



United Nations  
Educational, Scientific and  
Cultural Organization

Organisation  
des Nations Unies  
pour l'éducation,  
la science et la culture

Organización  
de las Naciones Unidas  
para la Educación,  
la Ciencia y la Cultura

Организация  
Объединенных Наций по  
вопросам образования,  
науки и культуры

منظمة الأمم المتحدة  
للتربية والعلم والثقافة

联合国教育、  
科学及文化组织

## Report by the Director-General on the execution of the programme (34 C/5) (01 January 2008 - 30 June 2009)

### **Budget preparation and monitoring**

## Part II.C – Programme-related services

### Paragraph 10503

### Chapter 5 – Budget preparation and monitoring

Regular budget: Activities (rounded to \$ thousand)

Planned: \$748

Actual: \$693

34 C/5 Expected Results	Achievement(s)	Challenges/ Lessons Learnt	Cost- Effectiveness	Sustainability
<p>Draft Programme and Budget for 2010-2011 (35 C/5) prepared on the basis of the principles of transparency, efficiency and rationalization;</p>	<ul style="list-style-type: none"> <li>Based on the recommendations of the Executive Board, the priorities outlined by the Director-General, the contributions received from Sectors/Bureaux and Field Offices, and the technical estimates prepared by BB, the draft Programme and Budget for 2010-2011 was prepared and presented at the 181st session of the Executive Board and a revision was also prepared in time for its 182nd session.</li> </ul>	<ul style="list-style-type: none"> <li>The major challenge during the preparation of the C/5 has been to comply with very short deadlines and to coordinate the timely reception of all Sectors/Bureaux contributions.</li> </ul>	<p>Taking into account that BB is a rather small team, the Bureau has made all efforts in order to streamline its work and organize it well in advance to cope with the time and resource constraints so as to prepare the Programme and Budget for 2010-2011 in the most cost-effective manner.</p>	<p>N/A</p>
<p>Programme and Budget for 2008-2009 (34 C/5) administered, managed and monitored, including information with regard to the cost-efficient use of human and financial resources in the areas of travel, publications and contractual services, following the principles of transparency, efficiency and rationalization;</p>	<ul style="list-style-type: none"> <li>During the first 18 months of the biennium BB has managed the budget by authorizing and making budget allotments, processing requests for reprogramming, ensuring that budget appropriations are respected, identifying budgetary risks and opportunities, proposing budgetary solutions to the Director-General and senior management and providing regular and ad hoc reports as needed to Sector/Bureaux, and to the Committee of Budget and Finance, the College of ADGs and the DIGE.</li> <li>BB has implemented a monitoring and control framework for staff travel, issuing monthly monitoring reports and regular communication on preventive/corrective measures to increase staff awareness on staff travel. Sectors/Bureaux rationalized and reduced significantly travel costs of their staff, in line with the request from the Director-General to reduce by 10% the level of staff travel in 2008-2009 as compared with the 34 C/5 envelope. At end June 2009, the level of staff travel for the Organization is below the target given by the Director-General i.e. 68% of the target ceiling (prorata temporis would be of 75%).</li> </ul>	<ul style="list-style-type: none"> <li>The major challenge associated with this expected result is to ensure a smooth and regular communication with Sectors/Bureaux in order to obtain relevant and timely information on budgetary matters.</li> <li>This information is very useful, as it allows BB to provide more detailed monitoring reports to top management and to the Sectors/Bureaux, which in turn helps to enhance the cost-efficient use of the Organization's resources.</li> <li>The positive results of the monitoring of staff travel lies on a clear accountability of each sector/bureau on the staff travel ceiling, along with regular information from BB and from the management within Sectors/Bureaux to increase staff awareness on the staff travel issue.</li> </ul>	<p>Given its limited staff structure, BB has had to make consistent efforts to organize and streamline its activities in order to achieve its expected results and in this regard, many of its activities have become very cost effective.</p> <p>With regard to travel monitoring, the reports were produced centrally by BB on the basis of the detailed staff travel ceilings estimated by Sectors/Bureaux and the staff travel expenditure from FABS. It is a time-consuming operation for BB in terms of coordination of all Sectors/Bureaux and of preparation of the reports themselves. In the future, an automated IT solution could be explored for the reporting part of the task.</p>	<p>N/A</p>
<p>Budget implementation (regular programme and extrabudgetary funds) regularly monitored and reported on to appropriate oversight bodies (internal and Member States);</p>	<ul style="list-style-type: none"> <li>Detailed reports have been prepared by BB in order to regularly monitor the implementation of the Programme and Budget for 2008-2009 (34 C/5), e.g.: <ul style="list-style-type: none"> <li>Member States are informed of the execution of the budget (regular programme and extrabudgetary projects) through the "Management Chart for</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>The challenge for BB in monitoring budget implementation for reporting to appropriate oversight bodies consists in obtaining the relevant information, in a timely manner from Sectors/Bureaux.</li> <li>The monitoring of budget of sectors/bureaux</li> </ul>	<p>Given its limited staff structure, BB has had to make consistent efforts to organize and streamline its activities in order to achieve its expected results and in this regard, many of its activities have become very cost effective.</p>	<p>N/A</p>

