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**Annex 5 to the 2016 Director's report :
Financial performance report for 2016**

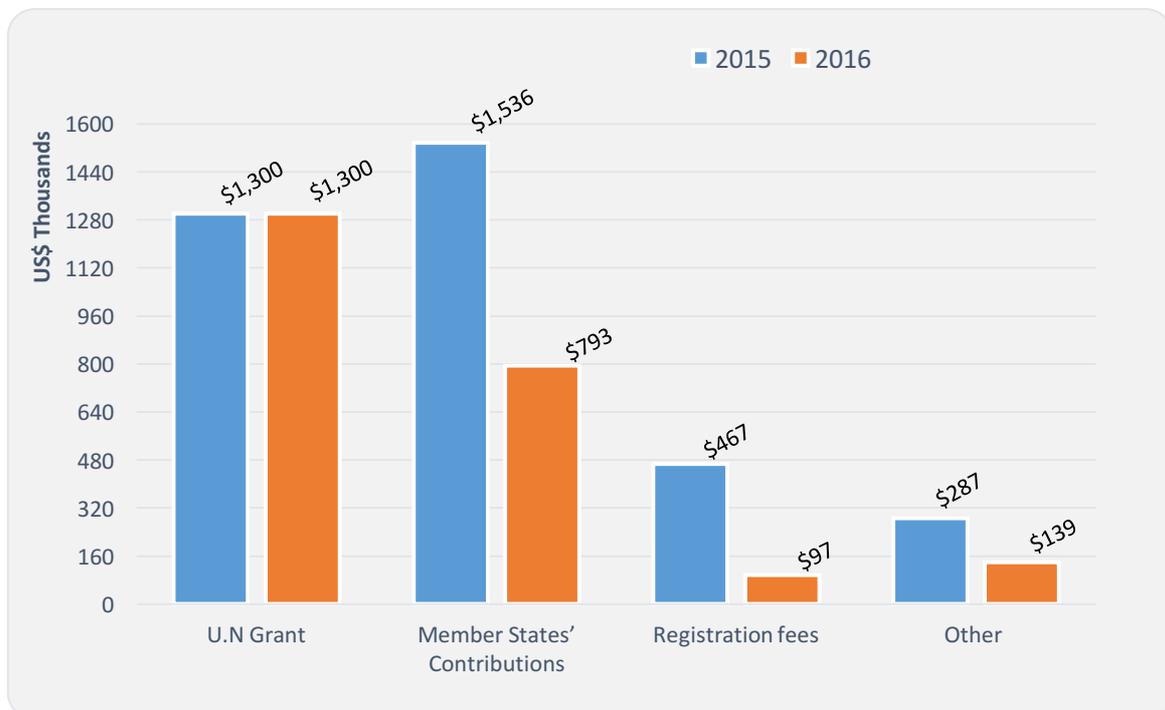
IDEP/GC55/2017/6.5

A. REGULAR BUDGET PERFORMANCE

INCOME

1. The information presented in this section is based on the draft 2016 audited financial statements.
2. For all purposes and intents, in IDEP's case, regular budget (RB) incorporates the UN Grant, Member States Contributions, and all other internally generated resources. Extrabudgetary resources (XB) refers to other donor funds which are restricted.
3. Figure 1 below presents a breakdown and sources of the total of RB funds that were raised in years 2015 and 2016 (\$3,590,389 and \$2,328,718 respectively). As expected, the UN Grant, a guaranteed funding source, has remained stable over the two years whilst changes have been reflected across all other sources of RB funds. 2016 registration fees income dropped by 79%, whilst all other income dropped by 52% compared to 2015. Whilst these may seem like significant drops, it is worth noting that they are income sources subject to variations in their nature. In general, IDEP recovers participant registration-fees, referred to as tuition, and overheads from all courses that are externally funded, including by ECA divisions. These funds go towards maintenance of the training premises and covering staff costs. A significant number of courses were externally funded in 2015 compared to 2016.
4. A separate analysis is provided for Member States contributions.

