial Development Board in accordance with Article 5.2 of the UNIDO Constitution;
- (e) Recommends to the General Conference to consider positively the restoration of voting rights of Armenia in accordance with Article 5.2 of the Constitution.”

Annex I

**PERMANENT MISSION OF THE REPUBLIC OF ARMENIA TO THE
INTERNATIONAL ORGANIZATIONS IN VIENNA**

M/180

Vienna, 24 October 2016

Dear Mr. LI Yong,

I have the honour to refer to the agreement between the United Nations Industrial Development Organization and the Government of Armenia regarding the settlement of outstanding assessed contributions under a payment plan, signed on 16 September 2016.

In that regard, I should like to draw to your attention the fact that the Government of Armenia has deposited the first instalment under the payment plan and, in that connection, on behalf of the Government of Armenia, I would kindly request you to initiate the necessary procedures for restoration of the voting rights of Armenia in all policymaking organs of UNIDO.

In order to proceed as necessary, I would ask that this request be communicated to the Industrial Development Board at its forty-fourth session for due consideration, in order that a decision be taken on the matter.

Lastly, I should like to reiterate the commitment of Armenia to UNIDO and its desire to continue enhancing its cooperation with the Organization and support its activities to achieve inclusive and sustainable industrial development.

Please accept, Sir, the assurances of my highest consideration.

[*Signed*]
Dr. Arman Kirakossian
Permanent Representative to UNIDO

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