



United Nations  
Educational, Scientific and  
Cultural Organization

209 EX/4.II

# FINANCIAL MANAGEMENT REPORT FOR 2018-2019 (39 C/5) AS AT 31 DECEMBER 2019

Mrs. Magdolna Bona, CFO – June 2020





United Nations  
Educational, Scientific and  
Cultural Organization

- 1. Financial Management Report for the 39 C/5 (2018-2019)**
- 2. IBF Overview: Budget, Resources and Expenditure**
- 3. Implementation Against the IBF**
- 4. Special Account for Management costs**
- 5. 2020 – COVID-19 and Financial Risks for 40 C/5**

**SUMMARY**

# 1. Financial Management Report for the 39 C/5 (2018-2019), at December 2019

Documents addressing aspects of programme and performance management submitted to the Executive Board's 209<sup>th</sup> session

- **209 EX/4.II – Financial Management report (FMR) - Status of the overall budget, resources and expenditure for the Integrated Budget Framework, and cashflow situation (2018-2019)**
  - + *INF – additional information (in kind contribution, additional appropriations, etc)*
  - + *INF2 – Management Cost Account*
- **209 EX/4.I.A – Programme Implementation Report (PIR) - Strategic analysis and summary assessment of programme implementation (2018-2019)**
- **209 EX/4.I.B – Strategic Results Report (SRR) - analysis of results achieved (2016-2019), inform future Medium-Term Strategy (2022-2029) and Draft Programme and budget (2022-2025)**
- **209 EX/5.II.A - Resource mobilization strategy for 2020-2021 - Update on resource mobilization strategy, targets and potential donor groups**
- **209 EX/5.II.C - Structured financing dialogues (SDF) - Informed dialogue on the resourcing of UNESCO's Programme and Budget, update on the resources mobilized and funding gap (2018-2019)**
  - + *INF – update on filling of the funding Gap for 2018-2019*
  - + *INF – status of implementation of the differential rates policy*

