



Diversity of cultural expressions

4.IGC

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

Distribution limited

CE/10/4.IGC/205/10B
Paris, 18 October 2010
Original: English

INTERGOVERNMENTAL COMMITTEE FOR THE PROTECTION AND PROMOTION OF THE DIVERSITY OF CULTURAL EXPRESSIONS

Fourth Ordinary Session
Paris, UNESCO Headquarters
29 November - 3 December 2010

Item 10B of the provisional agenda: International Fund for Cultural Diversity (IFCD) fundraising strategy

At its second ordinary session (June 2009), the Conference of Parties mandated the Committee to devise a fundraising strategy for the International Fund for Cultural Diversity (IFCD), and in this framework continue its reflection on the elaboration and utilization of innovative financial mechanisms to fundraise for the Fund (Resolution 2.CP 7). This document presents several points for consideration that the Committee might want to use as a basis for its discussions.

Decision required: paragraph 24.

1. The Intergovernmental Committee for the Protection and Promotion of the Diversity of Cultural Expressions (hereinafter referred to as “the Committee”) at its first extraordinary session (June 2008), requested the Secretariat, using extra-budgetary funding where available, to hold informal consultations with Parties, experts, enterprises and donors, with a view to identify potential sources of financing for the International Fund for Cultural Diversity (IFCD) (hereinafter referred to as “the Fund”) (1.EXT.IGC 6).
2. At its second ordinary session (December 2008), the Committee decided to convene a second extraordinary session at UNESCO Headquarters in Paris to examine, among other things, possible alternatives for fundraising for the Fund, including innovative financial mechanisms (Decision 2.IGC 9).
3. On 5 March 2009 the Secretariat organized a meeting entitled “Fundraising: Challenges and Opportunities,” which took place in Paris at UNESCO Headquarters. The aim of this meeting was to exchange points of views and present successful experiences in the field of financing with a view to facilitate the work of the Committee in defining a possible fundraising strategy for the Fund.
4. The Committee, during its second extraordinary session (March 2009), requested the Secretariat to prepare an information document on this issue for the second ordinary session of the Conference of Parties (June 2009). It further recommended to the Conference of Parties that it mandate the Committee to devise a fundraising strategy for the Fund, calling upon all Parties to make voluntary contributions to the Fund, including by considering the use of innovative financing mechanisms to raise funds (2 EXT.IGC 6).
5. At its second ordinary session (June 2009), the Conference of Parties mandated the Committee to devise a fundraising strategy for the Fund, and in this framework to continue its reflection on the elaboration and utilization of innovative financial mechanisms, and to report to it on the outcome of its work at its next session (Resolution 2 CP 7).
6. At its third ordinary session (December 2009), the Committee placed the fundraising strategy for the Fund on the provisional agenda of its fourth ordinary session (Annex to Decision 3.IGC 9).
7. The Conference of Parties and the Committee have repeatedly pointed out that the success of a future fundraising strategy is interlinked with the Convention’s visibility and promotional activities. It will also depend on the development and implementation of a communication strategy with clear identifiable messages, accompanying communication tools and a clear consensus on its stated goals and overall objectives. To this effect, extra-budgetary funding has been provided by the Spanish government in 2010 for the development of a communication strategy that will propose themes that can be tailored to the needs of different audiences. The messages proposed in the strategy will be tested and the results fed into existing or form the basis for the design of new information and communication tools to promote the Convention’s visibility.
8. The Conference of Parties and the Committee have emphasised that a future fundraising strategy should consider:
 - innovative fundraising mechanisms that have been implemented on a national level that can generate financial contributions to the Fund;
 - ways and means of attracting smaller donors;
 - application of donor/actor principles ensuring transparency and traceability of donations;
 - ensuring complementarity between national and international approaches and activities.
9. The creation and implementation of any fundraising strategy also requires financial investment and dedicated human resources specialised in this field. In determining the size and nature of such financial and human resource investments, some basic questions about the following issues are to be addressed in advance:
 - *Stakeholders*: Who are the major stakeholders who can contribute to the Fund? What is the best way to reach out to them? What different needs and contribution capabilities do they have?

- *Resources*: What financial resources could be made available to create and implement a fundraising strategy, if so deemed appropriate?
- *Objectives*: Given available resources, which stakeholder(s) should be targeted in fundraising for the Fund? How much money should be raised for the Fund?

10. In this session, the Committee, for the first time, is invited to address the questions raised in paragraph 9, responses to which could inform terms of reference for a future fundraising strategy. Some of the issues to be taken into consideration when answering questions on the capacities of *stakeholders*, the required *resources* and objectives of the *strategy*, are provided below.

