



United Nations
Educational, Scientific and
Cultural Organization

Organisation
des Nations Unies
pour l'éducation,
la science et la culture

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

Организация
Объединенных Наций по
вопросам образования,
науки и культуры

منظمة الأمم المتحدة
للتربية والعلم والثقافة

联合国教育、
科学及文化组织

General Conference

36th Session, Paris 2011

36 C

36 C/69

5 November 2011

Original: English

REPORT OF THE ADMINISTRATIVE COMMISSION

TABLE OF CONTENTS

INTRODUCTION

ITEM 1 ORGANIZATION OF THE SESSION

- Item 1.3 Report by the Director-General on communications received from Member States invoking the provisions of Article IV.C, paragraph 8(c), of the Constitution

ITEM 4 DRAFT PROGRAMME AND BUDGET FOR 2012-2013

- Item 4.1 Methods of preparing the budget, budget estimates for 2012-2013, and budgeting techniques
- Item 4.2 Consideration and adoption of the Draft Programme and Budget for 2012-2013
- Part I: General Policy and Direction
 - Part III.A: Human Resources Management
 - Part III.B: Financial Management
 - Part III.C: Support Services Management
 - Part IV: Loan Repayments for Renovation of the Headquarters Premises and the IBE Building
 - Part V: Anticipated Cost Increases
- Item 4.4 Adoption of the provisional budget ceiling

ITEM 6 METHODS OF WORK OF THE ORGANIZATION

- Item 6.1 Consideration of the decentralization strategy, including of the revised basic criteria for the rational implementation of decentralization

ITEM 10 ADMINISTRATIVE AND FINANCIAL QUESTIONS

Financial questions

- Item 10.1 Implementation of the action plan for improved management of extrabudgetary funds – report by the Executive Board
- Item 10.2 Financial report and audited financial statements relating to the accounts of UNESCO for the financial period ended 31 December 2009 and report by the External Auditor
- Item 10.3 Financial report and audited consolidated financial statements relating to the accounts of UNESCO for the year ending 31 December 2010 and report by the External Auditor
- Item 10.4 Scale of assessments and currency of Member States' contributions
- Item 10.5 Collection of Member States' contributions

Item 10.6 Implications of the application of International Public Sector Accounting Standards (IPSAS) for the implementation of the incentive scheme for the prompt payment of contributions

Item 10.7 Working Capital Fund: level and administration

ITEM 11 STAFF ISSUES

Item 11.1 Staff Regulations and Staff Rules

Item 11.2 Staff salaries, allowances and benefits

Item 11.3 Human resources strategy for 2011-2016

Item 11.4 Report by the Director-General on the situation concerning the geographical distribution and gender balance of the staff

Item 11.5 United Nations Joint Staff Pension Fund and UNESCO Staff Pension Committee and appointment of Member States' representatives to the UNESCO Staff Pension Committee for 2012-2013

Item 11.6 Report by the Director-General on the state of the Medical Benefits Fund and appointment of Member States' representatives to the Board of Management for 2012-2013

ITEM 12 HEADQUARTERS QUESTIONS

Item 12.1 Report by the Director-General, in cooperation with the Headquarters Committee, on managing the UNESCO complex

Item 12.2 Capital Master Plan for UNESCO Headquarters

INTRODUCTION

1. Following the recommendation of the Executive Board at its 186th session (186 EX/Decision 22.IV), the General Conference, at its second plenary meeting on 25 October 2011, elected Ms Alissandra Cummins (Barbados) to the office of Chairperson of the Administrative Commission.

2. At its first and third sessions on 26 and 27 October 2011, the Commission elected its four Vice-Chairpersons and Rapporteur, as follows:

Vice-Chairpersons: Azerbaijan (Ms Eleonora Huseynova)
Canada (Ms Dominique Levasseur)
Egypt (Mr Mohamed Youssef)
Republic of Korea (Mr Jae-bok Chang)

Rapporteur: South Africa (Mr Brian Figaji)

3. The Commission then adopted its timetable of work as set out in documents 36 C/1 Prov. Rev., 36 C/2 Prov. Rev., and 36 C/COM ADM/1 Prov.

4. The Commission considered the items on its agenda during six (6) meetings held from Tuesday, 26 October 2011 to Friday, 28 October 2011.

5. The Commission adopted its report at its seventh meeting on Thursday, 3 November 2011. The present report includes only the recommendations of the Commission which will be presented orally by the Chairperson of the Commission to the General Conference for adoption.

ITEM 1 ORGANIZATION OF THE SESSION

Item 1.3 Report by the Director-General on communications received from Member States invoking the provisions of Article IV.C, paragraph 8(c), of the Constitution (36 C/12 and Add. Rev.)

6. The Administrative Commission examined item 1.3 at its first meeting and set up a Working Group on this item. The Commission finalized the examination of this item at its sixth meeting, based on the Report of the Working Group. Following the debate, the Commission recommended to the General Conference to adopt the resolution contained in paragraph 10 of document 36 C/12, as amended by the Commission. Upon the report of the Chairperson of the ADM Commission, the resolution was adopted by the General Conference at its ninth plenary meeting. The Resolution reads as follows:

The General Conference,

1. Having considered the communications received from the Central African Republic, Kyrgyzstan, Somalia and Sudan invoking the terms of Article IV.C, paragraph 8(c), of the Constitution in order to obtain permission to take part in the voting at its 36th session,
2. Recalling the constitutional obligation of Member States to pay their contributions fully and on time,
3. Taking into account the history of payment of contributions in preceding years and previous requests for voting rights in the case of each of these Member States, as well as the measures proposed by them to eliminate their arrears,

4. Noting that (names of Member States) have subsequent to their requests paid the amounts required for voting rights in conformity with Article IV.C, paragraph 8(b), of the Constitution,
5. Considers that the failure of Kyrgyzstan and Somalia to pay contributions for an amount exceeding the total due for the current year and the immediately preceding calendar year and/or instalments on payment plans is due to conditions beyond their control and decides that these Member States may take part in the voting at the 36th session of the General Conference;
6. Further considers that the failure of the Central African Republic to pay contributions for an amount exceeding the total due for the current year and the immediately preceding calendar year and/or instalments on payment plans does not comply with the conditions laid down in Rule 83 of the Rules of Procedure of the General Conference and consequently this Member State may not take part in the voting at the 36th session of the General Conference;
7. Invites the Director-General to report to the 190th and 192nd sessions of the Executive Board, as well as to the 37th session of the General Conference on the actual position concerning all payment plans agreed upon between UNESCO and Member States in arrears with their contributions.

