**CONVENTION FOR THE SAFEGUARDING OF THE
INTANGIBLE CULTURAL HERITAGE**

**INTERGOVERNMENTAL COMMITTEE FOR THE
SAFEGUARDING OF THE INTANGIBLE CULTURAL HERITAGE**

**Tenth session**

**Windhoek, Namibia**

**30 November to 4 December 2015**

**Item 8 of the Provisional Agenda:**

**Draft plan for the use of the resources of the Intangible Cultural Heritage Fund
in 2016–2017**

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| **Summary**Part I of the document reports on the use of the Intangible Cultural Heritage Fund and presents, in Annex II, the Financial Report for the period1 January 2014 to 31 August 2015 established by the Bureau of Financial Management (BFM). Part II presents the draft plan for the use of the resources of the Intangible Cultural Heritage Fund for the period 2016 to 2017 and the first semester of 2018, included in its Annex I, to be submitted to the General Assembly for its approval.**Decision required:** paragraph 32 |

#### REPORT ON THE EXECUTION OF THE PLAN FOR THE USE OF THE RESOURCES OF THE INTANGIBLE CULTURAL HERITAGE FUND FOR THE PERIOD 1 JANUARY 2014 TO 31 AUGUST 2015

1. In accordance with Article 25.3 of the Convention, the income of the Intangible Cultural Heritage Special Account (‘the Fund’) consists of: a) contributions made by States Parties to the Convention; b) funds appropriated for this purpose by the General Conference of UNESCO; c) contributions, gifts or bequests which may be made by other States, organizations and programmes of the United Nations system, particularly the United Nations Development Programme, as well as other international organizations and public or private bodies or individuals; d) any interest due on the resources of the Fund; e) funds raised through collections, and receipts from events organized for the benefit of the Fund; f) any other resources authorized by the Fund’s regulations, to be drawn up by the Committee. Those regulations are found in the Financial Regulations of the Special Account for the Fund for the Safeguarding of the Intangible Cultural Heritage, adopted by the Committee at its first extraordinary session ([Decision 1.EXT.COM 9](http://www.unesco.org/culture/ich/doc/src/00192-EN-PDF.pdf)). Expenditures are governed by the Plan for the use of the resources of the Fund, adopted each biennium by the General Assembly, and by other decisions of the Committee.
2. The Financial Report in Annex II covers the period from 1 January 2014 to 31 August 2015, during which the Intangible Cultural Heritage Fund was used according to the Plan approved by the fifth session of the General Assembly in June 2014 ([Resolution 5.GA 7](http://www.unesco.org/culture/ich/doc/src/ITH-14-5.GA-Resolutions-EN__.doc)). A financial report for the entire biennium (1 January 2014 to 31 December 2015) will be provided to the General Assembly of the States Parties for its sixth session.
3. **Income (financial statements I, II and III)[[1]](#footnote-1)**
4. During the reporting period, income to the Fund consisted of:

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| 1. Assessed compulsory and voluntary contributions from the States Parties[[2]](#footnote-2)
 | US dollars |
| Compulsory contributions of 157 States Parties to the Convention, as described in Article 26.1 of the Convention | 3,524,849 |
| Voluntary contributions of three of the five States Parties, which, at the time of their ratification, had recourse to Article 26.2 of the Convention | 336,411 |
| 1. Voluntary supplementary contributions
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| *Contributions made for specific purposes relating to specific projects approved by the Committee, in accordance with Article 25.5 of the Convention* |  |
| From Netherlands and Norway for the implementation of five ongoing projects, and from Azerbaijan for two new projects, under the Complementary Additional Programme for 2014-2017, ‘Strengthening capacities to safeguard intangible cultural heritage for sustainable development’ ([Decision 7.COM 19](http://www.unesco.org/culture/ich/doc/src/ITH-12-7.COM-Decisions_-EN.doc)).From Turkey for organizing a meeting of experts on safeguarding intangible cultural heritage and sustainable development at the national level ([Decision 8.COM 13.a](http://www.unesco.org/culture/ich/doc/src/ITH-13-8.COM-Decisions-EN.doc)) | 1,217,300 |
| *Sub-fund created within the Intangible Cultural Heritage Fund and intended exclusively to strengthen the human capacities of the Secretariat(*[*Resolution 3.GA 9*](http://www.unesco.org/culture/ich/doc/src/ITH-10-3.GA-CONF.201-Resolution%20Rev.-EN.doc)*)*[[3]](#footnote-3)  |  |
| From Azerbaijan, Bulgaria, China, Georgia, Japan, Monaco, Portugal, Turkey, the Associazione per la salvaguardia del patrimonio culturale immateriale and the Norwegian Centre for Traditional Music and Dance | 364,053 |
| 1. Interest due on the resources of the Funds
 | 51,642 |
| **TOTAL** | **5,494,255** |

