

**Funds-in-Trust Financing
of UNESCO's Activities for
Development Co-operation
1996**

Table of contents

	Page
I. Introduction	1
II. Funds-in-trust: a presentation	1
III. UNESCO's funds-in-trust co-operation in 1996	5
IV. Future perspectives	6
 PROFILES OF UNESCO'S MAIN DONORS OF FUNDS-IN-TRUST	 9
Australia	11
Austria	12
Belgium	12
Canada	13
Denmark	14
Finland	16
France	17
Germany	19
Italy	22
Japan	25
Luxembourg	29
Netherlands	29
New Zealand	32
Norway	33
Portugal	34
Republic of Korea	35
Saudi Arabia	37
Spain	37
Sweden	39
Switzerland	40
United Kingdom	41
United States	41

ANNEXES

	Page
1. Description of the cycle of a funds-in-trust project	45
2. Model outline for a funds-in-trust project proposal	47
3. Model for the full project document for a funds-in-trust proposal	49
4. Model for a funds-in-trust agreement with a funding source	51
5. Model for an exchange of letter on a funds-in trust agreement with a funding source	57
6. Model for a Plan of Operations with a beneficiary country	59
7. Model for an agreement on a self-benefiting funds-in-trust arrangements with main elements of the Plan of Operations	63

I. Introduction

This report describes UNESCO's current co-operation with donors of funds-in-trust and other voluntary contributions to the Organization's development co-operation activities. Virtually all UNESCO's Government donors belong to the Development Assistance Committee (DAC) under OECD.

Voluntary contributions may take the form of funds-in-trust as described below, or may be channelled to UNESCO's various special programmes, commissions and institutions. These comprise notably the International Institute for Educational Planning (IIEP), the Intergovernmental Oceanographic Commission (IOC), the International Programme for the Development of Communication (IPDC), the World Heritage Fund (WHF), the Third World Academy of Science (TWAS), and the International Centre for Theoretical Physics (ICTP).

While funds-in-trust contributions are tied to an individual project, approved by the donor, voluntary contributions to UNESCO's special programmes are donated to the programme as such and credited to the special account created for the purpose. Actual utilization of contributions follows the procedures established for the programme in question. Many of these programmes have a steering committee or another form of governing body, representing donors as well as beneficiaries.

In practice, the distinction between the funds-in-trust modality, and the special account modality, is not always clear. In the aggregate figures given below, all voluntary contributions from bilateral Government donors are therefore presented together.

Most of the bilateral Government donors also contribute to UNESCO's Associate Expert Scheme, under which young professionals are made available to UNESCO for one to three years.

Under item II below is given a brief presentation of the main features of UNESCO's co-operation under funds-in-trust, which since 1993 has been the Organization's main source of extrabudgetary financing. Under item III are outlined the key figures for international development co-operation in 1995, and for UNESCO's funds-in-trust and other voluntary contributions during 1996. Item IV addresses future perspectives for UNESCO's funds-in-trust co-operation.

All these items only relate to bilateral contributions from UNESCO's major Government donors. Other important sources of extrabudgetary contributions, not covered by this report (except for aggregate figures), are the United Nations system and the European Union (BER/DFD/IGO); the World Bank and the regional development banks (BER/DFD/BKS); funds raised from the private sector (BER/DFD/PRI), and funding sources, except for Saudi Arabia, in the Arab region, notably AGFUND (CAB/HGA).

Enclosed in this document are also brief profiles of UNESCO's major donors of funds-in-trust, listing basic information, as well as all on-going projects as at the end of 1996. The seven annexes to the report represent models for various key documents in the funds-in-trust co-operation.

II. Funds-in-trust: a presentation.

a. Definition

Funds-in-trust are cash contributions made available by Governments, organizations, private companies or individuals to enable UNESCO to carry out programmes and projects on behalf of the donor within the Organization's fields of competence. Funds-in-trust represent a co-operation modality with a number of characteristics as described below; the modality may be applied irrespective of the nature of the funding source, and irrespective of the purpose of the activity to be financed. In practice, however, almost all funds-in-trust provided to UNESCO come from bilateral Government donors and are channelled to activities for development co-operation.

Funds-in-trust contributions may be self-benefiting, if they are intended for activities within the donor's own territory; if they are intended for activities elsewhere, they are called donated funds-in-trust. Most of the funds-in-trust made available to UNESCO are donated funds.

Under a funds-in-trust agreement, UNESCO may deliver technical co-operation in the form of personnel assistance - experts and consultants, including remuneration and travel - training, sector analysis and policy advice, procurement of equipment, and administration of fellowships. Sub-contracts with local executing partners also form an important part of many funds-in-trust projects. Preparation of progress reports, and a final report after completion of the project, is also financed under the project, as is normally an evaluation of the project and its results.

b. Preparation and presentation of project proposals.

The basis for a funds-in-trust agreement is a project or a programme, prepared by UNESCO, at Headquarters or in the field, normally at the request of the potential beneficiary country and in close co-operation with its authorities. The projects may also be regional or global in scope. Annex 1 describes the cycle of a funds-in-trust project from concept to formal closing of the project account. In most cases, the search for a funding source is initiated on the basis of a brief outline of the project proposal; subsequently, the outline is developed into a full project document, in some cases in direct collaboration with the funding source. Under all circumstances, the potential beneficiary country is closely associated with the finalization of the project document. Models for the two documents are contained in annexes 2 and 3.

Project or programme proposals are submitted, through BER/DFD/DON, to potential funding sources in accordance with the substantive and geographical priorities indicated by the individual donors. Submission of project proposals takes place throughout the year and is not linked to the regular meetings with the various donors. However, a growing number of donors prefer that project proposals are submitted in a package once or twice a year so as to better allow the donor to choose among the proposals in the context of the level of available funding. Furthermore, many donors insist that UNESCO presents the project proposals in a prioritized order and respecting as much as possible the ceiling for available funding indicated by the donor. This alleviates the donor of the major burden of reviewing many project proposals that may in the end not be approved. Conversely, it shifts the responsibility of choosing among the various proposals to UNESCO and necessitates improved mechanisms for quality control and priority setting.

c. Formalizing the Agreement.

If a funding source approves a project or programme proposal, a funds-in-trust agreement is concluded between UNESCO and the donor along the lines contained in annex 4 (a full fledged agreement, often used as an umbrella for subsequent project-by-project agreements) or annex 5 (a simplified exchange of letters, often used as a complement to an umbrella agreement, or in the case of smaller projects) to this report. Subsequently, a Plan of Operations is established between UNESCO and the beneficiary country along the lines contained in annex 6; in the case of regional or global projects the requirement for a full Plan of Operation is often dispensed with; but the formal approval of the countries on whose territory project activities are going to be implemented must obviously be sought in all cases.

Annex 7 contains a model for an agreement that may be utilized for self-benefiting funds-in-trust agreements where it is deemed feasible to combine this agreement with the main elements of the Plan of Operations, since the funding source and the beneficiary is the same country.

For both the funds-in-trust agreement and the Plan of Operations, the approved project document and corresponding budget are included as annexes.

In addition to direct project costs, donors finance, at the level of 13% of direct project costs, programme support costs to help defray UNESCO's costs for technical and administrative backstopping of the project. These funds are allocated by the Bureau of the Budget to the central services and the relevant Programme Sectors and Field Offices for activities related to the servicing of the projects; in some cases, funds are also made available for project generating activities. The levying of programme support costs reflects the principle that UNESCO's extrabudgetary activities must be self-sustained in the sense that backstopping activities may not detract resources from the Regular Budget. While exact calculation of the costs of such backstopping activities is virtually impossible, it is generally assumed that the 13% rate covers less than half of the actual costs. Recent years have nevertheless seen an increasing tendency, initiated both by donors and beneficiaries, and UNESCO staff itself, for seeking a decision from the DDG to waive or reduce programme support costs. While such a

policy in the short term may increase the amount of direct project funding under a given project, or help convince an otherwise hesitant funding source to collaborate with UNESCO, it is obvious that reduced income from programme support costs weakens UNESCO's capacity for effective technical and administrative backstopping of funds-in-trust projects.

The responsibility for the implementation and backstopping of a project or programme under funds-in-trust financing lies with the relevant Programme Sector or Field Office. UNESCO is increasingly pursuing a policy of decentralizing project implementation to Field Offices that have the necessary capacity. In such cases, a liaison officer is normally appointed for the project at Headquarters to facilitate relations with the central services, and with the funding source.

Throughout implementation of a funds-in-trust project, UNESCO provides the donor with regular progress and financial reporting. Most funds-in-trust agreements foresee the preparation of progress reports every six months, complemented by a brief update on the status of the project to be presented prior to formal review meetings with the donor. While the donors attach major importance to the quality and timeliness of such reports, many UNESCO project officers unfortunately tend to give low priority to this issue. This has led to many difficulties with funding sources, who in some cases have decided to delay or withhold subsequent installments of the funds for the projects to the detriment of the beneficiary and UNESCO's credibility.

Financial statements are normally prepared by BOC/ACT every three months and under all circumstances at the end of each year.

The project officer, in co-operation with the relevant administrative officer (AO) and the Bureau of the Budget, prepares annual revisions of the project budget to ensure compliance between the disbursement rate and funds available. On the basis of progress reports as mentioned above, and the annual budget revisions, BER/DFD/DON requests the donors to transfer funds to the projects, normally once a year.

When the project is terminated, a final report and a final financial statement are issued to the donor; possible savings in the project account are returned to the donor, while consultations are initiated with the donor for a supplementary contribution, should the funds envisaged in the approved budget turn out to be insufficient to execute the project as foreseen.

d. Criteria for funds-in-trust projects.

Most donors have well defined priorities for their collaboration with UNESCO with a strong geographical emphasis on the least developed and other very poor countries, notably in Africa, and a strong substantive emphasis on basic education, sustainable development, and promotion of a free and pluralistic press. Virtually all donors also underline the need to promote the role of women in development. Differences do, however, exist among the various donor preferences, making it possible to identify funding sources for a broad spectrum of UNESCO's operational activities for development co-operation.

While the funds-in-trust modality, as mentioned above, is not limited to the financing of development co-operation activities, it remains a fact that virtually all UNESCO's major donors of funds-in-trust are ministries or agencies for development co-operation. This has made it difficult for UNESCO to identify donors of funds-in-trust to projects in countries "in transition", including countries in Eastern and Central Europe, since most of these are not classified by OECD/DAC as developing countries. In these cases, the funding sources often prefer other co-operation modalities than funds-in-trust financing through UNESCO, including a triangular co-operation between partners in the donor and the beneficiary country with UNESCO playing the role of adviser at the request of the beneficiary. While a few UNESCO projects have found funding under this modality, the negotiation process is time consuming; and direct bilateral funding is often the most adequate financing modality.

Similarly, UNESCO is experiencing difficulties in identifying donors of funds-in-trust for activities that are not seen by donors to be essential for the promotion of social and economic development. This is the case for many activities in the field of higher education, notably within science and technology, research activities, culture, and activities of a less tangible nature, such as many aspects of the social sciences and philosophy. It is obvious that funding sources do exist in donor countries for such activities, albeit beyond the ministries and agencies

for international development co-operation. UNESCO is therefore deploying its best efforts to develop contacts also to such funding sources. Due to resource constraints within UNESCO, progress in this respect has so far unfortunately been rather limited.

Finally, UNESCO has experienced difficulties in identifying donors of funds-in-trust for projects of an emergency or humanitarian nature, including refugee education, and rehabilitation of educational, scientific and cultural institutions after natural or manmade disasters. While donors obviously recognize the need for the funding of such activities, they have so far been reluctant to channel major amounts of funds through UNESCO, since the Organization is viewed as less relevant than others for short-term emergency or humanitarian activities.

Even for traditional funds-in-trust activities, mainly aimed at promoting economic and social development, it is important to keep in mind that they, by definition, are carried out by UNESCO on behalf of a given funding source, and that the funding source therefore has the full liberty to accept or refuse a proposal. While UNESCO obviously deploys its best efforts to convince a funding source to finance a given project, the final decision rests with the donor.

However, as mentioned above, more and more donors limit themselves to indicating general overall substantive and geographical priorities for their funds-in-trust co-operation with UNESCO, leaving UNESCO considerable freedom to select the project proposals that should actually be submitted to the donor. While this must be considered a favourable development for UNESCO and the beneficiaries, experience so far shows that UNESCO has yet to establish adequate in-house mechanisms for the quality control and internal prioritizing of project proposals to be submitted to such donors.

In addition to the various geographical and substantive preferences indicated by individual donors, a number of common criteria have evolved to characterize a project proposal likely to find a donor of funds-in-trust:

- the most important criterion flows from the fact that UNESCO is a specialized technical agency of the United Nations, and not a fund. Donors therefore insist that the project mainly must consist in UNESCO's provision of technical co-operation as described above: UNESCO must be seen to add value to the formulation and execution of the project. Projects - often submitted by the potential beneficiary country itself, or a NGO - where only cash funds are sought, with no soliciting of UNESCO's expertise, hardly ever find a donor of funds-in-trust. In such cases, direct bilateral funding should be sought by the beneficiary; if desirable, UNESCO may provide a declaration of endorsement of the project proposal, sometimes facilitating the beneficiary's chances of having the proposal approved by the bilateral funding source;

- donors furthermore tend to favour project proposals that are directly linked to high priority fields in UNESCO's Regular Programme, thus ensuring a mutually beneficiary interchange between this Programme and operational activities at the country or regional level. For the same reasons, donors prefer projects that are presented as an integral part of an overall UNESCO programme. It is also important that the project is seen to be sustainable in the longer term; the project document must therefore clearly address the issue of the future of the project, and its integration into the national development plans, once the external funding is terminated;

- many donors prefer intersectoral projects, which unfortunately - for administrative, and to a certain extent internal policy reasons - have proved quite difficult for UNESCO to prepare and implement. Conversely, donors still tend to identify UNESCO with the five main Programme Sectors, often refusing project proposals from the increasing number of transverse co-ordination units, unless the project proposal clearly is linked to main activities within the Programme Sector(s) from which the substance of the project is drawn;

- finally, donors obviously attach major importance to the overall quality of UNESCO's project design and execution, and the efficiency in reporting and administration of the funds made available. This overall criterion has in recent years become the most important for many donors and has unfortunately revealed that UNESCO's capacity frequently is too strained to comply fully with donors' demands in this respect.

e. Contacts with the funding sources.

Throughout the year, BER/DFD/DON ensures the contact with the donors of funds-in-trust, partly through informal discussions, and partly through formal review meetings that take place once or twice a year, normally

alternating between UNESCO Headquarters and the donor's capital. During the meetings, on-going projects are reviewed on the basis of the regular reporting provided by the project officer; new project proposals are discussed - although rarely presented, or formally approved during the meeting, since the necessary expertise normally is not present at such meetings - and administrative and financial issues are addressed. Equally importantly, the meetings give rise to an exchange of views on overall policy issues of relevance to the donor's collaboration with UNESCO, including geographical and substantive priorities, and available funding levels. These discussions allow BER/DFD/DON to advise the Programme Sectors and the Field Offices on the perspectives for future approvals of project proposals under preparation in UNESCO.

III. UNESCO's funds-in-trust co-operation in 1996.

UNESCO's development co-operation efforts must obviously be seen in the context of the overall international climate for development co-operation. General morosity characterized the year of 1995, the most recent year for which comprehensive statistics exist; and there is little evidence that the picture for 1996 will be much brighter. Total official development assistance (ODA) extended by the members of the OECD Development Assistance Committee (DAC) amounted to US\$ 59 billion in 1995, in current dollars roughly equivalent to the level of 1994, but representing a decline in real terms of 8%. ODA contributions from 15 of the 21 DAC member states were lower in 1995 than in 1994; and the combined ODA from DAC countries in 1995 corresponded to 0,27% of GNP, the lowest level recorded in OECD/DAC since comparable statistics began in 1950. The 0,7% target established by the United Nations for ODA is thus even further from being met than in recent years.