## 2. IBF Overview: Budget, Resources and Expenditure

### Overview of Budget (IBF) vs Expenditure, and Other Authorized Expenditures 2018-2019 (budgetary basis)

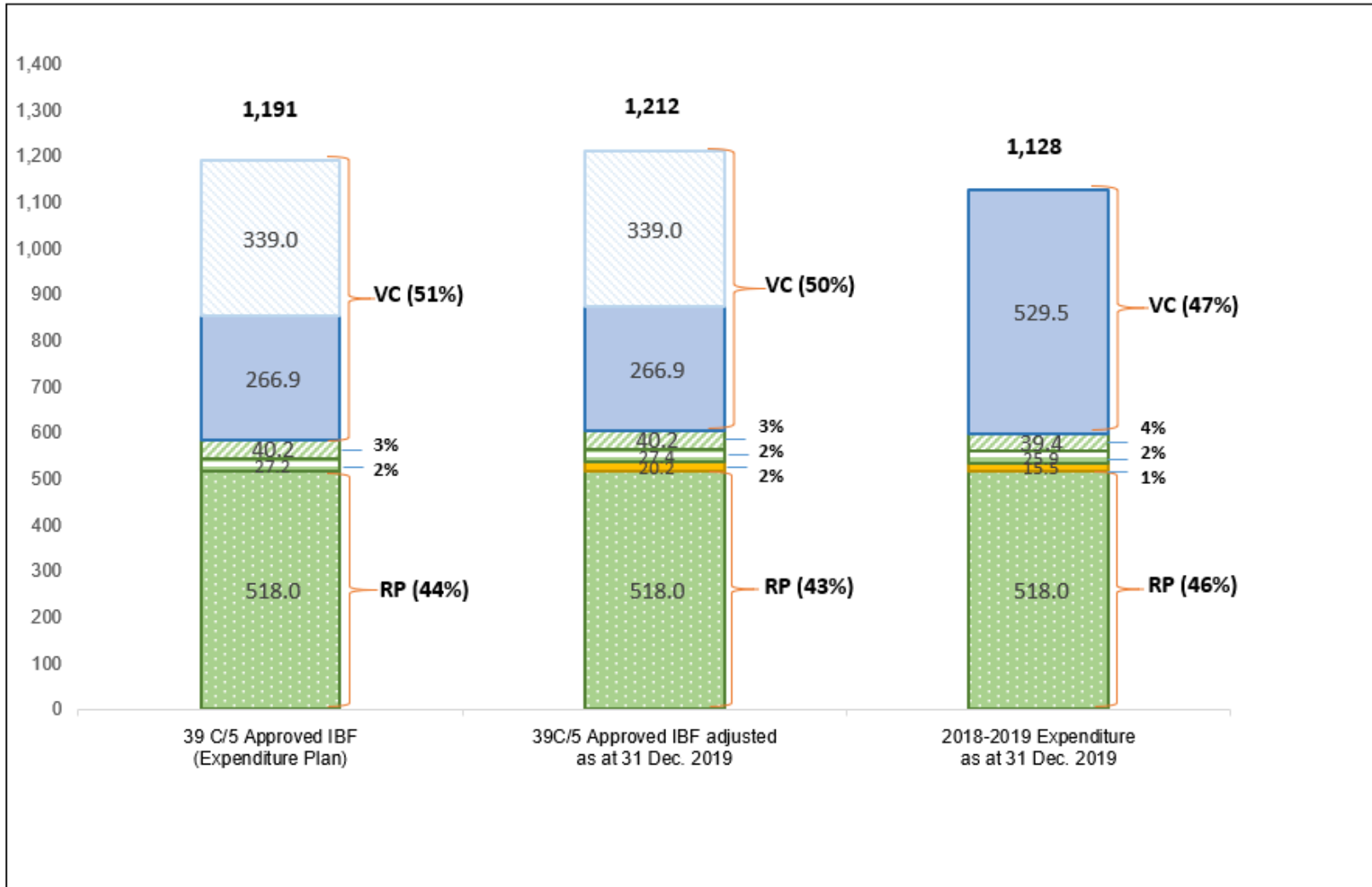
(USD millions)	Original Budget	Final Budget After Adjustments	Expenditure	Balance	Expenditure vs Final Budget After Adjustments
<b>Integrated Budget Framework</b>	1,153.3	1,173.6	1,089.8	83.7	93%
<b>Carry over of 38 C/5 unspent Regular Programme Budget</b>	16.5	16.5	11.5	5.0	70%

The above figures represent the status after taking into account the offsetting related to management costs recovery and to the estimated internal charge back for revenue-generating funds.

