

Hundred and sixty-fifth Session

165 EX/15
PARIS, 19 August 2002
Original: French

Item 3.5.2 of the provisional agenda

**FINANCIAL REGULATIONS OF THE SPECIAL ACCOUNT
FOR THE “PROCLAMATION OF MASTERPIECES OF THE ORAL
AND INTANGIBLE HERITAGE OF HUMANITY”**

SUMMARY

Pursuant to 164 EX/Decision 3.5.1, the Director-General submits to the Executive Board the Financial Regulations of the Special Account for the “Proclamation of Masterpieces of the Oral and Intangible Heritage of Humanity”.

Decision proposed: paragraph 8.

I. BACKGROUND

1. In 1997, by 29 C/Resolution 23, the General Conference, at its 29th session, created an international distinction relating to the “Proclamation of Masterpieces of the Oral and Intangible Heritage of Humanity”. The Executive Board subsequently approved the regulations relating to the Proclamation at its 155th session in 1998 (155 EX/Decision 3.5.5).
2. At its 154th, 155th, 157th and 160th sessions, the Executive Board, by 154 EX/Decision 3.5.1, 155 EX/Decision 3.5.5, 157 EX/Decision 3.4.1 and 160 EX/Decision 3.5.2, requested the Director-General to continue his efforts to encourage Member States and public and private donors to work towards the safeguarding, revitalization and promotion of examples of the heritage to be proclaimed by UNESCO “masterpieces of the oral and intangible heritage of humanity”, in particular through extrabudgetary resources and the creation of prizes.
3. At its 161st session, the Executive Board approved the rules governing the award of prizes to encourage the safeguarding and revitalization of cultural events proclaimed as “Masterpieces of the Oral and Intangible Heritage of Humanity” and took note of the interim report on the progress made in processing the candidatures and of the action plan for the safeguarding, protection and promotion of cultural spaces or forms of cultural expression of the oral and intangible heritage of humanity (161 EX/Decision 3.4.3). In the same decision the Executive Board invited the Director-General to carry out a study with a view to establishing consolidated administrative and financial procedures for implementation of the project concerning the “Proclamation of Masterpieces of the Oral and Intangible Heritage of Humanity”.
4. Pursuant to 161 EX/Decision 3.4.3, the Director-General entrusted to an expert, in July 2001, a feasibility study with a view to the establishment of consolidated administrative and financial procedures for the Proclamation project, the conclusions of which were presented to the Executive Board for approval at its 164th session.

II. THE RECOMMENDATIONS OF THE FEASIBILITY STUDY ON THE FINANCIAL PROCEDURES FOR THE PROCLAMATION

5. To date, the Proclamation project has operated with regular programme resources and with the support of a substantial Japanese fund-in-trust which gives financial support to preparatory assistance projects and the implementation of action plans for the safeguarding of proclaimed Masterpieces. This financial support has proved essential, since the regular programme provides neither support for preparatory assistance to prepare candidature files nor operational assistance to implement the action plans. At this stage, the Japanese contribution has greatly contributed to the sustainability of activities related to the Proclamation, since a good many countries need assistance for compiling inventories of intangible heritage, preparing candidature files and implementing action plans. In addition, some countries, including Bolivia, Republic of Korea, United Arab Emirates and Uzbekistan, have created prizes to support the implementation of the action plans for the safeguarding of proclaimed Masterpieces of the Oral and Intangible Heritage of Humanity.
6. For the sake of greater stability and greater diversity of funding, the feasibility study recommends the establishment of a special account for the Proclamation project which will include all voluntary contributions of less than \$100,000, whether from governments or the private sector. The advantage of a special account is that smaller sums of money can be combined to finance larger projects such as the action plans proposed in the candidature files of proclaimed Masterpieces. Furthermore, the study stresses that, unlike additional appropriations, funds can be carried over from one biennium to another. A list of projects will be prepared by the Secretariat for support

under the special account. The special account will thus be added to the existing funds-in-trust. Nevertheless, when specially requested by a donor, a funds-in-trust project may still be concluded for a smaller amount (i.e. less than \$100,000).

7. The Executive Board, by 164 EX/Decision 3.5.1, endorsed the conclusions of the feasibility study and invited the Director-General to submit to it at the present session the financial regulations of the special account. Pursuant to that decision, the Director-General submits for the approval of the Board the financial regulations contained in the Annex to this document.

8. Taking into consideration the various points mentioned above, the Executive Board may wish to adopt the following draft decision:

The Executive Board,

1. Having examined document 165 EX/15,
2. Recalling 164 EX/Decision 3.5.1,
3. Takes note of the financial regulations of the Special Account for the “Proclamation of Masterpieces of the Oral and Intangible Heritage of Humanity” annexed to this decision.

ANNEX

FINANCIAL REGULATIONS OF THE SPECIAL ACCOUNT FOR THE “PROCLAMATION OF MASTERPIECES OF THE ORAL AND INTANGIBLE HERITAGE OF HUMANITY”

Article 1 – Creation of a Special Account

- 1.1 In accordance with Article 6, paragraph 6, of the Financial Regulations of UNESCO, there is hereby created a Special Account for the “Proclamation of Masterpieces of the Oral and Intangible Heritage of Humanity”, hereafter referred to as the Special Account.
- 1.2 The following regulations shall govern the operation of the Special Account.

Article 2 – Financial period

The financial period shall correspond to that of UNESCO.

Article 3 – Purpose

The purpose of the Special Account is to receive voluntary contributions, whether from governments or the private sector, in order to fund activities for the safeguarding and promotion of proclaimed “Masterpieces of the Oral and Intangible Heritage of Humanity” and the corresponding prizes.

Article 4 – Income

The income of the Special Account shall consist of:

- (a) voluntary contributions from States, international agencies and organizations, as well as other entities;
- (b) such subventions, endowments, gifts and bequests as are allocated to it for the purpose of activities for the safeguarding and promotion of proclaimed masterpieces of the oral and intangible heritage of humanity;
- (c) interest earned on the investments referred to in Article 7 below.

Article 5 – Expenditure

The Special Account shall be debited with the expenditure relating to its purpose as described in Article 3 above, including administrative expenses specifically relating to it.

Article 6 – Accounts

- 6.1 The UNESCO Comptroller shall maintain such accounting records as are necessary.
- 6.2 Any unused balance at the end of a financial period shall be carried forward to the following financial period.
- 6.3 The accounts of the Special Account shall be presented for audit to the External Auditor of UNESCO, together with the other accounts of the Organization.
- 6.4 Contributions in kind shall be recorded outside the Special Account.

Article 7 – Investments

- 7.1 The Director-General may make short-term investments of sums standing to the credit of the Special Account.
- 7.2 Interest earned on these investments shall be credited to the Special Account.

Article 8 – Closure of the Special Account

The Director-General shall decide upon the closure of the Special Account at such time as he deems that its operation is no longer necessary and shall inform the Executive Board accordingly.

Article 9 – General provision

Unless otherwise provided in these regulations, the Special Account shall be administered in accordance with the Financial Regulations of UNESCO.