



Item 3 of the provisional agenda

**REVISED BUDGET ESTIMATES FOR 1998-1999
FOLLOWING 151 EX/DECISION 5.1 AND THE REJOINING OF
THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
AS A MEMBER STATE OF UNESCO WITH EFFECT FROM 1 JULY 1997**

OUTLINE

1. Having examined the Draft Programme and Budget for 1998-1999 (29 C/5) proposed by the Director-General, the Executive Board, at its 151st session, recommended to the General Conference a budget ceiling not exceeding **\$544,367,250** for the biennium 1998-1999; the Board also recommended that the General Conference examine different options within this limit.
2. The options presented in this document take into account the adjustment in the amount to be assessed on the membership for 1998-1999, as compared with the situation prior to the rejoining of the United Kingdom of Great Britain and Northern Ireland with effect from 1 July 1997.

I

**BUDGET CEILING
RECOMMENDED BY THE EXECUTIVE BOARD**

1. The preliminary technical estimates of budgetary requirements for 1998-1999 submitted by the Director-General in document 150 EX/5 amounted to **\$562,755,000**, reflecting zero growth in real terms. Having examined these preliminary proposals, the Executive Board recommended that the Director-General 'prepare a Draft Programme and Budget for 1998-1999 (29 C/5) of up to but not in any circumstances exceeding **\$544,367,250**' (i.e. exactly 5 per cent higher than the budget approved for 1996-1997). The Board also recommended that the inflation costs for 1996-1997 (recosting) and the estimated cost of inflation in 1998-1999 (Part VII of the budget - Anticipated Cost Increases) should be budgeted for within this amount and updated regularly until the eve of the General Conference, after careful examination of all data available (150 EX/Decision 5.1, October 1996).
2. The Draft Programme and Budget for 1998-1999 (29 C/5) was prepared in early 1997 taking into account the views expressed by the overwhelming majority of Member States to maintain zero growth in real terms and also the evolution of statutory increases in staff costs and the rise in the prices of goods and services during 1996-1997. While the 1998-1999 requirements were technically estimated at **\$567,780,000** to maintain zero real growth, a budget of **\$551,200,000** was proposed in document 29 C/5, in order to contain cost increases to the strict minimum and to bring down the budget to a level as close as feasible to that recommended by the Board, thus necessitating the absorption of **\$16,580,000** by economy and austerity measures during budgetary execution in 1998-1999 (\$8,680,000 under recosting for 1996-1997 and \$7,900,000 under Part VII - Anticipated Cost Increases for 1998-1999, by applying the principle of 'semi-full budgeting'). The details of these reductions are given in paragraphs 1804 and 1807 of the Technical Annex to document 29 C/5.
3. In 151 EX/Decision 5.1 (29 C/6), the Executive Board reiterated its earlier position and recommended that 'the General Conference approve a budget ceiling which under no circumstances exceeds \$544,367,250 for the biennium 1998-1999' and that 'the General Conference examine different options within this limit'. Moreover, the Executive Board invited the General Conference 'to include within the budget ceiling the expenses mentioned in paragraph 1804 of the Technical Annex' and also recommended that 'it provide within the 29 C/5 budget ceiling a budgetary line of \$8.7 million for inside and outside structural repairs (for safety reasons), and not for embellishments, and for the complete cabling of Headquarters; it being understood that this amount could nevertheless be revised subsequently, in the light of the Director-General's report on the progress of work' (29 C/6, para. 91). The adjustments effected to arrive at the figure of \$544,367,250 recommended by the Board, are summarized in paragraph 9 below and the detailed breakdown given in Annex II.A.
4. It should be borne in mind that the decision of the United Kingdom to rejoin UNESCO had not been anticipated either at the time of the preparation of the preliminary budgetary estimates and the Board's recommendation thereon of the budget ceiling of \$544,367,250, or during the process of elaboration of document 29 C/5. The Director-General considers that the Board's recommendation to the General Conference on document 29 C/5 should be seen in this light.

II

IMPLICATIONS OF THE REJOINING OF THE UNITED KINGDOM WITH EFFECT FROM 1 JULY 1997

Antecedents concerning the withdrawal of three Member States

5. It may be useful to recall the antecedents concerning the contributions of the three Member States that withdrew from the Organization:

- (i) **Budget reductions:** Following the withdrawal of the United States from the Organization effective 31 December 1984, and that of the United Kingdom and Singapore one year later, **the budget of the Organization for 1986-1987 was reduced** by the effective contribution that these states would have made during 1986-1987, **to ensure that any shortfall arising from the withdrawal would not result in any increase in the assessed contributions of any of the Member States remaining in the Organization** (4 X/EX/Decision 2.II.6 and 124 EX/Decision 4.2). After deducting the parts (29.9) relating to the three Member States which withdrew, the effective budget, representing 70.1 parts of the total scale of assessments for the 1986-1987 biennium, was apportioned among the remaining Member States.
- (ii) **Scale of assessment:** A scale of assessment that totalled 70.1 parts was adopted for 1988-1989 (24 C/Resolution 35.1), rather than the 100 per cent scales that had been adopted prior to the 1986-1987 biennium. At its twenty-fifth, twenty-sixth, twenty-seventh and twenty-eighth sessions, the General Conference followed a similar approach, which resulted in the adoption of scales of assessment that totalled around 70 parts in each biennium (69.63 parts per the 1997 scale of assessment). According to 28 C/Resolution 24.1 '... the UNESCO scales shall be established with the same minimum rate and the same maximum rate, all the other rates being adjusted to take into account the difference in membership between the two* organizations in order to derive a UNESCO scale of 100 per cent, after inclusion therein on a theoretical basis of the three States that have withdrawn ...'. The real purchasing power of the budget has not significantly varied in constant dollar terms since 1986-1987 despite nominal increases mainly due to inflation and currency fluctuation. Thus the ability of the Organization to implement programme activities equivalent to the real level prevailing prior to 1985 has never been restored. Neither has the method of apportionment of the budget to Member States varied since 1986-1987, which confirms that the shortfall arising from the withdrawal has never resulted in increases in the level of the contributions of the remaining Member States.