ITEM 4 DRAFT PROGRAMME AND BUDGET FOR 2012-2013

Item 4.1 Methods of preparing the budget, budget estimates for 2012-2013, and budgeting techniques (36 C/5 and Addenda)

7. The Administrative Commission examined item 4.1 at its second meeting. Following the debate, the Commission recommended to the General Conference to adopt the following resolution as contained in document 36 C/5 Add. 2 as amended:

The General Conference,

1. Having examined the Draft Programme and Budget for 2012-2013 (36 C/5 Draft and Addendum), prepared by the Director-General and submitted to the Executive Board in accordance with Article VI.3 (a) of the Constitution,
2. Recalling 185 EX/Decision 17, Part II paragraph 3, 186 EX/Decision 15, Part II paragraph 3 and 187 EX/Decision 15,
3. Takes note of the fact that the budgeting techniques applied in the preparation of documents 36 C/5 and Addendum are in accordance with 35 C/Resolution 105;
4. Invites the Director-General to submit a proposal for changing budgetary techniques if necessary, focused on results-based budgeting in the preparation of document 37 C/5, and to submit a report thereon to the 190th session of the Executive Board.

Item 4.2 Consideration and adoption of the Draft Programme and Budget for 2012-2013 (36 C/5 and Addenda, 36 C/6 and Add., 36 C/8, 36 C/8 ADM and 36 C/DR.1)

8. The Administrative Commission examined item 4.2 at its third meeting. Following the debate, the Commission recommended to the General Conference to adopt the following resolutions contained in Volume 1 (Draft Resolutions) of document 36 C/5 Addendum:

Part I: General Policy and Direction

9. Regarding the Draft Programme and Budget for 2012-2013 for Part I – General Policy and Direction, the Commission recommended that the General Conference approve the resolution contained in paragraph 00100, as amended by the Commission, which foresees a budget provision of \$45,763,300 in document 36 C/5 Addendum Volume 1, it being understood that this amount is subject to adjustments in the light of the joint meeting of the Administrative Commission, and of all Programme Commissions, and the decisions taken by the General Conference.

Draft resolution for General Policy and Direction

The General Conference

1. Authorizes the Director-General
 - (a) to implement the following plan of action:
 - (i) organize in the most cost-effective manner the 37th session of the General Conference (October-November 2013) and five ordinary sessions of the Executive Board during 2012-2013;
 - (ii) provide for the functioning of the Directorate and the chapters comprising the Direction of the Organization;
 - (iii) contribute to the running costs of the joint machinery of the United Nations system;
 - (b) to allocate for this purpose an amount of \$24,579,300 for activity costs and \$21,184,000 for staff costs;
2. Requests the Director-General to report periodically to the governing bodies, in statutory reports, on the achievement of the following expected results:

Governing bodies

- Cost effectiveness of the governing bodies improved;
- Services to Member States optimized;

Internal Oversight

- Risk management, internal controls, compliance with financial rules and regulations and value-for-money mechanisms strengthened;
- Strategic management of the Organization, policy and programme development, and programme delivery informed by evaluations and audits;
- Accountability and adherence to rules and regulations in UNESCO strengthened;

Internal Standards and Legal Affairs

- Quality legal advice provided to the Organization and its governing bodies;
- Organization's rights effectively protected;

- Internal rules of the Organization relating to activities, funds and property of the Organization revised and improved to enhance the protection of the interests of the Organization;
- Informed legal advice provided on the establishment and operation of the intergovernmental bodies in charge of the implementation of conventions and newly established bodies;
- Monitoring of the Organization's standard-setting instruments coordinated;

Ethics Office

- Financial disclosure policy and conflict of interest rules implemented and disseminated;
 - Training module on ethics delivered both at Headquarters and in the field offices (includes category 1 institutes).
3. Also requests the Director-General to report in her six-monthly statutory reports on the implementation of the programme adopted by the General Conference on measures taken to optimize the use of resources in the implementation of programme activities, including travel, contractual services and publications.

Part III.A: Human Resources Management

10. Regarding the Draft Programme and Budget for 2012-2013 for Part III.A – Human resources management, the Commission recommended that the General Conference approve the resolution contained in paragraph 11000 which foresees a budget provision of \$34,635,500 in document 36 C/5 Addendum Volume 1, it being understood that this amount is subject to adjustments in the light of the joint meeting of the Administrative Commission, and of all Programme Commissions, and the decisions taken by the General Conference.

Draft resolution for human resources management

The General Conference

1. Authorizes the Director-General
 - (a) to implement the corresponding plan of action in order to:
 - (i) pursue the implementation of human resources policies, and revise them as required, to ensure that they effectively enable and support UNESCO's programme operations; paying special attention to the improvement of geographical distribution and gender balance as well as the need for harmonization with the United Nations Common System;
 - (ii) complete the initial phase of the human resources management strategy for 2011-2016; focusing in particular on the enhancement of recruitment, staffing processes and mechanisms;
 - (iii) update and implement the geographical mobility policy, to address the Organization's programme and staffing needs, and effectively support the Field Network reform;

- (iv) implement innovative and relevant learning and development programmes with particular emphasis on the enhancement of partnership, managerial and leadership competencies;
 - (v) promote a culture of results-oriented management ensuring engagement and exchange in support of performance management;
 - (vi) support the financial stability of the Medical Benefits Fund by implementing best industry practice mechanisms, as approved by the Governing Boards.
 - (b) to allocate for this purpose an amount of \$18,073,900 for activity costs and \$16,561,600 for staff costs.
2. Requests the Director-General to report periodically to the governing bodies, in the statutory reports, on the achievement of the following expected results:
- (i) action plan for the human resources management strategy for 2011-2016 developed and implemented;
 - (ii) equitable geographical distribution and gender balance improved, in particular at the senior management levels;
 - (iii) effective and financially sound social security schemes for staff ensured;
 - (iv) learning and development plan elaborated, implemented and monitored;
 - (v) culture of results introduced in performance management;
 - (vi) administrative actions relating to recruitment, appointments and benefits/entitlements administration efficiently processed;
3. Also requests the Director-General to report in her six-monthly statutory reports on the implementation of the programme adopted by the General Conference on measures taken to optimize the use of resources in the implementation of programme activities, including travel, contractual services and publications.