## 2. IBF Overview: Budget, Resources and Expenditure

### 39 C/5 IBF, Adjusted IBF and Expenditure

in USD million



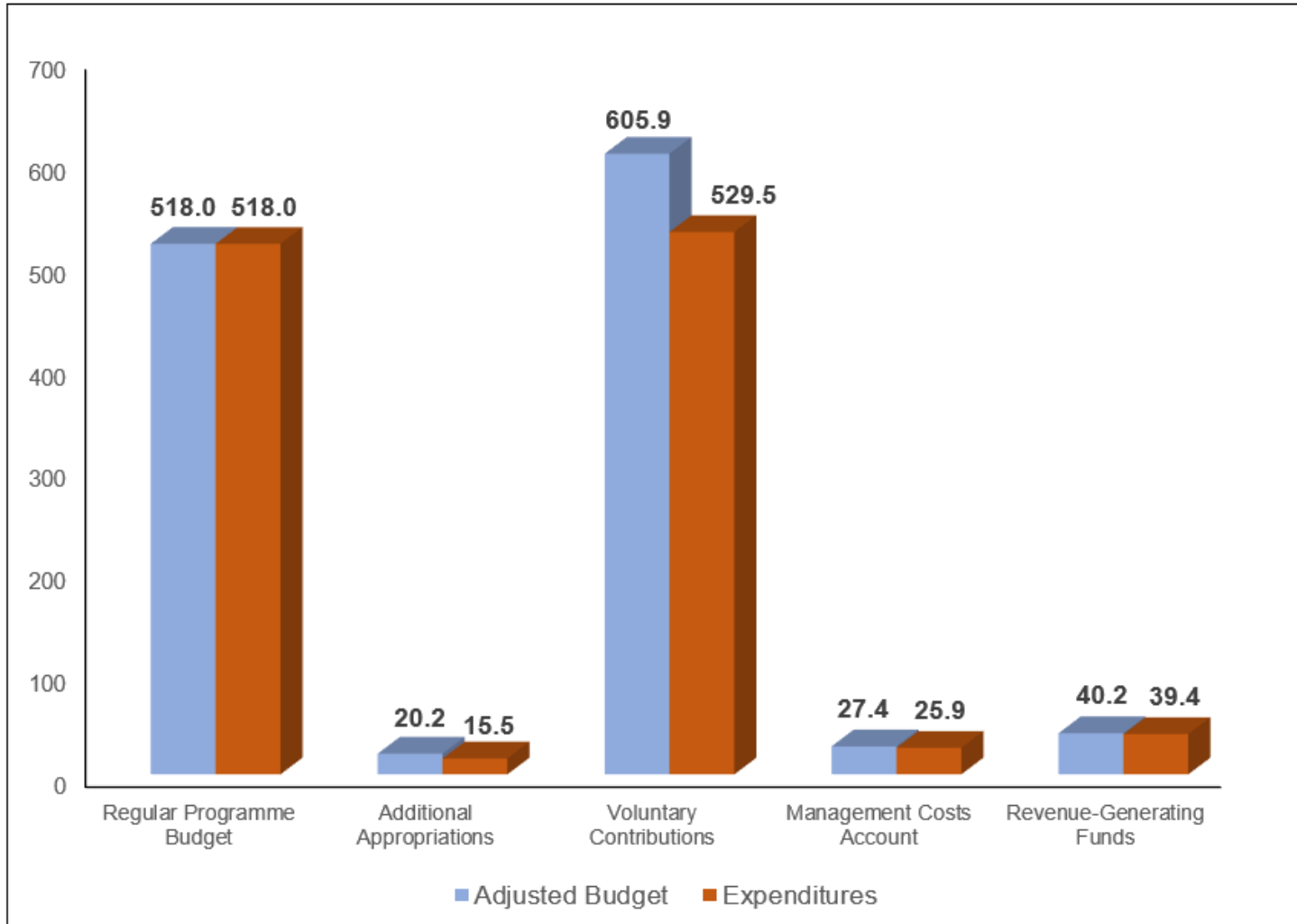
- Funding gap
- Voluntary contributions (VC)
- ▨ Revenue generating funds
- ▩ Special account for management costs
- Additional Appropriations
- Appropriated Regular Programme (RP) Budget

The figures represent the status before taking into account the offsetting related to management costs recovery and to the estimated internal charge back for revenue-generating funds.