Stakeholders

11. **Parties to the Convention** play a fundamental and essential role as contributors to the Fund. Their role is highlighted in the Guidelines for Article 18 on the use of resources of the Fund, encouraging Parties to provide voluntary contributions to the Fund on an annual basis, the amount being at least equal to 1% of their contribution to the UNESCO budget. Direct annual contributions by Parties to the Fund ensure Parties' continuous commitment to the implementation of the Convention and to the Fund. In comparison to the World Heritage Fund and the Fund for the Safeguarding of the Intangible Cultural Heritage¹, annual contributions to the Fund are given on a voluntary basis.

12. In reaching out to Parties, the Director-General addressed a first letter to Permanent Delegations, National Commissions and Parties' Points of Contact on March 15 2010, reminding them of their commitment, further suggesting that voluntary contributions be made on an annual basis. This call for contributions and a follow-up communication from the Secretariat (in May 2010) resulted in six additional contributions to the Fund as of 1 July 2010 (ranging in size from 1,127 US\$ to 71,208 US\$). As of 7 September 2010, total contributions to the Fund equalled 2,889,557 US\$. As another means of increasing the number of contributions to the Fund, the Committee may pursue Article 18.3(b) of the Convention² to ask the General Conference at its next session (2011) whether funds could be appropriated to the Fund.

13. Discussions of the Conference of Parties and the Committee have continued to emphasize the definition and implementation of *innovative fundraising mechanisms at the national level* to raise resources for the Fund, including legal frameworks and taxation schemes. It was ultimately established that such national strategies should be pursued at the will of each Party, within the context of its own unique political, legislative and economic circumstances. Parties could be invited to share their experiences on the creation and implementation of such mechanisms.

14. The Conference of Parties and the Committee's discussions have also emphasised the definition and implementation of *international fundraising mechanisms*, and have referred to the examples provided in the 2004 Landau report on generating new international financial contributions for development assistance. An innovative example provided in this report is illustrated by UNITAID³ that raised funds for development through tax levies. The Landau report also emphasises that international fundraising campaigns with clear messages and universal/easy-to-identify-with causes usually have an easier time in raising funds. It also points to the need for achieving universal consensus on goals, implementing programs with high visibility, economic

¹ A similar condition as Rule 83 of the Rules of Procedure of UNESCO's General Conference is invoked in relation to the fundraising strategies attached to the World Heritage Fund and the Fund for the Safeguarding of the Intangible Cultural Heritage. Rule 83 stipulates that Member States shall have no vote in the General Conference or in any of its committees, commissions and other subsidiary organs if the total amount of contributions due from it exceeds the total amount of the contributions payable by it for the current year and the immediately preceding calendar year.

² "The resources of the Fund shall consist of funds appropriated for this purpose by the General Conference of UNESCO."

³ UNITAID's mission is to facilitate the purchase of drugs against HIV/AIDS, malaria and tuberculosis. It is financed primarily from the proceeds of a solidarity tax on airline tickets applied to all airlines departing from countries imposing this tax.

efficiency, equity in burden sharing and total transparency in governance and management as guiding principles for setting up such innovative international funding mechanisms.

15. **The private sector** has an important place in the Fund's fundraising strategy. As UNESCO's experience in developing the World Heritage PACT and other international organization's public-private initiatives (see Annex) have shown, private sector partners need to be approached strategically in order to be fruitful. Most private sector donors are seeking donor/actor relationships that will allow them to transparently monitor and trace the impact of their funding activities across time. Given that the Fund is set up as a multi-donor special account where donations are grouped together to fund multiple projects at a time, providing such targeted reporting mechanisms to private donors is for the most part not feasible. However, the Committee may accept contributions and other forms of assistance for general and specific purposes relating to specific projects, provided that those projects have been approved by it, in accordance to Article 18.5 of the Convention.

16. Contributions from the private sector are especially important in allowing the Fund to support micro, small and medium enterprises. This is because according to the Guidelines on the use of the resources of the Fund, it can only support micro, small and medium enterprises of the private sector active in the cultural field of developing countries that are Parties to the Convention through funds from contributions provided by the private sector.

17. UNESCO is working to develop a more strategic approach for working with the private sector, engaging it not only as a funder, but also as an actor. Working with even just a few (or a single) corporation(s), business(es) and/or private foundation(s) by establishing extra-budgetary funding mechanisms that meet specific reporting criteria is a fruitful way to ensure medium to long-term funding facilities. While resources raised through partnerships with the private sector could potentially be substantial, they would not contribute directly to the growth of the Fund's resources. Identifying, establishing and managing relationships with corporations, businesses and/or corporate foundations is a resource-intensive endeavour necessitating extra funds for additional staff that have the expertise or are trained to negotiate, coordinate and grow such relationships.