Figure 1: Regular Budget Sources (2015 & 2016)



5. The RB Income generated fell short of the 2016 allotment of US\$3,501,100 by 37%, further exposing the inherent risk of generating revenue from XB sources and emphasising the impact of low XB levels to the recently expanded programme.

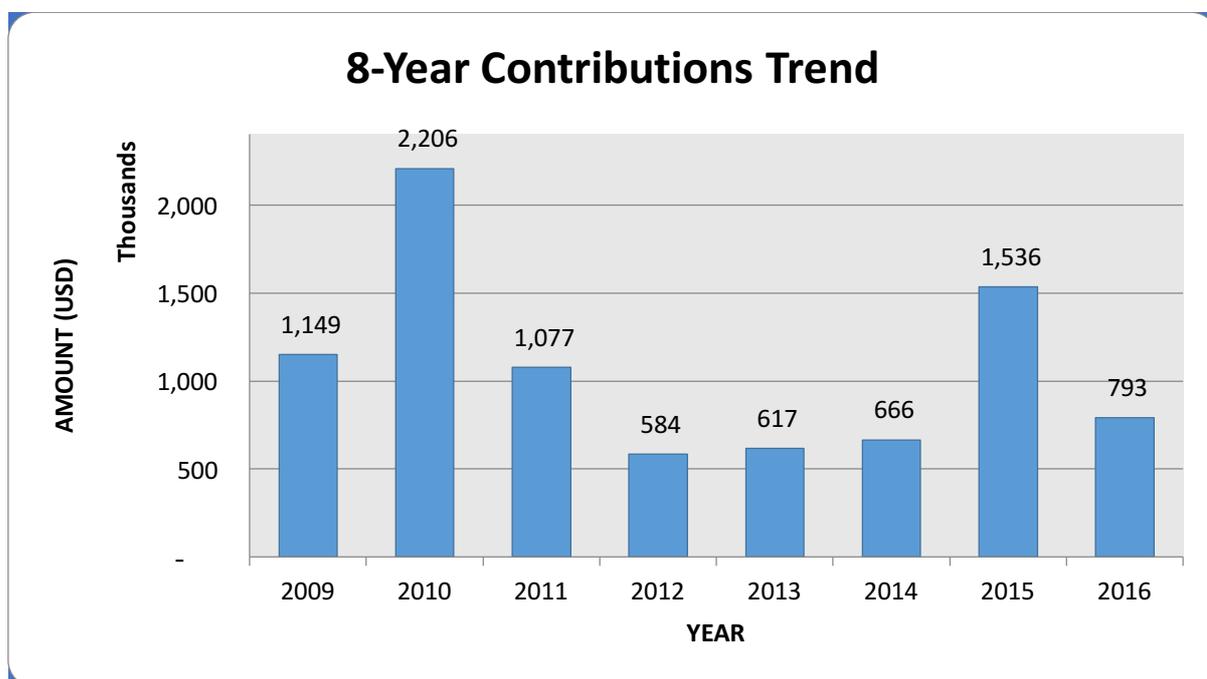
MEMBER STATES' CONTRIBUTIONS

6. In total for 2016, twelve Member States contributed a total of \$793,105. Analysed further, the component of this total contribution that is the 2016 assessed annual contribution made up 39% of the total contributions received, whilst arrears and prepayments made up 41% and 20% respectively (see table 1 below).
7. Noticeably, the received assessed annual contributions for 2016 (\$309K) represented 23% (30% in 2015) of the planned assessed annual contribution sum of \$1,358,000 (see table 2 and annex 1). This is still worth revisiting at the 2017 Conference of Finance, Planning and Economic Development Ministers as the target should be that Member States contribute annually and in full.
8. As at 31st December 2016, seven countries had fully paid their contributions whilst a few amongst them (Angola, Congo, Cote d'Ivoire, and Kenya) were ahead in their contributions (see annex 1). IDEP recognised and extends its deepest appreciation to all the twelve countries that contributed in 2016 (see table 1 below for list of countries).