Out of total ODA in 1995, 31,0 % was extended through multilateral channels, including the United Nations system, representing a slight increase compared to 1994. However, the United Nations system continues to receive a much smaller share of multilateral contributions than for instance the development bank system and the European Union.

In spite of the general morose climate for international development co-operation, UNESCO continued to do fairly well in voluntary contributions during 1996, although the rather large annual increases recorded during recent years have somewhat weakened. As will be seen below, however, allocations to new and on-going projects, and actual delivery, fell sharply during 1996 compared to recent years.

The donated bilateral voluntary contributions in 1996 to UNESCO from Member States amounted to US\$ 58,6 million. Out of this, US\$ 21,5 million were channelled through the funds-in-trust modality, and the remaining US\$ 37,1 million to UNESCO's special programmes as described above, and the Associate Expert Scheme. The corresponding figures for 1995 were US\$ 47,6 million, US\$ 21,3 million, and US\$ 26,3 million respectively.

The table below shows total expenditure (including unliquidated obligations) from UNESCO under extrabudgetary contributions from all sources during 1994, 1995 and 1996, including contributions from the United Nations system and the development banks. While in 1994 and 1995 some US\$ 127 million were allotted to new and on-going projects, the figure fell sharply to US\$ 111,8 in 1996. Actual expenditure in 1996 amounted to US\$ 72,5, reflecting a similar sharp decline in delivery, and even a lower implementation rate (65%), compared to US\$ 87,8 million (69%) in 1995 and US\$ 87,5 million (69%) in 1994.

The decreasing implementation rate reflects both inadequate measures in UNESCO to ensure regular budget reviews, adjusting allotments to actual delivery, but notably an insufficient implementation capacity compared to available funding levels. An even more important reason for concern is the sharp decline in the overall figures for allocations and delivery compared to previous years. UNESCO is therefore in the process of refining its methods for providing adequate statistics on new contributions, total volume of on-going extrabudgetary activities, total delivery, and new approvals. This will allow a more precise analysis of the reasons for the decline in the delivery of technical co-operation under extrabudgetary contributions, and the taking of remedial measures.

Expenditure from UNESCO under extrabudgetary
contributions from all sources
in 1994, 1995 and 1996

	Bilateral contributions		United Nations (UNDP, UNFPA..)		IBRD Dev. banks		Total US\$
	US\$	%	US\$	%	US\$	%	
1994	60,2	68,8	21,0	24,0	6,3	7,2	87,5
1995	56,6	64,5	25,5	29,0	5,7	6,5	87,8
1996	47,8	66,0	20,4	28,1	4,3	5,9	72,5

All figures in US\$ million. Source: Doc. BB/97/8544

As will be seen from the enclosed donor profiles, some 200 funds-in-trust projects were on-going by end-1996.

Unfortunately, no reliable statistics exist to allow a comparison between the level of UNESCO's activities for development co-operation under extrabudgetary contributions, and that of other specialized agencies under the United Nations system. Discussions are currently in process with other major implementing agencies to establish a network on funds-in-trust co-operation, partly to establish a statistical system, but notably to exchange information and experience with a view to enhancing relations both to funding sources and beneficiaries.

IV. Future perspectives

As will be clear from the enclosed donor profiles, the voluntary contributions from bilateral donor Governments are increasingly concentrated on a few very stable and generous donors with five Member States - Denmark, Germany, Italy, Japan and the Netherlands - each making contributions in excess of US\$ 4 million during 1996. While all efforts obviously will be deployed to even further enhance the co-operation with these donors, it continues to be a priority for UNESCO in coming years to diversify its Government funding sources. To this end, intensified contacts are to be carried out, both at Headquarters and through mission travel, in order to revive the funds-in-trust co-operation with former major donors to UNESCO, and to initiate such co-operation with new potential Government donors.

As mentioned above, it has become increasingly clear that success in enhancing and diversifying UNESCO's voluntary contributions from Government donors is conditional upon UNESCO's providing the necessary climate for motivating such contributions. Efforts have therefore continued within UNESCO to improve planning and implementation of operational activities for development under extrabudgetary funding. An ad hoc group has been established under the chairmanship of the Director of BER/DFD with a view to monitoring regularly these activities, and to promote further streamlining of UNESCO's procedures with regard to format and timing of progress and financial reporting; regular budget revisions; and preparation and presentation of project proposals. In this context, the role of the Field Offices, both in project preparation and implementation and in fund raising, and the feasibility of further decentralization, has been given major emphasis.

In addition, general policy discussions are carried out among UNESCO's senior management at regular intervals. The discussions have notably focused on the definition and implications of the concept of UNESCO's partnership with other actors in international co-operation. While UNESCO's activities in terms of concrete project implementation under extrabudgetary funding continue to be very important, UNESCO's role cannot be assessed in quantitative terms only. Advocacy of the Organization's mandates, thereby helping to mobilize public opinion and consequent funding in Member States and other international institutions alike, has become increasingly important, as has UNESCO's catalytic role.

In this context, and within its limited resources, UNESCO is rapidly increasing its services to Member States in "upstream" activities, such as sector analysis, needs assessment and programme formulation, thus underlining its intellectual and policy role. The results of these activities are sometimes translated into actual project implementation by UNESCO under extrabudgetary financing. In other cases, the beneficiary country might make use of UNESCO's analysis in its own discussions with internal and external funding sources.

The interplay between upstream analytical and advisory activities, and actual project implementation, continues to be an important element in UNESCO's continued endeavours to enhance its role as a centre of excellence within its fields of competence, and to further develop the Organization's comparative advantage over other actors in international development co-operation. While policy discussions are on-going, both within the Secretariat, and with Member States, an overall consensus has yet to be forged on the ideal combination of technical co-operation under funds-in-trust and the Organization's advocacy and analytical activities.

It is finally noteworthy that more consistent efforts have been deployed in recent years to involve UNESCO's Governing Bodies more actively in defining the policies for extrabudgetary activities. The background document provided by the Secretariat for the annual debate in the Executive Board in the fall of 1996 was, as was the case in 1995, more elaborate and presented in a new format compared to previous years. While the debate was quite lively, it is also clear that few delegations to the Board count direct expertise in development co-operation issues.

Plans for extrabudgetary activities are to an increasing extent presented in UNESCO's Regular Budget (C/5), inviting Member States to pronounce themselves on priorities, and on the desirable links between the Regular Programme and activities for development co-operation activities under extrabudgetary funding. Before presenting the draft of the C/5 to the Member States, extensive consultations are carried out within the Secretariat, notably between the Programme Sectors and BER, on the orientation of the proposed extrabudgetary activities in order to maximize chances for actually finding funding.

DONOR PROFILES

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ORGANIZATIONAL STRUCTURE AND OVERALL POLICY FOR DEVELOPMENT CO-OPERATION

In 1995, Australia's official development assistance amounted to US\$ 1,200 million, corresponding to 0,36 of GNP, and representing a 5% increase in real terms over 1994. The Australian aid programme is managed by the Australian Agency for International Development (AusAID) under the Department of Foreign Affairs and Trade. Australia's international development co-operation programme, which underwent a major policy review during 1996, is increasingly geared to helping capacity building in the beneficiary countries, notably in the fields of health and education, good governance, and effective participation in the international and regional trade and investment systems. The geographical focus is strongly on countries in the region with Papua New Guinea being by far the largest beneficiary. 22% of Australia's development assistance was channelled through multilateral organizations; one third of these contributions went to the United Nations system.

CO-OPERATION WITH UNESCO

In 1996, Australia's voluntary contribution to UNESCO amounted to US\$ 58,969, which were mainly given to the World Heritage Fund with a small contribution to the Intergovernmental Oceanographic Commission. This marks an increase over 1995, where no voluntary contribution was registered. No contributions were given to funds-in-trust co-operation. However, some co-operation activities are carried out at UNESCO's office in Bangkok (PROAP) with direct support from Australia; and a number of direct contacts also take place with UNESCO's office in Djakarta.

During the years 1989 to 1992, Australia financed, under a funds-in-trust agreement, the Pacific video training programme, (511-RAS-61) with a total budget of US\$ 430,000. The project was operationally terminated several years ago, but the account has yet to be formally closed. For a number of reasons, the project terminated with a deficit; and Australia has so far proved unwilling to make a further contribution to the project to cover part of the deficit.

In the spring of 1996, a few meetings were held at UNESCO Headquarters with the Permanent Delegation of Australia in order to settle the problems on the above mentioned PACVIDEO project, and to review perspectives for a resumption of the funds-in-trust co-operation. Despite good will on both sides, the discussions have not lead to any results. A visit that AusAID had planned to UNESCO in the early summer of 1996 did not materialize; and communication between UNESCO and Australia on development co-operation matters unfortunately remains scarce.

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ORGANIZATIONAL STRUCTURE AND OVERALL POLICY FOR DEVELOPMENT CO-OPERATION

Several ministries are involved in the administration of Austria's international development co-operation programme with the Department of Development Co-operation within the Bundeskanzleramt being the central unit, although directly responsible only for a minor part of Austria's ODA. General co-operation with the United Nations system is handled by the Ministry of Foreign Affairs. A very substantial part of Austria's official development assistance is channelled through NGOs. The Austrian co-operation programme is also characterized by a number of activities where development considerations are not the main motivation (export credits, refugee assistance, and imputed costs for developing country students). Austria's membership in 1995 of the European Union is expected to have a major influence on the Austrian development assistance programme, mainly through the channelling of more assistance through multilateral organizations, and through the development of more consistent co-operation policies. Austria endeavours to concentrate its development co-operation on a limited number of countries with Bosnia Herzegovina, China, Egypt, Indonesia and Thailand being among the major beneficiaries. The substantive focus is on environment and agriculture.

In 1995, Austria's official development assistance amounted to US\$ 747 million, corresponding to 0,33% of GNP, and representing a slight increase in real terms. Only a very small proportion of Austria's ODA is channelled through the United Nations system with the focus on UNIDO.

CO-OPERATION WITH UNESCO

During 1996 voluntary contributions totalling US\$ 143,342 were made to UNESCO, almost fully devoted to the financing, under a funds-in-trust agreement (US\$ 103,351), of an expert seconded to the World Heritage Centre. Small contributions were also given to the Associate Expert Scheme, to UNESCO's Media Fund, and to UNESCO activities in favour of human rights. Austria also contributed to the Sarajevo-based independent television "NTV 99".

Perspectives for an enhanced funds-in-trust co-operation between Austria and UNESCO remain dim. The most recent contacts with the responsible units in the Bundeskanzleramt and the Ministry of Foreign Affairs, as well as with the National Commission, took place through a mission to Vienna in February 1994. In spite of apparent interest for increased co-operation with UNESCO, Austria has, however, not accepted any of the project proposals submitted after the mission.

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ORGANIZATIONAL STRUCTURE AND OVERALL POLICY FOR DEVELOPMENT CO-OPERATION

The major part of Belgium's international development co-operation programme is administered by the General Administration for Development Co-operation (AGCD), headed by a Secretary of State for Development Co-operation, reporting directly to the Prime Minister. Since a number of other Government institutions are also involved in the co-operation programme, an interdepartmental working group for development co-operation has been established to achieve better co-ordination. The two language communities, the Flemish and the Francophone, also carry out a great deal of development co-operation, notably within UNESCO's fields of competence.

In 1995, official development assistance extended by Belgium amounted to US\$ 1,030 million corresponding to 0,38% of GNP and representing an increase of 23% in real terms. Belgian ODA was thereby roughly at the same level as in 1993, while 1994 saw a sharp fall of 21% in real terms compared to previous years, mainly due to the civil conflicts in Belgium's major partner countries. Half of Belgium's ODA is channelled through multilateral organizations; but the United Nations system is only given minor emphasis. The substantive focus is on conflict prevention and peace building, human rights and democratization. Bilateral assistance is concentrated on some 10 programme countries in Asia, Latin America and Sub-Saharan Africa, with the major emphasis on countries in the Great Lakes region.

CO-OPERATION WITH UNESCO

No voluntary contributions were recorded for Belgium to UNESCO during 1996. However, perspectives for the launching of an increased funds-in-trust co-operation seem rather promising following a number of contacts to the Belgian Permanent Delegation and to the relevant Government institutions through missions to Bruxelles in July and December 1996. AGCD has shown interest for initiating a funds-in-trust co-operation with UNESCO, mainly focused on activities to promote a culture of peace in the Great Lakes region (Burundi and Rwanda). In addition, the Flemish Community is considering concluding an overall co-operation agreement with UNESCO and is also in the process of studying a few concrete project proposals.

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ORGANIZATIONAL STRUCTURE AND OVERALL POLICY FOR DEVELOPMENT CO-OPERATION

The Canadian International Development Agency (CIDA) has the overall responsibility for the planning and execution of Canada's international development co-operation programme. Following a major foreign policy review, the document "Canada in the World" was published in early 1995, emphasized the following priorities for Canadian ODA: basic human needs, promotion of women in development, infrastructure, human rights and democracy, private sector development, and protection of the environment.

In 1995, Canada's official development assistance amounted to US\$ 2,100 million, a 9% reduction in real terms compared to 1993 and corresponding to 0,39% of GNP. Some 35% of Canada's ODA is channelled through multilateral organizations with a little less than a third going to the United Nations system.

CO-OPERATION WITH UNESCO

In 1996, Canada's voluntary contribution to UNESCO amounted to US\$ 188,078, somewhat above the figure for 1995. Most of the contribution is devoted to the World Heritage Fund, with small contributions to Intergovernmental Oceanographic Commission, and to funds-in-trust activities (US\$ 14,564).

Contacts between UNESCO and CIDA have been greatly intensified in recent years, both at Headquarters and through missions to CIDA. In September 1996, the Canadian Minister for Development Co-operation visited UNESCO; and a number of ideas for future funds-in-trust co-operation were discussed. These discussions have, however, yet to lead to a break-through in the co-operation with Canada. Canada's contributions to a number of projects under UNESCO's Chernobyl Programme are being phased out, as are a few minor contributions to decentralized activities, notably in Mozambique; and no new approvals have been obtained.

DENMARK

DANIDA

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ORGANIZATIONAL STRUCTURE AND OVERALL POLICY FOR DEVELOPMENT CO-OPERATION

The Ministry of Foreign Affairs is responsible for Denmark's development assistance programme; the Ministry is advised by the Board of International Development Co-operation with nine members appointed in a personal capacity. All major programme and project activities are submitted to the Board for consideration and approval.

In 1995, Denmark's ODA amounted to US\$ 1,600 million, corresponding to 0,97% of GNP, and representing the highest ratio among the donor countries. Some 20% of total ODA is channelled through the United Nations system. The objective of the Danish international development co-operation programme - as most recently confirmed in the policy strategy document "A world in Development" on Denmark's development co-operation in the 1990's - is to assist developing countries in their efforts to achieve sustainable development based on improvement in living conditions through socially balanced economic growth and with respect for political independence. Equal and free opportunities for the individual, in accordance with the aims and principles of the UN Charter, are also important considerations in Denmark's development co-operation. Furthermore, transverse themes, such as the role of women in development, environment protection and promoting of good governance and human rights, are pursued at all levels of the assistance programme. The programme has a strong focus on the least developed and other very poor countries.

CO-OPERATION WITH UNESCO

After a year-long negotiation, a new Framework Agreement on the UNESCO/DANIDA funds-in-trust co-operation came into force on 27 June 1996. The Agreement leaves UNESCO almost total freedom and responsibility in the selection and management of the funds made available under the Agreement within the limits of the agreed policy papers on the four priority areas selected by DANIDA: education, environment, human rights and communication, and respecting the distribution of funds among these areas, currently 45%, 10%, 10% and 35% respectively. Each year, DANIDA indicates the amount of funds to be made available for a rolling four year period, currently some US\$ 21 million for the years 1996-1999, allowing UNESCO the possibility for longer-term planning.