### 3. Implementation Against the IBF

#### 2018-2019 Adjusted IBF and Expenditure by Funding Source

in USD million



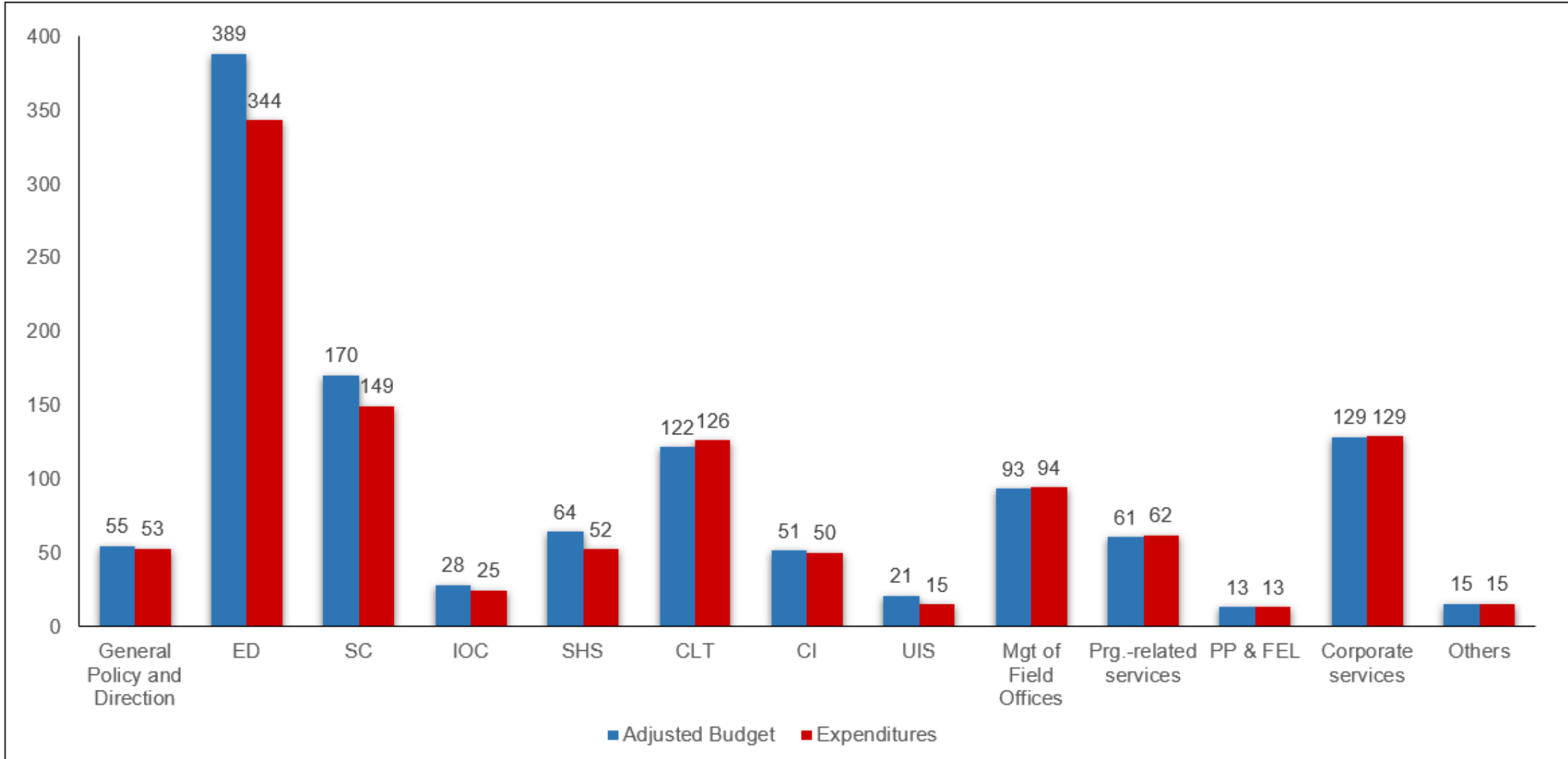
In-kind contributions  
(USD million)

	For Programme	For Premises	Total
<b>2018</b>	17.0	11.2	28.2
<b>2019</b>	28.9	12.5	41.3
<b>Total</b>	45.8	23.6	69.5