The new situation

6. The United Kingdom rejoined UNESCO with effect from 1 July 1997. The contribution of this Member State will thus reconstitute, partially, the resources for the Organization's activities, which were drastically reduced when the three Member States - United States, United Kingdom and Singapore - withdrew. **As indicated above, at that time, the remaining Member States did not increase their assessed contributions, but decided rather to reduce the budget of the Organization by an amount corresponding to the shortfall**

* The United Nations and UNESCO.

arising from the withdrawal of the three Member States. It follows, therefore, that the restitution of the resources for 1998-1999 upon the return of the United Kingdom to the Organization should be treated from the budgetary point of view under identical principles and criteria: that is, by the application of the same methodology used for calculation of the reduction of the budget for 1986-1987 in the reverse direction. This idea is embodied in the spirit of resolution 26.2 adopted by the General Conference at its twenty-seventh session where, in anticipation of the return of any of the states that withdrew from the Organization at the end of 1984 and the end of 1985, it is stated that ‘the Executive Board is authorized to examine proposals made by the Director-General concerning the use of contributions of new Member States that join the Organization after adoption of the scale of assessments at the twenty-seventh session of the General Conference up to the closure of the 147th session of the Executive Board, and to make recommendations to the General Conference at its twenty-eighth session, and to this effect the provisions of Article 5.2(c) of the Financial Regulations are hereby suspended until the opening of that session’.

7. In application of Article IX.2 of the Constitution and Financial Regulation 5.1, the United Kingdom will be reincorporated into the scale of assessments of the Organization that the General Conference will determine at its twenty-ninth session. Meanwhile, an estimate of the amount of the United Kingdom’s contribution for 1998-1999 has been made on the basis of the United Kingdom’s theoretical rate of 5.23 parts in the 1996-1997 scale. **Taking the budget ceiling recommended by the Executive Board at its 150th and 151st sessions, and using the same methodology used to reduce the budget for 1986-1987 in the reverse direction, the contribution of the United Kingdom for 1998-1999 would be \$40,730,400, resulting in a budget ceiling rounded off to \$585,097,600.**

III

BUDGET REVISION

A. Director-General’s proposal

8. In light of the above, the Director-General proposes a budget of **\$585,097,600** for 1998-1999 as follows:

	\$
Budget ceiling (maximum) recommended by the Executive Board	544,367,250
Contribution of the United Kingdom for 1998-1999 (cf. Annex I.A)	<u>40,730,400</u>
Total budget	<u>585,097,650</u>
	Rounded off to <u>585,097,600</u>

Under this scenario, the total to be assessed on Member States (other than the United Kingdom) would remain the same as for the maximum budget level of \$544,367,250 recommended by the Executive Board at its 151st session.

9. The revised budget of \$585,097,600 has been calculated step-by-step, as follows (detailed breakdown given in Annex II.A):

	Proposed budget level \$
(i) Adjustment of 29 C/5 proposals to take into account the <u>identifiable cost increases</u> which were not provided for (paragraph 1804 of the Technical Annex to 29 C/5 and paragraph 91 of 29 C/6):	
29 C/5 proposals	551,200,000
	\$
→ Staff costs (increase in the net remuneration of Professional staff in Paris, based on the new post adjustment index established by the International Civil Service Commission (ICSC) and within-grade increments based on an average of one-half step)	3,777,600
(The amount of \$5,472,100 originally estimated, has been reduced to \$3,777,600 due to a reduction in the post adjustment index following a change in the post adjustment methodology for Headquarters duty stations.)	
→ Goods and services (cost increases not provided for, relating to supplies and equipment, general operating expenses, contractual services, etc.)	<u>2,882,900</u>
(The increase of \$325,000 relating to consultants' remuneration has not been included, as this will have to be postponed taking into account budgetary constraints.)	
	<u>6,660,500</u>
Total (i) - Budget level including identifiable cost increases	557,860,500*
(ii) Proposed <u>reductions</u> to bring down the budget level to \$544,367,250, as recommended by the Executive Board in document 29 C/6:	
→ Activities (Part II.A)	9,200,000
(In view of the severe budget reductions that have already been effected under general administrative and support services, these reductions correspond to the cancellation of a major part of the programme reinforcements proposed in Part II.A of document 29 C/5, with the exception of the \$1,000,000 under the Participation Programme.)	