In 1996, Denmark's voluntary contribution to UNESCO amounted to US\$ 6,246,465 with US\$ 4,806,128 being devoted to funds-in-trust projects, making Denmark UNESCO's most important partner in funds-in-trust co-operation. Major amounts were also going to the Associate Expert Scheme, the International Programme for the Development of Communication, the Intergovernmental Oceanographic Commission and the International

Institute for Educational Planning. The voluntary contribution marks an increase of some 50% compared to 1995, which was already considerably higher than in 1994.

Formal review meetings with DANIDA are scheduled at least once a year. The most recent review meeting took place at UNESCO Headquarters in June 1996.

Currently, Denmark is funds-in-trust financing the following operational projects :

Education

- Functional Literacy and Post Literacy for Women (Gambia) (510-GAM-10) (1991-1997) (US\$ 738,003)
- Non-formal Education for Nomadic Women in the Gobi Desert (Mongolia) (510-MON-10) (1992-1997) (US\$ 1,760,055)
- Integration of Disabled Children into Regular School, Phase II (Bolivia, Ecuador, Peru) (510-RLA-11) (1995-1997) (US\$ 553,700)
- Literacy and Civic Education for Indigenous and Rural Women (Peru) Phase II (510-PER-12) (1995-1997) (US\$ 351,882)
- Functional Literacy for Parents through the Catholic School Systems (Senegal) (510-SEN-10) (1992-1997) (US\$ 521,235)
- Functional Literacy for Women in Muslim Mindanao (The Philippines) (510-PHI-10) (1994-1997) (US\$ 282,958)
- Literacy and Skills Training for Adults in Eritrea (1995-1996) (US\$ 24,323)
- Inclusive schools and community support programmes (Malawi, Zambia, Tanzania) (510-ZAM.MLW.URT-10) (1996-1999) (US\$ 400,000)
- African initiative in education sector analysis (Regional Africa) (1996-1998) (US\$ 260,000)
- Promoting girls' and women's education in Africa (Regional Africa) (510-RAF-10) (1996-1999) (US\$ 850,000)
- Basic learning materials initiative (global) (510-INT-10) (1996-1999) (US\$ 1,880,000)

In addition, DANIDA donates voluntary contributions to Special Accounts for EFA Forum (US\$ 70,000), and UIE for the International Conference on Adult Education (US\$ 50,000).

Science

- Training Programme on Harmful Algae (510-GLO-41) (1994-1997) (US\$ 78,720)
- Training Material for Disaster Reduction (510-GLO-40) (1991-1997) (US\$ 186,133)
- Promotion of Sustainable and Equitable use of Plant Resources in the Hindu-Kush-Himalayan Region (510-RAS-40) (1995-1998) (US\$450,000)
- Biological Assessment of Ecologically Sustainable Soil Management in Kenya and Zimbabwe (510-RAF-40) (1995-1998) (US\$ 601,612)
- Capacity Building for Participatory Eco-development in Lake Toba and Nias Island, North Smarra (Indonesia) (510-INS-40) (1996-1997) (US\$ 285,360)

Culture

- Restoration of Denchenphug Temple (Bhutan) (510-BHU-70) (1994-1998) (US\$ 280,000)

Communication

- Development of the Media Institute of the Southern Africa region (510-RAF-60) (1994-1996) (US\$ 463,830)
- Cambodia Media Training Institute (510-CMB-60) (1994-1996) (US\$ 619,472)
- Reinforcement of the Cambodia Media Training Institute (510-CMB-61) (1997-1999)
- Tambuli Community Radio (The Philippines) Phase II (510-PHI-61) (1996-1999) (US\$ 566,463)
- Zimbabwe Film Training (Zimbabwe) (510-ZIM-61) (1989-1996) (US\$ 2,150,010) - Phase II (510-ZIM-62) (1995-1999) (US\$ 2,355,058)
- Staff Training in the Broadcasting Corporation in Namibia (510-NAM-60) (1995-1998) (US\$ 559,292)
- Re-organization of the Nepal National Library to support literacy programmes (510-NEP-60) (1995-1999) (US\$ 350,848)

Social Science/Human Rights

- Parliamentarian Training Programme (Malawi) (510-MLW-50) (1996-1999) (US\$ 156,416)
- Social and Cultural Empowerment Programme for Indigenous Communities in the Amazon Region (Ecuador) (510-ECU-50) (1996-1997) (US\$255,000)
- Human Rights, Democracy and Development at Bag Level in Mongolia (Mongolia) (510-MON-55) (1996-1998) (US\$ 270,000)
- Municipalities Training Programme for the Improvement of Human Rights and Democracy in Cape Verde (Cape Verde) (510-CVI-55) (1997-1999) (US\$ 161,540)

FINLAND

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**Permanent Delegation of Finland to UNESCO
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ORGANIZATIONAL STRUCTURE AND OVERALL POLICY FOR DEVELOPMENT CO-OPERATION

The Ministry for Foreign Affairs is responsible for Finland's international development co-operation, which is administered by the Department for International Development Cooperation (except for Finland's support to

the Eastern and Central European countries, which is handled by a special department within the Ministry of Foreign Affairs). In 1995, Finland's official development assistance amounted to US\$ 388 million, representing an increase of 8% in real terms, and corresponding to 0,32% of GNP. Finland is thereby reversing the tendency of the early 1990s for sharp reductions in ODA volume after having had one of the fastest growing development co-operation programmes during the 1980s.

The strategy defined for Finland's international development co-operation for the 1990s emphasizes sustainable development and poverty reduction with special focus on environment protection, equality between genders, demography, training and education, and rural development. Over 40% of Finland's ODA was channelled through multilateral organizations. More than a third of these contributions went to the United Nations system.

CO-OPERATION WITH UNESCO

In 1996, Finland's voluntary contributions to UNESCO amounted to US\$ 210,724, somewhat higher than the figure for 1995, and with the main emphasis on funds-in-trust activities (US\$ 98,196), the Education For All Forum, the Media Fund and the World Heritage Fund.

While Finland's funds-in-trust co-operation with UNESCO was quite substantial during the 1980s, this co-operation has in recent years been greatly reduced, mainly due to the Department for International Development Cooperation's tight budgetary situation. However, in April 1996, a review meeting took place in Helsinki, which allowed the formal closing of a number of older project accounts, and an exchange of views on the perspectives for future co-operation. In spite of the continued budget constraints, Finland expressed considerable political motivation to enhance its co-operation with UNESCO, not least in view of the forthcoming Finnish candidacy to UNESCO's Executive Board. A few concrete proposals from UNESCO were already under consideration; and UNESCO was invited to submit other proposals.

The volume of funds-in-trust co-operation is still too limited to justify regular formal review meetings. However, informal contacts are carried out with the Permanent Delegation and with Finnish delegations visiting UNESCO for other purposes.

In addition to a small amount still available in the UNESCO/Finland General Fund, the following funds-in-trust project are on-going:

- Support to the Science for Africa Programme (regional Africa) (508-RAF-70) (US\$ 143,700) (1996-1997)
- UNESCO Chair on Energy and Environment, University of Alexandria (Egypt) (508-EGY-40) (1997-1998) (US\$ 240,000)

FRANCE

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ORGANIZATIONAL STRUCTURE AND OVERALL POLICY FOR DEVELOPMENT CO-OPERATION

The Ministry of Co-operation for Development and the Ministry of Foreign Affairs have the main responsibility for France's international development co-operation programme. However, many other ministries and institutions are also involved in the French development co-operation programme, leading to a very complex administrative structure. In early 1996, an interministerial committee for development aid was established in order to achieve better co-ordination, and to improve the integration of development aid policy into French foreign policy.

In 1995, total French ODA amounted to US\$ 8,400 million, corresponding to 0,55% of GNP and representing a decrease of 12% in real terms. The French international development co-operation programme is heavily concentrated on francophone countries, notably in Africa, with special emphasis on the Sahel countries. While education, science and infrastructure continue to enjoy high priority, France has in recent years increasingly also extended assistance to projects for environment protection, as well as humanitarian aid. Only a relatively small share of French ODA is channelled through multilateral organizations, including the United Nations system.

CO-OPERATION WITH UNESCO

During 1996, France's voluntary contribution to UNESCO amounted to US\$ 1,276,269, representing a further sharp reduction over 1994 and 1995. US\$ 126,698 were devoted to funds-in-trust projects, a very substantial reduction compared to previous years. The remaining part was mainly channelled to the World Heritage Fund, the Intergovernmental Oceanographic Commission, the International Programme for the Development of Communication, the International Information Programme, the World Heritage Fund, and the Associate Expert Scheme.

France's funds-in-trust co-operation with UNESCO is heavily concentrated on small-scale projects prepared under the International Programme for the Development of Communication; in recent years, France has also funds-in-trust financed a number of projects in the field of cultural heritage, notably the restoration of the Angkor monuments in Cambodia. Efforts continue to be deployed by UNESCO to establish a regular cycle of review meetings with France, as well as agreement on modalities for regular presentation and consideration of project proposals, also within UNESCO's other fields of competence. Progress in this respect has, however, so far been limited.

Currently, France is financing the following operational projects:

Education

Statistical information system for educational planning (SISED) (520-RAF-80) (1995-1997) (US\$ 376,290)

Culture

Contribution for the safeguarding of the site of Angkor :

- Preservation of the site of Angkor (520-CMB-71) (1993-1997) (US\$ 947,000)
- Completion of the inventory of the objects of the Angkor Conservation Office (520-CMB-72) (1996-1997) (US\$ 38,000)
- Policy of Angkor Cultural Heritage (520-CMB-78) (1996-97) (US\$ 40,800)
- Restoration of Temple of Bapuon (520-CMB-75) (1996-97) (US\$170,000)
- Restoration of Elephant Terrace (520-CMB-76) (1996-97) (US\$40,800)

Communication

- Modernization of the national press (Burundi) (520-BDI-61) (1992-1996) (US\$ 29,000)
- Reinforcement of the communication network of the press agency (Lao) (520-LAO-63) (1992-1996) (US\$ 55,000)
- Training of Women in Communication (Pacific region) (520-RAS-63) (1989-1996) (US\$ 77,500)
- Establishment of a Media Training Academy (Cambodia) (520-CAM-61) (1994-1996) (US\$ 200,000)
- Computerization of the Tunisian Press Agency (Tunisia) (520-TUN-62/63) (1995-1996) (US\$ 120,000)
- Reorganization of the Maghreb Press Agency (Morocco) (520-MOR-63) (1995-1996) (US\$ 108,280)
- Support for the Mobile TV Unit (Egypt) (520-EGY-64) (1995-1996) (US\$93,000)
- Workshop for a New Journalism (Regional) (520-RLA-62) (1996-97) (US\$80,000)
- Computerization of Radio Malawi (Malawi) (520-MLW-61) (1996-97) (US\$30,000)
- Photo Archives for the Press Agency Petra (Jordan) (520-JOR-01) (1996-97) (US\$30,000)
- Computerization of Radio Tonga (Tonga) (520-TON-61) (1996-97) (US\$40,000)
- Computerization of Bulgarian Press Agency (Bulgaria) (520-BUL-62) (1996-97) (US\$100,000)

FEDERAL REPUBLIC OF GERMANY

BMZ (Bundesministerium für Wirtschaftliche Zusammenarbeit und Entwicklung)

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OPERATIONAL STRUCTURE AND OVERALL POLICY FOR DEVELOPMENT CO-OPERATION

The main responsibility for the planning and implementation of the German international development co-operation programme lies with BMZ, while a number of other ministries finance and execute some development activities within their competence. Efforts are made to ensure stronger participation of beneficiary target groups, including women, in the design, and implementation of German assistance projects. Priority fields remain poverty alleviation, basic education, and environment protection through actions with a highly participatory approach.

In 1995, total German ODA amounted to US\$ 7,500 million, corresponding to 0,31 % of GNP and representing a decrease of 5% in real terms, thereby reaching its lowest level since 1960. Notwithstanding a political commitment to maintain a high ODA volume in spite of the economic problems flowing from the reunification, the German aid budget has in recent years suffered from the overall austerity measures.

CO-OPERATION WITH UNESCO

The total voluntary contribution from Germany to UNESCO amounted to US\$ 7,017,363 in 1996, a substantial increase over 1995. US\$ 3,351,630 were devoted to funds-in-trust projects with the remaining part being channelled mainly to the Associate Expert Scheme, the World Heritage Fund, the International Programme for the Development of Communication, UNESCO's activities in favour of street children, UNEVOC, and various

rehabilitation activities in ex-Yugoslavia. Good will ambassadors and the German National UNESCO Commission play a major role in fund raising for UNESCO activities.

In addition to a number of formal and informal meetings throughout the year, mainly focused on the Permanent Delegation, formal review meetings are normally held at least once a year, alternating between Paris and Bonn. The most recent annual review meeting took place at UNESCO Headquarters in August 1996.

In recent years, BMZ has preferred that project proposals are submitted in a package once a year in response to an indication of available funding levels for the subsequent year, and of BMZ's substantive and geographical priorities. While BMZ retains a certain right of choice among the proposals submitted, UNESCO's own priorities are by and large respected. The next submission of project proposals is expected to take place during April 1997.

Germany is currently funds-in-trust financing the following operational projects:

Education

- Support for basic education in the least developed countries, and strengthening of local communications media to support basic education (507-INT-10/60) (1992-1996) (US\$ 2,460,000)
- Improvement of basic education services in the least developed countries (IIEP) (507-INT-11) (1993-1996) (US\$ 570,000)
- Reinforcement of education in rural areas in the Central American Isthmus (507-RLA-10) (1992-1996) (US\$ 1,782,858)
- Elaboration of textbooks and reading materials for basic education in the Central American Isthmus (507-RLA-11) (1992-1996) (US\$ 2,588,571)
- Capacity building for the improvement of basic education (507-INT-12) (1996-1999) (US\$ 458,780)
- Promoting change and renewal of basic education (507-RAF-12) (1996-1999) (US\$ 560,000)
- Improvement of the quality of instructional materials in Mauritania (507-MAU-10) (1995-1997) (US\$ 148,000)
- Basic Education and Vocational Training for Out-of-School Youth in Africa (507-RAF-13) (1997-99) (US\$739,000)
- Capacity Building for Grassroots NGOs in LDCs (507-INT-14) (1997-99) (US\$666,585)

Science

- South/South co-operation on environmentally sound development in the humid tropics (507-GLO-40) (1994-1997) (US\$ 750,000)
- Management of tropical rain forests (507-INT-40) (1990-1996) (US\$ 3,459,000)
- Promotion of scientific institutions to combat desertification in the Sahel (Phase II) (507-RAF-43) (1994-1997) (US\$ 475,000)
- Integrated approach to the sustainable development of the rural areas of the desert (IDRA), Oudane Oasis, Mauritania (507-MAU-40) (1995-1998) (US\$ 384,500)
- Integrated Biodiversity Strategies for Islands and Coastal Areas (IBSICA) (1996-1999) (US\$ 750,000)
- Management of Water Resources for Sustainable Development: Lake Chad Basin (1996-1999) (US\$617,600)

Culture

- Training of experts for museums, ICCROM/PREMA, (Africa) Phase III, (507-RAF-73) (1997-2000) (US\$ 847,500)

Communication

- Creation of rural press services (Guinea and Mali) (507-RAF-60) (1994-1996) (US\$ 509,480)
- Community Media in support of Basic Education (543-RAF-61) (1996-1997) (US\$ 861,060)
- Communication and good governance in West and in Central Africa (543-RAF-62) (1996-1999) (US\$ 576,000)
- Development of the Federation of African Media Women (543-RAF-63) (US\$ 391,188)

Project and Programme Preparation Fund - Phase III

(507-GLO-02) (1992-1997) (US\$ 233,333):

Under this facility BMZ, upon proposal from UNESCO, finances activities related to identification, formulation and evaluation of projects of interest to the UNESCO/BMZ funds-in-trust co-operation. The missions are not conditional upon participation of German experts, although this has in fact often been the case. After several years of almost total inactivity, the facility has recently been revived through a number of BMZ approvals of proposals from UNESCO.