18. Given the special importance of defining benefits and providing visibility to the private sector, the Committee is encouraged to consider what type of recognition it wants to give to donors. Currently the Secretariat publishes an updated list of all of the Fund's donors on the Convention's website. In the case of donors to the Intangible Cultural Heritage Fund, during the 24 months following the deposit of their contribution, private contributors may promote their cooperation with the Intangible Cultural Heritage Committee in all types of media, including brochures and other publications.

19. UNESCO has some experience in mobilizing **the public at large** to raise funds and it is also learning from other organizations (see Annex). There is considerable potential to raise awareness, engagement and funds through such campaigns; however, they are extremely resource-intensive. Successful online fundraising campaigns must effectively integrate the funder/actor principle, not only to attract the relevant audience, but more importantly to convey the message that even a very small contribution can and does make a difference. Implementing such a campaign necessitates a continuous flow of human and financial resources, and the most successful ones are driven by volunteers on the ground.

Resources

20. It takes resources to raise resources. In light of the fundraising potential and constraints presented by each stakeholder, the Committee is encouraged to reflect on the financial resources it can make available to engage fundraising professionals who can design and implement a fundraising strategy to solicit contributions from diverse stakeholders. The level of engagement and intervention of fundraising specialists (and thus financial resources they will require) will vary significantly according to the stakeholders targeted in the fundraising campaign. For example, in the case of Parties, already-established communication channels through the Secretariat of the Convention and UNESCO's Director-General can easily transmit calls for contributions. Attracting the attention of potential online donors would necessitate the establishment of a sophisticated

technology and communication-intensive fundraising campaign that would require highly specialized knowledge and resources.

Objectives

21. Given the Secretariat's available financial resources and each stakeholder's unique fundraising profile, needs and capacities, the Committee is encouraged to consider which stakeholder(s) to target in priority. This target will help shape the objectives and approach of a future fundraising strategy. In addition, the Committee could consider setting a financial target as part of the overall goals for the strategy to consider. In this context, it should be taken into consideration that in the first year of the pilot phase of the Fund, the Secretariat received a total of 254 applications for projects/programmes and preparatory assistance, of which 183 were eligible for a total of over 26 million US\$ in funding. This demonstrates a remarkable show of international interest and enthusiasm for the Fund and its potential impact.

Additional Considerations

22. The results of the pilot phase of the Fund and its evaluation (to be completed in 2012) will provide valuable input to the development of a future fundraising strategy. In other words, the number, quality and scale of project proposals received, funded and successfully implemented during the pilot phase will serve as a credible benchmark for the impact and growth potential of the Fund. Successful implementation of projects will necessitate the development of transparent and effective indicators for evaluating their impact in the longer term.

23. In addition, civil society could play a very important role in realizing the objectives of a future strategy and its implementation by:

- Communicating the messages of the Convention clearly and regularly to the public at large;
- Mobilizing volunteers on the ground to spur action and financial contributions;
- Drawing public and media attention to the projects financed by the Fund;
- Disseminating information about the Fund and cross-linking to the Convention website.

24. The Committee might wish to adopt the following decision:

DRAFT DECISION 4.IGC 10B

The Committee,

1. *Having examined document CE/10/4.IGC/205/10B and its Annex;*
2. *Takes note of the issues to be addressed in targeting the stakeholders, identifying the resources and defining the objectives at the heart of a future fundraising strategy for the Fund;*
3. *Recognises that progress made in the Fund's pilot phase as well as the implementation of activities to promote visibility and raise awareness of the Convention are crucial elements for the success of a future fundraising strategy;*
4. *Requests Parties to inform the Secretariat of innovative fundraising mechanisms implemented at the national level to raise resources for the Fund. This information is to be collected through a questionnaire that will be sent by the Secretariat to Parties;*
5. *Requests the Secretariat to prepare an information document for the third session of the Conference of Parties that would outline the terms of reference for a future fundraising strategy for the Fund taking into account the debate of the Committee at this session.*

Annex

Fundraising Initiatives: Learning from Experience

1. UN Partnerships with the Private Sector to Raise Funds

World Heritage PACT (Partnerships for Conservation)

In 2002, the World Heritage Committee welcomed the World Heritage Partnerships Initiative, subsequently renamed the World Heritage PACT, as a means to achieve, on an experimental basis, a new systematic approach to partnerships beyond financial issues, developing dialogue exchange and interaction between all stakeholders interested in World Heritage Conservation. The objectives of the PACT are to increase awareness and financial resources. An audit of PACT will take place at the end of 2010, among other things, to determine its exact financial, non-financial and in-kind contributions to World Heritage.