34 C/5 Expected Results	Achievement(s)	Challenges/ Lessons Learnt	Cost- Effectiveness	Sustainability
	<p>Programme Execution in 2008-2009" contained in documents 180 EX/4 Part II (status as at 30/06/08), 181 EX/4 Part II (status as at 31/12/08) and 182 EX/4 Part II (status as at 30/06/2009).</p> <ul style="list-style-type: none"> <li>- Quarterly Monitoring Reports (which include RP, extrabudgetary and staff information) are provided to Sector ADGs, Field Office Directors and the Committee of Budget and Finance (CBF) for more periodic reporting.</li> <li>- The Status reports on the execution of extrabudgetary financed activities are also provided annually to the DG, DDG, ADGs, Directors of Field offices and HQ divisions and Permanent Delegations.</li> <li>- Ad hoc reports (e.g. on the budget execution and established posts) are also provided to senior management upon request.</li> </ul>	<p>is to be associated with periodic and repeated alerting systems in order to ensure timely and cost-effective implementation of regular budget activities and extrabudgetary projects.</p>		
<p>Financial and budgetary guidance provided and participation in all matters and projects having a budgetary impact for the Organization ensured;</p>	<ul style="list-style-type: none"> <li>• BB provides financial and budgetary guidance on all matters having budgetary impacts for UNESCO at the corporate level (i.e. to senior management), at the programme level (i.e. to Sectors/bureaux) and within the UN system.</li> </ul> <p>For example:</p> <ul style="list-style-type: none"> <li>• BB has actively participated in a number of projects within the framework of UNESCO's reform process, including IPSAS, STEPS, FABS roll-out and SISTER.</li> <li>• Also, BB has been very active in providing guidance within the framework of "Delivering as One", both at UNESCO and within the UN System. Notably, BB has provided advice and has assisted Sectors/Bureaux in joint programming with other UN Organizations.</li> <li>• BB has also prepared and widely disseminated the Guidelines on Budgetary Aspects of Extrabudgetary Projects in English, French and Spanish.</li> <li>• In March 2009, guidance and advice have been provided to the Brasilia Office on current UBO management issues: budget, exchange rate and the cost recovery policy.</li> </ul>	<ul style="list-style-type: none"> <li>• One of the main challenges for BB has been to ensure an adequate representation in the numerous meetings and working groups within UNESCO and in the UN system which address issues that have financial and budgetary implications for the Organization (e.g. the numerous projects for UNESCO's reform, and the Harmonization efforts in the UN system).</li> <li>• The projects cited are being implemented at the same time, and require recourse to the same limited bureau staff resources. In addition, as from end-March 2009, the responsibility for the management of the SISTER2 project has been transferred to BB and BSP.</li> <li>• Consequently, BB has had to carefully streamline and organize its internal work e.g. by: <ul style="list-style-type: none"> <li>- anticipating the issues with budgetary implications that may arise within the reform process,</li> <li>- enhancing the monitoring of risks and opportunities within the Organization, and</li> <li>- requesting Sectors/Bureaux to provide advanced agendas of their projects inscribed in the Reform process</li> </ul> </li> </ul>	<p>Because of the limited number of staff within BB, th Bureau has had to make significant efforts to prioritize and streamline its activities so as to achieve its expected results leading to cost effective activities.</p>	<p>N/A</p>