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ORGANIZATIONAL STRUCTURE AND OVERALL POLICY FOR DEVELOPMENT CO-OPERATION

GTZ is the executing agency for technical co-operation projects/programmes commissioned by the German Federal Government. Wherever economical or expedient, GTZ subcontracts to third parties execution of entire projects, or project components.

CO-OPERATION WITH UNESCO

After the phasing out, during 1994, of a major scientific project in Africa under GTZ funding, no new UNESCO projects have been approved by GTZ in spite of a number of contacts between the parties.

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CO-OPERATION WITH UNESCO

While no regular co-operation is taking place with the Ministry for Research and Technology, three major UNESCO projects are in fact being financed under funds-in-trust agreements with the Ministry:

Science

- Ecological research and monitoring in the Delta Region of the Aral Sea (509-RAS-40/41) (1992-1996) (US\$ 872,322); Phase II : 1997-99 (US\$398,353)
- Towards sustainable development paradigm and policy: Sustainability as a concept of Social Sciences (contribution to UNESCO's MOST programme) (509-GLO-55) (1994-1996) (US\$ 191,540)
- Ecological Investigation of the Upper Dniester Region (Russian Federation) (509-RER-40) (1997-1998) (US\$131,533)

ITALY

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OPERATIONAL STRUCTURE AND OVERALL POLICY FOR DEVELOPMENT CO-OPERATION

The Ministry of Foreign Affairs (Department of Technical Co-operation for Development, DGCS) is responsible, in co-ordination with the Ministry of the Treasury, for Italy's international development co-operation programme. Following the adoption in 1995 of guidelines for a new policy on development co-operation, work begun in 1996 on the revision of the 1987 law on development co-operation. Other reforms have also been carried out in recent years to remove administrative bottlenecks and render the aid programme more efficient and transparent. Italian regions and municipalities continue to be very active in international development co-operation. The substantive focus in the Italian aid programme is on basic human needs, food self-sufficiency, human resources development, protection of the environment, peace building and gender equality.

In 1995, total Italian ODA amounted to US\$ 1,500 million, corresponding to 0,15% of GNP and representing a further sharp fall by 46% in real terms compared to 1994, which already represented a drop of 36% over 1993. The sharp contradiction in Italy's aid programme reflects both reduced public support for the programme, and overall austerity measures.

CO-OPERATION WITH UNESCO

In 1996, Italy's voluntary contribution to UNESCO amounted to US\$ 15,539,446, which includes Italy's direct contribution of US\$ 13,201,320 to the International Centre for Theoretical Physics. US\$ 1,010,301 were devoted to funds-in-trust projects, which represents only half of the amount for 1995. Other Italian contributions were channelled to the Associate Expert Scheme, the Third World Academy of Science, and UNESCO's regional office in Venice, ROSTE.

In its funds-in-trust co-operation with UNESCO, Italy gives priority to basic education, cultural heritage preservation, and communication. Italy is very active in the formulation and choice of the projects to be funds-in-trust financed, and the initiative to such projects in some cases comes from Italy itself. Several formal or informal discussions are normally carried out every year, alternating between UNESCO Headquarters and

Rome, and also including the Permanent Delegation. The parties have recently agreed to aim at a more regular formal meeting cycle. The most recent annual review meeting took place in July 1996 at UNESCO Headquarters.

Since Italy, as opposed to most other major donors of funds-in-trust, transfers its voluntary contribution to UNESCO as a lump sum once a year with project consideration and approval to follow subsequently, a considerable accumulation of unutilized funds has taken place in recent years. Following agreement on modalities for a more timely and transparent procedure for approving new project proposals, also ensuring that the projects approved actually are ripe for implementation, considerable progress has been obtained in the disbursement rate. In addition to the projects funded under Italy's overall voluntary funds-in-trust contribution to UNESCO, a number of other projects has found funds-in-trust financing in recent years in more direct collaboration with Italian experts and relevant Government institutions.

Currently, Italy is funds-in-trust financing the following operational projects :

Education

- Training of decision makers (contribution to IIEP), Phase II (534-RAF-10) (1992-1996) (US\$ 650,000); Phase III (534-INT-11) (1994-1997) (US\$ 600,000)
- Formulation and management for the Palestinian Educational Authority (contribution to IIEP) (534-RAB-11) (1995-1997) (US\$ 730,400)
- Promoting educational opportunities for vulnerable children (Angola) (534-ANG-10) (1994-1996) (US\$ 660,000)
- Teachers and multicultural/intercultural education (BIE), Phase III (534-INT-13) (1996-1997) (US\$ 300,000)
- Education of primary school teachers through distance education (Eritrea) (534-ERI-10) (1994-1996) (US\$ 500,000)
- Provision of basic learning materials for teacher training (Eritrea) (534-ERI-11) (1994-1996) (US\$ 155,000)
- Support to the training of primary teachers (Eritrea) (534-ERI-13) (1995-1996) (US\$ 294,704)
- Contribution to the Education for All Forum (EFA) (US\$ 350,000)
- Support to the Curriculum Development Centre (Palestine) Phase I (534-RAB-10) (1994-1996) (US\$ 300,000)
- Support to the Curriculum Development Centre (Palestine) Phase II (534-RAB-12) (1996-97) (US\$450,000)
- Capacity Building in Educational Planning and Budgeting for the Palestinian Authorities (534-RAB-13) (1996-97) (US\$ 321,509)
- Support to Basic Education in Mozambique (534-MOZ-12) (1996-98) (US\$474,713)
- Strengthening of the Ministry of Education of the Palestinian Authority (1996-99) (US\$2,000,000)

Science

- Learning package in energy engineering, Phase II (global) (534-GLO-42) (1995-1998) (US\$ 452,000)
- Third World Academy of Sciences (TWAS) (448-INT-40) (1996) (US\$ 1,600,000)

Culture

- Restoration of the Royal Palace of Abomey (Benin) (534-BEN-70) (1994-1996) (US\$ 258,600)
- Restoration of the Palace of Dar Adiyel, Fès (Morocco) phase II (534-MOR-70) (1996-1998) (US\$ 346,506)
- Identification of cultural heritage in the region of Ancient Syria (534-RAB-70) (1994-1996) (US\$ 700,000)
- Restoration of the Pre Rup Temple, Angkor (Cambodia) (534-CMB-70) (1994-1996) (US\$ 125,000)
- Restoration of Wat-Phu Temple in Lao (534-LAO-70) (1996-97) (US\$ 161,124)
- Cultural Heritage Missions to Eritrea (534-ERI-70) (1996-97) (US\$ 50,000)
- Restoration of Mosaics in Jericho (534-RAB-71) (1996-97) (US\$ 100,000)
- Preparation of a Master-plan for Rehabilitation of Mostar (Bosnia-Herzegovina) (534-BHI-70) (1996-97) (US\$ 260,000)

Communication

- Regional Informatic Network for Africa - Phase II (534-RAF-40) (1996-1997) (US\$ 200,000)
- Support to the Alexandria Library (Egypt) (534-EGY-80) (1994-1996) (US\$ 400,000)
- Re-structuring and strenghtening the Palestinian News Agency (WAFA) (1996-1999) (US\$ 1.500.000)

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CNR, as a national research institution, does not finance major international development co-operation activities. The current agreement concerning the Council's contribution to ROSTE, UNESCO's Regional Office for Science and Technology in Venice, is therefore subject to a special decision from its directorate.

CO-OPERATION WITH UNESCO

The current agreement on an annual contribution from the Italian National Council for Research (CNR) of US\$ 262,000 to ROSTE's activities in Venice, including rent of premises for the office, has been extended until 1996.

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CO-OPERATION WITH UNESCO

The Italian Ministry for Universities and Scientific Research is financing the following self-benefiting projects:

Science (self-benefiting)

- Venetian Lagoon Ecosystem (929-ITA-41) (1991-1996) (US\$ 2,223,000)
- Venice Inner Canals (929-ITA-42) (1992-1996) (US\$ 530,000)

JAPAN

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ORGANIZATIONAL STRUCTURE AND OVERALL POLICY FOR DEVELOPMENT CO-OPERATION

The Ministry of Foreign Affairs is responsible for Japan's overall policy for international development co-operation, which for several decades has been a main pillar in Japan's foreign policy. However, other ministries also carry out development co-operation activities in their own fields of competence. For instance, the Ministry of Education provides funds-in-trust to UNESCO, and also has a scholarship programme through bilateral channels.

In 1995, Japan's ODA amounted to US\$ 14,500 million, a 1% increase in real terms over 1994. Japan thus maintained its position as the largest donor by volume, providing almost 25% of all OECD/DAC aid. The GNP ratio was 0,28%. The main priorities for Japan's international development co-operation are protection of the environment; demography and AIDS prevention; assistance to refugees; promotion of democracy and support for transit to market economy; and enhancement of the status of women. Japan's development co-operation focuses on Asian countries due to historical, economic and geographical reasons. Japan's fiscal year runs from 1 April to 31 March.

CO-OPERATION WITH UNESCO

During 1996, Japan's voluntary contribution to UNESCO amounted to US\$ 5,312,752, well above the level for 1995. US\$ 3,841,300 were channelled to funds-in-trust activities, with the remaining part devoted to the Associate Expert Scheme, the World Heritage Fund, and the International Programme for the Development of Communication.

Contacts with Japan on funds-in-trust co-operation are carried out through the Permanent Delegation of Japan to UNESCO. As a matter of routine, all project proposals are first submitted informally to the Permanent Delegation, who obtains a preliminary reaction from Tokyo, before the project is finalized by UNESCO and formally submitted to the Delegation for approval by the Japanese authorities. Furthermore, Japan wishes to be consulted before the submission of the draft Plan of Operations to beneficiary countries of Japanese financed funds-in-trust projects.

Since 1993, formal review meetings are held once a year either at UNESCO Headquarters or in Tokyo. In addition, informal consultations are held between UNESCO and Japan, partly through missions to Tokyo, and more often when Japanese delegations are at UNESCO Headquarters for other meetings. The most recent review of the UNESCO/Japan funds-in-trust co-operation took place at UNESCO Headquarters in the field of education and science in May 1996, and in the field of culture in April 1997 for Preservation of the World Cultural Heritage, and in October 1996 for Intangible Cultural Heritage.

In the field of education, Japan has established two major umbrella funds-in-trust agreements with UNESCO. For Literacy Promotion in Asia and the Pacific (APPEAL), Japan has made an annual contribution of US\$ 700,000 since 1990, while the Asia-Pacific Programme on Educational Innovation for Development (APEID) since the late 1960s has received has an annual contribution of US\$ 161,000 for the financing of Mobile Training Teams in five different fields of education as specified below in interested developing countries. A Mobile Training Team programme consists of three components: study visits abroad by selected officials from the beneficiary country; provision of equipment or national follow-up activities; and the holding of a national workshop in the country. A comprehensive evaluation of the programme was conducted for the first half of 1996.

A Japanese Trust Fund for educational activities to prevent AIDS in Asia and the Pacific was established in 1995, which has received total contributions of US\$ 150,000.

Finally, negotiations were underway with the Japanese Minister of Education on another new Trust Fund to be created in the 1996 Japanese fiscal year for Community Learning Center Programme under APPEAL, possibly leading to a slight reduction in the existing annual general contribution to APPEAL.

In the field of science, four umbrella agreements with total annual contributions of some US\$ 310,000 exist in favour of basic science; the International Hydrological Programme (IHP); the International Oceanographic Programme/WESTPAC and the Programme on Man and the Biosphere (MAB).

In the field of culture, Japan has established two umbrella funds-in-trust agreements with UNESCO: the Japanese Trust Fund for Preservation of the World Cultural Heritage, which since its establishment in 1989 has received contributions totalling more than US\$ 23 million, and the Japanese Trust Fund on Intangible Culture, which, since its establishment in 1993, has received total contributions of US\$ 1,250,000.

A new Japanese Trust Fund for the General Information Programme in Asia and the Pacific, with a first year contribution of US\$ 30,000 was established during 1996.

For all the above mentioned umbrella trust funds, Japan's annual contribution is formalized through an exchange of letters between UNESCO and Japan, followed by UNESCO's submission of concrete proposals for activities to be financed from the contribution as described above. Upon approval by Japan, each project is then established through an exchange of letters between UNESCO and Japan. As is the case for Italy, this procedure has led to some accumulation of funds in the various accounts. A good deal of progress has, however, been achieved in recent months, due to a speeding up of the Japanese approval procedure.

Currently, Japan is funds-in-trust financing the following operational projects:

Education

Promotion of Literacy in Asia and the Pacific (APPEAL) (537-RAS-series)

Within a total annual contribution of US\$ 700,000, the following programmes are being executed:

- Promotion of literacy through primary education for girls and disadvantaged children (537-RAS-32 and 22)
- Pilot project to promote literacy for youth and adults (537-RAS-16 & 36)
- Development of Literacy Materials for Primary School Children in Rural Area (537-RAS-44)
- Development of Basic Literacy Reading Materials for Youth and Adults (537-RAS-43)
- Training of Planning and Management Personnel of Literacy and Community Education (537-RAS-41)

Asia-Pacific Programme for Educational Innovation for Development APEID : Mobile Training Teams (546-RAS series)

Within a total annual contribution of \$ 161,000, the following Mobile Training Teams are carried out in five selected interested developing countries:

- Educational Technology
- Vocational & Technical Education
- Curriculum Development
- Science Education
- Special Education

Preventive Education against AIDS

- Prevention of HIV/AIDS through Quality Improvement of Curriculum and Teaching-Learning Material in Asia and the Pacific (506-RAS-19) (1996-1997) (US\$ 70,000)

Science

- MAB Regional Workshop and Field Studies on Characteristics of Ecotone & its Rehabilitation in Coastal Zones (546-RAS-69) (1995-1996) (US\$ 50,000)
- Promotion of IHP in Asia and the Pacific (546-RAS-77) (1995-1996) (US\$ 80,000)
- WESTPAC/IOC (546-RAS-66) (1996-1997) (US\$ 80,000)
- Basic Science in South East Asia - Microbiology & Chemistry of Natural Products (546-RAS-70) (1996-1997) (US\$ 70,000)

Communication

- General Information Programmes in Asia and the Pacific (506-RAS-60) (1996) (US\$ 30,000)

Inter-sectoral Projects

UNESCO/UNU Joint Study Programme

- UNESCO/UNU Chair in Plant Biology at Beijing University (506-INT-45) (1996) (US\$ 15,000)
- High Level Expert Meeting on Solar Energy in East and Southeast Asia (506-INT-46) (1996) (US\$ 40,000)
- Workshop on Globalization and Mega-City Development in Pacific Asia (506-RAS-51) (1996) (US\$ 75,000)

In addition to the above mentioned project activities, Japan has agreed to the establishment of so-called pool accounts that receive unutilized funds from a given year's contribution to a given umbrella agreement, both for education and science. These savings may be utilized for new project activities, as well as evaluations and mission travel, upon proposal from UNESCO and approval by Japan.

