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

Организация
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منظمة الأمم المتحدة
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SCALES OF ASSESSMENTS AND CURRENCY OF MEMBER STATES' CONTRIBUTIONS FOR 2012-2013

OUTLINE

Source: Financial Regulations 5.1 and 5.6.

Background: In accordance with Article IX of the Constitution and Article 5.1 of the Financial Regulations, the General Conference determines the scale of assessments of Member States' contributions for each financial period.

Purpose: Bearing in mind the practice followed in the past of basing the UNESCO scale on that of the United Nations, suitably adjusted to take into account the difference in membership between the two organizations, the Director-General submits in Part I of this document a report and a draft resolution on the subject for consideration by the Conference. In Part II of the document the Director-General submits proposals in accordance with Financial Regulation 5.6 regarding the currency of assessment and payment of contributions to the budget for the 2012-2013 biennium.

Decision required: Paragraphs 5 and 16.

PART I – SCALE OF ASSESSMENTS

Methodology applied to determine the scale of assessments in recent biennia

1. The scale of assessment of Member States' contributions to UNESCO has always been based on the most recent scale of assessments adopted by the General Assembly of the United Nations, with suitable adjustments to take into account the difference in membership between the two organizations. In the case of Member States of UNESCO which are not members of the United Nations, the rate of assessment used is the one applied by the United Nations in order to calculate the contributions to be made by those States to the United Nations activities in which they participate.

UNESCO scales of assessments for 2012-2013

2. Following past practice, the General Conference of UNESCO may wish to base UNESCO's scale or scales of assessments for 2012 and 2013 on the United Nations scales for those two years, with suitable adjustments to take into account the difference in membership between the two organizations. The United Nations scales for 2010, 2011 and 2012 were adopted by the General Assembly at its sixty-fourth session and are set out in General Assembly resolution 64/248 of 24 December 2009. **Annex I** gives the UNESCO scale for 2012 derived from this United Nations scale for 2012. The calculation of the coefficient between the United Nations scale and the UNESCO scale of assessments is shown in **Annex II**. Although it is unlikely that the 2012 scale will be revised at a later stage, it cannot be completely ruled out.

3. On the other hand, the scale for 2013, 2014 and 2015 will be only adopted at the sixty-seventh session of the General Assembly in December 2012. The report of the seventy-first session of the Committee on Contributions which took place in June 2011 is not yet available at the time of this document and further work will be done during the course of 2012.

4. When faced with similar situations in the past, the General Conference has decided to determine the methodology to be followed by the Director-General in the establishment of the scale or scales of UNESCO for the following biennium. This includes authorization for her to make the final calculations based on the scale or scales of the United Nations approved subsequently at the session of the General Assembly then concurrently in progress. Another option, however, would be to use the UNESCO scale as calculated for the year 2012, on the basis of the United Nations scale adopted at the sixty-fourth session for 2012, without taking into account changes that might occur at a later stage, for the two years of the biennium.

Point for decision

5. Bearing in mind the foregoing considerations, the Director-General has drawn up the framework of a possible resolution. In accordance with the opinion expressed at the 26th session of the General Conference that future draft resolutions on scales of assessments should not repeat the texts of provisions already recorded elsewhere, the suggested criteria for assessment of contributions of new Member States and Associate Members that may join UNESCO during 2012-2013 which are identical to those already detailed in 26 C/Resolution 23.1, have been covered by cross reference thereto in the draft resolution.

The General Conference,

Recalling Article IX of the Constitution, which stipulates in paragraph 2 that the General Conference shall approve and give final effect to the budget and to the apportionment of financial responsibility among the States Members of the Organization,

Considering that the scale of assessments for Member States of UNESCO has always been based on that of the United Nations, subject to the adjustments necessitated by the difference in membership between the two organizations,

Resolves that:

- (a) the scale of assessments of Member States of UNESCO for the years 2012 and 2013 shall be calculated on the basis of the scale or scales of assessment adopted by the United Nations General Assembly at its 64th and 67th sessions; the UNESCO scale or scales shall be established with the same minimum rate and the same maximum rates, 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;
- (b) if the United Nations General Assembly approved a scale for 2013 different from that for 2012, the relevant provisions of Articles 5.3 and 5.4 of the Financial Regulations shall not be applied;
- (c) if the United Nations General Assembly revises the scale for 2012 at the 66th session in December 2011, the revised scale will be adopted by UNESCO;
- (d) new members depositing their instruments of ratification after []¹ and Associate Members shall be assessed in accordance with the formulae set forth in 26 C/Resolution 23.1;
- (e) rates of assessment for Member States shall be rounded off to the same number of decimal places as in the United Nations scale or scales; rates of assessment for Associate Members shall be rounded off to one additional decimal place, as necessary, in order to allow the effective reduction to 60 per cent of the minimum rate of assessment for Member States stipulated in 26 C/Resolution 23.1.

PART II – CURRENCY OF ASSESSMENT AND PAYMENT OF CONTRIBUTIONS

6. Article 5.6 of the Financial Regulations as amended by resolution 65.1 adopted by the General Conference at its 30th session stipulates as follows:

“Contributions to the budget shall be assessed partly in United States dollars and partly in euros in a proportion to be determined by the General Conference and shall be paid in these or other currencies as decided by the General Conference. Advances to the Working Capital Fund shall be assessed and paid in a currency or currencies to be determined by the General Conference”.

7. This part of the document covers the question of currencies of assessment and payment of contributions to the budget of the Organization. The proposed resolution on the level and administration of the Working Capital Fund for 2012-2013 which may be found in document 36 C/37 covers the question of currencies of assessment and payment of advances to the Working Capital Fund.

Background of the split-level assessment system

8. The split-level assessment system for contributions to be assessed and paid partly in United States dollars and partly in euros (formerly French francs) was introduced by the General Conference at its 24th session as a measure to protect the regular budget from adverse currency fluctuations of the French franc to the dollar.

¹ The Director-General suggests the day before this is discussed by the Administrative Commission.

9. At its 25th session the General Conference adopted resolution 33.2 which extended the system for 1990-1991 and requested the Executive Board to study the advantages and disadvantages of a split-level assessment system as compared with a forward purchasing of French francs against dollars and make proposals to the General Conference at its 26th session.

10. Based on the recommendation made by the Executive Board at its 135th session (135 EX/Decision 7.5) that the split-level assessment system should be continued, the General Conference at its 26th session adopted resolution 25.1 by which it extended the system for an indeterminate period by amendment of Financial Regulation 5.6.

Administration of the split-level assessment system for 2012-2013

11. With regard to the administration of the split-level assessment system that will be operated in accordance with Financial Regulation 5.6 for the 2012-2013 biennium, the General Conference may wish to consider in particular the following factors:

- (a) In order to properly determine the amount of contributions to be assessed and paid in euros for 2012-2013, the percentage of estimated expenditure in euros should be based on a study of euro requirements for the implementation of the programme for the current biennium together with projections of any changing pattern of expenditure expected in euros and United States dollars in the forthcoming biennium; the percentage of 57 per cent of Parts I to IV of the budget determined for assessment of contributions in euros for 2010-2011 may have to be revised accordingly. A percentage figure for this purpose will be proposed by the Director-General to the General Conference at its 36th session in the light of a study to be concluded in this respect.
- (b) At previous sessions of the General Conference some Member States requested the choice of payment of the entire amount of their assessed contributions either in United States dollars or in euros during the financial period. The General Conference may wish to continue to offer such payment options, subject to the conditions already approved in this respect. These conditions provide that unless the contributions assessed in both currencies are received simultaneously in full, credit is given against contributions due in proportion to the amounts assessed in both currencies, by the application of the United Nations operational rate of exchange between the United States dollar and the euro on the date on which the contribution is credited to a bank account of the Organization. In this way the Organization would also be adequately protected from exposure to currency fluctuations arising from late payment in either of the two currencies due from each Member State.
- (c) In accordance with the practice established at the 25th session of the General Conference, contributions assessed in euros that remain unpaid at the end of the biennium should be converted into United States dollars at the time of assessment of contributions for the subsequent biennium. The rates of exchange proposed for such conversions are detailed in the draft resolution to be adopted which may be found in paragraph 16 below.