Part III.B: Financial Management

11. Regarding the Draft Programme and Budget for 2012-2013 for Part III.B – Financial management, the Commission recommended that the General Conference approve the resolution contained in paragraph 12000, which foresees a budget provision of \$13,468,600 in document 36 C/5 Addendum Volume 1, it being understood that this amount is subject to adjustments in the light of the joint meeting of the Administrative Commission and of all Programme Commissions and the decisions taken by the General Conference.

Draft resolution for Financial management

The General Conference

1. Authorizes the Director-General:
- (a) to undertake regular budget monitoring, keep proper books of accounts, and conduct treasury and financial control functions effectively and efficiently in compliance with the Financial Regulations and Rules;

- (b) to manage, administer and monitor the implementation of field offices' operation expenditures, reinforce their administrative capacities, and coordinate their overall staffing;
 - (c) to allocate for this purpose \$1,138,500 for activities and \$12,330,100 for staff costs;
2. Requests the Director-General to report periodically to the governing bodies, in the statutory reports, on the achievements of the following expected results:
- (1) informed decision-making by the Director-General and governing bodies facilitated by timely financial and budgetary monitoring and reporting on regular budget and extrabudgetary resources with particular emphasis on management of risks;
 - (2) risk-based budgetary and financial internal control systems strengthened across the Organization, concerned staff capacities built and programme implementation with key partners facilitated;
 - (3) transparent and high quality audited financial statements produced in accordance with IPSAS and presented to the governing bodies with clean audit opinion;
 - (4) financial resources of the Organization managed in an effective and efficient manner and in compliance with the Financial Regulations and Rules;
 - (5) operational deliverables and targets met due to consistent and appropriate application of the Financial Regulations, rules, policies and procedures;
 - (6) enhanced and integrated financial management and reporting systems put in place and properly used;
 - (7) effective operational reporting lines established from administrative officers to the CFO, with particular attention to field office network;
 - (8) operational guidance and overall coordination provided to field offices on implementation of measures agreed upon in the context of harmonized business practices in the United Nations system framework;
3. Also requests the Director-General to report in her six-monthly statutory reports on the implementation of the programme adopted by the General Conference on measures taken to optimize the use of resources in the implementation of programme activities, including travel, contractual services and publications.

Part III.C: Support Services Management

12. Regarding the Draft Programme and Budget for 2012-2013 for Part III.C – Support services management, the Commission recommended that the General Conference approve the resolution contained in paragraph 13000 which foresees a budget provision of \$72,331,700 in document 36 C/5 Addendum Volume 1, it being understood that this amount is subject to adjustments in the light of the joint meeting of the Administrative Commission, and of all Programme Commissions, and the decisions taken by the General Conference.

Draft resolution for Support Services Management

The General Conference

1. Authorizes the Director-General:

- (a) to implement the plan of action aimed at providing support for the effective implementation of UNESCO's programmes and at ensuring the appropriate management of the common support services, namely:
 - (i) coordination, information technology and communications;
 - (ii) conference, languages and documents services;
 - (iii) common services: procurement, Headquarters security and facilities;
 - (b) to allocate for this purpose an amount of \$18,331,400 for activity costs and \$54,000,300 for staff costs;
2. Invites the Director-General to pursue her efforts aimed at reinforcing security arrangements at Headquarters as set out in 185 EX/Decision 30 and in accordance with the recommendations of the Headquarters Committee;
3. Requests the Director-General to report periodically to the governing bodies, in the statutory reports, on the achievement of the following expected results:
- (1) outsourcing modalities for services implemented where relevant;
 - (2) IT security policy, risk register, business continuity and disaster recovery plan developed for IT systems, services and infrastructure;
 - (3) unified communications network with Voice over Internet Protocol (VOIP) technology developed encompassing both Headquarters and the field offices and multimedia capabilities integrated into electronic records management system;
 - (4) organizational knowledge management supported by electronic records management;
 - (5) "Greening" UNESCO supported and carbon footprint reduced;
 - (6) conference, interpretation and translation services, as well as document production and distribution services (including e-distribution) provided in a more coherent and timely manner;
 - (7) charge back mechanisms further developed;
 - (8) internal workflows improved through further implementation and development of DMS (Document Management System) and automatic text processing tools;
 - (9) service level agreement established with at least three significant translation clients;
 - (10) e-publications and e-distribution developed;
 - (11) maintenance, upkeep and operation of the technical facilities and installations at Headquarters ensured at a satisfactory level; risks and negative effects of austerity minimized;
 - (12) cost-sharing developed for optimal use of human and financial resources;
 - (13) safety and security measures assessed and updated to current situations;

- (14) facilities and installations maintained at a satisfactory level in compliance with host country norms and within budgetary allocations;
 - (15) Capital Master Plan in Fontenoy and Miollis/Bonvin sites implemented within the limits of resources available;
 - (16) procurement processes simplified and Long Term Agreements (LTAs) in place for most frequent and routine purchases at Headquarters;
 - (17) technical skills improved Organization-wide to ensure procurement planning, strict application of governing rules and regulations, as well as to reduce the waivers of competition in decentralized procurement activities;
 - (18) property management processes and procedures at Headquarters consistent with International Public Sector Accounting Standards (IPSAS);
4. Also requests the Director-General to report in her six-monthly statutory reports on the implementation of the programme adopted by the General Conference on measures taken to optimize the use of resources in the implementation of programme activities, including travel, contractual services and publications.