Table 1: Breakdown of contributions received in 2016

ANALYSIS OF 2016 CONTRIBUTIONS					
U.N. AFRICAN INSTITUTE FOR ECONOMIC DEVELOPEMENT AND PLANNING					
As at 31 December 2016					
Countries	Assessed Annual Contribution	Amount Paid in 2016 US\$			Total Amount Paid in 2016 US\$
		Annual Contribution	Arrears Paid	Advance Payment	
Cote D'Ivoire	32,000	32,000	30,364	72,362	134,726
Equatorial Guinea	10,000	20,000			20,000
Kenya	32,000	8,300		87,700	96,000
Lesotho	15,000	15,000	15,000		30,000
Madagascar	20,000	20,000	20,803		40,803
Mali	15,000	15,000	394		15,394
Morocco	32,000	32,000	86,589		118,589
Namibia	24,000	24,000	24,000		48,000
Senegal	24,000	24,000	54		24,054
South Africa	80,000	80,000			80,000
Togo	15,000	15,000	60,000		75,000
Uganda	24,000	24,000	86,538		110,538
TOTAL:	323,000	309,300	323,743	160,062	793,105

Figure 2: Eight-year trend in total received assessed contributions



9. According to figure 2 above, over an eight-year span, only years 2010 and 2015 attained contributions that surpassed the total assessed annual contributions (\$1,358,000), whilst some the rest of the years attained just over 50% of the total assessed annual contributions.

Table 2: Nine-year trend in the breakdown of received contributions

Category	2008	2009	2010	2011	2012	2013	2014	2015	2016
Annual Contribution	491,819	449,000	560,928	457,401	288,208	393,000	438,362	411,956	309,300
Arrears		700,318	1,645,413	363,158	233,950	211,148	157,739	1,024,296	323,743
Prepayment			-	256,341	61,969	13,218	69,418	100,127	160,062
	91,819	1,149,318	2,206,341	1,076,900	584,127	617,366	665,519	1,536,380	793,105

10. Despite the staggering trend, table 2 above shows that countries are making efforts to pay outstanding arrears to IDEP. This commitment should be encouraged at every possible opportunity. Despite the 2016 dip, up to \$1 million was received by IDEP as arrears in 2015 alone. 2016 efforts have led to the resumption of payments by Morocco, whilst Sudan is

preparing to make a payment. IDEP is open to negotiating various means of payment including delivering activities in countries at their full cost deductible from arrears.

Table 3: Contribution history

Countries with no Contribution Arrears	Paid between 50%-100% of Assessed Contribution	Paid less than 50% of their contributions	Never Paid Assessed Contributions
Angola	Benin	Burundi	Algeria
Congo	Burkina Faso	Chad	Botswana
Cote d'Ivoire	Cameroon	Ethiopia	Central African R.
Kenya	Equatorial Guinea	Gabon	Cape-Verde
Lesotho	Ghana	Gambia	Comoro
Namibia	Egypt	Guinea	Djibouti
Senegal	Madagascar	Guinea Bissau	D.R. Congo
	Malawi	Liberia	Eritrea
	Mali	Libyan Arab Jamahiriya	Mauritius
	Nigeria	Morocco	Somalia
	Seychelles	Mozambique	Sudan
	Sierra Leone	Mauritania	
	Swaziland	Niger	
	Tanzania	Rwanda	
	Togo	Sao Tome & Principe	
	Tunisia	South Africa	
	Uganda	Zimbabwe	
	Zambia		

- At the Secretariat level, efforts are still on-going to increase the contribution rate, inclusive of which are: annual invoices to Member States followed by reminder letters, both from the Chairperson of the Council; follow up during country visits by the Director of IDEP; visits to commissions and embassies; and reminders to senior officials from respective member states attending IDEP trainings and workshops. (See annex 1 for a full analysis of the 2016 contributions received).

EXPENDITURE

- Expenditures charged to the regular budget in 2016 amounted to **US\$2,766,874**, exceeding the revenue by 19%, and representing a budget implementation rate of 80% against the allotted budget of **US\$3,501,100**. Programmatic implementation though was 95%. This

accomplishment required the tapping into reserves to finance the cash deficit amongst a range of cost reduction strategies.

13. According to the financial summary in Table 4, the Surplus Account Balance was subsequently increased by **US\$495 134**, through a net positive combination of RB and XB deficits, thus growing the total reserves by 17% (2015: 33%) to US\$3 427 439. XB reserves are restricted in nature.