* It may be noted that:

- (a) The sum of \$7,900,000 representing anticipated cost increases during the second year of the biennium, which were not provided for in Part VII of document 29 C/5, remains to be absorbed by economies during programme execution. The total budget at the **zero real growth level** would thus be \$565,760,500 before consideration of the United Kingdom's contribution.
- (b) No amounts over the existing provisions in document 29 C/5 have been added for structural repairs to the Headquarters building - this is clarified in document 29 C/56.

	\$	Proposed budget level \$
→ Staff (Part II.A	\$2,618,350)	
(Other Parts	<u>\$1,674,900</u>)	
	4,293,250	
Total reductions		<u>(13,493,250)</u>
Total (ii) - Reduced budget level (29 C/6)		544,367,250
 (iii) Establishment of the <u>Director-General's proposal</u> of \$585,097,600: <u>addition</u> of the following elements corresponding to the estimated contribution - \$40,730,400 - of the United Kingdom for 1998-1999:		
(a) Part II.A - Major Programmes, Transdisciplinary Projects and Transverse Activities:		
→ Activities , including restitution of reductions made under (ii) above:	\$	
	\$	
MP I (ED)	12,796,050	
MP II (SC and SHS)	8,300,000	
MP III (CLT)	4,250,000	
MP IV (CII)	2,900,000	
Transdisciplinary Projects and Transverse Activities	1,200,000	
Participation Programme	<u>2,000,000</u>	
		31,446,050
→ Staff , restitution of reductions made under (ii) above (\$2,618,350), plus 2 per cent increase in staff (\$3,491,100)		<u>6,109,450</u>
Total Part II.A		37,555,500
(b) Other Parts of the budget:		
→ Staff , restitution of reductions made under (ii) above		1,674,900
(c) Increase in the Reserve for Draft Resolutions		
		<u>1,500,000</u>
Total additional elements (corresponding to United Kingdom's contribution)		<u>40,730,400</u>
Total (iii) - Director-General's proposal		<u>585,097,650</u>
Rounded off to		<u>585,097,600</u>

10. The application of the above adjustments and the resulting amounts by main Part is summarized below, from which it can be seen that the additional resources corresponding to the contribution of the United Kingdom (\$40,730,400) have been proposed almost exclusively for reinforcing programme activities under Part II.A of the budget along with an additional allocation of \$2,000,000 for the Participation Programme and \$1,500,000 to increase the Reserve for Draft Resolutions submitted by Member States for priority activities:

PART OF THE BUDGET(2)	BUDGET LEVELS EXCLUDING UK CONTRIBUTION(1)			DIRECTOR-GENERAL'S PROPOSAL (INCLUDING UK CONTRIBUTION) (iii)
	Proposed Appropriation in 29 C/5	29 C/5 adjusted for cost increases not provided for (3) (i)	Recommendations of Executive Board (150th and 151st sessions) (ii)	
	\$	\$	\$	\$
I. General Policy and Direction	38,228,200	38,628,300	38,361,400	38,628,300
II. Programme Execution and Services				
A. Major Programmes, Transdisciplinary Projects and Transverse Activities	336,853,600	340,688,400	328,870,050	366,425,550
B. Information and Dissemination Services	23,954,700	24,287,800	24,074,500	24,287,800
III. Support for Programme Execution	55,049,900	55,771,000	55,192,200	55,771,000
IV. Management and Administrative Services	47,700,900	48,330,000	47,896,200	48,330,000
V. Maintenance and Security	33,303,200	34,045,500	33,863,400	34,045,500
VI. Capital Expenditure	1,711,900	1,711,900	1,711,900	1,711,900
Reserve for Draft Resolutions	1,500,000	1,500,000	1,500,000	3,000,000
Total, Parts I to VI	538,302,400	544,962,900	531,469,650	572,200,050
VII. Anticipated Cost Increases	12,897,600	12,897,600	12,897,600	12,897,600
Total, Parts I to VII	551,200,000	557,860,500	544,367,250	585,097,650

(1) 29 C/5 Proposals and the Executive Board's recommendations do not take into consideration UK contribution

(2) Details by Appropriation Line shown in Annex II.A

(3) cf. para. 1804 of the Technical Annex and para. 91 of 29 C/6

B. Alternative scenario

11. During the discussions on the budget level at the 150th and 151st sessions of the Executive Board, attention was drawn to the financial constraints faced by Member States and the consequent necessity to avoid any increases in the assessed contributions over the current level. On this hypothesis, an alternative scenario would be:

	\$
28 C/5 Approved	518,445,000
Contribution of the United Kingdom for 1998-1999 (cf. Annex I.B)	<u>38,783,345</u>
Total budget	<u>557,228,345</u>
Rounded off to	<u>557,228,300</u>

12. The budget of \$557,228,300, in which the United Kingdom's estimated contribution has been added to the zero nominal growth level, represents a reduction of \$27,869,300 (or 4.75 per cent) compared to the Director-General's proposal; it has been established as follows:

	Proposed budget level \$
(i) Adjustment of 29 C/5 proposals (\$551,200,000) to take into account the <u>identifiable cost increases</u> (\$6,660,500) which were not provided for (paragraph 1804 of the Technical Annex to 29 C/5 and paragraph 91 of 29 C/6). <i>(Details are provided in paragraph 9(i) above)</i>	557,860,500
(ii) <u>Reductions</u>* required to bring down the amount to the zero nominal growth budget level <i>(excluding the contribution of the United Kingdom)</i> of \$518,445,000	<u>(39,415,500)</u>
(ii) - Zero nominal growth budget level <i>(excluding United Kingdom contribution)</i>	518,445,000
(iii) Establishment of the <u>alternative scenario</u> budget of \$557,228,300: <u>addition</u> of the estimated contribution of the United Kingdom for 1998-1999	<u>38,783,300</u>
Total (iii) - Alternative scenario budget level	<u>557,228,300</u>

* A drastic budget reduction of this magnitude, without the simultaneous addition of the resources restituted by the United Kingdom upon its return, would be inconceivable. It would imply major cuts in priority programmes, as well as additional reductions in staff. The Director-General is convinced that, even under the present economic constraints of Member States, the Governing Bodies would want to maintain and strengthen UNESCO's ability to respond to the fast growing needs of the developing countries all the more at a time when a founder Member State rejoins the Organization and renews its contribution with the object of maximizing UNESCO's effectiveness and impact, particularly in the poorest countries and for the poorest people. It would seem paradoxical that such programme and staff cuts which the Organization suffered when three Member States withdrew be repeated when one of them rejoins.

13. A breakdown of the budget under the alternative scenario by main Part is given below:

PART OF THE BUDGET(2)	BUDGET LEVELS EXCLUDING UK CONTRIBUTION(1)		ALTERNATIVE SCENARIO (INCLUDING UK CONTRIBUTION(4))
	Proposed Appropriation in 29 C/5	29 C/5 adjusted for cost increases not provided for (3) (para 9 (i))	
	\$	\$	\$
I. General Policy and Direction	38,228,200	38,628,300	38,600,100
II. Programme Execution and Services			
A. Major Programmes, Transdisciplinary Projects and Transverse Activities	336,853,600	340,688,400	340,234,000
B. Information and Dissemination Services	23,954,700	24,287,800	24,265,100
III. Support for Programme Execution	55,049,900	55,771,000	55,709,600
IV. Management and Administrative Services	47,700,900	48,330,000	48,283,900
V. Maintenance and Security	33,303,200	34,045,500	34,026,100
VI. Capital Expenditure	1,711,900	1,711,900	1,711,900
Reserve for Draft Resolutions	1,500,000	1,500,000	1,500,000
Total, Parts I to VI	538,302,400	544,962,900	544,330,700
VII. Anticipated Cost Increases	12,897,600	12,897,600	12,897,600
Total, Parts I to VII	551,200,000	557,860,500	557,228,300

(1) 29 C/5 Proposals and the Executive Board's recommendations do not take into consideration UK contribution

(2) Details by Appropriation Line shown in Annex II.B

(3) cf. para. 1804 of the Technical Annex and para. 91 of 29 C/6

(4) 28 C/5 Approved level without any nominal increase, plus UK contribution

IV

ASSESSMENT ON MEMBER STATES

14. **Other factors remaining equal (scale of assessment and exchange rates)**, the total to be assessed on Member States, excluding the United Kingdom, for 1998-1999 under the Director-General's proposal (budget level of \$585,097,600) would be the same as applicable at the maximum budget level recommended by the 150th and 151st sessions of the Executive Board (budget level of \$544,367,250). Under the alternative scenario (budget level of \$557,228,300), the assessments on Member States, other than the United Kingdom, would remain the same as for the 1996-1997 biennium (budget level of \$518,445,000) - in other words, zero nominal increase.

15. **In fact, if the current rates of exchange for the United States dollar vis-à-vis the French franc and Swiss franc were to be applied, the assessment in current dollars would be lower than that for 1996-1997, both under the Director-General's proposal and under the alternative scenario:**

- (i) **At the budget level of \$585,097,600 proposed by the Director-General and the August 1997 United Nations operational exchange rate of 6.21 FF and 1.52 SwF to 1 US dollar**, the total assessment on Member States, other than the United Kingdom, would effectively amount to **\$515,278,400** (cf. Annex III.B), **which is some \$1,166,600, or 0.2 per cent, lower than the corresponding figure of \$516,445,000 for document 28 C/5 Approved** at the constant rates of 5.70 FF and 1.45 SwF to 1 US dollar.
- (ii) Applying the August 1997 exchange rates to the alternative scenario budget of \$557,228,300, the actual assessments on Member States, other than the United Kingdom, would be \$490,641,600 **which is \$25,803,400, or 5 per cent, lower than the 1996-1997 assessment figure of \$516,445,000** (cf. Annex III.C).

A table showing the effect of the evolving French franc and Swiss franc to the US dollar at the various budget levels is given in Annex III.A.

16. The exact amount of the contribution of the United Kingdom for 1998-1999 will depend on the final budget approved and on its rate in the scale of assessments to be decided at the twenty-ninth session of the General Conference, following consideration of document 29 C/34, concerning the 1998-1999 scale of assessments on Member States. If this scale cannot be definitively calculated before the closure of the twenty-ninth session of the General Conference and the General Conference so wishes, it could delegate to the Director-General the authority to adjust as required the various appropriation lines in Parts I to VII of the budget, to take account of any difference between the actual contribution of the United Kingdom for 1998-1999 and the amount estimated under his proposal of \$585,097,600 or the alternative scenario of \$557,228,300. Adjustments made under such delegated authority would be subject to the approval of the Executive Board at its 154th session. Under such an arrangement, the amount to be assessed on Member States, excluding the United Kingdom, for 1998-1999 would not increase beyond a predefined level, while the United Kingdom would be assessed for its proportional contribution under the total scale of assessments for 1998-1999 and the total amount to be assessed.

