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Draft Programme and Budget for 2026-2029 (43 C/5)

Preparatory Group 222nd Session

10 - 11 September 2025

Options for the 43 C/5 (2026-2027)

Option 1

- Retain original ZNG1/2 and ZRG budget ceilings as presented in the DRAFT 43 C/5, with financing through:
 - (1a) Reassessment of Member States contributions, or
 - (1b) Use of MCA reserves (\$23 million) and WCF (\$8 million) and reassessment of Member States contributions; with study of other measures.
- Establish expenditure plan ceiling in event of non-payment of 2026 assessed contribution.

Option 2

- Reduce budget ceilings under ZNG1/2 and ZRG to remove the 2027 assessed contribution of the departing Member State; and
- Establish expenditure plan ceiling in event of non-payment of 2026 assessed contribution.

Financial Implications of 43 C/5 scenarios

(amounts in USD'millions)

		Budget Scenario	Budget Ceiling	Expenditure Plan
Option 1a	1	ZRG	719.7	640.5
	2	ZNG1	685.4	610
	3	ZNG2	685.4	610
Option 1b	4	ZRG	719.7	640.5
	5	ZNG1	685.4	610
	6	ZNG2	685.4	610
Option 2	7	ZRG	640.5	561.4
	8	ZNG1	610	534.6
	9	ZNG2	610	534.6

43 C/5 Process Steps for Option 1a and 1b: Retained Budget Ceilings

- For consideration during the 222nd EB, Secretariat has prepared new Draft Appropriation Resolutions for 2026-2027:
 - **43 C/5 Volume 1** updated financing of the Integrated Budget Framework based upon:
 - An updated assessment on Member States, and
 - The application of the MCA reserves and/or the relevant amount from the Working Capital Fund (if applicable) and an updated assessment on Member States
 - **Inclusion of Expenditure Plan ceiling** (total amount) in the Appropriation Resolution, under the retained budget ceilings, in the event required for 2026
- Following approval of 2026-27 budget by the GC:
 - The Secretariat would implement according to the approved budget for 2026-2027
 - The Secretariat would prepare for the Spring 2026 Executive Board a **detailed expenditure plan** to manage the risk of non-payment in 2026

43 C/5 Process Steps for Option 2: Reduced Budget Ceilings

- For consideration during the 222nd EB, Secretariat has prepared new Draft Appropriation Resolutions for 2026-2027:
 - **43 C/5 Volume 1** updated under all three scenarios with new Regular Budget ceiling: 11% reduction to remove US 2027 assessed contribution
 - **Inclusion of Expenditure Plan ceiling** (total amount) in the Appropriation Resolution, under the reduced budget ceiling, in the event required for 2026
- Following approval of 2026-27 budget by the GC, Secretariat to prepare for the Spring 2026 Executive Board:
 - **Complete updated 43 C/5 documentation** as per the approved budget ceiling
 - **Detailed expenditure plan** to manage the risk of non-payment in 2026

Use of MCA Reserves

- A separate document 222 EX/33 is presented for consideration of the Executive Board regarding the reserve policy of the Management Costs Account (MCA).
- The MCA was established in 2018: UNESCO management functions financed proportionately by contributions from the RB and charges applied on VC into the MCA.
- The current reserve requirement was updated in 2020: 18 months of the management cost that is expected to be funded from all sources of fund (RB and VC). Reserves as at 31 Dec 2024 fall below the required level.
- The proposal is to restore the original reserve requirement, which was 18 months of the management costs funded from voluntary contributions. This would create residual reserves of US\$ 23 million (based upon 31 Dec 2024 levels).
- An Executive Board decision is required to facilitate any recommendations on the use of the residual reserve that would be created by changing the reserve requirement.

Thank you



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