Reserve for reclassifications/merit recognition

13. Regarding the Draft Programme and Budget for 2012-2013 “Reserve for reclassifications/merit recognition”, the Commission recommended that the General Conference approve the resolution, which foresees a budget provision of \$1,300,000 as reflected in the Draft Appropriation Resolution for 2012-2013 contained in Volume 1 of document 36 C/5 Addendum, it being understood that this amount is subject to adjustments in the light of the joint meeting of the Administrative Commission, and of all Programme Commissions, and the decisions taken by the General Conference.

Part IV: Loan Repayments for Renovation of the Headquarters Premises and the IBE Building

14. Regarding the Draft Programme and Budget for 2012-2013 for Part IV – Loan repayments for renovation of the Headquarters premises & the IBE Building, the Commission recommended that the General Conference approve the resolution, which foresees a budget provision of \$14,014,000 as reflected in the Draft Appropriation Resolution for 2012-2013 contained in document 36 C/5 Addendum Volume 1, it being understood that this amount is subject to adjustments in the light of the joint meeting of the Administrative Commission, and of all Programme Commissions, and the decisions taken by the General Conference

Part V: Anticipated Cost Increases

15. Regarding the Draft Programme and Budget for 2012-2013 for Part V – Anticipated cost increases, the Commission recommended that the General Conference approve the resolution, which foresees a budget provision of \$8,976,500 as reflected in the Draft Appropriation Resolution for 2012-2013 contained in document 36 C/5 Addendum Volume 1, it being understood that this amount is subject to adjustments in the light of the joint meeting of the Administrative Commission, and of all Programme Commissions, and the decisions taken by the General Conference.

Item 4.4 Adoption of the provisional budget ceiling (36 C/6 and Add.)

16. The Administrative Commission examined item 4.4 at its first meeting. Following the debate, the Commission endorsed the recommendation of the Executive Board contained in the draft resolution presented in document 36 C/6 Add., and recommended to the General Conference to adopt a budget ceiling of \$653 million for the 2012-2013 biennium, it being understood that this

amount is subject to approval by the joint meeting of the Administrative Commission, and of all Programme Commissions, and the decisions taken by the General Conference. Upon the report of the Chairperson of the ADM Commission, the budget ceiling of \$653 million for 2012-2013 was approved, on a provisional basis, by the General Conference at its seventh plenary meeting. The Administrative Commission transmitted its recommendation on the draft resolution contained in document 36 C/6 Add. to the joint meeting.

ITEM 6 METHODS OF WORK OF THE ORGANIZATION

Item 6.1 Consideration of the decentralization strategy, including of the revised basic criteria for the rational implementation of decentralization (36 C/27)

17. The Administrative Commission examined item 6.1 at its first and second meeting. Following the debate, the Commission recommended to the General Conference to adopt the following resolution, as amended by the Commission, contained in paragraph 70 of document 36 C/27:

The General Conference,

1. Recalling 35 C/Resolution 82,
2. Having taken note of 185 EX/Decision 29, 186 EX/Decision 28 and 187 EX/Decision 33 relating to the reform of the field network (third option),
3. Appreciating the efforts by the Director-General to enhance UNESCO's presence in the field,
4. Having examined document 36 C/27,
5. Takes note of the ongoing consultations with Member States on the reform of the field network;
6. Endorses the principles of the reform of UNESCO's field office network set out in documents 185 EX/29 and 36 C/27;
7. Approves the revised implementation plan proposed by the Director-General with the objective of securing the financial viability and the successful implementation of the first phase of the field network reform, which will now only be carried out in Africa;
8. Takes note of the implementation plan for Phase 1 of the field network reform, including associated detailed budget estimates and road map;
9. Also takes note that the Director-General has included in the alternative budget option of the Draft Programme and Budget for 2012-2013 (36 C/5) the necessary resources for the financing of the first phase of the field network reform;
10. Invites the Director-General to pursue her consultations with Member States of the concerned regions;
11. Invites the Executive Board to monitor progress achieved in implementing the field reform by examining the periodic progress reports provided by the Director-General and to express its views thereon through explicit decisions;
12. Requests the Director-General to report to it at its 37th session on progress in implementing the field reform.

ITEM 10 ADMINISTRATIVE AND FINANCIAL QUESTIONS

Item 10.1 Implementation of the action plan for improved management of extrabudgetary funds – report by the Executive Board (36 C/31)

18. The Administrative Commission examined item 10.1 at its second meeting. Following the debate, the Commission recommended to the General Conference to adopt the following resolution, as amended by the Commission, contained in paragraph 3 of document 36 C/31:

The General Conference,

1. Having examined document 36 C/31,
2. Welcomes the efforts by the Director-General to strengthen the strategic orientation, coherence and programmatic concentration of the Complementary Additional Programme and to make it more accessible and attractive to potential donors and partners;
3. Takes note of the Director-General's efforts to:
 - (a) promote a better understanding of the cost-recovery policy and proper project budgeting;
 - (b) increase the efficiency of project proposal preparation by developing and implementing simple and automated processes and strive to make the budget for UNESCO (B4U) tool compulsory in autumn 2012;
 - (c) build staff capacities and skills to strengthen the efforts to mobilize extrabudgetary funds, including through engagement with the private sector;
4. Encourages the Director-General to:
 - (a) further improve the management of extrabudgetary resources by making the Complementary Additional Programme more accessible and more widely known and by reinforcing data collection, analysis, and monitoring of its implementation;
 - (b) strengthen UNESCO's delivery capacity and programmatic impact by enhancing capacities in project planning and management of field office and Headquarters staff through dedicated training;
 - (c) maximize resource mobilization through a diversification of funding sources and by expanding the donor scope in all categories: bilateral, multilateral and private;
 - (d) strengthen the implementation of the cost-recovery policy, while supporting efforts to develop common guidelines on cost-recovery in the United Nations system;
 - (e) further exploit SISTER for monitoring extrabudgetary projects, and provide more detailed information to the Executive Board on the systems and procedures in place to monitor extrabudgetary projects;
5. Invites the Director-General to present to the Executive Board at its 190th session an updated extrabudgetary resource mobilization strategic plan and in its annual reports to present information on its management and impact;
6. Further invites the Director-General to report to the Executive Board at its 190th session on further developments and challenges encountered with regard to the

management and monitoring of extrabudgetary resources and activities at Headquarters and in the field, and on the implementation of the cost-recovery policy and the amount of costs recovered.