V

CONCLUSION

17. The Director-General is confident that the Member States will take full advantage of the opportunity offered to the Organization by the return of one of its founding members to bolster its capacity for action in the service of what are, regrettably, ever increasing development needs worldwide. In preparing the revised budget ceiling of **\$585,097,600**, which is based on the recommendation made by the Executive Board at its 151st session, the Director-General wished to maximize the impact of the new resources that will be made available by the return of the United Kingdom to UNESCO. Out of the British contribution of \$40.7 million, it is proposed that \$33 million be earmarked for programme activities (\$31.5 million for direct programme costs under Part II.A and \$1.5 million for the Reserve for Draft Resolutions submitted by Member States). The priority activities corresponding to these additional funds will be determined in light of the recommendations of the Executive Board (29 C/6), which, in many instances, advocated a substantial reinforcement of activities, and will reflect the priorities defined by the General Conference.

18. In pursuance of the Executive Board's recommendation, made at its 151st session, that alternative proposals be formulated to respond to the concerns of certain Member States opposed to any increase in their assessed contributions for 1998-1999 over that for 1996-1997, the Director-General prepared an 'alternative scenario'. Based on nominal zero growth, this budget has the same ceiling as that proposed in document 28 C/5, with the addition of the amount to be contributed by the United Kingdom. Amounting to a total of **\$557,228,300**, it would clearly be enough to maintain the principal benefits of the original proposals made by the Director-General in document 29 C/5, in particular the budgetary reinforcement for the priority programmes in education, science, culture and communication. It would nevertheless deprive the Organization of some of the new vitality and dynamism that the return of the United Kingdom should bring to it.

A N N E X I.A

BUDGET REVISION FOR 1998-1999

A. Director-General's proposal

Applying the same methodology used at the time of withdrawal of the United Kingdom for the calculation of the reduction of the budget for 1986-1987 but in the reverse direction

\$

Budget level for 29 C/5 as recommended by the Executive Board	544,367,250
Less: Estimated UNDP Support Costs	2,100,000
Total assessment (69.63 parts per the 1997 scale of assessments)	542,267,250
Based on the 1997 rates and the same methodology as at the time of UK withdrawal, UK assessment for 1998-1999 (UK rate of assessment 5.23 parts):	40,730,400
Total new assessment level (total scale 74.86 parts)	582,997,650
Plus: Estimated UNDP Support Costs	2,100,000
New budget ceiling proposed by the Director-General (cf. para. 8 and 9 of 29 C/5 Rev. 1)	585,097,650

A N N E X I.B

BUDGET REVISION FOR 1998-1999

B. Alternative scenario

Applying the same methodology used at the time of withdrawal of the United Kingdom for the calculation of the reduction of the budget for 1986-1987 but in the reverse direction

	\$
Budget level at zero nominal growth (same as for 28 C/5 Approved)	518,445,000
Less: Estimated UNDP Support Costs	2,100,000
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Total assessment thereon (69.63 parts per the 1997 scale of assessments)	516,345,000
Based on the 1997 rates and the same methodology as at the time of UK withdrawal, UK assessment for 1998-1999 (UK rate of assessment 5.23 parts)	38,783,345
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Total new assessment level (total scale 74.86 parts)	555,128,345
Plus: Estimated UNDP Support Costs	2,100,000
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New budget ceiling under the alternative scenario (cf. para. 11 and 12 of 29 C/5 Rev. 1)	557,228,345
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ANNEX II.A & II.B

Budget summary by appropriation line

Appropriation line	Budget levels		
	Proposed appropriation in 29 C/5		
	Activities	Personnel	Total
	\$	\$	\$
I. GENERAL POLICY AND DIRECTION			
<i>A. Governing Bodies</i>			
1. General Conference	6,941,400	604,300	7,545,700
2. Executive Board	7,296,800	1,071,800	8,368,600
Total, I.A	14,238,200	1,676,100	15,914,300
<i>B. Direction</i>			
3. Directorate	483,300	1,242,600	1,725,900
4. Services of the Directorate	1,117,000	18,555,400	19,672,400
Total, I.B	1,600,300	19,798,000	21,398,300
<i>C. Participation in the Joint Machinery of the United Nations System</i>	915,600		915,600
TOTAL, PART I	16,754,100	21,474,100	38,228,200
II. PROGRAMME EXECUTION AND SERVICES			
<i>A. Major Programmes, Transdisciplinary Projects and Transverse Activities</i>			
I. Education for all throughout life	47,442,800	59,476,100	106,918,900
II. The sciences in the service of development	42,983,900	45,262,900	88,246,800
III. Cultural development: the heritage and creativity	19,382,600	23,939,800	43,322,400
IV. Communication, information and informatics	13,999,500	16,591,900	30,591,400
Transdisciplinary Projects and Transverse Activities	15,703,800	27,240,300	42,944,100
Participation Programme	24,830,000		24,830,000
Total, II.A	164,342,600	172,511,000	336,853,600
<i>B. Information and Dissemination Services</i>			
1. Clearing House	1,566,700	4,715,700	6,282,400
2. UNESCO Publishing Office	863,700	4,063,100	4,926,800
3. UNESCO Courier Office	1,415,300	2,245,600	3,660,900
4. Office of Public Information	2,929,900	6,154,700	9,084,600
Total, II.B	6,775,600	17,179,100	23,954,700
TOTAL, PART II	171,118,200	189,690,100	360,808,300
III. SUPPORT FOR PROGRAMME EXECUTION	8,459,600	46,590,300	55,049,900
IV. MANAGEMENT AND ADMINISTRATIVE SERVICES	12,745,700	34,955,200	47,700,900
V. MAINTENANCE AND SECURITY	18,600,400	14,702,800	33,303,200
VI. CAPITAL EXPENDITURE	1,711,900		1,711,900
Reserve for Draft Resolutions	1,500,000		1,500,000
TOTAL, PARTS I - VI	230,889,900	307,412,500	538,302,400
VII. ANTICIPATED COST INCREASES	12,897,600		12,897,600
GRAND TOTAL	243,787,500	307,412,500	551,200,000