Table 4: 2016 Financial Summary (USD \$)

DESCRIPTION	RB US\$	XB US\$	Total (RB+XB) US\$
Opening Surplus	3,005,502	(73,197)	2,932,305
Total Income Generated	2,328,718	2,396,924	4,725,642
Total Expenses	2,806,643	1,423,865	4,230,508
2016 Surplus	(477,925)	973,059	495,134
2016 YE Surplus	2,527,577	899,862	3,427,439

B. EXTRA-BUDGET PERFORMANCE

14. The extra-budgetary resources mobilized in 2016 amounted to US\$2,396,924 reflecting a 4% increase on 2015 (\$2,297,633). 94% of this amount was support from the ECA in line with resolution 942(XLIX) of the ECA.
15. Against a XB allotment of US\$3,060,000 for 2016 however, this revenue represents a 78% achievement in XB resource mobilisation. It is expected that the resource mobilisation strategy under preparation and related efforts underway shall provide the means to achieving a 100% mobilisation rate to ensure the programme is fully funded year-on-year.
16. Total expenses charged to XB resources in the year amounted to US\$1,423,865, a funds utilisation of 60%, compared to 117% in 2015. The remaining XB funds at 31st December 2016 are restricted to specific activities (see schedule 7 of the financial statements) whose planning commenced in 2016 whilst delivery is previewed for 2017 including fellowships.