1. The statement of assessed contributions, compulsory and voluntary, shown in Annex III (pages 19-20), shows that, on 31 August 2015, 72 States Parties were up-to-date with their compulsory contributions, while 85 States Parties were in arrears. For voluntary contributions, 3 States Parties out of 5 have paid their contributions to the Intangible Cultural Heritage Fund. This statement also shows that US$325,865 compulsory contributions should have been received as of 31 August 2015, representing 18.5% of the total amount of contributions assessed for 2015. Furthermore, arrears prior to 2015 stood at US$61,191.
2. **Schedule of appropriations and expenditure for the period 1 January 2014
to 31 August 2015 (Financial Statement I, page 13)[[4]](#footnote-4)**
3. The total operational budget given in the schedule of appropriations and expenditure (US$6,755,438) corresponds to the total of reserves and account balances for the funds for non-restricted use available on 1 January 2014 (US$7,393,476) less the accumulated Reserve Fund (US$638,038). This Reserve Fund was created, in accordance with the Financial Regulations for the Special Account for the Fund, in order to meet requests for international assistance in cases of extreme urgency and in the event that the funds allocated to international assistance (budget line 1) become exhausted. The new transfer to the Reserve Fund (US$337,772) that took place at the beginning of the period is shown in Financial Statement II as an increase to the Reserve Fund from one biennium to the other.
4. The Financial Report shows total expenditure of US$1,947,594 as at 31 August 2015, representing 29% of the operational budget approved by the General Assembly in its Resolution 5.GA 7. However, the expenditure rate reaches 30% if funds provided for the Reserve Fund are excluded, and might exceed 40% by the end of 2015, if expenditures scheduled for the last quarter of 2015 are taken into account. Explanations for each budget line of the schedule of appropriations and expenditure are provided below.
5. Since the beginning of the reporting period, the Committee and its Bureau have approved nine International Assistance requests (**budget line 1**). However, at the time of writing, four of them have not yet materialized into a contract and are, therefore, not reflected in this financial statement. Among the latter, three were only granted recently by the Bureau that met on 6 October 2015 ([decisions 10.COM 2.BUR.4, 10.COM 2.BUR.5.2 and 10.COM 2.BUR.5.3](http://www.unesco.org/culture/ich/doc/src/ITH-15-10.COM_2.BUR-Decisions-EN.doc)) and contractual arrangements with the concerned States have not begun at the time of writing. The other pending request – an emergency assistance in favour of Côte d’Ivoire – was granted by the Bureau in June 2015 ([decision 10.COM 1.BUR.1](http://www.unesco.org/culture/ich/doc/src/ITH-15-10.COM_1.BUR-Decisions-EN.doc)) but the contract has not yet been established due to difficulties in establishing the bank account of the implementing organization. Thus, if the implementation rate of International Assistance remains very low in this report, it can be expected to rise up to 18% at the end of the biennium when UNESCO will have entered into contracts with the implementing organizations designated by the States concerned.