Culture

Trust Fund for Preservation of the World Cultural Heritage

- Preservation of Bagerhat (Bangladesh) (536-BGD-72) (1992-1997) (US\$ 226,000)
- Preservation of Paharpur (Bangladesh) (536-BGD-71) (1991-1997) (US\$ 305,100)
- Training for national capacity building for the conservation of cultural monuments, PhaseII (Cambodia) (536-CMB-72) (1996-1997) (US\$ 439,120)
- Support for International Coordination Committee on Angkor (Cambodia) (536-CMB-77) (1994-1997) (US\$ 7,400)
- Technical assistance to the Angkor Conservation Office (Cambodia), Phase I (536-CMB-73) (1993-1996) (US\$ 343,085), Phase II (536-CMB-79) (1996-1997) (US\$ 396,411)
- Conservation and restoration of Royal Plaza Bayon and Angkor Vat (Cambodia) (1994-97) (536-CMB-78) (US\$ 9,605,000)
- Preservation of Wat Phu, Champassak (Laos) (536-LAO-70) (1993-1997) (US\$ 397,195)
- Protection and conservation of ancient ruins of Khara Khorum City (Mongolia) (536-MON-70) (1995-1997) (US\$ 450,518)
- Protection and conservation of Hanyuan Hall of Daming Palace in Xian (China) (1995-97) (536-CPR-73) (US\$ 1,000,000)
- Preservation of the Gandhara Monuments (Pakistan) (536-PAK-70) (1993-1998) (US\$ 500,000)
- Conservation of the monument of Moenjodaro (Pakistan) (536-PAK-71) (1990-1997) (US\$ 339,000)
- Conservation and preservation of the Buddhist monuments in Sanchi and Satdhara (India) (536-IND-70) (1994-1999) (US\$ 500,000)
- Master plan for the preservation of the historic area of Pagan (Myanmar) (536-MYA-70) (1994-1996) (US\$ 333,200)
- Preservation of the Monastery of Probata (Romania) (536-ROM-70) (1996-1997) (US\$ 271,200)

Project preparation fund:

In 1992, Japan agreed that the interest accrued under the Trust Fund might be allocated to a special facility to be utilized - upon proposal from UNESCO and approval from Japan - for activities related to project preparation, promotion and evaluation, as well as other activities, with relevance for the Trust Fund. So far, eight missions have been financed under this arrangement. In 1996, the following missions and activities have been carried out:

- Cambodia - Preparation of a promotion video film on Angkor (1996) (US\$ 102,000)
- Cambodia - Supplementary Fund for the Project on Conservation and Restoration of Royal Plaza, Bayon and Angkor Vat (1996) (US\$ 282,500)

Trust Fund for Preservation and Protection of Intangible Cultural Heritage

- Preservation of traditional folk tales, poems and other non-physical cultural property of the Han nationality of China (China) (536-CPR-72) (1994-96) (US\$ 120,345)
- Laos - Safeguarding and promotion of the intangible cultural heritage of minority groups (536-LAO-20) (1994-96) (US\$ 39,550)

- Global - Publication of an Atlas of endangered languages in the world (536-INT-20) (1994-1996) (US\$ 39,290)
- Asia - The East Asian Workshop on the techniques of lacquer ware in Myanmar (536-RAS-20) (1995-96) (US\$ 76,840)
- Vietnam - Inventory of Ethno-forms (handicrafts) of minorities of Vietnam (1995-1997) (536-VIE-21) (US\$ 90,400)

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ORGANIZATIONAL STRUCTURE AND OVERALL POLICY FOR DEVELOPMENT CO-OPERATION

Luxembourg's aid programme is administered by the Ministry of Foreign Affairs, Foreign Trade and Co-operation. A new development co-operation law came into force in early 1996 as a further step towards the strengthening of the legal and administrative set-up of Luxembourg's small but growing development programme. Special emphasis is given to gender equality, protection of the environment, development education and promotion of human rights and democracy. A major part of Luxembourg's bilateral assistance is implemented by NGOs, leading to a substantial spread in countries and sectors covered by aid from Luxembourg.

In 1995, official development assistance extended by Luxembourg amounted to US\$ 68 million, corresponding to 0,38% of GNP, and representing a small reduction in real terms of 2% over 1994. About a third of the assistance was channelled through multilateral organizations with the European Union as the main recipient. Only small contributions are given to the United Nations system.

CO-OPERATION WITH UNESCO

Luxembourg's voluntary contribution to UNESCO in 1996 amounted to US\$ 217,551, almost triple the figure for 1995. US\$ 100,000 were devoted to funds-in-trust activities, and the remaining part mainly to the International Programme for the Development of Communication.

The following project is financed under funds-in-trust provided by Luxembourg:

- Development of an independent press (Cap Vert) (548-CVI-60) (1996-1997) (US\$ 100,000)

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ORGANIZATIONAL STRUCTURE AND OVERALL POLICY FOR DEVELOPMENT CO-OPERATION

A major review of the Netherlands foreign policy took place from 1994 to 1997 with the purpose of defining a more effective and cohesive policy. The international development co-operation, under the responsibility of the Minister for Development Co-operation, is administratively fully integrated in the Ministry of Foreign Affairs. The policy theme departments and multilateral departments come under the Directors-General for Political Affairs (DGPZ), International Cooperation (DGIS) and European Cooperation (DGES).

The administration of the Netherlands international development co-operation programme is strongly decentralized to the local overseas Netherlands representatives. This decentralization has been reinforced by the foreign policy review, giving greater autonomy with more powers relating to development cooperation to embassies, including financial administration.

Total Netherlands ODA in 1995 was US\$ 3,200 million, corresponding to 0,81% of GNP and representing an increase of 11% in real terms compared to 1994. The provision of basic social services and protection of the environment are main priorities for the Netherlands. The geographical focus remains of the least developed and other very poor countries.

CO-OPERATION WITH UNESCO

The UNESCO/Netherlands funds-in-trust co-operation resumed in the mid-1990s and has since become one of the most dynamic co-operation programmes. One element in the new co-operation modalities was the conclusion of a set of New Arrangements for a trial period of three years (1995-1997) with annual contributions of some US\$ 600,000 and with procedures for project presentation and approval centralized to UNESCO Headquarters and the Hague and UNESCO having considerable freedom to select and prioritize the proposals.

For a number of reasons, implementation of the six projects approved under the New Arrangements has unfortunately been largely unsatisfactory, delaying the foreseen evaluation from 1997 to 1998, and probably implying a risk for a negative decision in the Netherlands with regard to an extension of the Arrangements. This will not necessarily lead to a reduction of the UNESCO/Netherlands funds-in-trust co-operation, but will again focus co-operation procedures on highly decentralized contacts between the Netherlands overseas embassies and UNESCO's Field Offices.

In 1996 the Netherlands' voluntary contribution to UNESCO amounted to US\$ 4,075,320, somewhat below the figure for 1995. US\$ 1,717,401 were devoted to funds-in-trust projects, which represents less than half the figure for 1995, but due in major part to late transfer of funds under approved projects. Other Netherlands contributions were allocated to the Associate Expert Scheme, and the International Programme for the Development of Communication, as well as to the Intergovernmental Oceanographic Commission and the World Heritage Fund.

Priorities for the Netherlands' funds-in-trust co-operation with UNESCO are culture (in its broadest sense), education (including educational planning), communication, and research in the fields of culture, education and communication. The projects must have an innovative, catalytic character and be executed in the field.

In recent years, the review cycle has been fairly regular with the most recent annual review carried out at UNESCO Headquarters in February 1997.

The following projects are under implementation with Netherlands funds-in-trust financing:

Education

- Support to the national system for the improvement of education (Nicaragua), phase II (519-NIC-11) (1995-1997) (US\$ 2,338,941)
- Support to the national system for improvement of education (Costa Rica), phase II (519-COS-11) (1995-1997) (US\$ 2,493,177)

- Distance education in Portuguese-speaking African countries (IRI/PALOP) (519-RAF-10) (1995-1999) (US\$ 3,629,000)
- Support to the Mayan education (Guatemala) (519-GUA-10) (1995-1997) (US\$ 1,802,080)
- Peace education in Croatia (Croatia) (519-CRO-10) (1996-1997) (US\$ 200,000)
- Southern Africa consortium on monitoring educational quality (regional) (519-RAF-11) (1995-1997) (US\$ 384,200)
- Education facilities (regional) (519-RAF-12) (1995-1998) (US\$ 169,000)
- Assessment of actual educational situation of indigenous and other peoples from Altos de Ciapas (Mexico); Belize; El Salvador, Guatemala, Honduras and Nicaragua (regional) (519-RLA-10) (1996-1997) (US\$199,500)

Science

- Conservation of natural ecosystems (Madagascar) (519-MAG-42) (1995-1999) (US\$ 3,350,958)
- Study on the role of sacred groves in conservation and management of biological diversity (India) (519-IND-40) (US\$ 29,000)

Culture

- Songs of the Millstone (India) (519-IND-70) (1993-1997) (US\$ 69,400)
- Safeguarding of Moenjodaro (Pakistan) (519-PAK-70) (1993-1997) (US\$ 66,000)
- Integrated community development and culture heritage site preservation in Asia and the Pacific (regional) (519-RAS-70) (1995-1997) (US\$ 265,550)

Communication

- Human resources' development for the media (South Africa) (519-SAF-60) (1997-1998) (US\$ 451,356)

Chernobyl Programme

- Support to the Chernobyl Programme (sub-regional) (519-RER-40) (1995-1996) (US\$ 133,525)
- Multimedia educational kit on energy, development and the environment (EDEN) (sub-regional) (519-RER-41) (1996-1996) (US\$ 200,000)
- Printing and distribution activities related to the information campaign on nuclear radiations (sub-regional) (519-RER-42) (1995-1996) (US\$ 90,629)
- Assistance to the creation of a new centre at Gagarin, Russia, and support to the existing nine community centres in Belarus, Russia and Ukraine (sub-regional) (519-RER-43) (1997) (US\$ 250,000)

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In addition to the funds-in-trust co-operation with the Netherlands Ministry of Foreign Affairs, UNESCO and the Netherlands Ministry of Education, Culture and Science concluded, in late 1993, an arrangement on a Netherlands Trust Fund for the Development of the State Hermitage Museum in the Russian Federation. At present, the funds under the Trust Fund are allocated to the following project:

Culture

- Professional Training of State Hermitage Museum personnel (Russian Federation) (519-RUS-70/71/72/73) (1994-1997) (US\$ 620,000)

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ORGANIZATIONAL STRUCTURE AND OVERALL POLICY FOR DEVELOPMENT CO-OPERATION

In 1995, total ODA from New Zealand amounted to US\$ 123, representing an increase by 1% in real terms over 1994, and corresponding to 0,23% of GNP. The Government has undertaken a political commitment to reach a ratio of 0,25% of GNP in the fiscal year 1997/98, implying at least a 5% growth in real term each year.

New Zealand's development co-operation programme (NZODA) remains heavily focused on direct assistance to developing countries in the South Pacific region with emphasis on education (including training in New Zealand), good governance, and private sector development. 21% of New Zealand's ODA was channelled through multilateral organizations; a little under a third of this volume went to the United Nations system.

CO-OPERATION WITH UNESCO

During 1996, UNESCO's Office in Apia (Western Samoa) successfully negotiated a funds-in-trust agreement with New Zealand on a number of educational activities in favour of several countries in the region:

- Alcohol prevention and awareness programme (Cook Islands) (528-CKI-10) (US\$ 36,256) (1996-1997)
- Introducing the associated schools project (regional Asia and the Pacific) (528-RAS-10) (US\$ 26,450) (1996-1997)
- Teacher training in secondary schools (regional Asia and the Pacific) (528-RAS-11) (US\$ 34,032) (1996-1997)
- Pilot project in desk top publishing (regional Asia and the Pacific) (528-RAS-60) (US\$ 24,920) (1996-1997)

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ORGANIZATIONAL STRUCTURE AND OVERALL POLICY FOR DEVELOPMENT CO-OPERATION

The overall responsibility for Norwegian international development co-operation lies with the Minister for Development Co-operation, attached to the Ministry of Foreign Affairs. The Ministry administers Norway's multilateral development co-operation, whereas bilateral co-operation is the responsibility of the Norwegian Agency for Development (NORAD). In 1995, total Norwegian ODA amounted to US\$ 1,200 million, representing a reduction of 4% in real terms over 1994. The GNP ratio was 0,87%, which, however, also reflect a major upwards revision of Norway's GNP.

Norway's guiding principle for development co-operation is "Solidarity with peoples in the South" as translated into the provision of support for efforts to combat poverty and enable countries to achieve sustainable development. The main priorities are poverty reduction and economic growth, sustainable development and human resources, and human rights and democracy. The promotion of women in development is seen as an important transverse theme and indeed a necessary component of all activities.

CO-OPERATION WITH UNESCO

In 1996, Norway's voluntary contributions to UNESCO amounted to US\$ 4,083,447, a very substantial increase over 1995, which, however, also reflects late transfer of funds due for 1995 for approved projects. US\$ 2,199,624 devoted to funds-in-trust projects and the remaining part to the Associate Expert Scheme, the International Institute for Education Planning, and the International Programme for the Development of Communication.

Formal review meetings are scheduled twice a year, alternating between UNESCO Headquarters and Oslo. The most recent annual review meeting took place in October 1996 at UNESCO Headquarters. A mid-term review is expected in May 1997 in Oslo.

Norway is particularly interested in basic education, sustainable development, promotion of women in development, and protection of the environment. Priority is given to least developed and other very poor countries. Although final modalities have yet to be agreed upon, Norway has reiterated a strong preference for structuring its funds-in-trust co-operation with UNESCO under a large-scale programme approach.

Currently, Norway is financing, through funds-in-trust, the following operational projects:

Education

- Women's Literacy and Basic Skills Training (Laos) (504-LAO-11) (1993-1998) (US\$ 1,008,130).
- Distance Basic Education in Support of Sustainable Rural Development (Laos) (504-LAO-12) (1996-1999) (US\$ 1,830,713)
- Consolidation and development of post-literacy (Madagascar) (504-MAG-10) (1989-1996) (US\$ 410,000).
- Rural women and the environment (Mali) (504-MLI-10) (1989-1996) (US\$ 310,750).

- Increasing girls' and women's participation in basic education (Mali) (504-MLI-11) (1994-2000) (US\$ 950,000).
- Preparatory work to improve girls' basic education (Eritrea) (504-ERI-10) (1994-1996) (US\$ 32,000).
- Asia-Pacific Programme for Education for All (APPEAL) (Asia) - Phase II (504-RAS-11) (1991-1996) (US\$ 1,921,000), and Phase III(504-RAS-12) (1996-2000) (US\$ 2,377,520)
- Secondment of a Senior Programme Specialist (Enhancement of Learning and Training Opportunities for Youth (510-GLO-10) (1996-1998) (US\$ 320,648)

In addition, Norway provided in 1996 special contribution of US\$ 300,000 to Inclusive Schools Programme

Science

- Promotion of Ethnobotany and the sustainable use of plant resources (Africa) (504-RAF-48) (1994-1997) (US\$ 550,000).

NORAD Funds-in-Trust Projects

Communication

- Development of a New Corps of Rwandan Journalists (Rwanda) (516-RWA-60) (1996-1997) (US\$ 156,006)

Education

- Elaboration of a Strategy for Rationalizing the Development of Higher Education in West Bank and Gaza (Palestine) (516-RAB-10) (1996-1997) (US\$ 190,000)
- Physical Learning Environment (Palestine) (516-RAB-10) (1996-1997) (US\$ 250,000)

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ORGANIZATIONAL STRUCTURE AND OVERALL POLICY FOR DEVELOPMENT CO-OPERATION

The main institution responsible for Portugal's international development co-operation programme is the Institute for Portuguese Co-operation (ICP), who also plays a co-ordinating role for the rather decentralized administration of the programme. The programme continues to be heavily focused on the five Portuguese speaking African countries and is therefore directly influenced by Portugal's relations with these countries and their socio-economic situation. Portuguese aid is concentrated on teaching and dissemination of the Portuguese language, training, structural economic transformation, including debt relief, and the promotion of peace and democracy.

Portugal's ODA amounted to US\$ 271 million in 1995, corresponding to 0,27% of GNP and reflecting a sharp decline of 25% in real terms over 1994, and representing the second lowest level since 1989 when reliable

statistics were first established.

CO-OPERATION WITH UNESCO

In July 1993, the Portuguese Government signed a funds-in-trust agreement with UNESCO, stipulating an initial annual contribution US\$ 300,000 with subsequent replenishments, aimed at financing projects in Portuguese speaking countries. The second installment under the agreement was received in UNESCO in October 1995; negotiations are still in process on the identification of projects to be financed under the funds, probably necessitating a further replenishment under the original agreement.

