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# Report by the Director-General on the Management of the 2024-2025 Budget (42 C/5)

**Preparatory Group 222<sup>nd</sup> Session**

10 - 11 September 2025

# Overview

- Global climate of financial uncertainty for the UN increased from Jan 2025 onwards; some member states signal reduced aid.
- UNESCO's financial situation for 2024-2025 differs from other UN agencies
- UNESCO had record level of voluntary contributions mobilized
- March 2025 onwards: Responsible Management Actions taken by UNESCO
- April 2025 EB 221:
  - requested continued planning and risk mitigation efforts
  - requested DG to enhance prudence in financial management (FR 104.1 & 104.2)
  - deferred decision on the 2026-2027 budget ceiling to the 222<sup>nd</sup> session
- 22 July 2025: US decision to withdraw from UNESCO, effective 31 Dec 2026



# Responsible Management Actions for 2025

- Specific responsible management actions since March 2025, primarily to slow implementation against the appropriated budget, and building on experience from past crises.
- Continued implementation of the entire 42 C/5 with prudent approach.
- Monthly review of financial implementation and adjustments.
- Internal Budget and Finance Committee regularly monitors the financial situation.
- Information meetings with Member States

# Targets for Responsible Management Actions

- Potential risk of non-payment of \$ 75 million on a total budget of \$ 1.8 billion
  - 4 % of the 2024-2025 Integrated Budget Framework
  - 11 % of total 2024-2025 Assessed Contributions
- Harmonized savings target across appropriation lines.
- Some variation due to fixed costs or incompressible items, and differences in implementation and vacancy rates at the time action taken.

# Actions taken in 2025

- Proportion of assessed contributions for activities frozen
- Recruitment processes have been slowed
- Stable total number of vacant posts since January 2025
- Withholding distribution of staff cost savings due to vacancies
- Review of obligations and fund reservations
- Alternatives to travel and meetings to the extent possible; delay or suspend some procurement

# 2024-25 Status (Budget Financed by Assessed Contributions) as of 30 June 2025

in USD millions

Item	Approved Budget (a)	Incurred Expenditure (b)	Actual Execution Rate (c)	Straight-line Execution Rate	Obligations and existing commitments for future payments (d)	Balance* (a-b-d)
Staff costs	414.6	(288.7)	70%	75%	(80.9)	45.0
Activity budget	270.8	(179.2)	66%	75%	(25.0)	66.6
<b>Total</b>	<b>685.4</b>	<b>(467.9)</b>	<b>68%</b>	<b>75%</b>	<b>(105.9)</b>	<b>111.6</b>

\* **Balance**- future staff costs commitments of \$12.6M to be transferred from the RP to the MCA bringing the **net Balance** to **\$99.0 Million**

**Target Savings  
\$75.3 million  
by end 2025**



# Conclusions

- The Organization is on track to achieve the end of biennium target of US\$ 75.3 million in savings, although full harmonization by appropriation line will not be possible
- Financial risks which may have an impact are being closely monitored
- Additional measure (US Special Account) is available in the unlikely event that the savings target is not achieved
- In the event the 2025 contribution from the US is received, it is recommended to transfer the funds to the next financial period, with a detailed proposal for use presented to EB 224.

# Thank you



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