Payment of contributions in currencies other than the United States dollar or the euro

12. The Director-General recommends maintenance of the established principle that Member States should, to the widest possible extent, enjoy the privilege of paying their contributions in the currency of their choice. During the current biennium up to 30 June 2011, four Member States have taken advantage of the possibility open to them to pay part or all of their contributions in currencies other than the United States dollar and the euro. In accordance with the decision of the General Conference at its 35th session, sums in a given national currency accepted at the request of the Member State concerned have been fixed by the Director-General at the maximum level commensurate with the needs for the use of that currency in the implementation of the programme.

13. The Director-General will do all she can to comply with requests submitted in this connection in the forthcoming biennium under conditions similar to those approved in the past. It should be borne in mind, however, that acceptance of a wider variety of currencies would disperse the bank assets of the Organization, with the effect of rendering the management of cash more difficult and would have an adverse effect on the cash position, owing to the immobilization of funds in certain non-convertible currencies.

14. It should be noted that the acceptance of national currency in payment of all or part of the contribution of a Member State may wholly or partly reduce the possibility of accepting national currency in payment of UNESCO Coupons. It is therefore for the Member State to decide to which alternative utilization it wishes to give priority in making its request for utilization of its national currency, bearing in mind the requirements of the Financial Regulations regarding settlement of assessed contributions within one month of receipt of annual letters of assessment.

15. Experience has shown that when a Member State pays its contributions, the application of the exchange rate in force at the date of payment may result in a small balance remaining due by this Member State, or, on the other hand, a slight surplus to its credit. For the sake of simplifying administrative and accounting procedures, and in accordance with past practice, it is suggested that no account should be taken of such differences which do not exceed \$100 when they relate to the last payment against contributions due for the year in question, whether to the credit of the Member State or of the Organization. The draft resolution contains a clause to this effect.

Point for decision

16. In the light of the foregoing considerations, the General Conference may wish to adopt a resolution along the following lines:

The General Conference,

Having examined the report of the Director-General on the currency of contributions of Member States (36 C/34),

Recalling Article 5.6 of the Financial Regulations which stipulates that “Contributions to the budget shall be assessed partly in United States dollars and partly in euros in a proportion to be determined by the General Conference and shall be paid in these or other currencies as decided by the General Conference ...”,

Conscious of the need to reduce the exposure of the Organization to adverse currency fluctuation during 2012-2013,

1. Resolves, in respect of contributions for the years 2012 and 2013, that:

- (a) contributions to the budget shall be assessed on the basis of the approved scale of assessments as follows:
 - (i) in euros [*to be determined at the General Conference*] per cent of the budget calculated at the rate of US \$1 equal to 0.869 euro;
 - (ii) in United States dollars – the remainder of the amount of contributions to be paid by Member States;
- (b) contributions shall be paid in the two currencies in which they are assessed; nevertheless payment of the amount assessed in one currency may be made, at the choice of the Member State, in the other currency of assessment; unless the amounts assessed are received simultaneously and in full in the currencies in which they are assessed, credit shall be given against contributions due in proportion to the amounts assessed in both currencies, by the application of the United Nations operational rate of exchange between the United States dollar

and the euro on the date on which the contribution is credited to a bank account of the Organization;