1. Document 29 C/5 proposals and the Executive Board's recommendations do not take into consideration the United Kingdom's contribution.
2. Paragraph 1804 of the Technical Annex to document 29 C/5, and paragraph 91 of document 29 C/6.
3. 150 EX/Decision 5.1 and document 29 C/6.

for Parts I to VII of the budget for 1998-1999

excluding United Kingdom contribution ¹						Director-General's proposal (including United Kingdom contribution) in 29 C/5 Rev.1		
29 C/5 proposed adjusted for cost increases not provided for ²			Budget level recommended by Executive Board ³			Activities	Personnel	Total
Activities	Personnel	Total	Activities	Personnel	Total			
\$	\$	\$	\$	\$	\$	\$	\$	\$
6,991,200	613,100	7,604,300	6,991,200	605,600	7,596,800	6,991,200	613,100	7,604,300
7,331,800	1,084,500	8,416,300	7,331,800	1,071,200	8,403,000	7,331,800	1,084,500	8,416,300
14,323,000	1,697,600	16,020,600	14,323,000	1,676,800	15,999,800	14,323,000	1,697,600	16,020,600
489,400	1,254,200	1,743,600	489,400	1,238,800	1,728,200	489,400	1,254,200	1,743,600
1,130,300	18,818,200	19,948,500	1,130,300	18,587,500	19,717,800	1,130,300	18,818,200	19,948,500
1,619,700	20,072,400	21,692,100	1,619,700	19,826,300	21,446,000	1,619,700	20,072,400	21,692,100
915,600		915,600	915,600		915,600	915,600		915,600
16,858,300	21,770,000	38,628,300	16,858,300	21,503,100	38,361,400	16,858,300	21,770,000	38,628,300
47,996,600	60,077,700	108,074,300	45,046,600	59,176,550	104,223,150	57,842,650	61,279,700	119,122,350
43,579,400	45,820,800	89,400,200	41,179,400	45,133,500	86,312,900	49,479,400	46,737,000	96,216,400
19,543,500	24,263,500	43,807,000	17,493,500	23,899,500	41,393,000	21,743,500	24,748,700	46,492,200
14,221,000	16,793,000	31,014,000	13,321,000	16,541,100	29,862,100	16,221,000	17,128,800	33,349,800
15,962,700	27,600,200	43,562,900	15,062,700	27,186,200	42,248,900	16,262,700	28,152,100	44,414,800
24,830,000		24,830,000	24,830,000		24,830,000	26,830,000		26,830,000
166,133,200	174,555,200	340,688,400	156,933,200	171,936,850	328,870,050	188,379,250	178,046,300	366,425,550
1,593,700	4,781,600	6,375,300	1,593,700	4,723,000	6,316,700	1,593,700	4,781,600	6,375,300
880,900	4,121,300	5,002,200	880,900	4,070,800	4,951,700	880,900	4,121,300	5,002,200
1,445,400	2,275,600	3,721,000	1,445,400	2,247,700	3,693,100	1,445,400	2,275,600	3,721,000
2,960,800	6,228,500	9,189,300	2,960,800	6,152,200	9,113,000	2,960,800	6,228,500	9,189,300
6,880,800	17,407,000	24,287,800	6,880,800	17,193,700	24,074,500	6,880,800	17,407,000	24,287,800
173,014,000	191,962,200	364,976,200	163,814,000	189,130,550	352,944,550	195,260,050	195,453,300	390,713,350
8,561,800	47,209,200	55,771,000	8,561,800	46,630,400	55,192,200	8,561,800	47,209,200	55,771,000
12,940,200	35,389,800	48,330,000	12,940,200	34,956,000	47,896,200	12,940,200	35,389,800	48,330,000
19,186,600	14,858,900	34,045,500	19,186,600	14,676,800	33,863,400	19,186,600	14,858,900	34,045,500
1,711,900		1,711,900	1,711,900		1,711,900	1,711,900		1,711,900
1,500,000		1,500,000	1,500,000		1,500,000	3,000,000		3,000,000
233,772,800	311,190,100	544,962,900	224,572,800	306,896,850	531,469,650	257,518,850	314,681,200	572,200,050
12,897,600		12,897,600	12,897,600		12,897,600	12,897,600		12,897,600
246,670,400	311,190,100	557,860,500	237,470,400	306,896,850	544,367,250	270,416,450	314,681,200	585,097,650