Item 10.2 Financial report and audited financial statements relating to the accounts of UNESCO for the financial period ended 31 December 2009 and report by the External Auditor (36 C/32 and 36 C/INF.10)

19. The Administrative Commission examined item 10.2 at its fourth meeting. Following the replies by the External Auditor to the questions raised by the Member States, the Commission recommended to the General Conference to adopt the resolution contained in paragraph 4 of document 36 C/32 as amended orally by the Commission. The resolution reads as follows:

The General Conference,

1. Having examined document 36 C/32,
2. Expresses its appreciation to the External Auditor for the high standard of his work;
3. Notes the opinion of the External Auditor that the financial statements presented fairly in all material respects, the financial position of UNESCO as at 31 December 2009 and the results of its operations and its cash flows for the two-year financial period then ended, and that they were prepared in accordance with the stated accounting policies, which were applied on a basis consistent with that of the preceding financial period;
4. Notes that although he does not qualify his opinion, the External Auditor recommends that the Secretariat continues to strengthen internal control for the financial governance of the Organization;
5. Notes the use of the unspent balance of unliquidated obligations to liquidate other outstanding legal obligations of the Organization as explained in Note 5(d) to the Financial Statements;
6. Notes the recommendations of the External Auditor and observations by the Director-General thereon and requests the Director-General to implement the said recommendations and submit a progress report to the General Conference at its 37th session;
7. Receives and accepts the report of the External Auditor and the audited financial statements on the accounts of UNESCO for the financial period ended 31 December 2009.

Item 10.3 Financial report and audited consolidated financial statements relating to the accounts of UNESCO for the year ending 31 December 2010 and report by the External Auditor (36 C/33 and Add.)

20. The Administrative Commission examined item 10.3 at its fourth meeting. Following the replies by the External Auditor to the questions raised by the Member States, the Commission recommended to the General Conference to adopt the resolution as contained in paragraph 2 of document 36 C/33 Add.:

The General Conference,

1. Recalling Article 12.10 of UNESCO's Financial Regulations,
2. Having examined document 36 C/33 and Add.,

3. Notes the opinion of the External Auditor that the financial statements presented fairly, in all material respects, the financial position of UNESCO as at 31 December 2010 and the results of its operations and its cash flow for the financial period then ended, in accordance with International Public Sector Accounting Standards (IPSAS);
4. Also notes the recommendations of the External Auditor and the Director-General's comments thereon;
5. Further notes, with appreciation, the preparation of the first set of financial statements under IPSAS by the Secretariat and the successful implementation of the IPSAS project;
6. Receives and accepts the report of the External Auditor and the audited financial statements on the accounts of UNESCO for the financial period ended 31 December 2010.

Item 10.4 Scale of assessments and currency of Member States' contributions

21. The Administrative Commission examined item 10.4 at its sixth meeting. As agreed at its first meeting, the item was considered without prior debate. The Commission recommended to the General Conference to adopt the following resolution contained in paragraphs 5 and 16 of document 36 C/34, as amended orally by the Commission. The resolution reads as follows:

The General Conference,

I

1. 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,
2. 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,
3. 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%;
 - (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 27 October 2011 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% of the minimum rate of assessment for Member States stipulated in 26 C/Resolution 23.1.

II

1. Having examined the report of the Director-General on the currency of contributions of Member States (36 C/34),
2. 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 ...",
3. Conscious of the need to reduce the exposure of the Organization to adverse currency fluctuation during 2012-2013,
4. 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 57% of the budget calculated at the rate of \$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;
5. Considering nevertheless that Member States may find it desirable to discharge part of their contributions in the currency of their choice,
6. 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 favourable 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;
7. 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.

Item 10.5 Collection of Member States' contributions (36 C/35 and Add.)

22. The Administrative Commission examined item 10.5 at its sixth meeting. Following the debate, the Commission recommended to the General Conference to adopt the following resolution contained in paragraphs 12.1 and 12.2 of document 36 C/35, as amended orally by the Commission. The resolution reads as follows:

The General Conference,

I

1. Having examined the report of the Director-General on the collection of contributions of Member States (36 C/35 and Add),
2. Recalling 35 C/Resolution 02 concerning all payment plans agreed upon between UNESCO and Member States in arrears with their contributions,
3. Having examined documents 36 C/35 and Add., and having taken note of the up-to-date information provided during the debate of the Financial and Administrative Commission at its 36th session,
4. Expresses its gratitude to Member States that have paid their contributions for the financial period 2010-2011 and to those who have made efforts to reduce their arrears in response to appeals;
5. Recalls that the prompt payment of contributions is an obligation incumbent on Member States under the Constitution and the Financial Regulations of the Organization;
6. Strongly supports the approaches the Director-General is continuing to make to Member States with a view to obtaining timely payment of contributions;
7. Urgently appeals to those Member States that are behind with the payment of their contributions to pay their arrears without delay and, where appropriate, to settle their

outstanding annual instalments at the earliest possible time as well as their regular assessed contributions;

8. Takes note of the special situation of the Former Yugoslavia;
9. Notes in particular the failure of five Member States to pay on time the amounts due by them against payment plans approved by the General Conference for settlement of their accumulated arrears in annual instalments,
10. Calls upon Member States to take the necessary steps to ensure that their contributions are paid in full at as early a date as possible during the financial period 2012-2013;
11. Urges Member States, on receipt of the Director-General's request for payment of assessed contributions, to inform her, as promptly as possible, of the probable date, amount and method of payment of the forthcoming contribution in order to facilitate her management of the Organization's treasury function;
12. Authorizes the Director-General, to negotiate and contract, as an exceptional measure, short-term loans on the best terms available, when it becomes necessary, to enable the Organization to meet its financial commitments during 2012-2013, and to limit the periods and amounts of external and internal borrowing to the strict minimum, with a view to phasing out external borrowing as soon as possible.