- (c) contributions to be assessed in euros for the financial period that remain unpaid at the time of assessment of contributions for the subsequent financial period shall be considered as due and payable in United States dollars thereafter and for this purpose shall be converted into United States dollars using the euro rate of exchange, that is most beneficial to the Organization, by reference to the following four options:
 - (i) the constant rate of exchange of 0.869 euro to the dollar used to calculate the euro portion of assessed contributions for the biennium;
 - (ii) the average United Nations operational rate of exchange for the euro during the biennium;
 - (iii) the United Nations operational rate of exchange for the euro applicable for the month of December of the second year of the biennium;
 - (iv) the United Nations operational rate for the euro applicable on 31 December of the second year of the biennium;
- (d) arrears of contributions from previous financial periods and arrears converted into annual instalments considered as due and payable in United States dollars, but received in a currency other than the United States dollar, shall be converted into United States dollars at either the most favourable rate which UNESCO can obtain for conversion of the currency in question into United States dollars on the market on the date on which the amount is credited to a bank account of the Organization or at the United Nations operational rate of exchange on the same date, whichever is more beneficial to the Organization;
- (e) when contributions are received in advance in euros for subsequent financial periods, such advance contributions shall be converted into United States dollars at the operational rate of exchange ruling on the date when payment is credited to a bank account of the Organization; all contributions received in advance shall be held in the name of the contributor in United States dollars, and credit shall be given against contributions due for the subsequent financial period in dollars and euros, in the proportion determined by the General Conference, using the operational rate of exchange prevailing on the date of dispatch of letters of assessment for the first year of the following financial period;

Considering nevertheless that Member States may find it desirable to discharge part of their contributions in the currency of their choice,

2. Resolves that:

- (a) the Director-General is authorized, upon request from a Member State, to accept payment in the national currency of the Member State if he considers that there is a foreseeable need for that currency in the remaining months of the calendar year;
- (b) when accepting national currencies the Director-General, in consultation with the Member State concerned, shall determine that part of the contribution which can be accepted in the national currency, taking into account any amounts requested for payment of UNESCO Coupons; the Member State concerned must make a global proposal in that case;

- (c) in order to ensure that contributions paid in national currencies will be usable by the Organization, the Director-General is authorized to fix a time limit for payment, in consultation with the Member State concerned, after which contributions would become payable in the currencies mentioned in paragraph 1 above;
 - (d) acceptance of currencies other than the United States dollar or the euro is subject to the following conditions:
 - (i) currencies so accepted must be usable, without further negotiation, within the exchange regulations of the country concerned, for meeting all expenditure incurred by UNESCO within that country;
 - (ii) the rate of exchange to be applied shall be the most favorable rate which UNESCO can obtain for the conversion of the currency in question into United States dollars at the date at which the contribution is credited to a bank account of the Organization; after translation into United States dollars, credit shall be given against contributions for 2012-2013 where appropriate in proportion to the amounts assessed in United States dollars and euros, in the manner specified in paragraph 1 above;
 - (iii) if, at any time within the 12 months following the payment of a contribution in a currency other than the United States dollar or the euro, there should occur a reduction in the exchange value or a devaluation of such currency in terms of United States dollars, the Member State concerned may be required, upon notification, to make an adjustment payment to cover the exchange loss pertaining to the unspent balance of the contribution; to the extent that the Director-General considers that there is a foreseeable need for that currency in the remaining months of the calendar year, he is authorized to accept the adjustment payment in the national currency of the Member State;
 - (iv) if, at any time within the 12 months following the payment of a contribution in a currency other than the United States dollar or the euro, there should occur an increase in the exchange value or a revaluation of such currency in terms of United States dollars, the Member State concerned may require the Director-General, upon notification, to make an adjustment payment to cover the exchange gain pertaining to the unspent balance of the contribution; such adjustment payments will be made in the national currency of the Member State;
3. Resolves further that any differences due to variations in the rates of exchange or to bank charges not exceeding \$100 relating to the last payment against contributions due for the year in question, shall be posted to the profit and loss account.