Budget summary by appropriation line

Appropriation line	Budget levels		
	Proposed appropriation in 29 C/5		
	Activities	Personnel	Total
	\$	\$	\$
I. GENERAL POLICY AND DIRECTION			
<i>A. Governing Bodies</i>			
1. General Conference	6,941,400	604,300	7,545,700
2. Executive Board	7,296,800	1,071,800	8,368,600
Total, I.A	14,238,200	1,676,100	15,914,300
<i>B. Direction</i>			
3. Directorate	483,300	1,242,600	1,725,900
4. Services of the Directorate	1,117,000	18,555,400	19,672,400
Total, I.B	1,600,300	19,798,000	21,398,300
<i>C. Participation in the Joint Machinery of the United Nations System</i>			
	915,600		915,600
TOTAL, PART I	16,754,100	21,474,100	38,228,200
II. PROGRAMME EXECUTION AND SERVICES			
<i>A. Major Programmes, Transdisciplinary Projects and Transverse Activities:</i>			
I. Education for all throughout life	47,442,800	59,476,100	106,918,900
II. The sciences in the service of development	42,983,900	45,262,900	88,246,800
III. Cultural development: the heritage and creativity	19,382,600	23,939,800	43,322,400
IV. Communication, information and informatics	13,999,500	16,591,900	30,591,400
Transdisciplinary Projects and Transverse Activities	15,703,800	27,240,300	42,944,100
Participation Programme	24,830,000		24,830,000
Total, II.A	164,342,600	172,511,000	336,853,600
<i>B. Information and Dissemination Services</i>			
1. Clearing House	1,566,700	4,715,700	6,282,400
2. UNESCO Publishing Office	863,700	4,063,100	4,926,800
3. UNESCO Courier Office	1,415,300	2,245,600	3,660,900
4. Office of Public Information	2,929,900	6,154,700	9,084,600
Total, II.B	6,775,600	17,179,100	23,954,700
TOTAL, PART II	171,118,200	189,690,100	360,808,300
III. SUPPORT FOR PROGRAMME EXECUTION	8,459,600	46,590,300	55,049,900
IV. MANAGEMENT AND ADMINISTRATIVE SERVICES	12,745,700	34,955,200	47,700,900
V. MAINTENANCE AND SECURITY	18,600,400	14,702,800	33,303,200
VI. CAPITAL EXPENDITURE	1,711,900		1,711,900
Reserve for Draft Resolutions	1,500,000		1,500,000
TOTAL, PARTS I - VI	230,889,900	307,412,500	538,302,400
VII. ANTICIPATED COST INCREASES	12,897,600		12,897,600
GRAND TOTAL	243,787,500	307,412,500	551,200,000

1. Document 29 C/5 proposals and the Executive Board's recommendations do not take into consideration the United Kingdom's contribution.

2. Paragraph 1804 of the Technical Annex to document 29 C/5 and paragraph 91 of document 29 C/6.

for Parts I to VII of the budget for 1998-1999

excluding United Kingdom contribution ¹						Alternative scenario (including United Kingdom contribution) in 29 C/5 Rev. 1		
29 C/5 proposed adjusted for cost increases not provided for ²			28 C/5 approved level (zero nominal growth hypothesis without United Kingdom contribution)					
Activities	Personnel	Total	Activities	Personnel	Total	Activities	Personnel	Total
\$	\$	\$	\$	\$	\$	\$	\$	\$
6,991,200	613,100	7,604,300	6,713,000	594,700	7,307,700	6,991,200	612,300	7,603,500
7,331,800	1,084,500	8,416,300	7,040,000	1,052,000	8,092,000	7,331,800	1,083,100	8,414,900
14,323,000	1,697,600	16,020,600	13,753,000	1,646,700	15,399,700	14,323,000	1,695,400	16,018,400
489,400	1,254,200	1,743,600	469,900	1,216,600	1,686,500	489,400	1,252,600	1,742,000
1,130,300	18,818,200	19,948,500	1,085,300	18,253,700	19,339,000	1,130,300	18,793,800	19,924,100
1,619,700	20,072,400	21,692,100	1,555,200	19,470,300	21,025,500	1,619,700	20,046,400	21,666,100
915,600		915,600	879,200		879,200	915,600		915,600
16,858,300	21,770,000	38,628,300	16,187,400	21,117,000	37,304,400	16,858,300	21,741,800	38,600,100
47,996,600	60,077,700	108,074,300	41,559,800	56,473,000	98,032,800	47,996,600	59,921,200	107,917,800
43,579,400	45,820,800	89,400,200	37,735,000	43,071,600	80,806,600	43,579,400	45,701,600	89,281,000
19,543,500	24,263,500	43,807,000	16,922,500	22,807,700	39,730,200	19,543,500	24,200,300	43,743,800
14,221,000	16,793,000	31,014,000	12,313,800	15,785,400	28,099,200	14,221,000	16,749,300	30,970,300
15,962,700	27,600,200	43,562,900	13,822,000	25,944,200	39,766,200	15,962,700	27,528,400	43,491,100
24,830,000		24,830,000	21,500,100		21,500,100	24,830,000		24,830,000
166,133,200	174,555,200	340,688,400	143,853,200	164,081,900	307,935,100	166,133,200	174,100,800	340,234,000
1,593,700	4,781,600	6,375,300	1,530,300	4,638,200	6,168,500	1,593,700	4,775,400	6,369,100
880,900	4,121,300	5,002,200	845,800	3,997,700	4,843,500	880,900	4,116,000	4,996,900
1,445,400	2,275,600	3,721,000	1,387,900	2,207,300	3,595,200	1,445,400	2,272,600	3,718,000
2,960,800	6,228,500	9,189,300	2,843,000	6,041,600	8,884,600	2,960,800	6,220,300	9,181,100
6,880,800	17,407,000	24,287,800	6,607,000	16,884,800	23,491,800	6,880,800	17,384,300	24,265,100
173,014,000	191,962,200	364,976,200	150,460,200	180,966,700	331,426,900	173,014,000	191,485,100	364,499,100
8,561,800	47,209,200	55,771,000	8,221,200	45,792,900	54,014,100	8,561,800	47,147,800	55,709,600
12,940,200	35,389,800	48,330,000	12,425,400	34,328,100	46,753,500	12,940,200	35,343,700	48,283,900
19,186,600	14,858,900	34,045,500	13,423,500	14,413,100	32,836,600	19,186,600	14,839,500	34,026,100
1,711,900		1,711,900	1,711,900		1,711,900	1,711,900		1,711,900
1,500,000		1,500,000	1,500,000		1,500,000	1,500,000		1,500,000
233,772,800	311,190,100	544,962,900	208,929,600	296,617,800	505,547,400	233,772,800	310,557,900	544,330,700
12,897,600		12,897,600	12,897,600		12,897,600	12,897,600		12,897,600
246,670,400	311,190,100	557,860,500	221,827,200	296,617,800	518,445,000	246,670,400	310,557,900	557,228,300

