

**FOR INFORMATION**

FIRST ITEM ON THE AGENDA

Programme and Budget for 2006–07**(a) Position of accounts as at
31 December 2006***Contents*

	<i>Page</i>
Financial results for 2006.....	1
Working Capital Fund and Income Adjustment Account	1
Position in relation to paragraph 4 of article 13 of the Constitution	1
Financial arrangements for the payment of contributions	2

Tables

1. Regular budget income and expenditure for 2006.....	3
2. Status of regular budget expenditure for 2006.....	4
3. Additional 2006–07 expenditure items approved by the Governing Body	5
4. Assessed contributions of member States and amounts due by States for prior periods of membership in the ILO – Summary.....	6
5. Assessed contributions of member States and amounts due by States for prior periods of membership in the ILO – Details.....	7
6. Working Capital Fund and Income Adjustment Account.....	11

Financial results for 2006

1. At its 93rd Session (June 2005), the International Labour Conference approved an expenditure budget for the 2006–07 financial period amounting to US\$594,310,000 and an income budget for the period for the same amount, which at the budget rate of exchange for the period of 1.25 Swiss francs to the US dollar resulted in an income budget of 742,887,500 Swiss francs. This income budget was to be financed from assessed contributions from member States.
2. Contributions received in respect of the year to date and earlier biennia are accounted for as budgetary income in US dollars at the 2006–07 ILO budget rate of exchange, and Swiss franc-based 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.
3. Regular budget income and expenditure for 2006 is summarized in table 1.¹ Total budgetary income for 2006 was US\$309,931,200, of which US\$216,303,090 pertained to assessed contributions for 2006 and US\$93,628,110 to arrears of contributions from previous financial periods. The withdrawal made from the Working Capital Fund (34,350,670 Swiss francs) and internal borrowings (12,859,601 Swiss francs) to finance the 2004–05 deficit of 47,210,271 Swiss francs as at 31 December 2005 was fully reimbursed through the arrears of contributions received in January 2006.
4. Expenditure for 2006 amounted to US\$263,921,212; details of this expenditure are given in table 2. Additional expenditure items were approved by the Governing Body, information on which is provided in table 3.
5. Details of the position of member States' contributions at 31 December 2006 are given in tables 4 and 5.

Working Capital Fund and Income Adjustment Account

6. Analyses of the movements of the Working Capital Fund and the Income Adjustment Account, including the composition of miscellaneous income credited to the latter account, are provided in table 6.

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

7. Table 5 shows that, on 31 December 2006, the arrears of contributions of Antigua and Barbuda, Bolivia, Cape Verde, Central African Republic, Comoros, Democratic Republic of 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

¹ Income and expenditure for the first year of the biennium is reported on a cash basis.

vote in accordance with the provisions of paragraph 4 of article 13 of the Constitution of the Organization.

Financial arrangements for the payment of contributions

8. Armenia, Azerbaijan, Belarus, Cambodia, Georgia, Kazakhstan, Latvia, Liberia, the Republic of Moldova, Paraguay, Poland, Togo and Ukraine also had contributions which equalled or exceeded the amount of the contributions due from them for the past two full years, but were 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 at various sessions of the Conference (see footnotes to table 5). Viet Nam had also made financial arrangements pertaining to prior membership in the Organization. Following the settlement of all arrears by Viet Nam, the financial arrangement has been concluded.

Geneva, 19 February 2007.

Submitted for information.

Notes to table 5: Assessed contributions of member States and amounts due by States for prior periods of membership in the ILO

1. Assessed contributions for 2006

Represents contributions assessed with the approval of the 2006–07 budget.

2. Member States which, at 31 December 2006, have lost the right to vote under the provisions of paragraph 4 of article 13 of the Constitution

The arrears of contributions of these member States equal or exceed the amount of 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.

3. Financial arrangements: Viet Nam and Paraguay (prior membership of the ILO)

A financial arrangement was approved by the 81st Session (1994) of the International Labour Conference for the settlement of the amount of 182,960 Swiss francs due in respect of Viet Nam's previous membership in the ILO, payable over a period of 15 years in 14 equal annual instalments of 12,190 Swiss francs and a final instalment of 12,300 Swiss francs, beginning in 1993. Viet Nam has fully complied with the terms of the aforementioned financial arrangement which included the amount due for prior periods of membership in the ILO.

Paraguay in addition owes 245,066 Swiss francs in respect of contributions to the ILO and other League of Nations organizations for the period prior to 1939. The 45th Session (1961) of the ILC decided that these arrears should be cancelled, effective on the date that payment is made of all Paraguay's arrears of contributions due since the date when it rejoined the Organization.

4. Other financial arrangements

Member States listed in the following table have financial arrangements for the settlement of arrears of contributions.

	<i>Session of Conference at which financial arrangement was approved</i>
Armenia	93rd (2005)
Azerbaijan	95th(2006)
Belarus	86th (1998)
Cambodia	82nd (1995)
Georgia	93rd (2005)
Kazakhstan	88th (2000)
Latvia	87th (1999)
Liberia	88th (2000)
Moldova, Republic of	93rd (2005)
Paraguay	92nd (2004)
Poland	75th (1988)
Togo	93rd (2005)
Ukraine	88th (2000)

5. The former Socialist Federal Republic of Yugoslavia was deleted from the list of ILO member States on 24 November 2000.

6. Montenegro, which had formed part of the former Serbia and Montenegro, became a member of the ILO on 14 July 2006. The membership of the former Serbia and Montenegro is continued by Serbia. Rates of assessment for the two member States will be adopted by the ILC in June 2007 (ref. GB.298/PFA/GMA/1/1).