6. The Committee has repeatedly noted the under-utilization of the funds provided for International Assistance and, in its [Decision 8.COM 7.c](http://www.unesco.org/culture/ich/doc/src/ITH-13-8.COM-Decisions-EN.doc), it consequently requested the Secretariat to ‘devise a means, on a shorter-term basis, and experimentally, to offer technical assistance, through the provision of experts, as described in Article 21 of the Convention, to States Parties wishing to elaborate requests for International Assistance’. It is worth mentioning that three of the seven requests that the Bureau has examined since this new means was set up are the result of such assistance in the form of a close cooperation between an expert and a national counterpart. As requested in that same decision, the costs of that expertise were charged to **budget line 2** intended for preparatory assistance. During the reporting period, only one Preparatory Assistance request for elaborating a nomination to the Urgent Safeguarding List has been submitted and subsequently approved by the Bureau. Therefore, most of the spending under this line corresponds to the technical assistance provided both by external consultants and the Secretariat to seven requesting States.
7. The use of the budget for ‘other functions of the Committee’ (**budget line 3**) is decided by the Bureau based on specific proposals prepared by the Secretariat in accordance with [Decision 8.COM 11](http://www.unesco.org/culture/ich/doc/src/ITH-13-8.COM-Decisions-EN.doc). According to the plan approved by the Bureau in its [Decision 9.COM 2.BUR 1](http://www.unesco.org/culture/ich/doc/src/ITH-14-9.COM_2.BUR-Decision-EN.doc), these funds are divided between capacity-building (58%), the promotion and dissemination of best safeguarding practices (10%), communication and visibility (10%) and knowledge-management services (22%). Four-fifths of the funds approved for the current biennium were obligated as of 31 August 2015, bearing witness to one of the highest rates of implementation among all budget lines of the Intangible Cultural Heritage Fund. A detailed report on the progress of implementation of these funds can be found in [document ITH/15/10.COM/7.b](http://www.unesco.org/culture/ich/doc/src/ITH-15-10.COM-7.b_EN.docx), ‘Report by the Secretariat on its activities’.
8. Following the Internal Oversight Service’s recommendation in its audit of the working methods of the culture conventions ([IOS/AUD/2013/06](http://www.unesco.org/culture/ich/doc/src/IOS-AUD-2013-06-EN.pdf)), the Committee requested to the Secretariat, in its [Decision 8.COM 11](http://www.unesco.org/culture/ich/doc/src/ITH-13-8.COM-Decisions-EN.doc), to apply the cost recovery policy consistently when using the resources of the Fund. Consequently, and as provided in Article 5.2 of the Fund’s Financial Regulations, budget lines 1 to 3 were charged with direct administrative expenses related to the implementation of granted international assistance and activities approved by the Bureau.
9. During this financial period, responsibility for evaluating files moved from two bodies to one, which is reflected in the following four budget lines. In 2014, **budget line 4** was used to fund participation costs of experts in intangible cultural heritage representing developing States Members of the Committee, in Subsidiary Body and Committee sessions. However in 2015, it has only financed expert participation in Committee and Bureau sessions, since those representing States in the newly-established Evaluation Body come from States Parties non-Members of the Committee. At this stage of the biennium, with only one session of the Committee organized, the implementation rate of **budget line 5** is higher than usual due to support of participation costs for four Evaluation Body members representing developing States Parties non-Members of the Committee at its meetings. It should nevertheless be noted that the amount set aside for this budget line (US$89,666 of unliquidated obligations) does not include costs to finance participation in the third and final meeting of the Body, which were settled before 31 August 2015. In fact, this amount is provisioned to support expert participation costs of those representing developing countries that are Parties to the Convention but non-Members of the Committee to its present session.
