

**FOR INFORMATION**

FIFTH ITEM ON THE AGENDA

Programme and Budget for 2006-07**Regular budget account and Working Capital Fund**

1. Information on the position of 2006-07 income and expenditure as at 30 September 2006 is submitted herewith. Additional information on the position of member States in relation to the receipt of contributions is provided in Appendices I and II. Appendix I gives details of contributions received and amounts due as at that date, while Appendix II gives details of those member States which, as at 30 September 2006, had lost the right to vote under the provisions of paragraph 4 of article 13 of the Constitution.

Budgetary income and expenditure

2. Budgetary income is accounted for in United States dollars at the ILO budget rate of exchange for the financial period, and Swiss franc expenditure is recorded in US dollars at the same rate of exchange. US dollar budgetary income and expenditure figures reported herein accordingly result from the conversion of Swiss franc income and expenditure to US dollars at the 2006-07 budget rate of exchange of 1.25 Swiss francs to the US dollar. Assessed contributions received and expenditure recorded as at 30 September 2006 were as follows.

	Swiss francs	US dollars
Income received		
Assessed contributions for 2006	167 440 643	133 952 514
Arrears of contributions from previous financial periods	<u>113 425 006</u>	<u>90 740 005</u>
Total income received	280 865 649	224 692 519
Less: 2004-05 deficit reimbursed ¹	<u>47 210 271</u>	<u>37 768 217</u>
Net income received	233 655 378	186 924 302
Expenditure	<u>232 643 064</u>	<u>186 114 451</u>
Excess of income received over expenditure as at 30 September 2006	<u>1 012 314</u>	<u>809 851</u>

¹ As at 31 December 2005, in accordance with article 21.1(a) of the Financial Regulations, the deficit of 47,210,271 Swiss francs was covered by the Working Capital Fund (34,350,670 Swiss francs) and internal borrowings (12,859,601 Swiss francs). In accordance with article 21.2(a) of the Financial Regulations, arrears of contributions received in 2006 were used to reimburse the Working Capital Fund and internal borrowings.

Contributions of member States

3. Total assessed contributions for 2006 amount to 371,443,750 Swiss francs compared with 354,828,216² Swiss francs for 2005. Appendix I indicates that, as at 30 September 2006, assessed contributions for 2006 received from or credited to member States³ totalled 167,440,643 Swiss francs, which represented 45.1 per cent of the contributions assessed. At the same date in 2005, 49.6 per cent of the 2005 contributions had been collected. At 30 September 2006, some 82 member States had settled their 2006 contributions in full, 34 member States had made partial payments, while 62 others had made no payments against 2006 contributions. This compared with 80, 30 and 68 member States in the same situation respectively at the same date in 2005.
4. Arrears of contributions received to 30 September 2006 totalled 113,425,006 Swiss francs, bringing total contributions collected to 30 September 2006 to 280,865,649 Swiss francs.
5. As at 30 September 2006, 22 States (Albania, Algeria, Angola, Bahamas, Bulgaria, Burkina Faso, Cameroon, Congo, Czech Republic, Estonia, Guyana, Kazakhstan, Latvia, Lesotho, Mali, Mauritius, Namibia, Nicaragua, Niger, Paraguay, Singapore and Togo) had made payments against their 2007 contributions.

Position in relation to paragraph 4 of article 13 of the Constitution

6. Appendix II shows that, on 30 September 2006, the arrears of contributions of Antigua and Barbuda, Bolivia, Cape Verde, Central African Republic, Comoros, Democratic Republic of the Congo, Djibouti, Equatorial Guinea, Gambia, Guinea-Bissau, Iraq, Kyrgyzstan, Sao Tome and Principe, Sierra Leone, Solomon Islands, Somalia, Tajikistan, Turkmenistan and Uzbekistan equalled or exceeded the amount of the contributions due from them for the past two full years (2004-05). Each of these member States had therefore lost the right to vote, in accordance with the provisions of paragraph 4 of article 13 of the Constitution of the Organization.
7. Armenia, Azerbaijan, Belarus, Cambodia, Georgia, Kazakhstan, Latvia, Liberia, Republic of Moldova, Paraguay, Poland, Togo, Ukraine and Viet Nam are permitted to vote in accordance with paragraph 4 of article 13 of the Constitution of the Organization under financial arrangements approved by the International Labour Conference: 93rd Session (2005) for Armenia, 95th (2006) for Azerbaijan, 86th (1998) for Belarus, 82nd (1995) for Cambodia, 93rd (2005) for Georgia, 88th (2000) for Kazakhstan, 87th (1999) for Latvia, 88th (2000) for Liberia, 93rd (2005) for Republic of Moldova, 92nd (2004) for Paraguay, 75th (1988) for Poland, 93rd (2005) for Togo, 88th (2000) for Ukraine and 81st (1994) for Viet Nam.