II

Collection of contributions – Kyrgyzstan

1. Having been advised of the desire of the Government of Kyrgyzstan to find an acceptable solution for settlement of arrears of contributions due,
2. Notes the amount outstanding of \$786,567 as of 28 October 2011 after translation of the amount due in euros into United States dollars at the constant rate of exchange;
3. Accepts the proposal as set forth by the Government that the balance of the payment plan approved at its 35th session and the contributions due for the financial period 2010-2011, totalling \$786,567 shall be partially paid in four instalments as follows: one instalment of \$58,493 in 2012 and three equal instalments of \$19,688 from 2013 to 2015, all payable by 30 June of each year;
4. Also notes that the Government of Kyrgyzstan shall be required to submit a progress report to the General Conference at its 38th session for the purpose of reconsideration of the scheduling of its arrears amounting to \$669,010 in the light of its capacity to pay at that time;
5. Decides that payments of contributions received from Kyrgyzstan during the second year of each biennium shall be credited first against annual instalments due, secondly to the Working Capital Fund, and then to the contributions due in the order in which the Member was assessed;
6. Calls upon the Government of Kyrgyzstan to ensure that the contributions assessed for 2012 and subsequent years are paid promptly on a regular basis;
7. Requests the Director-General to report to it at each forthcoming ordinary session on the implementation of this resolution;

Item 10.6 Implications of the application of International Public Sector Accounting Standards (IPSAS) for the implementation of the incentive scheme for the prompt payment of contributions (36 C/36)

23. The Administrative Commission examined item 10.6 at its sixth meeting. Following the brief debate, the Commission recommended to the General Conference to adopt the following resolution contained in paragraphs 2 of document 36 C/36, as amended by the Commission. The resolution reads as follows:

The General Conference,

1. Recalling 35 C/Resolution 89.III, 185 EX/Decision 27 and 187 EX/Decision 29,
2. Having examined document 36 C/36 and its Annex,
3. Takes note that adopting the IPSAS accounting standards does not prevent UNESCO from having an incentive scheme;
4. Further takes note that the existing scheme is no longer in compliance with IPSAS;
5. Takes note of the recommendation of the Executive Board;
6. Decides to implement on a four-year experimental period starting 1 January 2012 an incentive scheme for prompt payment of contributions based on prompt payment discount as follows:
 - (a) Member States that pay in full their current contributions by 31 January of a relevant year and have no outstanding payment plans will receive a discount corresponding to the interests earned between that date and end of June in the same year;
 - (b) the discount would be based on effective interests earned during the relevant year, net of investment fees and bank charges;
 - (c) the distribution will be done after the accounts closing of the relevant year. Interest earnings will be deducted from the contributions of the following year;
 - (d) the yearly discount rate is based on the average interest rates in United States dollars (LIBID USD 1 month) and in euro (LIBID EUR 1 month) from January to June and weighted with the assessment split;
5. Further requests the Director-General to provide at the 192nd session of the Executive Board additional information on the possible implementation of option (c) of document 187 EX/29, based on the application of IPSAS results in the 2010-2012 financial statements.

Item 10.7 Working Capital Fund: level and administration (36 C/37 and Add.)

24. The Administrative Commission examined item 10.7 at its sixth meeting. As agreed at its first meeting, the item was considered without prior debate. The Commission recommended to the General Conference to adopt the following resolution contained in paragraphs 15 of document 36 C/37, as amended by the Commission. The resolution reads as follows:

The General Conference,

1. Resolves that:

- (a) the authorized level of the Working Capital Fund for 2012-2013 shall be fixed at \$30 million and that the amounts to be advanced by Member States shall be calculated according to the rates assigned to them under the scale of assessments approved by the General Conference for 2012-2013;
- (b) a new Member State shall be required to make an advance to the Working Capital Fund, calculated as a percentage of the authorized level of the Fund, in accordance with the percentage assigned to it under the scale of assessments applicable at the time it becomes a Member;
- (c) the resources of the Fund shall be assessed and paid in United States dollars; these resources shall normally be held in United States dollars, but the Director-General shall have the right, with the agreement of the Executive Board, to alter the currency or currencies in which the Fund is held in such a manner as she deems necessary to ensure the stability of the Fund and the smooth functioning of the split-level assessment system; if such an alteration should be agreed, an appropriate exchange equalization account should be established within the Fund to record translation gains and losses on exchange;
- (d) that the Director-General is authorized to advance from the Working Capital Fund, in accordance with Article 5.1 of the Financial Regulations, such sums as may be necessary to finance budgetary appropriations pending the receipt of contributions; sums so advanced shall be reimbursed as soon as receipts from contributions are available for that purpose;
- (e) that the Director-General is authorized to advance during 2012-2013 sums not exceeding in total \$500,000 at any one time, to finance self-liquidating expenditures, including those arising in connection with Trust Funds and Special Accounts; these sums are advanced pending availability of sufficient receipts from Trust Funds and Special Accounts, international bodies and other extrabudgetary sources; sums so advanced shall be reimbursed as rapidly as possible.

ITEM 11 STAFF ISSUES

Item 11.1 Staff Regulations and Staff Rules (36 C/38 and 36 C/INF.9)

25. The Administrative Commission examined item 11.1 at its fourth and fifth meeting. Following the debate, the Commission recommended to the General Conference to adopt the following resolution contained in paragraphs 20 of document 36 C/38, as amended orally by the Commission. The resolution reads as follows:

The General Conference,

1. Having examined document 36 C/38,
2. Takes note of the information provided in that document;
3. Decides to amend Regulation 4.3.2 as follows:

Regulation 4.3.2.

“Recruitment and appointments shall be made on a competitive basis following formal advertisement of the vacant posts. In case of external recruitment, vacant posts will be advertised for a minimum of two months.”