34 C/5 Expected Results	Achievement(s)	Challenges/ Lessons Learnt	Cost- Effectiveness	Sustainability
<p>Administrative officers, young professionals and other staff trained on budget management issues;</p>	<ul style="list-style-type: none"> <li>• BB has participated in a number of training sessions organized at Headquarters and in the field in order to provide training on budgetary matters concerning the Regular Programme and extrabudgetary activities. Participants at these training sessions include Directors, AOs and project managers.</li> <li>• In 2009, BB has provided trainings in the following offices: Montevideo, Santiago, Brasilia (March 2009), Maputo (May 2009), Addis Ababa (June 2009)</li> <li>• BB is currently preparing comprehensive information and training materials for AOs, Directors and Member States which will provide detailed information on budgetary matters including budget cycle, budget preparation, budget implementation, budget control, etc.</li> <li>• In 2009, training sessions on the cost recovery policy have been held in three field offices in Latin America (Montevideo, Santiago and Brasilia), in Addis Ababa, in Bangkok and a training is to take place in New Delhi in August 2009.</li> </ul>	<ul style="list-style-type: none"> <li>• Taking into account current budget constraints and the wide dissemination of the cost recovery policy, the need for training on budget management issues has become increasingly important both at Headquarters and in the field. Therefore, given its limited staffing, one of the main challenges for BB has been to be able to cater to the increasing training demands without neglecting its other responsibilities and functions.</li> </ul>	<p>BB has been highly involved in developing its staff capacity through internal training and staff rotation, so that the majority of BB's staff is able to provide training or advice on standard procedures and policies. BB has also made efforts to develop training material for the majority of its functions, and such material will be made available online for a wider and cost effective distribution.</p>	
<p>Follow-up of harmonization of United Nations policies, including on cost recovery, and their financial and budgetary impact ensured;</p>	<ul style="list-style-type: none"> <li>• BB is actively involved in the Finance and Budget Network of the HLCM, and also participates in the meetings of the High-Level Committee on Management (HLCM) of the Chief Executives Board (CEB).</li> <li>• With regards to the harmonization of Cost Recovery Policies for which BB chairs a Working Group (WG) since June 2007, BB has coordinated the work of the two consultants hired to conduct the UNDG-HLCM joint study initiated in September 2008.</li> <li>• The first report, based on consultations with all the UN agencies involved and on fact-finding missions held by the consultants in the field (India, Vietnam, Tanzania), was issued in May 2009. In order to conclude on the study and propose a final report to the WG, the draft report was distributed to a small task force for comments. The Working Group will then convene a meeting at the end of September to review the report and decide on the way forward.</li> <li>• BB has pursued its work on the practical implementation of UNESCO's cost recovery policy. The Guidelines on the Budgetary Aspects of Extrabudgetary Projects have been widely distributed and IT tools are currently being designed to help programme specialists in this effort.</li> </ul>	<ul style="list-style-type: none"> <li>• With regard to cost recovery policies, different funding modalities, structural differences and diverse corporate cultures among participating agencies have proved challenging to proceed with an overall harmonization. As such, the recommendations proposed in the report so far did not bring any new element to allow the agencies to move forward.</li> <li>• Other challenges are also experienced when trying to implement UN harmonized decisions within UNESCO, particularly when those decisions require a significant change in the Organization's culture. Such a change demands a considerable amount of time and effort. Therefore, harmonization efforts in the UN system which require a cultural shift often have to be complemented with continuous dialogue and preparation internally before the decisions are taken within the UN system. This allows for a smoother implementation of decisions at a later stage.</li> </ul>	<p>The study took longer than originally anticipated due to the complexity of the activity (inception visits to all ten participating agencies, to two 'One-UN' pilot offices and one other country office) and therefore the results were delayed. However, it is difficult to envisage a more efficient procedure for this type of activity due to the intricacy of the principle, the number of agencies involved and the above mentioned challenges encountered taking into account the limited financial investment.</p>	<p>The objective of the study is to help UN agencies charge their costs directly to MDTF financed projects in accordance with the Triennial Comprehensive Policy Review of operational activities of the UN development system (TCPR) full cost recovery principles.</p>

34 C/5 Expected Results	Achievement(s)	Challenges/ Lessons Learnt	Cost- Effectiveness	Sustainability
<p>Active participation in projects such as International Public Sector Accounting Standards (IPSAS) implementation, as well as in development of administrative and managerial tools ensured;</p>	<ul style="list-style-type: none"> <li>• BB actively participates in the IPSAS implementation project at UNESCO as a member of the IPSAS Steering Committee and the Project Management Team. BB has participated in the Gap Management Team on expenditure recognition as a regular member, and in other teams when required. However, BB's participation was limited to the meetings to which the Bureau was convened by the leader of the project.</li> <li>• BB actively participates in these teams to provide upfront solutions and clarification on any issues which may have an impact on the budget or the budget management.</li> <li>• Additionally, BB has been very active within the HLCM Finance and Budget Network regarding the interpretation, within the UN System, of the impact of IPSAS on budget management.</li> <li>• BB contributed to the drafting of amendments to the Financial Regulations needed to present IPSAS-compliant financial statements, as requested by the Executive Board at its 180th session. These amendments will be presented to the General Conference for adoption at its 35th session.</li> </ul>	<ul style="list-style-type: none"> <li>• The main challenge for BB has been to anticipate all the possible impacts that IPSAS implementation could have on the management of the budget. UNESCO, like many other International Agencies, (e.g. WHO, EU, FAO etc) has so far adopted the policy whereby IPSAS would be adopted for accounting purposes (i.e. a move to accrual accounting) while the budget management would remain on a cash basis.</li> <li>• BB's participation in the IPSAS implementation project at UNESCO and its involvement in the UN system does provide invaluable information in this regard. However, this task remains considerably challenging, due to the fact that UNESCO like some other UN organizations are still in the phase of preparing to launch IPSAS and therefore all of the financial and account implications for the Organization may not yet be known.</li> </ul>	<p>In the 34 C/5, primary emphasis has been placed on ensuring that accounting practices which fall under the responsibility of BOC will be IPSAS-compliant as of January 2010.</p> <p>BB has not foreseen or requested any additional funds for its involvement in the IPSAS project, and as a result BB has used its own appropriation resources (e.g. staff time etc) for these activities, making its efforts to the achievement of this result very cost effective.</p>	