In 1996, Portugal's voluntary contribution to UNESCO amounted to US\$ 96,032, mainly devoted to the funds-in-trust co-operation just mentioned (US\$ 86,000) with a minor contributions going to the World Heritage Fund. The contributions represent a sharp reduction over previous years.

No formal review meetings take place between UNESCO and Portugal in view of the limited size of the funds-in-trust co-operation. Useful contacts were, however, made during a mission to Lissabon in August 1995 and have been followed up through further contacts to the Permanent Delegation. It is expected that a delegation from Lissabon will come to UNESCO during the first half of 1997 to pursue the discussions.

The following projects are being implemented under Portuguese funds-in-trust:

Communication

- Strengthening of archives in African lusophone countries (540-RAF-60) (1995-1996) (US\$ 73,000)

Education

- Youth and Development in Mozambique (540-MOZ-50) (1996-1997) (US\$ 254,000)
- Special Education in Africa (540-RAF-10) (1996-1997) (US\$ 80,000)

Culture

- Production of a Film in Cape Verde (540-CVI-70) (1996) (US\$ 65,452)

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ORGANIZATIONAL STRUCTURE AND OVERALL POLICY FOR DEVELOPMENT CO-OPERATION:

The Ministry of Foreign Affairs is responsible for the overall policy of the Republic of Korea for international development co-operation; the Korean International Co-operation Agency (KOICA) is entrusted with most of its execution. Soft loans are dealt with by the Ministry of Finance and Economy. Other ministries also carry out development co-operation activities in their own fields of competence. Loans are mainly extended for procurement of equipment (eg. telecommunication, electricity, transport, health and social welfare). The main part of the development co-operation programme does, however, consist in grants, mainly for training, personnel assistance and studies. The general objectives of the development co-operation are to meet basic human needs, to contribute to world peace, to promote democracy and market economy systems, and to promote economic development. Geographic priority is given to the developing countries in Asia and the Pacific.

The Republic of Korea became a member of OECD in 1996, though not participating in DAC. It extended US\$ 116 million in ODA during 1995, a very significant decline over 1994, and corresponding to 0,03% of GNP. Korea does, however, remain committed to substantially improve both the volume and the quality of its development co-operation programme in coming years.

CO-OPERATION WITH UNESCO:

Funding sources in the Republic of Korea for voluntary contributions to UNESCO are several, including the Ministry of Foreign Affairs and the Ministry of Education, the Korean National Commission for UNESCO, and KOICA. The contributions of the Republic of Korea are often provided under direct arrangements with UNESCO regional offices (e.g. PROAP and ROSTSEA) or directed to UNESCO's various special accounts (e.g. IPDC, WHC). While no specific substantive priorities have been indicated, contributions from the Republic of Korea mainly cover activities related to education, communication and sciences in Asia.

In recent years, the Republic of Korea has, however, expressed interest in achieving a better structuring of its co-operation with UNESCO through voluntary contributions; and an enhanced funds-in-trust co-operation seems to be under consideration. A number of useful contacts were made in this respect with the Permanent Delegation of the Republic of Korea, and a mission to Seoul took place in June 1995.

Voluntary contributions from the Republic of Korea to UNESCO in 1996 reached US\$ 657,902, a very substantial increase over 1995. US\$ 194,000 were devoted to funds-in-trust co-operation with the remaining part going to the International Information Programme, the International Programme for the Development of Communication, the Intergovernmental Oceanographic Commission, and the Associate Expert Scheme.

The current co-operation between UNESCO and the Republic of Korea under voluntary contributions may be summarized as follows:

Communication

- Equipment for the training of computer maintenance technicians (Bolivia) (526-BOL-60) (1992-1996) (US\$ 49,600);
- Formulation of organization models for informatics in Latin American countries (Ecuador) (526-ECU-60) (1992-1996) (US\$ 61,150);
- Informatics network among Magreb countries (Arab region) (526-RAB-60) (1992-1996) (US\$ 89,250)
- Sponsored fellowship programme on Training for TV Programme Production (Global) (1996) (526-GLO-61) (US\$ 392,259)
- Establishment of an Electronic Learning Centre (Trinidad and Tobago) (526-TRI-60) (1996) (US\$ 34,000)
- INTERNET in Burkina Faso (Burkina Faso) (526-BKF-60) (1996-1997) (US\$ 60,000)

Education

- Training in Planning and Management of Literacy Programme - improving the information base on Literacy (Mozambique and Zambia) (526-RAF-10) (1996-1997) (US\$ 100,000)

In addition, the Republic of Korea, as well as the Korean National Commission provide a number of annual contributions to various UNESCO field offices in Asia and the Pacific.

SAUDI ARABIA

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ORGANIZATIONAL STRUCTURE AND OVERALL POLICY FOR DEVELOPMENT CO-OPERATION

Saudi Arabia is the only major Government donor of funds-in-trust contributions to UNESCO who is not a member of OECD. During 1995, Saudi Arabia's net aid disbursements declined to US\$ 192 million, the lowest level since 1970. Bilateral grants amounted to US\$ 277 million, but total net lending was negative, since repayments largely exceeded new loans. Roughly a third of Saudi Arabia's international development co-operation is extended through multilateral organizations.

CO-OPERATION WITH UNESCO

Efforts have been increased in recent years to revive the UNESCO/Saudi Arabia funds-in-trust co-operation, also with a view to better utilize the very substantial funds already transferred to UNESCO. As listed below, US\$ 2,5 million from these funds have been released during 1994-1997 for funds-in-trust activities; and discussions are in process on an extension of this co-operation under a similar amount already transferred to UNESCO. In addition, contacts are in process between UNESCO and the authorities of Saudi Arabia with a view to a possible establishment of a self-benefiting funds-in-trust arrangement on redefinition of the school concept in Saudi Arabia.

In 1996, the new voluntary contributions from Saudi Arabia to UNESCO reached US\$ 26,266, almost fully devoted to the World Heritage Centre. The contribution was slightly below that of 1995.

Currently, Saudi Arabia is financing the following funds-in trust projects through UNESCO :

Education

- Rehabilitation of Schools in the Gaza Strip and the West Bank (505-RAB-10) (1994-1997) (US\$ 2,500,000).

Culture (self-benefiting)

- King Faisal Foundation Cultural Centre (910-SAU-73) (US\$ 11,103,412)

SPAIN

Ministerio de Asuntos Exteriores

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ORGANIZATIONAL STRUCTURE AND OVERALL POLICY FOR DEVELOPMENT CO-OPERATION

The Spanish aid programme is one of the youngest among the international donors. It started in 1985, when the Spanish State Secretariat for International Co-operation and for Latin America (SECIPI) was created, and resources were allocated annually in the central budget. The Spanish Agency for International Development Co-operation (AECI), recently created through a merger of a number of development co-operation institutions, now plays a major co-ordinating role in the planning and implementation of Spain's international development co-operation. However, many other institutions continue to be active in this field, having separate budgets. Furthermore, autonomous regions and some municipalities also have their own programmes for international development co-operation.

In 1995, official development assistance from Spain amounted to US\$ 1,350 million, corresponding to 0,24% of GNP and representing a reduction by 8% in real terms over 1994. The decline occurred exclusively in the loan component of the co-operation programme, reflecting increasing repayments under previous loans. Spain, sustained by a favourable public opinion, remains committed to a substantial improvement both in the volume and the quality of its development co-operation programme. Spanish development assistance is focused on agriculture, health, Spanish language teaching, professional training, institution building and basic infrastructure.

CO-OPERATION WITH UNESCO

In 1996, Spain's voluntary contributions to UNESCO amounted to US\$ 527,028 with US\$ 283,213 devoted to funds-in-trust co-operation, and the remaining part channelled to the World Heritage Fund, the International Information Programme and the Intergovernmental Oceanographic Commission. The voluntary contributions were roughly at the same level as those of 1995.

Although a major part of Spain's voluntary contributions is registered under the funds-in-trust modality, the projects listed below rather have the form of extensions of UNESCO's Regular Programme; and the activities are almost all managed by UNESCO Field Offices. There has therefore so far been no formal review meetings with Spain.

In April 1995, a mission was carried out to Madrid, allowing useful discussions with the Ministry of Foreign Affairs, the Ministry of Education, AECI, and the National Commission. Perspectives seem promising for the launching of a funds-in-trust co-operation with AECI; contacts are in process between the respective overseas representatives of AECI and UNESCO on the identification of possible co-operation activities. Furthermore, agreement was reached with the Ministry of Education on a more consistent review procedure with regard to the fairly substantial Spanish contributions to the literacy programmes in Latin America and Africa listed below. In December 1996, informal discussions took place in Madrid with AECI, focused in co-operation with the African region. The contacts confirmed the promising perspectives for an enhanced funds-in-trust co-operation with Spain, notably in the field of education, good governance and democracy, and culture of peace. Pursuant to these discussions, UNESCO has in March 1997 submitted several concrete project proposals to Spain and expects the visit of an AECI delegation to Headquarters before the summer of 1997.

The following projects are being financed by Spain:

Education

- Contribution to the major programme in education in Latin America and the Caribbean (514-RLA-11) (US\$ 578,000) (1986-1996)
- Exchange and co-operation in training of trainers in planification and administration of education in Latin America and the Caribbean (514-RLA-12) (1988-1996) (US\$ 2,067,260)
- Contribution to the regional programme of the eradication of illiteracy in Africa (IFOMA) (435-RAF-10) (1990-1996) (US\$ 300,000)

SWEDEN

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ORGANIZATIONAL STRUCTURE AND OVERALL POLICY FOR DEVELOPMENT CO-OPERATION

Sweden's international development co-operation programme has in recent years undergone major policy reviews and internal restructuring, following both discussions in Parliament, and a number of expert studies. Sida, resulting from a merger in 1995 of five major Swedish development co-operation institutions, is the main responsible for Sweden's bilateral aid. The Ministry of Foreign Affairs continues to handle overall policy, including regional strategies, and multilateral co-operation. The Swedish co-operation programme is focused on achieving economic and social equality, democracy, protection of the environment, and gender equality. The programme is also increasingly emphasizing quality and effectiveness, and responsiveness and co-responsibility in the beneficiary countries.

In 1995, total Swedish ODA amounted to US\$ 1,700 million, corresponding to 0,77% of GNP, and representing a further reduction from 1994. Because of Sweden's tight budgetary situation, Parliament has suspended the previous commitment to achieving the 1% ODA/GNP target.

CO-OPERATION WITH UNESCO

Sweden (Sida) has for many years been one of UNESCO's stable contributors of funds-in-trust. However, in recent years the contributions have been stagnating, and priority has been given to only two themes, educational statistics and education for the prevention of AIDS. In 1996, Sweden's voluntary contribution to UNESCO amounted to US\$ 2,228,523 with US\$ 160,941 devoted to funds-in-trust projects; the latter figure represents a marked reduction over 1995. The main part of Sweden's voluntary contributions to UNESCO was channelled to the International Institute for Educational Planning, the Intergovernmental Oceanographic Commission, the International Programme for the Development of Communication and the International Centre for Theoretical Physics.

Due to stagnating funds, and problems flowing from the reorganization mentioned above, new approvals from Sida under funds-in-trust have in 1996 been limited to the above-mentioned fields with an additional contribution to special needs education. In spite of indications of additional priorities, including environment and human development, promotion of democracy, and the linkage between population and health and poverty/equity, it has therefore not yet proved possible to expand the UNESCO/Sida funds-in-trust co-operation. Regular review meetings take place with Sida with the most recent one carried out in Stockholm in April 1996.

Currently, SIDA is funds-in-trust financing the following projects:

Education

- Lao People's Democratic Republic Integrated Education Programme - Development of the National Implementation Group (503-LAO-10) (1997-1998) (US\$32,836)
- Education for the prevention of AIDS (503-GLO-19) (1996- 1997) (US\$ 134,328)

- Strengthening of national statistical information systems for planning and management in Sub-Saharan Africa (NESIS) (503-RAF-81) (1996-1997) (US\$ 936,013)

In addition to the Sida-financed funds-in-trust projects, UNESCO concluded in 1994 an agreement with the Swedish Institute on the following project:

Culture

- Professional development of the staff of the State Hermitage Museum (Russian Federation) (503-RUS-70) (1994-1997) (US\$ 137,000)

SWITZERLAND

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Directorate of Development Co-operation and Humanitarian Aid

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ORGANIZATIONAL STRUCTURE AND OVERALL POLICY FOR DEVELOPMENT CO-OPERATION

The Directorate for Development Co-operation and Humanitarian Aid within the Ministry for Foreign Affairs is responsible for the main part of Switzerland's development co-operation, with the Federal Office for Foreign Economic Affairs under the Ministry for Public Economy handling direct economic assistance. In 1995, total Swiss ODA amounted to US\$ 1,100 million, corresponding to 0,34% of GNP and representing a reduction of 6% in real terms over 1994. The Swiss aid is principally concentrated on agriculture, education, health care, and emergency assistance with a grass-roots level approach. Switzerland also attaches importance to policy reform, in particular towards good government and human rights.

CO-OPERATION WITH UNESCO

After a long period with fairly substantial contributions to UNESCO's funds-in-trust projects, mainly those prepared by the International Programme for the Development of Communication, (IPDC), Switzerland has in recent years sharply reduced its co-operation with UNESCO because of budgetary restraints. In 1996, the Swiss voluntary contribution to UNESCO amounted to US\$ 335,242, continuing the very sharp drops that have characterized recent years. The contributions was mainly devoted to the International Programme for the Development of Communication and the Media Fund. No contribution was given to funds-in-trust activities.

Perspectives for a major revival of the UNESCO/Switzerland funds-in-trust co-operation have been reviewed during a mission to Berne in September 1991, and through subsequent discussions with the Permanent Delegation. Whereas no major break-through in the discussions may be regarded as imminent, it should be noted that informal discussions took place with UNESCO in Berne in December 1996 in the context of a meeting organized by the Directorate for Development and Co-operation (DDC) and the Swiss National UNESCO Commission. As a follow-up to these discussion, revealing some potential for future co-operation, a new exploratory mission is planned to Berne in the spring of 1997.

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ORGANIZATIONAL STRUCTURE AND OVERALL POLICY FOR DEVELOPMENT CO-OPERATION

In 1995, official development assistance from the United Kingdom amounted to US\$ 3,200 million, corresponding to 0,28% of GNP and representing a reduction in real terms of 6% over 1994. The international development co-operation programme of the United Kingdom is implemented by the Overseas Development Administration. The programme aims at promoting sustainable economic and social development and to safeguard the global environment; the geographical focus is on the poorer developing countries. Major emphasis is given to good governance, sound development policies and efficient markets. Education and health also enjoy high priority in the programme. Almost half of the British development assistance is channelled through multilateral organizations, mainly the European Union; only about a sixth of multilateral contributions go to the United Nations system.

CO-OPERATION WITH UNESCO

The United Kingdom has not been a member of UNESCO since 1986. Nevertheless, the United Kingdom has continued making voluntary contributions to a number of UNESCO's activities; in 1996, the amount of these contributions was US\$ 248,345, mainly focused on the World Heritage Fund and the Media Fund. The figure represents a substantial reduction over those of recent years.

UNESCO has in recent years made a few, mainly unsuccessful, attempts to launch a funds-in-trust collaboration with the United Kingdom, also contacting the British Council. In September 1996, discussions were carried out in ODA, also including a representative from the Foreign and Commonwealth Office. While interest was expressed for continued contacts with UNESCO at the political and intellectual level, the discussions confirmed that perspectives for an enhanced development co-operation remain dim. With the exception of a voluntary contribution to WHO, the United Kingdom is not involved in funds-in-trust activities with any United Nations specialized agency; and channelling development co-operation funds through UNESCO appears very unlikely both for institutional and policy reasons. There was, however, agreement to exchange information on concrete co-operation activities with a view to possibly carrying out parallel actions.