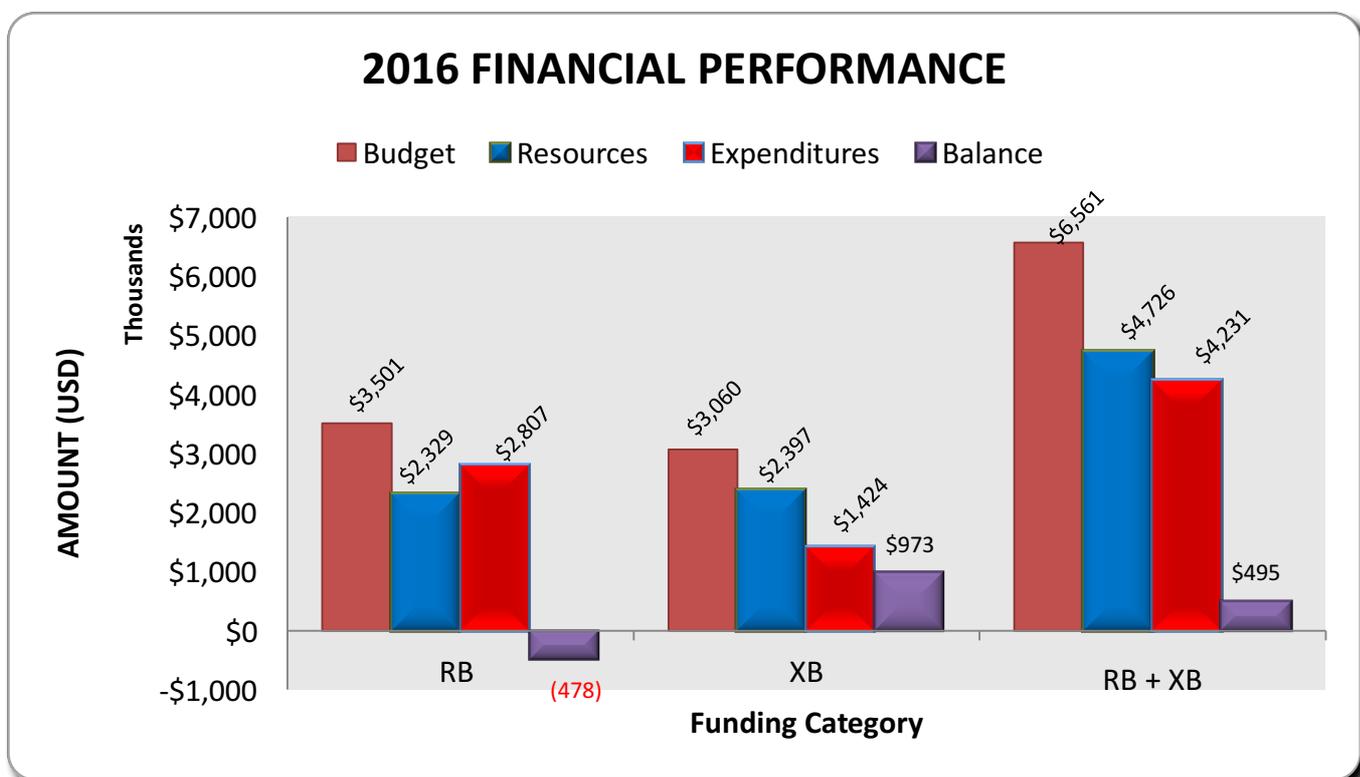
Table 5: Schedule of available XB funds

PROJECT	2015 Cummulative Balance	Year 2016				
		Commitments US\$	Income US\$	Expenditure US\$	2016 Balance US\$	2016 Cumulative Balance US\$
ECA-82XXXX	(49,232)	300,000	1,942,174	1,403,882	838,291	789,059
BADEA	26,219					26,219
UNWOMEN-74771	76,690					76,690
OSIWA-74781	11,834					11,834
FORD FOUNDATION-74769 (3)	(147,115)		150,000	2,885	147,115	0
UNWOMEN-74771	8,407			8,407	(8,407)	0
UN- DESA			4,750	8,690	(3,940)	(3,940)
Total XB	(73,197)	300,000	2,096,924	1,423,865	973,059	899,862

2016 SUMMARY FINANCIAL PERFORMANCE (US DOLLARS)

17. As per Figure 3 below, financial performance figures show a more than 100% aggregated absorption rate for the year 2016.

Figure 3: Aggregated 2016 Income and Expenditure



18. In conclusion, despite mobilising 72% of the budgeted resources for 2016, IDEP attained almost 100% for programme implementation using a combination of strategies including cost-sharing partnerships for delivering some courses, decentralisation, and cost control measures. These strategies are to be continued coupled with strong resource mobilisation. In addition and as demonstrated by the 168 participants that attended two e-learning courses at the full direct cost of \$70,000 compared to \$110,000 for 25 participants for each two-week residential course, the launch of e-learning courses will contribute to the drastic reduction in the cost per course and lead to a re-organisation of on-site courses which are comparatively expensive from a logistics point of view.

ANNEX 1: SUMMARY STATUS OF 2016 CONTRIBUTIONS

No	Countries	Annual Assessed Contribution K US\$	Grand Total Assessed Contribution K US\$	Total prior payments US\$	Amounts paid in 2016			Total Amount Paid in 2016 US\$	Grand Total Amount Paid US\$	Arrears US\$
					Annual Contribution Paid in 2016 US\$	Arrears Paid in 2016 US\$	Prepayments 2016 US\$			
1	ALGERIA	80,000	2,160,000	-				-	-	2,160,000
2	ANGOLA	32,000	864,000	896,000				-	896,000	(32,000)
3	BENIN	15,000	405,000	318,781				-	318,781	86,219
4	BOTSWANA	24,000	648,000	-				-	-	648,000
5	BURKINA FASO	15,000	405,000	390,000				-	390,000	15,000
6	BURUNDI	15,000	405,000	60,000				-	60,000	345,000
7	CAMEROON	24,000	648,000	603,065				-	603,065	44,935
8	CAPE VERDE	10,000	270,000	-				-	-	270,000
9	CENTRAL AFRICAN REP.	15,000	405,000	-				-	-	405,000
10	CHAD	15,000	405,000	88,851				-	88,851	316,149
11	COMOROS	10,000	270,000	-				-	-	270,000
12	CONGO	15,000	405,000	455,869				-	455,869	(50,869)
13	RD CONGO	32,000	864,000	-				-	-	864,000
14	COTE D'IVOIRE	32,000	864,000	802,571				-	802,571	61,429
15	DJIBOUTI	15,000	405,000	-				-	-	405,000
16	EGYPT	80,000	2,160,000	2,080,000	32,000	30,364	72,362	134,726	2,214,726	(54,726)
17	ERITREA**	15,000	330,000	-				-	-	330,000
18	ETHIOPIA	32,000	864,000	40,580				-	40,580	823,420
19	EQUATORIAL GUINEA	10,000	270,000	240,000	20,000			20,000	260,000	10,000
20	GABON	20,000	540,000	40,000				-	40,000	500,000