ANNEX III.A

Effect of the evolving French franc and Swiss franc exchange rates on the various budget levels (cf. para.15 of 29 C/5 Rev.1)

	Exchange rate for 1 US\$		Budget levels*			
			A	B	C	D
	FF.	SwF.	\$	\$	\$	\$
At the constant dollar rates applied for 29 C/5	5.70	1.45	544,367,250	551,200,000	557,228,300	585,097,600
Adjusted for evolving exchange rates						
UN Rate June 1997	5.74	1.41	542,322,300	549,130,000	555,135,300	582,899,600
UN Rate July 1997	5.84	1.44	536,642,300	543,378,000	549,312,300	576,794,600
UN Rate August 1997	6.21	1.52	517,371,300	523,865,000	529,594,300	556,081,600
NB: The actual assessment on Member States will be \$2,100,000 (estimated UNDP Support Costs) lower than the amounts indicated.						

*** Notes**

A : Budget level recommended by the 150th and 151st sessions of the Executive Board

B : Budget level in 29 C/5

C : Alternative scenario (zero nominal growth, plus UK contribution)

D : Revised budget level proposed by the Director-General (budget level recommended by the Executive Board, plus UK contribution)

A N N E X III.B

**Assessment on Member States, other than the United Kingdom,
at a budget level of \$585,097,600 (cf. para. 15 of 29 C/5 Rev.1)
if the August 1997 UN operational rates of exchange are applied**

	\$
Budget level at the constant dollar rate of 5.70 FF. and 1.45 SwF. = 1 US\$	585,097,600
Budget level at the August 1997 UN operational exchange rate of 6.21 FF. and 1.52 SwF. = 1 US\$	556,081,600
Less: Estimated UNDP Support Costs	2,100,000
Total assessment (74.86 parts including the United Kingdom)	553,981,600
Deduct: Assessment on the United Kingdom based on the 1997 rates (5.23 parts)	38,703,200
Assessment on Member States other than the United Kingdom (69.63 parts)	515,278,400
Assessment for current biennium (1996-1997)	516,445,000
Resulting reduction in the assessment if the August 1997 UN operational rates of exchange were to be used rather than the constant dollar rates	1,166,600 or 0.2 %

A N N E X III.C

**Assessment on Member States, other than the United Kingdom,
at a budget level of \$557,228,300 (cf. para. 15 of 29 C/5 Rev.1)
if the August 1997 UN operational rates of exchange are applied**

	\$
Budget level at the constant dollar rate of 5.70 FF. and 1.45 SwF. = 1 US\$	557,228,300
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Budget level at the August 1997 UN operational exchange rate of 6.21 FF. and 1.52 SwF. = 1 US\$	529,594,300
Less: Estimated UNDP Support Costs	2,100,000
	<hr/>
Total assessment (74.86 parts including the United Kingdom)	527,494,300
Deduct: Assessment on the United Kingdom based on the 1997 rates (5.23 parts)	36,852,700
	<hr/>
Assessment on Member States other than the United Kingdom (69.63 parts)	490,641,600
Assessment for current biennium (1996-1997)	516,445,000
	<hr/>
Resulting reduction in the assessment if the August 1997 UN operational rates of exchange were to be used rather than the constant dollar rates	25,803,400
	or 5 %
	<hr/>