



COUNCIL
102nd session
Agenda item 8

C 102/8/Add.1
12 June 2009
Original: ENGLISH

**RESULTS-BASED BUDGET
FOR THE TWENTY-SIXTH FINANCIAL PERIOD 2010-2011**

Note by the Secretary-General

SUMMARY

<i>Executive summary:</i>	This document provides information on the impact of the exchange rate fluctuation, between the time of writing the document C 102/8 and the present one, of the pound sterling against the US dollar on the budget proposals for the 2010-2011 biennium
<i>Strategic direction:</i>	4.1
<i>High-level action:</i>	4.1.3
<i>Planned output:</i>	4.1.3.1
<i>Action to be taken:</i>	Paragraph 4
<i>Related document:</i>	C 102/8

Introduction

1 The Secretary-General's budget proposals for the 2010-2011 biennium (C 102/8) were prepared on the basis of the exchange rate, applicable at the time of writing, of US\$1.4 to the pound sterling (Table 1 of document C 102/8 refers). Since the preparation of the budget proposals, the pound sterling has strengthened against the US dollar. This document provides information on the impact of the fluctuation in exchange rates; as well as an analysis of the effect on the levels of budget and assessment in response to exchange rate fluctuations.

Impact on the 2010-2011 budget proposals of the currency fluctuation

2 In preparing the 2010-2011 budget proposals (as contained in document C 102/8), the application of an assumed exchange rate of US\$1.4 to the pound sterling had resulted in proposed biennial increases in the regular budget of 14.9% and in the assessment of 22%. The subsequent strengthening of the pound sterling against the US dollar, based on the United Nations operational exchange rate adopted for June 2009 (US\$1.5924 to 1GBP), has resulted in a reduction of the proposed regular budget increase by 1.9% points to 13% (from 14.9%) and the assessment by 2.1% points to 19.9% (from 22%).

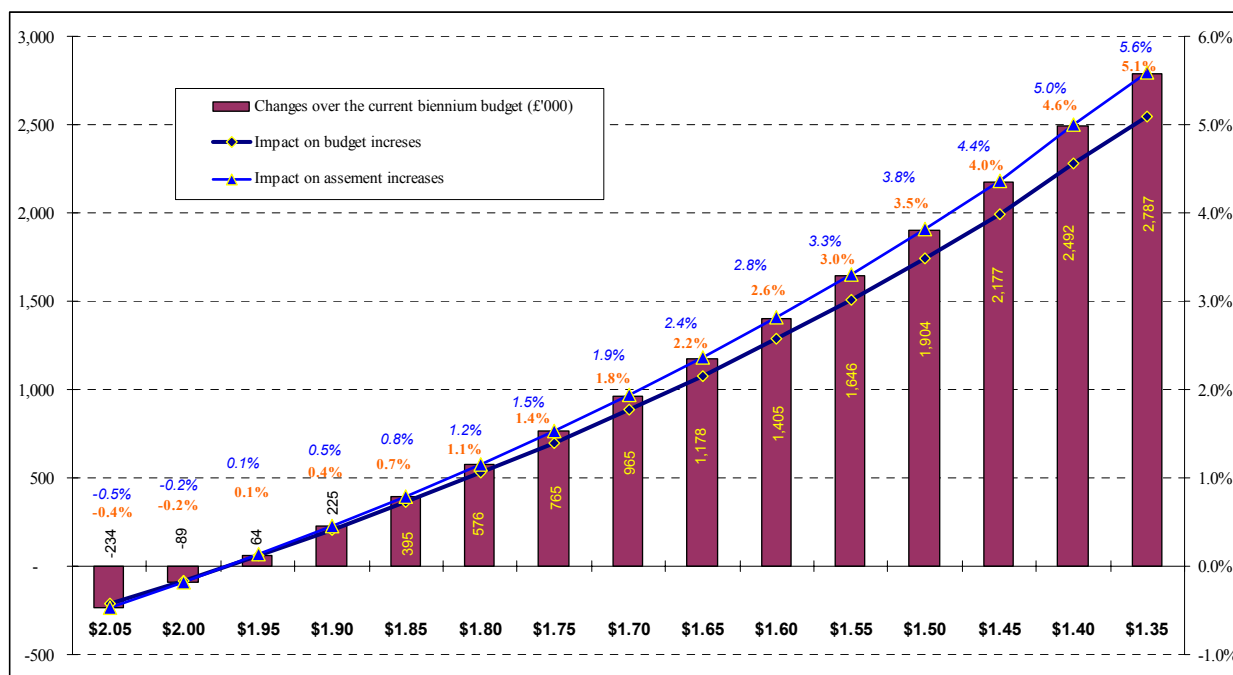
For reasons of economy, this document is printed in a limited number. Delegates are kindly asked to bring their copies to meetings and not to request additional copies.



Effect due to exchange rate fluctuations

3 An analysis of the effect on the budget and assessment under various exchange rates is given in the chart below. For example, if the pound sterling strengthens to US\$1.65, the proposed increases in budget and assessment will reduce by 2.4% points (to 12.5%) and 2.6% points (to 19.4%) respectively. Should there be any substantial change in the sterling/dollar exchange rate between now and the time when the twenty-fifth extraordinary session of the Council taken place in November 2009, the budget estimates will be adjusted accordingly.

Chart: Effects of the £/\$ exchange rate on the budget and assessment proposals over those for the current biennium



Action requested of the Council

4 The Council is invited to consider the information and analysis provided in the document when considering the Secretary-General’s budget proposals for the next biennium.