### 3. Implementation Against the IBF

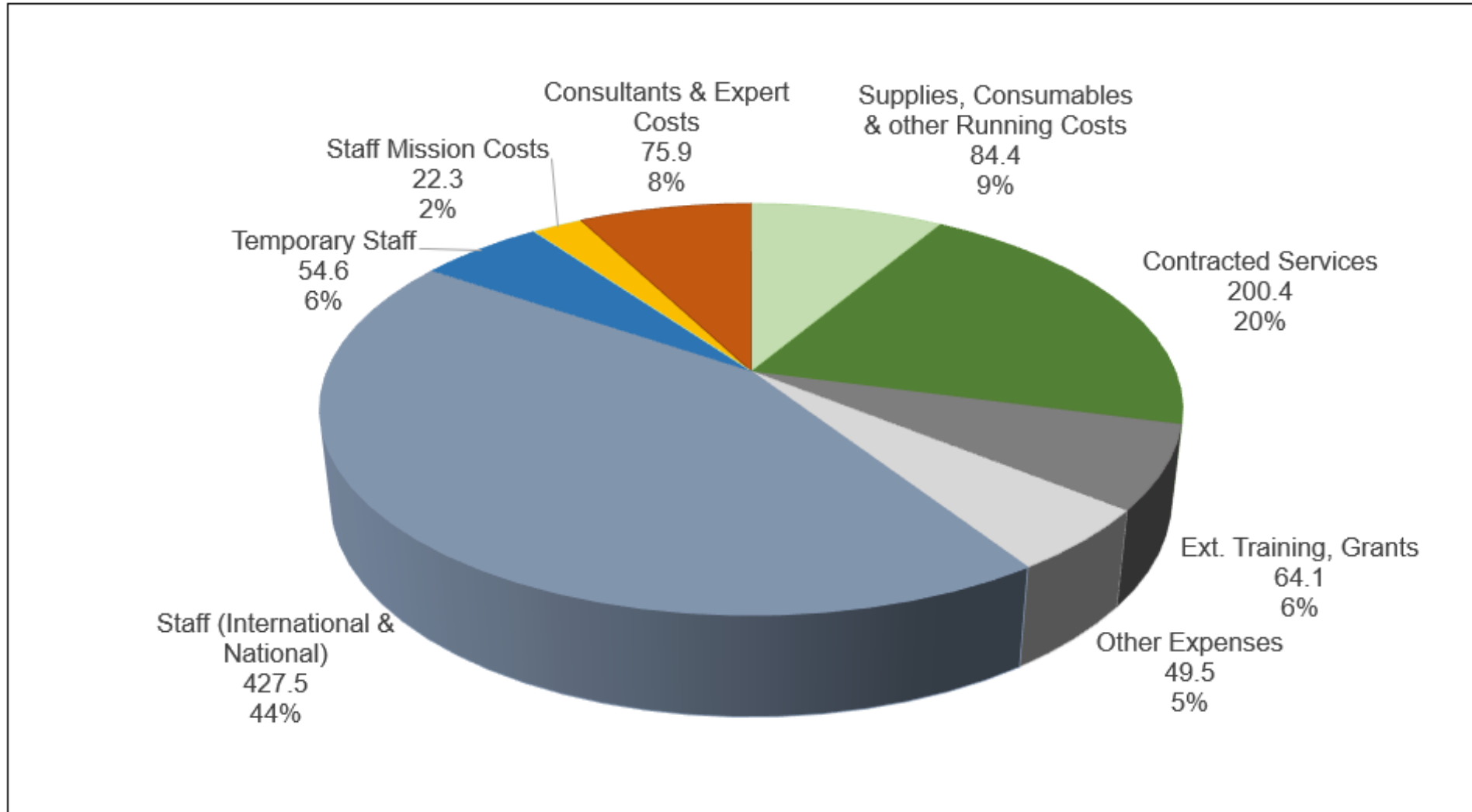
2018-2019 Adjusted IBF and Expenditure, by Sector/Bureau

in USD million



### 3. Implementation Against the IBF

2018-2019 IBF Expenditure by category of expenditure (excl. Cat I. Institutes of \$149.7M)  
in USD millions