Item 11.2 Staff salaries, allowances and benefits (36 C/39)

26. The Administrative Commission examined Item 11.2 at its fifth and sixth meeting. Following the debate, the Commission recommended to the General Conference to adopt the following resolution contained in paragraphs 10 of document 36 C/39 as amended by the Commission. The resolution reads as follows:

The General Conference,

1. Having examined the report of the Director-General on staff salaries, allowances and benefits (36 C/39),
2. Having taken into consideration recommendations and decisions of the General Assembly and the International Civil Service Commission covering the salaries, allowances and other benefits of staff of organizations who participate in the United Nations Common System of salaries, allowances and conditions of service,
3. Noting the possibility that ICSC may, on its own initiative and by virtue of the authority conferred upon it by Article 10 of its Statute, recommend to the General Assembly measures affecting staff salaries, allowances and benefits,
4. Takes note of the measures already taken by the Director-General pursuant to the decisions and recommendations of the United Nations General Assembly and the International Civil Service Commission (ICSC), as set out in document 36 C/39;
5. Authorizes the Director-General to continue to apply to the staff of UNESCO measures of this kind that might be adopted either by the General Assembly or, by virtue of the authority conferred upon it, ICSC;
6. Invites the Director-General to report to the Executive Board on measures of this kind; and, if there are budgetary difficulties in applying these, to submit proposals to the Board for approval.

Item 11.3 Human resources strategy for 2011-2016 (36 C/40 and Add.)

27. The Administrative Commission examined item 11.3 at its fourth meeting. Following the debate, the Commission recommended to the General Conference to adopt the resolution contained in paragraphs 5 of document 36 C/40 as amended by the Commission. The resolution reads as follows:

The General Conference,

1. Recalling 35 C/Resolution 82 and 186/EX Decision 25,
2. Having examined document 36 C/40,
3. Endorses the human resources management strategy and invites the Director-General to implement it, taking into account the Organization's strategy and programmes within the limits of future budgets;
4. Requests the Director-General to submit the first progress review of the human resources management strategy to the Executive Board at its 189th session and biennially thereafter, and to submit a full report, including costs, to the General Conference at its 37th session.

Item 11.4 Report by the Director-General on the situation concerning the geographical distribution and gender balance of the staff (36 C/41 and Add. and 36 C/INF.8)

28. The Administrative Commission examined item 11.4 at its fourth meeting. As agreed at its first meeting, the item was considered without prior debate. The Commission recommended to the General Conference to adopt the resolution contained in paragraphs 49 of document 36 C/41 as amended by the Commission. The resolution reads as follows:

The General Conference,

1. Recalling 35 C/Resolution 93,
2. Also recalling 34 C/Resolution 82 and 186 EX/Decision Part IX,
3. Having examined documents 36 C/41 and Corr. and Add. and 36 C/INF.8
4. Recalling that the highest standards of integrity, efficiency and technical competence remain the paramount criteria for recruitment,
5. Takes note of the information provided by the Director-General regarding the situation of the geographical distribution and the gender balance of the staff as at 1 June 2011;
6. Notes the implementation of specific measures aimed at improving gender balance at senior management levels in the Secretariat and invites the Director-General to continue her efforts in this regard;
7. Invites the Director-General to continue her efforts to implement specific measures aimed at improving geographical distribution, in particular with regard to numbers and positions for non- and under-represented Member States;
8. Further invites the Director-General to provide to the Executive Board at its 190th session an information note on the situation of the geographical distribution of the staff in the Secretariat and a progress report on the achievement of gender balance at senior levels, and to submit to the Executive Board a full report at its 192nd session;
9. Requests the Director-General to submit to it at its 37th session a report on the situation of the geographical distribution and gender balance of the staff of the Secretariat.

Item 11.5 United Nations Joint Staff Pension Fund and UNESCO Staff Pension Committee and appointment of Member States' representatives to the UNESCO Staff Pension Committee for 2012-2013 (36 C/42)

29. The Administrative Commission examined item 11.5 at its fourth meeting. As agreed at its first meeting, the item was considered without prior debate. The Commission recommended to the General Conference to adopt the resolution contained in paragraph 22 of document 36 C/42, as amended orally by the Commission. The resolution reads as follows:

The General Conference,

1. Having examined document 36 C/42,
2. Takes note of the report by the Director-General on the United Nations Joint Staff Pension Fund;
3. Appoints the representatives of the following six Member States to the UNESCO Staff Pension Committee for the period from 1 January 2012 to 31 December 2013:

As members

Italy
Algeria
Pakistan

As alternates

Kenya
Greece
Costa Rica

Item 11.6 Report by the Director-General on the state of the Medical Benefits Fund and appointment of Member States' representatives to the Board of Management for 2012-2013 (36 C/43 and Addenda)

30. The Administrative Commission examined item 11.6 at its fifth meeting. Following the debate, the Commission recommended to the General Conference to adopt the resolution contained in document 36 C/43 Add., as amended by the Commission. The resolution reads as follows:

The General Conference,

1. Recalling the responsibility delegated to the Director-General by the General Conference for the financial administration of the Medical Benefits Fund in accordance with staff regulation 6.2 and the Statutes of the Medical Benefits Scheme and Fund approved at the 3rd session of the General Conference (3 C/Resolution 5(c)),
 2. Having examined document 36 C/43 and Add.,
 3. Having taken note of the current financial situation of the Medical Benefits Fund (MBF), and of the necessity to agree to a permanent solution to respond to the situation,
 4. Considering the need for corrective measures to be taken to ensure the long-term sustainability of the Fund and the recommendations formulated by the external consulting firm thereon,
- I
5. Welcomes the cost-cutting measures already taken to reduce the expenses as well as the introduction of a mechanism to balance income and expenditure starting in 2012-2013;
 6. Encourages the Director-General to participate with other United Nations organizations in studies to explore initiatives to bring cost savings to medical plans;
 7. Authorizes the Director-General to apply the new MBF contribution scale for participants based on projected expenses described in document 187 EX/32 to the Fund from 1 January 2012 and to revise the scale every two years as needed to maintain the balance between income and expenditures in the Fund;
 8. Invites the Director-General to continue improving the management of the Fund *inter alia* by hiring the service of an independent health insurance consulting firm to conduct yearly evaluations of the plan performance, cost analysis and plan design during the next biennium and to report to the General Conference at its 37th session on the desirability of keeping such frequency during the following periods;
 9. Also invites the Director-General to review the governance of the Fund taking into account the recommendations made by the external consulting firm, in particular with regard to the need to enhance its expertise and independence;
 10. Requests that the corresponding amendments of the Rules of the Medical Benefits Fund be made accordingly;

11. Decides to maintain for 2012-2013 the existing share of the contribution of the Organization to the Fund;
12. Invites the Director-General to report to the Executive Board at its 190th session.