One of the most successful initiatives managed through PACT led to the creation of the World Heritage Maps, which was carried out through a tri-partite agreement with National Geographic and Hewlett Packard. The World Heritage Centre (WHC) was responsible for the editorial backstopping, provided the information on the World Heritage sites and did the quality control of the Maps. National Geographic provided the expertise and know-how, while Hewlett Packard financed their production and printing. Every partner in this undertaking contributed with its specific expertise and within its resource capacities to create, produce and distribute a product that raised all of their profiles and communicated their shared values.

Another 3-year agreement between the luxury watchmaker Jaeger LeCoultre, the International Herald Tribune (IHT) and WHC ensures the financing of an ALD post to deal with marine World Heritage sites preservation, along with a communication campaign through one full page article on marine sites published in the IHT every 4-5 weeks.

PACT illustrates how a concerted and strategic effort in engaging the private sector can result in greater awareness and access to funds. This holistic approach to partnerships has allowed the private sector with its unique capacities in communication, branding, marketing, knowledge management, social mobilization and media-related activities to contribute in non-monetary ways, reinforcing the funder/actor role. However, the establishment and implementation of PACT was a resource-intensive exercise, with an average of three Secretariat staff members (fixed term and/or temporary) working on the initiative full-time since 2002.

United Nations Children's Fund (UNICEF)

UNICEF has a rich history of working with the corporate sector. In 2008, more than 600 private companies and foundations contributed time, products, knowledge, expertise, strategic networks and funds to UNICEF. IKEA has become UNICEF's largest corporate partner, with investments totalling \$75 million since 2001 and \$38 million in 2008 alone.

Amway Europe's 'One by One Campaign for Children'⁴ contributed €1.2 million for 12 UNICEF projects during 2008. These endeavours support young child survival and development, basic education and gender equality. Since 2001, Amway Europe and its network of independent business owners have contributed close to €5 million through product promotion, sale of customized greeting cards, retail operations and employee-giving initiatives.

⁴ Through One by One, Amway's (a multilevel marketing company that produces consumer products) employees and business owners support hundreds of non-profit organizations in more than 50 countries working to address the full spectrum of children's needs.

Change for Good®, a partnership between UNICEF and the international airline industry established in 1987, has raised nearly \$88 million for UNICEF programmes. In 2008 alone, nearly \$8 million was raised through this alliance, in which airline personnel collect spare coins and bills from passengers and donate the funds to pay for life-saving materials and services for the world's neediest children.

2. Mobilising the Public at Large

UNESCO Haiti Campaign⁵

In the aftermath of the earthquake in Haiti, UNESCO launched an online campaign to raise funds for victims of the earthquake from the general public. The campaign was not successful in raising small sums of money from a large public; however, it provided visibility of UNESCO's work in Haiti and resulted in large contributions from some Members States. Conversations with UNESCO staff members who were implicated in the implementation of the online campaign show that more resources were needed in order to make the online campaign successful vis a vis the general public. The campaign needed dedicated staff members who could promote the campaign actively and continuously for an extended amount of time, inter-linking it to other organizations' efforts and websites, drawing the traffic that would be necessary to raise funds. It is also very important that online campaigns are tailored to the profile of the people who visit the site. If a majority of visitors are academics, governments and institutional stakeholders, their giving profile will not match that of a typical citizen who is interested in humanitarian issues.

However, UNESCO has shown that this platform can be an effective way to highlight the Organization's dedication to an urgent cause by rapidly adapting this platform to collect donations in response to the flood in Pakistan.

The use of events such as the World Day for Cultural Diversity (21 May) for online public at large fundraising efforts can be effective, but only if it succeeds in attracting people whose giving profile matches the campaign's objectives. Furthermore, once the right people are drawn to the site, they need to feel personally engaged as actors in the initiative in order to contribute. This involves the implementation of an extensive and targeted offline and online communication strategy, which requires significant and ongoing financial and human resources.

touscoprod.com

A website that raises small sums (minimum €10) from private individuals to finance film production, touscoprod.com leverages the donor/actor model to finance films and create a community of investors who would act as advocates for the film, thereby raising the profile of low-budget films (maximum €150,000). The site offers a range of services aimed to bring individuals close to the film they finance, making them the ideal promoters for the films. Communication and marketing tools are essential in driving this initiative, with extensive use of conventional media, blogs, viral marketing and leaflets. Six people work full-time on the site (content only, the technical part was outsourced) and 11 were employed when the site launched.

3. Engaging Artists, Cultural Professionals and Practitioners

The Secretariat has been approached by an artist, who has offered to contribute a percentage of all of his sales to the Fund. No contributions have yet been received from this artist; however, this does signal a potentially lucrative and highly visible mechanism to raise funds for the Fund, while engaging stakeholders who are most impacted by the implementation of the Convention.

⁵ A similar campaign to collect donations from the public as a response to the flooding in Pakistan was launched by the Director-General of UNESCO in August 2010.