² Includes Samoa's contribution of 2,916 Swiss francs, assessed after adoption of the budget. Samoa joined the ILO on 7 March 2005.

³ Amounts credited against 2006 contributions represent the distribution to eligible member States of incentive scheme credits, cash surpluses and the net premiums earned in prior periods. Details are given in footnotes 1 and 7 to Appendix I.

Working Capital Fund

8. The withdrawal of 34,350,670 Swiss francs made from the Working Capital Fund to finance the 2004-05 deficit was fully reimbursed through the arrears of contributions received in 2006.

9. The General Conference of the International Labour Organization at its 91st Session (June 2003) decided, in derogation of Chapter V of the Financial Regulations, to transfer an amount equivalent to 0.008 per cent of one-half of the income budget for the biennium 2004-05 from the Working Capital Fund as a credit (28,386 Swiss francs) towards the contribution due from Afghanistan for 2004 and an amount equivalent to 0.175 per cent of one-half of the income budget for the biennium 2004-05 as a credit (620,944 Swiss francs) towards the contribution due from Argentina for 2004. The Working Capital Fund will be reimbursed for such transfers from any excess of income over expenditure as defined in article 18.1 of the Financial Regulations. Following these transfers, and pending the reimbursement to the fund the balance of the Working Capital Fund at 30 September stood at 34,350,670 Swiss francs.⁴

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Submitted for information.

⁴ The nominal balance of this Fund is 35 million Swiss francs.

Notes to Appendix I: Contributions received and outstanding

Details of movements between 31 December 2005 and 30 September 2006

1. Amounts credited against 2006 assessed contributions represent the distribution of credits to eligible member States in respect of:

	Swiss francs
The incentive scheme for 2004	42 959
50 per cent of the net premium earned in previous periods	376 590
Surplus for previous financial periods	<u>336 152</u>
Total credits	<u>755 701</u>

2. States which paid their 2006 contributions before 1 January 2006.
3. Includes amounts due for prior periods of membership in the ILO.
4. Member States which, at 30 September 2006, have lost the right to vote under the provisions of paragraph 4 of article 13 of the Constitution. Cape Verde, Democratic Republic of the Congo and Iraq had been permitted to vote under the financial arrangements approved by the following sessions of the International Labour Conference: 85th (1997) for Cape Verde, 89th (2001) for Democratic Republic of the Congo and 93rd (2005) for Iraq but these member States have lost the right to vote on 1 January 2006 because they have not respected these arrangements. Appendix II refers.
5. Armenia, Azerbaijan, Belarus, Cambodia, Georgia, Kazakhstan, Latvia, Liberia, Republic of Moldova, Paraguay, Poland, Togo, Ukraine and Viet Nam are permitted to vote under financial arrangements approved by the following sessions of the International Labour Conference: 93rd (2005) for Armenia, 95th (2006) for Azerbaijan, 86th (1998) for Belarus, 82nd (1995) for Cambodia, 93rd (2005) for Georgia, 88th (2000) for Kazakhstan, 87th (1999) for Latvia, 88th (2000) for Liberia, 93rd (2005) for Republic of Moldova, 92nd (2004) for Paraguay, 75th (1988) for Poland, 93rd (2005) for Togo, 88th (2000) for Ukraine and 81st (1994) for Viet Nam.
6. The former Socialist Federal Republic of Yugoslavia was deleted from the list of ILO member States on 24 November 2000.
7. Montenegro became a Member of the ILO on 14 July 2006. From 2007 onwards Serbia and Montenegro will be assessed separately.

Appendix II

Member States which are two years or more in arrears and which have lost the right to vote under paragraph 4 of article 13 of the Constitution ¹

State	Years partly or fully due
Antigua and Barbuda	1991-2005
Bolivia	2003-05
Cape Verde	1994-96+2005
Central African Republic	1995-2000+2004-05
Comoros	1980-2005
Democratic Republic of the Congo	1998-2000+2005
Djibouti	1995-96+1998-2005
Ecuatorial Guinea	2002-05
Gambia	1997-2005
Guinea-Bissau	1992-2001+2003-05
Iraq	1988-2005
Kyrgyzstan	1992-2005
Sao Tome and Principe	1992-2005
Sierra Leone	1985-2005
Solomon Islands	1999-2005
Somalia	1988-2005
Tajikistan	1994-2005
Turkmenistan	1993-2005
Uzbekistan	1996-2005

¹ Excluding those member States which were two years or more in arrears but which had regained the right to vote because of financial arrangements approved by various sessions of the International Labour Conference.