II

13. Designates the following Member States to act as observers and alternate on the Board of Management of the Fund for 2012-2013:

Observers

Italy
Mexico

Alternate

El Salvador

ITEM 12 HEADQUARTERS QUESTIONS

Item 12.1 Report by the Director-General, in cooperation with the Headquarters Committee, on managing the UNESCO complex (36 C/44 Parts I and II and Part II Add.)

31. The Administrative Commission examined item 12.1 at its third meeting. Following the debate, the Commission recommended to the General Conference to adopt the following resolution contained in document 36 C/44 Part II Add., as amended by the Commission:

The General Conference,

1. Recalling 35 C/Resolution 96, 35 C/Resolution 97, 185 EX/Decision 30 and 186 EX/Decision 27,
2. Having examined document 36 C/44 Parts I and II,
3. Expresses its gratitude to the Headquarters Committee and to its Chairpersons, H.E. Prof. Manuel Maria Carrilho (Portugal) and H.E. Mr Luís Filipe Carrilho de Castro Mendes (Portugal) for the action taken and the results achieved between the 35th and 36th sessions of the General Conference;
4. Takes note of the progress achieved in managing the UNESCO complex and maintenance and conservation of Headquarters buildings;
5. Also takes note of the report on the UNESCO new communication system and requests the Director-General to provide a clear breakdown of the expenses and of the works that have to be done;
6. Takes note of the information provided on rentals of conference rooms, exhibitions and events, underlines the necessity to improve the transparency in applying the rules related to rentals, and invites the Director-General to provide, in the report on managing the UNESCO complex at the 189th session of the Executive Board, a comprehensive table with a clear breakdown of all revenue generating activities from entities other than Member States, and further invites the Headquarters Committee to continue to examine this subject on its 2012-2013 agenda;
7. Reiterates its request to the Director-General to apply all necessary measures required by the contracts on letting office space to permanent delegations, including the redistribution of offices from those delegations which do not meet their contractual obligations and to those that regularly discharge their obligations, and to keep it informed about the progress of the works at the Miollis/Bonvin site;

8. Invites the Headquarters Committee to focus on the issue of occupied common areas by some Delegations in the Miollis building and to seek a solution thereon;
9. Also reiterates the invitation to Member States to make voluntary contributions for the restoration and improvement of Headquarters;
10. Requests the Director-General to report to it at its 37th session, in cooperation with the Headquarters Committee, on managing the UNESCO complex.

Item 12.2 Capital Master Plan for UNESCO Headquarters
(36 C/50 and Corr. and 36 C/50 Add. and 36 C/INF.12)

32. The Administrative Commission examined item 12.2 at its third meeting. Following the debate, the Commission recommended to the General Conference to adopt the following resolution contained in document 36 C/50 Add., as amended by the Commission:

The General Conference,

1. Recalling 35 C/Resolution 96,
2. Having examined documents 36 C/50 and Corr. and 36 C/INF.12,
3. Conscious that the Organization's Headquarters is indispensable for a proper functioning of the Organization and that it must be restored and improved,
4. Takes note of the overall strategy proposed in the Capital Master Plan to ensure the renovation and improvement of UNESCO's buildings in both sites, and requests the Director-General to prepare a prioritized plan, taking into account the debates of the Headquarters Committee and the 187th session of the Executive Board;
5. Further takes note of the current proposal which indicates that:
 - (a) the complete renovation of the Fontenoy site is estimated at €56.7 million over seven years;
 - (b) the complete renovation of the Miollis/Bonvin site is estimated at €245.7 million for the period 2012-2022;
6. Requests that the Director-General examine current and future working space requirements referred to inter alia in paragraphs 6 and 8 in Annex IV of document 36 C/50 and authorizes the Headquarters Committee to examine the findings and make alternative proposals arising out of these;
7. Further requests that the Director-General considers a range of options to assign space in light of the Human Resources and Decentralization Strategies;
8. Noting paragraph 7 of Annex IV of 36 C/50, requests that the Director-General itemizes separately the renovation costs associated with accommodating the nongovernmental organizations;
9. Requests the Director-General to explore the most favourable options or their combination for financing the Capital Master Plan;
10. Authorizes the Executive Board to examine on its behalf the aforementioned proposals, possibly including interest-free loans, after consultation with the Headquarters Committee;

11. Invites Member States to make voluntary contributions in cash and in kind for the restoration and improvement of Headquarters and authorizes the Director-General to accept or refuse these contributions according to established criteria;
12. Invites the Director-General to accommodate funds available at the Special Account for the restoration and improvement of Headquarters;
13. Requests the Headquarters Committee to assist the Director-General in her endeavours to mobilize the necessary resources for the restoration and improvement of Headquarters and to continue to advise the Director-General and provide her with suggestions, guidance and recommendations, including consultations with the host country on the possible classification of Headquarters buildings, as well as on any other possible solutions in this respect;
14. Also invites the Director-General, in cooperation with the Headquarters Committee, to elaborate measures for increasing the contribution of revenue-generating activities to the upkeep of Headquarters facilities;
15. Requests the Director-General to submit to the Executive Board at its 190th session a progress report on the Capital Master Plan and report to it at its 37th session on the status of the implementation of this Resolution.