10. Expenditure on **budget line 6** also reflects the passage period from two evaluation bodies to a single body. While disbursements include the costs of participation of all twelve members of the Consultative Body to its three meetings in 2014, they take in those same costs for only six members of the Evaluation Body serving in 2015 – the six accredited non-governmental organizations –, since those for other members eligible to this type of support were charged against budget line 5 as mentioned in the previous paragraph. Disbursements also comprise the costs of participation of twelve accredited non-governmental organizations from developing countries in the ninth session of the Committee. As for unliquidated obligations, they are mainly provisioned for covering the costs of participation of accredited non-governmental organizations from developing countries in the tenth session of the Committee.
11. Lastly, **budget line 7** (‘Cost of advisory services provided at the request of the Committee’) shows an expenditure rate of 40.9% corresponding to the fees of all 12 members of the Consultative Body who evaluated the files for the 2014 cycle, and those of the 10 members of the Evaluation Body who evaluated the files for the current cycle and were entitled to receive financial support. Since the current period has seen both configurations in terms of evaluating bodies, it is premature to establish cost comparisons. However, at this stage, given that no new expenditure is expected until the end of the biennium, the cost increment (40%) is mainly due to additional fees earned by the Chairperson and the Rapporteur of the Body who both took on tasks previously performed by the Secretariat. These will be variable costs depending on whether the two functions are performed by eligible members of the Body, namely accredited non-governmental organizations and experts representing developing States.
12. **Additional reports**
13. The present report contains, in Annex II(a) (page 16) the list of voluntary supplementary contributions paid for specific purposes, as specified by Article 25.5 of the Convention, following a decision of the Committee. (These contributions are also reflected in the list attached to [document ITH/15/10.COM/9](http://www.unesco.org/culture/ich/doc/src/ITH-15-10.COM-9_EN.docx), which presents all voluntary contributions received in support of the 2003 Convention, all modalities combined, since the ninth session of the Committee.)
14. In contrast to other resources of the Fund, which are governed by the Plan adopted by the General Assembly, the contributions earmarked for specific projects are subject to the decisions of the Committee on whether to accept such contributions. Their use does not follow the two-yearly accounting period. The table in Annex II(b) shows the total expenditure incurred for each project since its beginning until 31 August 2015. This same table shows a funding gap of US$248,466, which corresponds to outstanding voluntary contributions from Brazil and Vietnam approved by the Committee at its 8th session in 2013 ([Decision 8.COM 12](http://www.unesco.org/culture/ich/doc/src/ITH-13-8.COM-Decisions-EN.doc)). In addition, the table shows that, concerning four projects, there is a total difference of US$190,813 between the budget approved by the Committee and the revised budget based on actual funding confirmed. Indeed, Norway informed the Secretariat that it would not be able to pay its full contribution as announced to the Committee and approved by it.
15. Consequently, Annex II(c) shows the forecasts as of 31 August 2015, based on Secretariat’s estimation, for future use of the funds allocated to ongoing projects based on funds not committed at that date and budgets approved by the Committee. In cases where the donor already confirmed that the outstanding contribution will not be paid (marked with an asterisk), forecasts are based on the actual funding received to date.