No	Countries	Annual Assessed Contribution K US\$	Grand Total Assessed Contribution K US\$	Total prior payments US\$	Amounts paid in 2016			Total Amount paid in 2016 US\$	Grand Total Amount paid US\$	Arrears US\$
					Annual Contribution paid in 2016 US\$	Arrears paid in 2016 US\$	Prepayments 2016 US\$			
21	GAMBIA	10,000	270,000	108,499				-	108,499	161,501
22	GHANA	32,000	864,000	796,970				-	796,970	67,030
23	GUINEA BISSAU	10,000	270,000	30,000				-	30,000	240,000
24	GUINEA	20,000	540,000	40,000				-	40,000	500,000
25	KENYA	32,000	864,000	855,700	8,300		87,700	96,000	951,700	(87,700)
26	LESOTHO	15,000	405,000	375,000	15,000	15,000		30,000	405,000	0
27	LIBERIA	15,000	405,000	30,000				-	30,000	375,000
28	LIBYA	80,000	2,160,000	832,326				-	832,326	1,327,674
29	MADAGASCAR	20,000	540,000	412,441	20,000	20,803		40,803	453,244	86,756
30	MALAWI	15,000	405,000	377,744				-	377,744	27,256
31	MALI	15,000	405,000	336,025	15,000	394		15,394	351,419	53,581
32	MAURITANIA	10,000	270,000	10,000				-	10,000	260,000
33	MAURITIUS	15,000	405,000	-				-	-	405,000
34	MOROCCO	32,000	864,000	159,985	32,000	86,589		118,589	278,574	585,426
35	MOZAMBIQUE	32,000	864,000	340,943				-	340,943	523,057
36	NAMIBIA*	24,000	600,000	552,000	24,000	24,000		48,000	600,000	0
37	NIGER	15,000	405,000	9,975				-	9,975	395,025
38	NIGERIA	80,000	2,160,000	1,840,000				-	1,840,000	320,000
39	RWANDA	15,000	405,000	120,000				-	120,000	285,000
40	SAO TOME & PRINCIPE	10,000	270,000	10,000				-	10,000	260,000
41	SENEGAL	24,000	648,000	623,028	24,000	54		24,054	647,082	918

No	Countries	Annual Assessed Contribution K US\$	Grand Total Assessed Contribution K US\$	Total prior payments US\$	Amounts paid in 2016			Total Amount paid in 2016 US\$	Grand Total Amount paid US\$	Arrears US\$
					Annual Contribution paid in 2016 US\$	Arrears paid in 2016 US\$	Prepayments 2016 US\$			
42	SEYCHELLES	10,000	270,000	240,000				-	240,000	30,000
43	SIERRA LEONE	20,000	540,000	520,000				-	520,000	20,000
44	SOMALIA	10,000	270,000	-				-	-	270,000
45	SOUTH AFRICA**	80,000	1,760,000	240,000	80,000			80,000	320,000	1,440,000
46	SUDAN	32,000	864,000	-				-	-	864,000
47	SWAZILAND	20,000	540,000	520,000				-	520,000	20,000
48	TANZANIA	24,000	648,000	602,846				-	602,846	45,154
49	TOGO	15,000	405,000	227,808	15,000	60,000		75,000	302,808	102,192
50	TUNISIA	24,000	648,000	348,168				-	348,168	299,832
51	UGANDA	24,000	648,000	513,462	24,000	86,538		110,538	624,000	24,000
52	ZAMBIA	32,000	864,000	742,174				-	742,174	121,826
53	ZIMBABWE	40,000	1,080,000	174,925				-	174,925	905,075
	TOTAL:	1,358,000	36,143,000	18,005,736	309,300	323,743	160,062	793,105	18,798,841	17,344,159