ANNEX I

UNESCO SCALE FOR 2012 DERIVED FROM THE UNITED NATIONS SCALE
OF ASSESSMENT ADOPTED AT ITS 64TH SESSION, DECEMBER 2009

Member States	United Nations scale 2012	UNESCO scale 2012
Afghanistan	0.004	0.004
Albania	0.010	0.010
Algeria	0.128	0.128
Andorra	0.007	0.007
Angola	0.010	0.010
Antigua and Barbuda	0.002	0.002
Argentina	0.287	0.287
Armenia	0.005	0.005
Australia	1.933	1.933
Austria	0.851	0.851
Azerbaijan	0.015	0.015
Bahamas	0.018	0.018
Bahrain	0.039	0.039
Bangladesh	0.010	0.010
Barbados	0.008	0.008
Belarus	0.042	0.042
Belgium	1.075	1.075
Belize	0.001	0.001
Benin	0.003	0.003
Bhutan	0.001	0.001
Bolivia, Plurinational State of	0.007	0.007
Bosnia and Herzegovina	0.014	0.014
Botswana	0.018	0.018
Brazil	1.611	1.611
Brunei Darussalam	0.028	0.028
Bulgaria	0.038	0.038
Burkina Faso	0.003	0.003
Burundi	0.001	0.001
Cambodia	0.003	0.003
Cameroon	0.011	0.011
Canada	3.207	3.208
Cape Verde	0.001	0.001
Central African Republic	0.001	0.001
Chad	0.002	0.002
Chile	0.236	0.236

Member States	United Nations scale 2012	UNESCO scale 2012
China	3.189	3.190
Colombia	0.144	0.144
Comoros	0.001	0.001
Congo	0.003	0.003
Cook Islands		0.001
Costa Rica	0.034	0.034
Côte d'Ivoire	0.010	0.010
Croatia	0.097	0.097
Cuba	0.071	0.071
Cyprus	0.046	0.046
Czech Republic	0.349	0.349
Democratic People's Republic of Korea	0.007	0.007
Democratic Republic of the Congo	0.003	0.003
Denmark	0.736	0.736
Djibouti	0.001	0.001
Dominica	0.001	0.001
Dominican Republic	0.042	0.042
Ecuador	0.040	0.040
Egypt	0.094	0.094
El Salvador	0.019	0.019
Equatorial Guinea	0.008	0.008
Eritrea	0.001	0.001
Estonia	0.040	0.040
Ethiopia	0.008	0.008
Fiji	0.004	0.004
Finland	0.566	0.566
France	6.123	6.124
Gabon	0.014	0.014
Gambia	0.001	0.001
Georgia	0.006	0.006
Germany	8.018	8.019
Ghana	0.006	0.006
Greece	0.691	0.691
Grenada	0.001	0.001
Guatemala	0.028	0.028

Member States	United Nations scale 2012	UNESCO scale 2012
Guinea	0.002	0.002
Guinea-Bissau	0.001	0.001
Guyana	0.001	0.001
Haiti	0.003	0.003
Honduras	0.008	0.008
Hungary	0.291	0.291
Iceland	0.042	0.042
India	0.534	0.534
Indonesia	0.238	0.238
Iran, Islamic Republic of	0.233	0.233
Iraq	0.020	0.020
Ireland	0.498	0.498
Israel	0.384	0.384
Italy	4.999	5.000
Jamaica	0.014	0.014
Japan	12.530	12.531
Jordan	0.014	0.014
Kazakhstan	0.076	0.076
Kenya	0.012	0.012
Kiribati	0.001	0.001
Kuwait	0.263	0.263
Kyrgyzstan	0.001	0.001
Lao People's Democratic Republic	0.001	0.001
Latvia	0.038	0.038
Lebanon	0.033	0.033
Lesotho	0.001	0.001
Liberia	0.001	0.001
Libyan Arab Jamahiriya	0.129	0.129
Lithuania	0.065	0.065
Luxembourg	0.090	0.090
Madagascar	0.003	0.003
Malawi	0.001	0.001
Malaysia	0.253	0.253
Maldives	0.001	0.001
Mali	0.003	0.003