#### PROPOSED DRAFT PLAN FOR THE USE OF THE RESOURCESOF THE INTANGIBLE CULTURAL HERITAGE FUND FOR THE PERIOD 2016-2017

1. Article 7 (c) of the Convention requests the Committee to ‘prepare and submit to the General Assembly for approval a draft plan for the use of the resources of the Fund, in accordance with Article 25. Article 25.4 of the Convention further provides that the use of the resources of the Fund by the Committee ‘shall be decided on the basis of guidelines laid down by the General Assembly’. Those guidelines were adopted by the General Assembly of the States Parties in its second session in 2008 and are found in Chapter II.1 of the Operational Directives for the Implementation of the Convention. The draft plan proposed as Annex I to this document was prepared in conformity with those guidelines and based on the experience of implementing the current plan for the 2014-2015 period.
2. While UNESCO’s programmes are defined for quadrennial periods, the General Conference decided ([36 C/Resolution 105](http://unesdoc.unesco.org/images/0021/002150/215084e.pdf)) to maintain the biennial cycle for the appropriation of the budget. Thus, the budget of the Organization will continue to be approved by the General Conference at the end of an odd year and run for two consecutive years starting on 1 January of an even year and ending on 31 December of the following odd year. In accordance with Article 2 of its Financial Regulations, the Fund operates in the same financial period. However, the General Assembly of the States Parties to the Convention meets in ordinary session in even years, about six months after the start of UNESCO’s financial period. At its sixth session in June 2016, the General Assembly will, therefore, be requested to approve a draft plan for the use of the resources of the Fund that covers 24 months from 1 January 2016 to 31 December 2017 and, on a provisional basis, the first six months of the next financial period, i.e. from 1 January to 30 June 2018 preceding the seventh session of the General Assembly. The provisional budget for the first semester of 2016 that was adopted by the fifth session of the General Assembly ([Resolution 5.GA 7](http://www.unesco.org/culture/ich/doc/src/ITH-14-5.GA-Resolutions-EN__.doc)) will in turn be superseded by the present plan once adopted by the sixth session of the General Assembly.
3. The total amount of funds available for the next financial period cannot be known until early 2016, after the closure of the 2015 accounts. The budget presented in the draft plan below (Annex I of the present document) is thus expressed in percentages of the total amount that might be available. Indeed, there is a budget line for which the Committee may wish to propose to the General Assembly an amount rather than a percentage, that is the Reserve Fund set aside for emergency international assistance (see Article 6 of the Fund’s Financial Regulations). The Reserve Fund now totals US$975,810 (Annex II, Statement II). Considering that this reserve would be tapped for emergency assistance *only* when funds are no longer available in budget line 1, the Committee may decide to transfer to it only the amount needed to reach US$ 1 million and not make further payments as long as this level will continue. The document to be submitted to the General Assembly will specify the amounts allocated for each purpose. As was done in the current plan, the Committee may wish to propose provisionally allocating to the first semester of 2018 one fourth of the amount established for the two-year period from 1 January 2016 to 31 December 2017.
4. It is, therefore, proposed that the Committee submit to the General Assembly a spending plan based upon the total amount of unrestricted and unencumbered funds available as of 31 December 2015. That total excludes restricted funding of three kinds: first is the above-mentioned Reserve Fund; second is the earmarked contributions for specific purposes relating to specific projects (see Article 25.5 of the Convention); and third is the sub‑fund used exclusively for enhancing the human capacities of the Secretariat, in conformity with Resolution 3.GA 9. The Intangible Cultural Heritage Section estimates that the balance of unrestricted and unencumbered funds on 31 December 2015 will be approximately US$7.68 million[[5]](#footnote-5).
5. Compared to the current Plan for the use of the resources of the Fund, the budget lines remain essentially identical in scope. In order to absorb the 5% normally paid into the Reserve Fund, it is proposed to increase budget line 1 dedicated to international assistance up to 59%. Considering that the expected balance that will serve as the basis for the Plan is to increase approximately 20%, the constant allocations of all budget lines except one will be increased, even when their percentage is maintained.