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ORGANIZATIONAL STRUCTURE AND OVERALL POLICY FOR DEVELOPMENT CO-OPERATION

The international development co-operation programme of the United States is mainly implemented by USAID. In 1995, official development assistance from the United States amounted to US\$ 7,400 million, down by 28% in real terms from 1994, and corresponding to 0,10% of GNP, the lowest ratio ever recorded for the United States. The 1996 budget for foreign aid is the lowest ever in the history of the United States. The American development assistance programme is heavily focused on the promotion of sustainable development, peace and democracy; emphasis is also put on the promotion of the United States' prosperity and advancing diplomacy. Humanitarian assistance plays an important role in the programme. Education and health, and the promotion of women, also enjoy high priority. Some 24% of American ODA is channelled through multilateral organizations, with more than half of this volume going to the United Nations system.

CO-OPERATION WITH UNESCO

The United States has not been a member of UNESCO since 1985. Nevertheless, the United States has continued to make voluntary contributions to a number of UNESCO's activities; in 1996, this contribution amounted to US\$ 550,000, roughly half of the corresponding figure in recent years. The contributions continue to be focused on the World Heritage Fund and the Intergovernmental Oceanographic Commission. No contribution was given to funds-in-trust activities.

In view of the continued reduction of the American international development co-operation programme, and the continued non-membership of the United States of UNESCO, perspectives for enhancing the development co-operation has been regarded so dim in recent years that no concrete discussions have been carried out with the American authorities to that effect.

ANNEXES

1. Description of the cycle of a funds-in-trust project
2. Model outline for a funds-in-trust project proposal
3. Model for a full project document for a Proposal for a funds-in-trust project
4. Model for a funds-in-trust agreement with a funding source
5. Model for an exchange of letters on a funds-in-trust agreement with a funding source
6. Model for a Plan of Operations with a beneficiary country
7. Model for a self-benefiting funds-in-trust agreement with the main elements of the Plan of Operations

Cycle of a funds-in-trust project

Stages in the project cycle	Responsible unit(s)
1. Preparation of the proposal	
Field mission; preliminary discussions with the potential beneficiary; preparation of the project outline (annex 2)	Programme Sectors, Field Offices
Initial soliciting of funding source	BER/DFD/DON
Preparation of full project document (Annex 3)	Project officer
Conclusion of funds-in-trust agreement with donor (Annex 4 or 5)	BER/DFD/DON (BB,BOC,LA)
Establishment of Plan of Operations with the beneficiary (Annex 6)	BER/DFD/DON Project officer (BB,BOC,LA)
2. Execution of the project	
Implementation/backstopping of project activities in accordance with prodoc	Project officer
Preparation of semi-annual progress reports	Project officer
Preparation of regular financial statements	BOC/ACT
Preparation of annual revisions of the approved budget	Project officer, AO BB/XB
Contacts to the funding source (submission of progress reports and financial statements; soliciting donor's approval of revisions of prodoc and budget; fund requests; regular review meetings)	BER/DFD/DON
3. Closing of the project	
Final evaluation of the project	Project officer CEU
Preparation of final report	Project officer, MA/PSD/REP
Liquidation of all obligations	Project officer AO
Preparation of final financial statement	BOC/ACT
Transmission of final report and final financial statement to funding source	BER/DFD/DON
Closing of the account	BOC/ACT

UNESCO**Summary outline****Standard project document format
for presentation of proposals
to potential donors of funds-in-trust****I. Context and project justification**

Description of situation in the host country

Problems to be addressed: the present situation

Expected results of project

Target beneficiaries

Project strategy and implementation arrangements

Reasons for proposing UNESCO assistance

Relationship between the project and UNESCO's Regular Programme priority activities in the area

II. Objectives of the project**III. Main results to be achieved****IV. Main activities**

Description, for each immediate objective, of the planned activities and their relationship with the results to be achieved

V. Main inputs to the project

Description of the tools (funds, training, equipment) needed to implement the activities and obtain the immediate objectives

VI. Timing and modalities for project reviews, reporting and evaluation**Annexes**

Estimated budget (in US dollars). Information on the exchange rate used, if original budget was calculated in local currency

Preliminary work plan

U N E S C O

Standard project document format for presentation of proposals to potential donors of funds-in-trust

I. Context

Description of situation in the host country

Description of the sector/sub-sector within which the project will be carried out (institutional framework, host country strategy, prior or on-going international assistance)

II. Project justification

Problems to be addressed: the present situation

Expected results of project

Target beneficiaries

Project strategy and implementation arrangements

Reasons for proposing UNESCO assistance

Relationship between the project and UNESCO's Regular Programme priority activities in the area

Co-ordination arrangements (possible others donors)

Counterpart support capacity

Long-term sustainability of the project: plans for phasing out of external assistance in favour of gradually increasing responsibilities of national institutions

III. Development objectives

IV. Immediate objectives; results to be achieved

Relationship between the immediate objectives and the development objectives, which the immediate objectives shall help to achieve

Quantitative and qualitative indicators that will help measure the extent to which the immediate objectives will have been achieved through the project

V. Activities

Description, for each immediate objective, of the planned activities and their relationship with the results to be achieved

VI. Inputs to the project

Description of the tools (funds, training, equipment) needed to implement the activities and obtain the immediate objectives

VII. External factors to be taken into consideration

Assumptions on external factors that are necessary for successful project implementation, or that may adversely affect project implementation

VIII. Special considerations

Impact of the project on the promotion of equality between men and women

Impact of the project on the environment

Impact of the project on the cultural dimension of development

IX. Timing and modalities for project reviews, reporting and evaluation

Annexes

Budget (in US dollars). Information on the exchange rate used, if original budget was calculated in local currency

Detailed work plan

MODEL GENERAL AGREEMENT FOR A FUNDS-IN-TRUST ARRANGEMENT
AGREEMENT

between

THE UNITED NATIONS EDUCATIONAL,
SCIENTIFIC AND CULTURAL
ORGANIZATION
(hereinafter called UNESCO)

and

THE GOVERNMENT OF
.....
(hereinafter called the
Government)

WHEREAS the Government is conscious of the purpose of UNESCO to contribute to peace and security by promoting collaboration among the nations through education, science, culture and communication in order to further universal respect for justice, for the rule of law and for the human rights and fundamental freedom which are affirmed for the peoples of the world, without distinction of race, sex, language or religion, by the Charter of the United Nations; and

WHEREAS the Government desires to strengthen its co-operation with UNESCO by making funds available to UNESCO for the implementation of mutually agreed programmes and projects; and

WHEREAS the Director-General of UNESCO welcomes this strengthened co-operation with the Government which will contribute to the achievement of UNESCO's objectives by promoting the advancement of education, science, culture and communication as defined in Article I of the UNESCO Constitution; and

WHEREAS the Director-General of UNESCO is authorized, in accordance with the Financial Regulations, to receive funds from donors for the purpose of paying, at their request, expenses in carrying out certain activities which are consistent with the aims, policies and activities of UNESCO;

NOW THEREFORE, the Government and UNESCO hereby agree as follows:

Article I

1. Subject to the provisions of the Agreement, the Government is prepared to grant UNESCO funds or contributions in kind to enable UNESCO, upon request, to provide assistance to [other Member States] [the Government] for the implementation of programme and projects selected by UNESCO and the Government.

2. UNESCO may submit to the Government, and the Government may submit to UNESCO, proposals for projects to be financed under funds-in-trust which are consistent with the aims, policies and activities of UNESCO.

Article II

Forms of Assistance

1. Assistance which may be made available by UNESCO to the Recipient Governments from funds held in trust (hereinafter called "assistance under funds-in-trust") under this Agreement may consist of :

- a. the services of experts and consultants, including consultant firms or organizations, selected by and responsible to UNESCO;

- c. fellowships and grants, or similar arrangements under which candidates nominated by the Government or the Recipient Governments and approved by UNESCO may study or receive training;
 - d. the provision of equipment, supplies, materials and publications; and
 - e. any other form of assistance under funds-in-trust which may be agreed upon by the Government and UNESCO.
2. The assistance referred to in para. 1 above all shall be provided in accordance with UNESCO's regulations, rules and procedures, relevant and applicable resolutions and decisions of the competent UNESCO organs, and subject to the availability of funds from the Government and to such reasonable limits as may be imposed by the difficulties of recruiting specialists, placing fellows and of procuring equipment supplies, materials and publications, and by other factors over which UNESCO has no control.

Article III

Distribution of functions between UNESCO and the Government with regard to the selection and administration of projects

1. It is the intention of the parties that there shall be close co-operation between them for the purpose set forth in this Agreement. To that end they shall regularly consult with each other and shall make available to each other all such information and assistance as may reasonably be requested.
2. UNESCO shall have the primary responsibility for selecting and processing project requests to be considered in the context of this Agreement.
3. Consultations shall take place periodically and at an early preparatory stage with regard to such project requests as UNESCO considers suitable for financing under the terms of this Agreement.
4. [UNESCO shall submit to the Government projects proposed for financing with appropriate supporting documents]* [The Government may submit requests for assistance under funds-in-trust for one or more projects]**. Joint meetings shall be held when necessary to discuss these projects. The Government shall inform UNESCO as soon as possible of the projects which are likely to be approved by the Government.
5. Preparatory missions may be proposed by either party and shall be undertaken as agreed. Such proposals, including the terms of reference and cost estimates, shall be presented as the need arises, and the Government shall normally inform UNESCO of its reaction with two months.
6. Agreement on each project shall be formalized through an exchange of letters. The approved project document and the corresponding budget shall be annexed to this Agreement.
7. [UNESCO shall then enter into more detailed negotiations with the prospective Recipient Government and prepare a draft Plan of Operations.]* [UNESCO shall submit a draft Plan of Operations for the approval of the Government]**. The approved project document and the corresponding budget shall be annexed to the Plan of Operations.

* pertains to donated funds-in-trust

** pertains to self-benefiting funds-in-trust

8. The Government shall then deposit in UNESCO's account the amounts necessary to finance the project as funds-in-trust in accordance with Article IV of this Agreement.

9. UNESCO shall be responsible for project supervision and control, but shall be free to appoint sub-contractors in accordance with the practice of UNESCO, for the execution of the whole or part of a project.

Article IV

Funds-in-trust and contributions in kind

1. a. Pursuant to Article III, para. 8, the Government shall make available to UNESCO in advance, as funds-in-trust, such amounts in United States dollars or in any other directly convertible currency and at such times as UNESCO may require for disbursement on a yearly basis to :
 - (i) give effect to agreements with [Recipient Governments] [the Government], according to Article III, para. 7,
 - (ii) carry out preparatory missions in accordance with Article III, para. 5,
 - (iii) cover UNESCO's technical and administrative costs in an amount corresponding to 13% of the project costs incurred in regard to each of the funds-in-trust. The corresponding amount of overhead costs shall be indicated in connexion with the presentation of any Plan of Operations or other arrangements referred to in Article III, para. 7.
 - b. If the total costs incurred under any funds-in-trust project during any calendar year exceed the amount estimated, the Government may be required by UNESCO to deposit an additional amount to cover the difference.
 - c. The Government shall be responsible for meeting the entire cost of execution of funds-in-trust projects and preparatory missions under this Agreement, including overhead costs agreed to between UNESCO and the Government. It is understood that the costs chargeable to the projects shall include the indemnities and payments made by UNESCO in accordance with its Financial Regulations and Staff Regulations and Rules, as well as the contributions paid to the UNESCO Medical Benefits Fund and the United Nations Joint Staff Pension Fund and the premiums for total insurance coverage in respect of possible liabilities under the UNESCO Staff Compensation Plan.
 - d. UNESCO will submit final accounts for each project to the Government as soon as feasible after the completion of the project, any over- or under-expenditure being payable to UNESCO by the Government or refunded by UNESCO to the Government upon presentation of the final account.
2. UNESCO shall establish a separate funds-in-trust for each project or mission undertaken under this Agreement.
 3. UNESCO shall administer and account for the funds-in-trust in accordance with its own financial regulations and other applicable rules. Whenever possible UNESCO will invest temporary surplus funds on short term bank deposits; interest shall be credited to the Government in accordance with UNESCO's financial rules and procedures.

4. All financial commitments and expenditures made by UNESCO with respect to assistance provided under this Agreement shall be expressed in United States dollars.

5. In addition to, or instead of, cash payments referred to in para. 1.a of this Article, the Government may make available goods and services as contributions in kind.

Article V

Agreements entered into by UNESCO with Recipient Governments

1. Agreements entered into by UNESCO within the framework of the present Agreement shall be prepared and construed in accordance with the standard practices and policies of UNESCO.

2. Agreements with Recipient Governments entered into by UNESCO within the framework of the present Agreement shall contain provisions allowing UNESCO and the Government to follow the development of the projects through relevant reports and documentation, and by inspection.

3. Agreements entered into by UNESCO within the framework of the present Agreement shall contain a provision to the effect that UNESCO's obligations specified therein shall be subject to:

- a. the decisions of its governing bodies and to its constitutional, financial and budgetary rules;
- b. the receipt of the necessary contributions from the Government.

4. The project budgets or activities included in the exchange of letters for the individual project, or in the Plans of Operations, may be subject to revision at the request of either party to this Agreement. Revisions may be designed to recost projects or to restrict activities in the event of increased cost.

Article VI

Reports

1. UNESCO shall submit to the Government each year a statement of accounts showing the use of the funds expended for the implementation of projects financed under this Agreement during the previous calendar year.

2. UNESCO shall provide the Government with annual reports on the progress of projects and with information suitable for dissemination to the public. In addition, periodic reports and other relevant information on the progress of the project under this Agreement will be forwarded by UNESCO to the Government.

3. UNESCO shall provide the Government with a final report after the termination of each project, containing such elements as are essential for an assessment of the projects, as well as UNESCO's own conclusions thereon.

4. The Government may send one or more representatives to participate in any joint evaluation missions in the field or sessions that may be held at UNESCO Headquarters concerning projects under this Agreement.

5. In appropriate cases to be agreed between the Government and UNESCO, project

assessment reports shall be prepared either by a mission composed of personnel representing the Government, UNESCO and the Recipient Government, or by an independent institution contracted for this purpose.

6. A meeting shall be held once a year at a time to be agreed upon between UNESCO and the Government to make a general review of the project performance and other problems related to the project.

Article VII

Authorized representatives of the parties

In matters relating to the implementation of this Agreement, including supplementary agreements and arrangements, the Ministry of shall be competent to represent the Government, and the Director-General of UNESCO, or any person designated by him, shall be competent to represent UNESCO.

Article VIII

Supplementary agreements and arrangements

The parties may enter into such supplementary agreements and arrangements for the implementation of this Agreement as may be found desirable in the light of experience.

Article IX

Entry into force and termination

1. This Agreement shall enter into force upon signature by both parties.
2. This Agreement shall remain in force until either party considers that the co-operation envisaged therein can no longer appropriately or effectively be carried out, at which time this Agreement may be terminated by mutual consent or by either party serving six months' written notice to the other party.
3. If notice of termination of this Agreement is given by one of the parties in accordance with the preceding paragraph, both parties shall forthwith hold consultations with a view to determining the most appropriate measures to be taken in order to wind up operations being carried out by UNESCO under agreements with Recipient Governments. In any event, the Government shall authorize UNESCO to meet any current legal obligation arising prior to termination of the Agreement and relating to personal and other contractual services, supplies, equipment and travel. Any over-expenditure will be reimbursed to UNESCO by the Government and any unspent balance in cash or uncommitted equipment remaining after the winding up operations shall be returned to the Government.