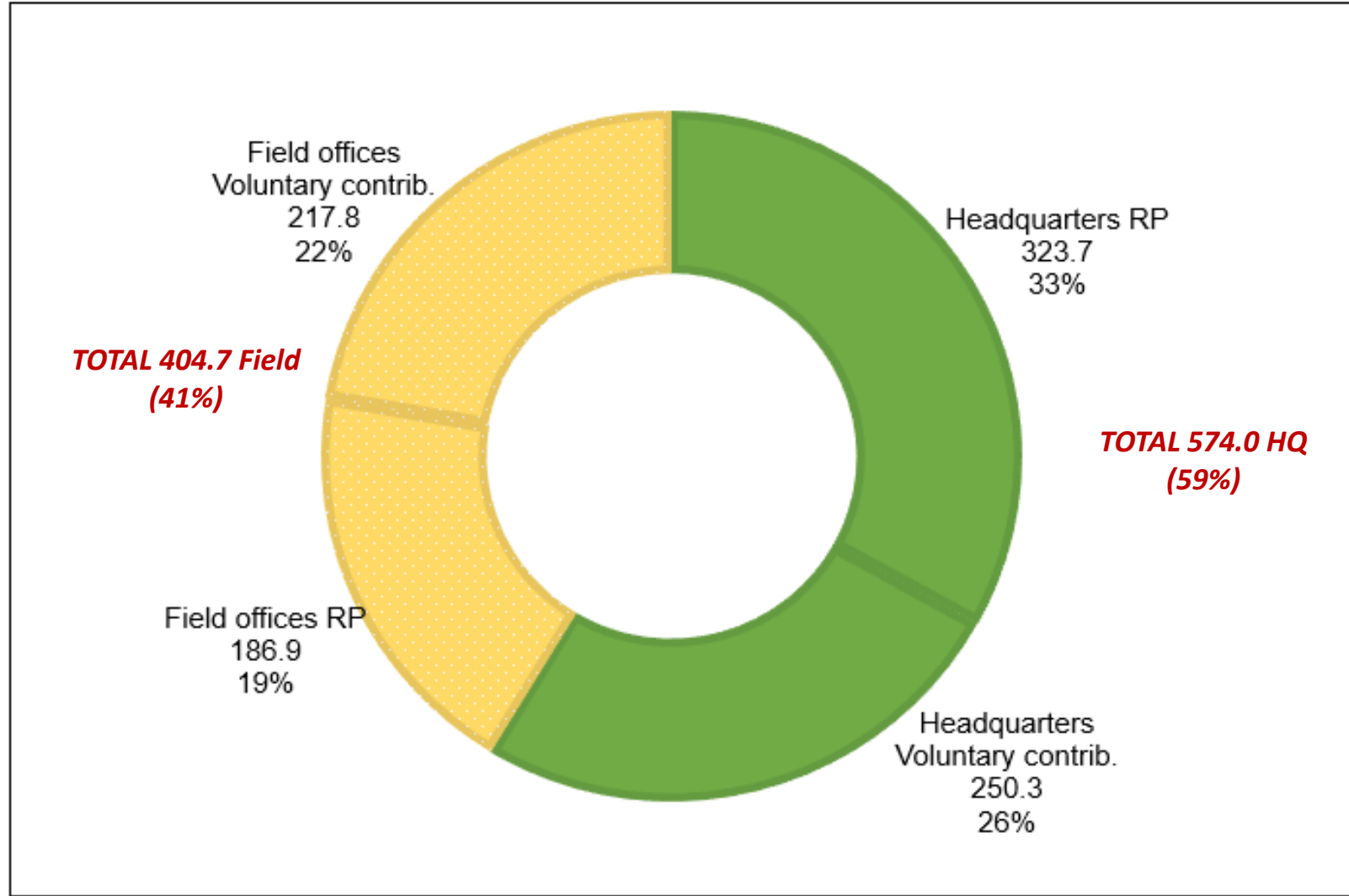




### 3. Implementation Against the IBF

2018-2019 IBF Expenditure by HQ/FO, and by source of funds (excl. Cat I. Institutes of \$149.7M)

in USD millions



## 4. Special Account for Management costs

in USD million

Management Services 39 C/5	Original budget		Final budget		Total Expenditures	Balance
	Costs to be funded by RP Budget	Costs to be funded by VC	Costs funded by RP Budget	Costs funded by VC		
<b>PART I - GENERAL POLICY AND DIRECTION</b>						
PART I.B Direction						
Directorate & Executive Office of DG	5.3	3.2	5.5	3.3	8.7	0.1
Internal Oversight	4.4	2.6	4.5	2.6	7.5	(0.4)
International Standards and Legal Affairs	2.8	1.7	2.8	1.7	3.6	0.8
Ethics Programme	0.7	0.4	0.7	0.4	1.1	0.0
<b>PART II.B - Programme-related services</b>						
Strategic planning	7.4	4.4	7.6	4.4	10.2	1.8
<b>PART III - CORPORATE SERVICES</b>						
Human resources management	9.9	5.9	10.1	5.9	16.7	(0.8)
Financial Management	10.7	6.3	9.9	6.3	16.1	0.2
ICT Infrastructure and Operations (IOP)	4.6	2.7	4.6	2.7	7.6	(0.2)
Administration and Management	0.0	0.0	1.0	0.0	1.1	0.0
<b>TOTAL</b>	<b>45.9</b>	<b>27.2</b>	<b>46.7</b>	<b>27.4</b>	<b>72.6</b>	<b>1.5</b>

\$73.2M

\$74.1M

## 4. Special Account for Management costs

### Special Account for Management costs - From January 2018 to December 2019

- **Higher income from VC compared with the original budget mainly due to \$8M interest income**
- **Various requirements to be set aside within the reserve:**
  - Used for supplementing the 39 C/5 RP
  - Distributed to Field Office
  - 18 month value of the 2020-2021 management costs (VC portion)
  - 1% implementation risk reserve
  - Additional budget given under the management services (ref: 40 C/Resolution 101, para 10.c)