6. In line with the priorities set by the Guidelines for the use of the resources of the Fund in Chapter II.1 of the Operational Directives, it is once again proposed that the majority of resources (**budget line 1**, 59%) be allocated for providing international assistance to States Parties to supplement their national efforts for safeguarding intangible cultural heritage. Although so far the funds available under this line have been widely underutilized, the Secretariat intends to be more proactive in providing such assistance and is therefore confident that the implementation rate will significantly increase in the next biennium. The main reason for this confidence is the fact that, to date, Article 21 of the Convention regarding the forms of international assistance has been interpreted both by States Parties and the Secretariat in a restricted manner, only in the sense of paragraph (g), namely financial assistance, and in particular the granting of donations. However, Article 21 refers to other forms of assistance, such as studies concerning various aspects of safeguarding (paragraph [a]), the provision of experts and practitioners (paragraph [b]), the training of all necessary staff (paragraph [c]), the elaboration of standard-setting and other measures (paragraph [d]), the creation and operation of infrastructures (paragraph [e]) or supply of equipment and know-how (paragraph [f]) that do not necessarily involve a transfer of funds but rather provision through the Fund of services to support the requesting State in its safeguarding efforts. By promoting these other forms of International Assistance and in particular, those foreseen under paragraphs b and c, the Secretariat expects to be able to further motivate States to put forward such requests and improve the level of utilization of the funds provided for this purpose. The expected improvement should also result from greater use of the combined ICH-01bis form ([Decision 9.COM 9](http://www.unesco.org/culture/ich/doc/src/ITH-14-9.COM-Decisions-EN.doc)), permitting States Parties to simultaneously nominate an element for inscription to the Urgent Safeguarding List and request international assistance from the Intangible Cultural Heritage Fund to support the proposed safeguarding plan.
7. The percentage of the funds budgeted for granting preparatory assistance (**budget line 2**) is proposed to be maintained at 5.5%. In addition to preparatory assistance for nomination files for the Urgent Safeguarding List and for proposals for the Register of Best Safeguarding Practices, the Committee decided to use this line to provide technical assistance to States Parties for preparing International Assistance requests, as decided by the Committee ([Decision 8.COM 7c](http://www.unesco.org/culture/ich/doc/src/ITH-13-8.COM-Decisions-EN.doc).). Considering that States have required technical assistance much more than preparatory assistance in its traditional format, it is proposed that funds available under this line continue to be used for the provision of experts, as described in Article 21 of the Convention, to assist a State Party to develop its ideas and requirements, from a brief concept note into a full-fledged request. Furthermore, it is expected that this technical assistance will increase the chances of success for a larger number of requests, which also justifies the increase of the percentage of funds allocated to budget line 1.
8. **Budget line 3**, ‘other functions of the Committee’, would also be maintained at 20%. Such functions are listed under Article 7 of the Convention. The Secretariat makes use of these funds to assist the Committee in performing these functions, as required by Article 10 of the Convention. The Secretariat will, therefore, use these funds primarily for promoting the objectives of the Convention and encouraging and monitoring its implementation (Article 7 [a]). To this end, funds allocated to this budget line will continue to provide essential support for a number of transversal needs of the capacity-building programme, such as developing training content and materials, strengthening the network of expert facilitators and monitoring, evaluating and adapting the strategy accordingly. Similarly, this budget line will be vital to ensure the steady improvement in the management of knowledge and information, including the Convention’s website that allows the Secretariat to continue to deliver services to States Parties and to the governing bodies of the Convention, as timely and accurately as possible. In order to assist the Committee to meet its responsibilities to provide information to countries and the public about the Convention and its activities, funds allocated to this budget line will also contribute to ensure better visibility of the intangible cultural heritage and awareness of its significance through publication and dissemination, preferably as e‑production, print-on-demand and e-distribution services. Finally, these funds will be used to support the Committee in providing guidance on best practices and making recommendations on measures for the safeguarding of the intangible cultural heritage (Article 7 [b]). Throughout the assistance provided to the Committee, the Secretariat will seek to follow-up on the recommendations of the UNESCO’s Internal Oversight Service (IOS) on UNESCO’s standard-setting work of the Culture Sector concerning the Convention, as it already did during the current biennium. A significant number of such follow-up actions on which the Secretariat is reporting in [document ITH/15/10.COM/15.c](http://www.unesco.org/culture/ich/doc/src/ITH-15-10.COM-15.c_EN.docx) were possible thanks to the support of this budget line.