Member States	United Nations scale 2012	UNESCO scale 2012
Malta	0.017	0.017
Marshall Islands	0.001	0.001
Mauritania	0.001	0.001
Mauritius	0.011	0.011
Mexico	2.356	2.356
Micronesia	0.001	0.001
Monaco	0.003	0.003
Mongolia	0.002	0.002
Montenegro	0.004	0.004
Morocco	0.058	0.058
Mozambique	0.003	0.003
Myanmar	0.006	0.006
Namibia	0.008	0.008
Nauru	0.001	0.001
Nepal	0.006	0.006
Netherlands	1.855	1.855
New Zealand	0.273	0.273
Nicaragua	0.003	0.003
Niger	0.002	0.002
Nigeria	0.078	0.078
Niue		0.001
Norway	0.871	0.871
Oman	0.086	0.086
Pakistan	0.082	0.082
Palau	0.001	0.001
Panama	0.022	0.022
Papua New Guinea	0.002	0.002
Paraguay	0.007	0.007
Peru	0.090	0.090
Philippines	0.090	0.090
Poland	0.828	0.828
Portugal	0.511	0.511
Qatar	0.135	0.135
Republic of Korea	2.260	2.260
Republic of Moldova	0.002	0.002

Member States	United Nations scale 2012	UNESCO scale 2012
Romania	0.177	0.177
Russian Federation	1.602	1.602
Rwanda	0.001	0.001
Saint Kitts and Nevis	0.001	0.001
Saint Lucia	0.001	0.001
Saint Vincent and the Grenadines	0.001	0.001
Samoa	0.001	0.001
San Marino	0.003	0.003
Sao Tome and Principe	0.001	0.001
Saudi Arabia	0.830	0.830
Senegal	0.006	0.006
Serbia	0.037	0.037
Seychelles	0.002	0.002
Sierra Leone	0.001	0.001
Singapore	0.335	0.335
Slovakia	0.142	0.142
Slovenia	0.103	0.103
Solomon Islands	0.001	0.001
Somalia	0.001	0.001
South Africa	0.385	0.385
Spain	3.177	3.177
Sri Lanka	0.019	0.019
Sudan	0.010	0.010
Suriname	0.003	0.003
Swaziland	0.003	0.003
Sweden	1.064	1.064
Switzerland	1.130	1.130
Syrian Arab Republic	0.025	0.025
Tajikistan	0.002	0.002
Thailand	0.209	0.209
The former Yugoslav Republic of Macedonia	0.007	0.007
Timor-Leste	0.001	0.001
Togo	0.001	0.001
Tonga	0.001	0.001
Trinidad and Tobago	0.044	0.044

Member States	United Nations scale 2012	UNESCO scale 2012
Tunisia	0.030	0.030
Turkey	0.617	0.617
Turkmenistan	0.026	0.026
Tuvalu	0.001	0.001
Uganda	0.006	0.006
Ukraine	0.087	0.087
United Arab Emirates	0.391	0.391
United Kingdom	6.604	6.605
United Republic of Tanzania	0.008	0.008
United States of America	22.000	22.000
Uruguay	0.027	0.027
Uzbekistan	0.010	0.010
Vanuatu	0.001	0.001
Venezuela, Bolivarian Republic of	0.314	0.314
Viet Nam	0.033	0.033
Yemen	0.010	0.010
Zambia	0.004	0.004
Zimbabwe	0.003	0.003
Total	99.991	100.000

Note: Liechtenstein - that is a Member of the United nations but not of UNESCO - has an assessment rate of 0.009%.

ANNEX II

**CALCULATION OF THE COEFFICIENT OF ADJUSTMENT
BETWEEN THE UNITED NATIONS SCALE AND THE UNESCO
SCALE OF ASSESSMENTS FOR 2012**

Number of UNESCO Member States		United Nations scale		UNESCO scale
193		100.000		100.000
Deduct United Nations but not UNESCO Member States				
Liechtenstein	-0.009	<u>-0.009</u>		
		99.991		
Add UNESCO but not United Nations Member States				
Cook Islands	0.001			
Niue	<u>0.001</u>	<u>0.002</u>		
		99.993		
Less: UNESCO Member States with the fixed minimum rate of assessment				
	<u>41.000</u>	<u>-0.041</u>		<u>-0.041</u>
	152.000	99.952		99.959
Less: UNESCO Member State with the fixed maximum rate of assessment				
	<u>1.000</u>	<u>-22.000</u>		<u>-22.000</u>
	151.000	77.952		77.959
 Coefficient to adjust the rate of 151 Member States without fixed rates in the UNESCO scale				
		<u>77.959</u>	=	1.000089798851
		77.952		