Residual reserve balance  
(31 December 2019): **\$6.9M**

Proposal shall be provided to the Executive Board at its 210<sup>th</sup> session for the usage of the residual balance

# 5. 2020 – COVID-19 and Financial Risks for 40 C/5

## TOP ORGANIZATIONAL RISK

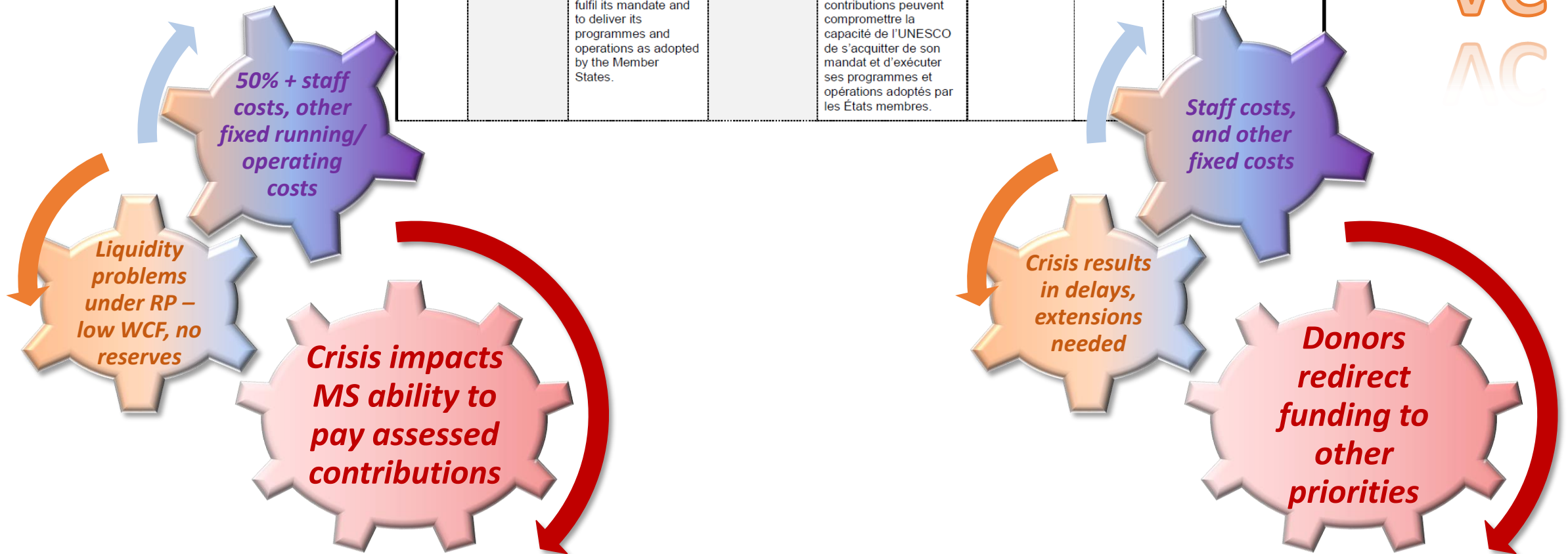
Risk Number/ Rang	Short risk name	Risk description	Intitulé abrégé du risque	Description du risque	Risk coordinator*/ Gestion du risque*	Co-risk coordinator/ Co-gestion du risque	Impact <sup>5</sup>	Likelihood <sup>6</sup> / Probabilité
1	Funding requirements	Unstable funding year on year and untimely financial contributions might impact UNESCO's ability to fulfil its mandate and to deliver its programmes and operations as adopted by the Member States.	Besoins de ressources financières	L'inconstance des financements d'une année sur l'autre et les retards dans le paiement des contributions peuvent compromettre la capacité de l'UNESCO de s'acquitter de son mandat et d'exécuter ses programmes et opérations adoptés par les États membres.	BSP	ADM/BFM	4	3

RP

Kb

VC

AC



**Thank you for your attention**