9. As in the current and preceding Plans for the use of the Fund, the present draft decision proposes that the Committee again delegate to its Bureau the authority to decide upon the utilization of the funds allocated under budget line 3, on the basis of specific proposals to be prepared by the Secretariat. It is also proposed in the draft decision that the Committee authorize the Secretariat to make transfers between activities within budget line 3 up to a cumulative amount equivalent to 2% of the initial total allocation likely to be proposed for this purpose to the General Assembly, which should fluctuate around US$25,000 authorized by previous decisions of the Committee (6.COM 20 and 8.COM 11). Such authorization is similar to that by which the General Conference authorizes the Director General to make transfers between appropriation lines of UNESCO’s regular programme up to an amount of 2% of the initial appropriation. The Secretariat would inform the Bureau in writing, at the session following such action, of the details and reasons for these transfers; any transfers larger than that amount would require the Bureau’s prior approval of a revised spending plan.
10. The participation in statutory meetings by experts in intangible cultural heritage representing developing States Parties is covered either by **budget line 4** when they are members of the Committee or by **budget line 5** when they are not. In the proposed plan, the latter would remain identical in terms of percentage compared to the current plan while the former would decrease from 2.75% to 2.25%. The funds foreseen for the participation of experts from developing States Members of the Committee is largely sufficient to cover their participation in the Committee and the Bureau. The number of eligible States Members of the Committee is limited, and the slightly reduced percentage is still expected to be more than adequate, especially as in absolute values the reduction may be non-existent or insignificant[[6]](#footnote-6). Furthermore, with the establishment of the Evaluation Body, representatives of States Members of the Committee cannot be part of it and, therefore, no costs related to the evaluation of files will be now charged to that line. On the other hand, individual members of the Evaluation Body are now so in their capacity as representatives of a State Party and the costs of their participation in the meetings of the Body are, therefore, to be charged to budget line 5. Considering that the maintained 2.75% will certainly represent an increase in allocation for the next biennium, funds available under this line should continue to allow participation in the Committee of experts in intangible cultural heritage representing developing States Parties in addition to that of members of the Evaluation Body at its meetings.
11. **Budget line 6** is similarly proposed to be maintained at 4.5%. In the current biennium, this has proven to be adequate to cover the participation of experts in intangible cultural heritage representing accredited non-governmental organizations both in the sessions of the Committee – when coming from developing countries – and in the meetings of the Consultative Body in 2014 and those of the Evaluation Body in 2015 – when being elected members. In addition, as indicated in the previous paragraph, since individuals sitting in the Evaluation Body are no longer members as independent experts but as representatives of a State Party, this line will now be relieved from this expenditure and funds should fit for the purpose of this line.
12. **Budget line 7** covers the costs of advisory services provided at the request of the Committee (6%). The proposed increase of half a point – absorbing the reduction of budget line 4 – is due to the need of having available, early in even years, an amount sufficient to establish the contracts of members eligible for financial compensation from the Evaluation Body established by the Committee at its preceding session. Indeed, considering that the Body meets, for the first time during a cycle, in the first quarter of the year, members entitled to be contracted must be so in advance of their travel. Therefore, it is necessary to have the budget available to cover all contracts at the beginning of the year, even though payments will be made throughout it.