Signed on behalf of the
United Nations Educational,
Scientific and Cultural
Organization

Signed [on behalf of the
Government of

Date

Date

MODEL EXCHANGE OF LETTERS IN LIEU OF A FUNDS-IN-TRUST-AGREEMENT
ON A PROJECT

Sir/Madam,

I have the honour to refer to your letter of, by which you informed me of [the offer of the Government of] [your offer] to make available to UNESCO the amount of US\$ under a funds-in-trust agreement to implement the project on

It gives me great pleasure to accept this generous offer and accordingly propose the following arrangements for these funds-in-trust:

1. The aim of the project shall be to assist the Government of in..... The project document and the corresponding budget are annexed to this letter.
2. [The Government of] [The donor] shall deposit in UNESCO's account no..... the amount of US\$ This sum is intended to cover the direct costs of the project and to contribute, at the rate of 13% of direct project costs, to UNESCO's expenses for the technical and administrative supervision of the project.
3. UNESCO may draw against the sum so deposited for direct project costs and administrative support costs as mentioned above.
4. Whenever possible, UNESCO will invest temporary surplus funds in short-term interest bearing deposits. Interest shall be credited to the [Government] [donor] in accordance with UNESCO's financial regulations and rules.
5. After receipt of the funds mentioned under paragraph 2 above, UNESCO shall establish, with the recipient Government, a Plan of Operations for the project. The Plan of Operations shall provide that the obligations of UNESCO are conditional upon the funds being made available by the [Government of] [the donor] in accordance with the approved budget and payment schedule.
6. UNESCO shall establish for this project a separate account and record therein all receipts and expenses under the project, as well as programme support costs. Since UNESCO's accounts are kept in US dollars, contributions in other currencies will be credited to the account at the United Nations standard rate of exchange in effect on the date of the transaction.
7. UNESCO shall submit to the [Government of] [the donor] annual statement of accounts and provide intermediary financial statements as often as may reasonably be requested by the [Government] [donor]. As soon as feasible after the operational termination of the project, UNESCO shall submit a final financial statement to the [Government] [donor], showing any amount due to the [Government] [donor] by UNESCO, or to UNESCO by the [Government] [donor]. Any balance remaining in the project account after liquidation of all outstanding obligations shall be returned to the [Government] [donor], unless otherwise decided by the [Government] [donor] upon proposal by UNESCO.
8. UNESCO shall provide the [Government] [donor] with six-monthly reports on the progress of the project. Upon completion of the project, UNESCO shall prepare a final report, including an assessment of the project and its results.
9. The [Government] [donor] shall be invited to participate in evaluation missions carried out with regard to the project.

10. The [Government] [donor] shall reimburse to UNESCO any indemnities and payments made by UNESCO in accordance with its financial regulations and rules, and its staff regulations and rules.

I should be grateful to receive your comments on the above. If the proposals meet with your approval, your letter to that effect, and this letter, will constitute the formal funds-in-trust agreement between UNESCO and the [Government of] [donor] on this project.

Sincerely yours,

MODEL PLAN OF OPERATIONS

**THE UNITED NATIONS EDUCATIONAL, and THE GOVERNMENT OF
SCIENTIFIC AND CULTURAL ORGANIZATION**

(hereinafter called "UNESCO")

**(hereinafter called
"the Government")**

Introduction

WHEREAS the Government has requested assistance from UNESCO for the project on

WHEREAS the Director-General of UNESCO is authorized by the General Conference to receive funds from donors for the purpose of carrying out certain activities which are consistent with the aim, policies and activities of the Organization;

WHEREAS by virtue of an agreement with UNESCO, [donor] will make funds available to UNESCO to enable UNESCO to assist the Government in implementing the project described in Annex I of this document;

Now, therefore, UNESCO and the Government agree as follows :

Article I Purpose and Description

1. The main objectives of the project are
2. A detailed description of the project is given in Annex I.

Article II Obligations of the Government

The Government shall make all necessary arrangements and provide, when needed, appropriate assistance to the project, in particular

Article III Obligations of Unesco

1. During the period of the project, and within the framework of the budget estimated at US\$ (including 13% programme support costs), as outlined in Annex II, UNESCO shall :
 - a) provide the services of experts as specified in Annex I;
 - b) furnish equipment and material as available, as shown in Annex I;
 - c) prepare the contractual arrangements for the execution and monitoring work as well as for supervision; and

- d) provide other technical and administrative backstopping necessary for the successful execution of the project.
2. The assistance of UNESCO as described in paragraph 1 above shall be subject to the availability of funds from [donor] and to decisions of the General Conference of UNESCO, and shall be provided in accordance with the regulations, rules and procedures of UNESCO.
3. Any UNESCO funds not applied by the Government in accordance with this Plan of Operations, or remaining unspent on the completion or termination of the project, together with any surplus funds held by UNESCO shall be returned to [donor].

**Article IV
Fellowships, Equipment, Materials and Supplies**

1. [The Government shall take the necessary measures to :
 - a. arrange at its expense for the medical examination of the fellowship candidates according to UNESCO standards;
 - b. enable fellows to support any dependents and to satisfy other financial obligations during their stay abroad;
 - c. insure the fellows during their stay abroad against all claims arising from accidents, disability and death since UNESCO assumes no responsibility for such expenses.]
2. All equipment, materials and supplies provided in accordance with the Plan of Operations shall be devoted exclusively to the execution of the project. Non-expendable equipment with an individual value exceeding US\$ 1,000 shall remain the property of UNESCO and shall be recorded in its inventory register. On termination of the project, UNESCO shall, in consultation with [donor], decide on the transfer of the official title of such equipment. The title to all other equipment, materials and supplies is considered to have been transferred to the Government when they are delivered to the project site.
3. In the case of aid furnished by UNESCO in the form of materials and supplies, the Government shall take all necessary measures to arrange for, and bear the cost of, its importation and customs clearance, reception, transportation, handling and storage from the port of entry to the project site, and, after delivery to the project site, its safe custody, maintenance and insurance and, if necessary, its installation, erection and replacement under the direction of the UNESCO experts.

**Article V
Other Conditions**

1. Assistance by UNESCO shall not preclude the Government from receiving supplementary assistance from other United Nations agencies, bilateral programmes, or private foundations.
2. The Government shall give UNESCO information on such assistance applied for and received.

**Article VI
Information and Reports**

1. The Government shall furnish UNESCO with such information, as UNESCO may request on the project.

2. In the event that the Government be the project executor, without limiting the preceding statement, the Government shall submit six-monthly progress reports, including a financial statement, details of the work carried out during the period, and of the work planned for the succeeding period.
3. For the purpose of inspecting and verifying the nature, quality and extent of the execution of the project, the Government shall accord to UNESCO, or its designated representative, access to the project site and to any relevant financial records and documentation. Such records and documentation shall be made available to UNESCO by the Government and preserved for at least five years after the completion or termination of the project.

Article VII Privileges and Immunities

1. The Government shall apply to UNESCO, its property, funds and assets, and to its officials, experts and other persons performing services on its behalf, the provisions of the convention on the Privileges and Immunities of the Specialized Agencies and Annex IV thereof, it being understood in particular that no restriction shall be imposed on the right of entry into, sojourn in and departure from the territory of the country by UNESCO officials, experts and other persons performing services on its behalf in connection with this project, without distinction of nationality.
2. The Government undertakes not to impose taxes, fees or other levies upon the equipment or materials, or for the supplies and services necessary for the execution of the project.
3. Neither the Government, nor its instrumentalities shall impose any commercial bank charges on the transfer of funds by, or to the account of, UNESCO.
4. The Government shall take such measures which may be necessary to facilitate the operations under this Plan of Operations and shall grant UNESCO and its personnel or other persons performing services on its behalf such facilities as may be necessary for the speedy and efficient execution of the project. It shall, in particular, grant them the following rights and facilities :
 - (a) the prompt issuance without costs of necessary visas, licences or permits ;
 - (b) access to the sites of work and all necessary rights of way;
 - (c) free movements, whether within or to and from the country, to the extent necessary for the proper execution of the project;
 - (d) the most favourable legal rate of exchange;
 - (e) any permits necessary for the importation of equipment, materials and supplies in connection with this Plan of Operations and for their subsequent exportation;
 - (f) any permits necessary for the importation of property belonging to, and intended for the personal use or consumption of, officials of UNESCO or other persons performing services on its behalf, and for the subsequent exportation of such property.

5. The Government shall be responsible for dealing with any claims which may be brought by third parties against UNESCO, its property and its personnel or other persons performing services on behalf of UNESCO and shall hold harmless UNESCO, its property, personnel and such persons in case of any claims or liabilities resulting from activities under this Plan of Operations, except where it is agreed by UNESCO and the Government that such claims or liabilities arise from the gross negligence or wilful misconduct of such personnel or persons.

Article VIII
Final Provisions

1. This Plan of Operations shall enter into force upon signature by the two parties concerned. It may be modified by written agreement between UNESCO and the Government. Each party shall give full and sympathetic consideration to any proposal advanced by the other party for the amendment of this Plan of Operations.
2. This Plan of Operations may be terminated by UNESCO or by the Government upon written notice to the other party and shall terminate ninety (90) days after receipt of such notice provided that such termination shall not affect the obligations of the parties under this Plan of Operations in regard to liabilities incurred bona fide by either of them under this Plan of Operations prior to such termination.
3. The obligation assumed by UNESCO and the Government under this Plan of Operations shall survive the expiration or termination of this Plan of Operations to the extent necessary to permit the orderly withdrawal of personnel, funds and property of UNESCO and the settlement of accounts between the parties hereto.

Agreed on behalf of the parties by the undersigned :

The United Nations
Educational, Scientific
and Cultural Organization

The Government of [....]

Date: _____

Date: _____

MODEL AGREEMENT ON A SELF-BENEITING FUNDS-IN-TRUST
WITH MAIN ELEMENTS OF THE PLAN OF OPERATIONS

Your Excellency,

I have the honour to refer to your letter of, by which you informed me, on behalf of your Government, of the offer to make available to UNESCO the amount of US\$ under a funds-in-trust agreement to implement the project on

It gives me great pleasure to accept this generous offer and accordingly propose the following arrangements for these funds-in-trust:

1. The aim of the project shall be to assist the Government of (hereinafter called the Government) in implementing the project on The project document and the corresponding budget are annexed to this letter.
2. The Government of shall deposit in UNESCO's account no..... the amount of US\$ This sum is intended to cover the direct costs of the project and to contribute, at the rate of 13% of direct project costs, to UNESCO's expenses for the technical and administrative supervision of the project.
3. UNESCO may draw against the sum so deposited for direct project costs and administrative support costs as mentioned above.
4. Whenever possible, UNESCO will invest temporary surplus funds in short-term interest bearing deposits. Interest shall be credited to the Government in accordance with UNESCO's financial regulations and rules.
5. UNESCO shall establish for this project a separate account and record therein all receipts and expenses under the project, as well as programme support costs. Since UNESCO's accounts are kept in US dollars, contributions in other currencies will be credited to the account at the United Nations standard rate of exchange in effect on the date of the transaction.
6. UNESCO shall submit to the Government annual statement of accounts and provide intermediary financial statements as often as may reasonably be requested by the Government. As soon as feasible after the operational termination of the project, UNESCO shall submit a final financial statement to the Government, showing any amount due to the Government by UNESCO, or to UNESCO by the Government. Any balance remaining in the project account after liquidation of all outstanding obligations shall be returned to the Government, unless otherwise decided by the Government upon proposal by UNESCO.
7. UNESCO shall provide the Government with six-monthly reports on the progress of the project. Upon completion of the project, UNESCO shall prepare a final report, including an assessment of the project and its results.
8. The Government shall be invited to participate in evaluation missions carried out with regard to the project.
9. UNESCO and the Government furthermore agree on the following conditions for the implementation of the project:

Obligations of the Government

The Government shall make all necessary arrangements and provide, when needed, appropriate assistance to the project, in particular

Obligations of Unesco

1. During the period of the project, and within the framework of the budget estimated at US\$ (including 13% programme support costs), as outlined in the annex, UNESCO shall :
 - a) provide the services of experts as specified in Annex I;
 - b) furnish equipment and material as available, as shown in Annex I;
 - c) prepare the contractual arrangements for the execution and monitoring work as well as for supervision; and
 - d) provide other technical and administrative backstopping necessary for the successful execution of the project.
2. The assistance of UNESCO as described in paragraph 1 above shall be subject to the availability of funds from the Government and to decisions of the General Conference of UNESCO, and shall be provided in accordance with the regulations, rules and procedures of UNESCO.

Fellowships, Equipment, Materials and Supplies

1. [The Government shall take the necessary measures to :
 - a. arrange at its expense for the medical examination of the fellowship candidates according to UNESCO standards;
 - b. enable fellows to support any dependents and to satisfy other financial obligations during their stay abroad;
 - c. insure the fellows during their stay abroad against all claims arising from accidents, disability and death since UNESCO assumes no responsibility for such expenses.]
2. All equipment, materials and supplies provided in accordance with the Plan of Operations shall be devoted exclusively to the execution of the project. Non-expendable equipment with an individual value exceeding US\$ 1,000 shall remain the property of UNESCO and shall be recorded in its inventory register. On termination of the project, UNESCO shall, in consultation with [donor], decide on the transfer of the official title of such equipment. The title to all other equipment, materials and supplies is considered to have been transferred to the Government when they are delivered to the project site.
3. In the case of aid furnished by UNESCO in the form of materials and supplies, the Government shall take all necessary measures to arrange for, and bear the cost of, its importation and customs clearance, reception, transportation, handling and storage from the port of entry to the project site, and, after delivery to the project site, its safe custody, maintenance and insurance and, if necessary, its installation, erection and replacement under the direction of the UNESCO experts.

Other Conditions

1. Assistance by UNESCO shall not preclude the Government from receiving supplementary assistance from other United Nations agencies, bilateral programmes, or private foundations.
2. The Government shall give UNESCO information on such assistance applied for and received.

Information and Reports

1. The Government shall furnish UNESCO with such information, as UNESCO may request on the project.
2. For the purpose of inspecting and verifying the nature, quality and extent of the execution of the project, the Government shall accord to UNESCO, or its designated representative, access to the project site and to any relevant financial records and documentation. Such records and documentation shall be made available to UNESCO by the Government and preserved for at least five years after the completion or termination of the project.

Privileges and Immunities

1. The Government shall apply to UNESCO, its property, funds and assets, and to its officials, experts and other persons performing services on its behalf, the provisions of the convention on the Privileges and Immunities of the Specialized Agencies and Annex IV thereof, it being understood in particular that no restriction shall be imposed on the right of entry into, sojourn in and departure from the territory of the country by UNESCO officials, experts and other persons performing services on its behalf in connection with this project, without distinction of nationality.
2. The Government undertakes not to impose taxes, fees or other levies upon the equipment or materials, or for the supplies and services necessary for the execution of the project.
3. Neither the Government, nor its instrumentalities shall impose any commercial bank charges on the transfer of funds by, or to the account of, UNESCO.
4. The Government shall take such measures which may be necessary to facilitate the operations under this Agreement and shall grant UNESCO and its personnel or other persons performing services on its behalf such facilities as may be necessary for the speedy and efficient execution of the project. It shall, in particular, grant them the following rights and facilities :
 - (a) the prompt issuance without costs of necessary visas, licences or permits ;
 - (b) access to the sites of work and all necessary rights of way;
 - (c) free movements, whether within or to and from the country, to the extent necessary for the proper execution of the project;
 - (d) the most favourable legal rate of exchange;
 - (e) any permits necessary for the importation of equipment, materials and supplies in connection with this Plan of Operations and for their subsequent exportation;

- (f) any permits necessary for the importation of property belonging to, and intended for the personal use or consumption of, officials of UNESCO or other persons performing services on its behalf, and for the subsequent exportation of such property.
- 5. The Government shall be responsible for dealing with any claims which may be brought by third parties against UNESCO, its property and its personnel or other persons performing services on behalf of UNESCO and shall hold harmless UNESCO, its property, personnel and such persons in case of any claims or liabilities resulting from activities under this Plan of Operations, except where it is agreed by UNESCO and the Government that such claims or liabilities arise from the gross negligence or wilful misconduct of such personnel or person

I should be grateful to receive your comments on the above. If the proposals meet with your approval, your letter to that effect, and this letter, will constitute the formal funds-in-trust agreement between UNESCO and the Government on this project.

The agreement may be modified, at the initiative of either party, through an exchange of letters between the parties.

Sincerely yours,