#### PROSPECTS FOR FUTURE BUDGET CYCLES

1. With its current 157 States Parties, the Fund shall receive about US$4 million in assessed contributions from States Parties in 2016–17, depending on the Resolutions on UNESCO’s regular budget to be adopted by the General Conference at its 38th session. The 157 States Parties as of 31 August 2015 are responsible for more than 60% of the total budget of UNESCO, with the rates for assessed contributions to the Convention established at 1% of each State’s contribution to UNESCO.
2. The Committee may consider that the low utilization rate affecting in particular, the use of budget line 1 (international assistance) and budget line 2 (preparatory assistance) will be corrected in the medium term. The global capacity-building strategy should continue to bear fruit and strengthen the capacities of developing States Parties to formulate solid requests for International Assistance. Increased efforts will be made to develop training materials on project development in general and on preparation of requests for International Assistance, in particular. The strategy will continue to be implemented in the coming years, however, the significant decrease in extra-budgetary support from Funds-in-Trust and earmarked contributions to the Fund as reflected in [document ITH/15/10.COM/9](http://www.unesco.org/culture/ich/doc/src/ITH-15-10.COM-9_EN.docx), should be noted. Although, as mentioned above, the promotion of all forms of International Assistance provided for by Article 21 may allow for greater support to countries wishing to see their safeguarding capacities reinforced.
3. With the 2016–17 budget, the Reserve Fund will reach the million dollar level. Since the amount of the reserve shall be determined by the Committee, it may, therefore, anticipate that further payments to the Reserve Fund will not be needed in the 2018–19 budget, unless funds are no longer available in the budget line 1 for emergency assistance and the Reserve Fund falls below the US$1 million threshold.
4. The Committee may wish to adopt the following decision:

DRAFT DECISION 10.COM 8

The Committee,

1. Having examined Document ITH/15/10.COM/8;
2. Recalling Article 7(c) of the Convention and Resolution 5.GA 7 of the General Assembly;
3. Decides to base the draft plan for the use of the resources of the Fund for the periods of 1 January 2016 to 31 December 2017 and 1 January to 30 June 2018 on the total unrestricted operating reserves available as of 31 December 2015, including any unused balance;
4. Submits for approval to the General Assembly the plan for the use of the resources of the Fund, as included in Annex I of Document ITH/13/10.COM/8 and proposes to the General Assembly to provisionally allocate for the first semester of 2018 one fourth of the amount established for the two-year period from 1 January 2016 to 31 December 2017;
5. Recalls that the payment of assessed compulsory contributions is, as per Article 26 of the Convention, an obligation incumbent on States having ratified the Convention, thanks the States Parties who have already made their contributions and calls upon the other States Parties to ensure that their contributions are paid as soon as possible;
6. Delegates to its Bureau the authority to decide upon the utilization of the funds allocated under item 3 of the Plan, ‘Other functions of the Committee’, on the basis of specific proposals to be prepared by the Secretariat;
7. Authorizes the Secretariat, when utilizing the funds allocated under item 3 of the Plan, to make transfers between activities included within the specific proposals approved by the Bureau up to a cumulative amount equivalent to 2% of the initial total allocation proposed to the General Assembly for this purpose, informing the Members of the Bureau in writing, at the session following such action, of the details and reasons for these transfers;
8. Takes note of the Secretariat’s efforts to apply the organization’s cost recovery policy when using the resources of the Fund, in the direction set by 195 EX/Decision 5 (IV) (C) to bring the recovery of costs for management staff time related to the implementation of extrabudgetary projects to 2% of the total regular staff costs;
9. Further decides to set the amount of the Reserve Fund at US$1 million.

ANNEX I

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| **Draft plan for the use of the resources of the Fund** |  |
| For the period 1 January 2016 to 31 December 2017, as well as for the period1 January to 30 June 2018, the resources of the Intangible Cultural Heritage fund may be used for the following purposes: | % of the total amount | 2014–2015 Plan |
| 1. | International assistance, comprising the safeguarding of the heritage inscribed on the Urgent Safeguarding List, preparation of inventories and support for other safeguarding programmes, projects and activities; | 59.00% | 54.00% |
| 2. | Preparatory assistance for nomination files for the Urgent Safeguarding List, as well as for proposals for the Register of Best Safeguarding Practices and International Assistance requests; | 5.50% | 5.50% |
| 3. | Other functions of the Committee as described in Article 7 of the Convention, aimed at promoting the objectives of the Convention and encouraging and monitoring its implementation, in particular through strengthening capacities for effectively safeguarding intangible cultural heritage, raising awareness of the importance of such heritage, providing guidance on best safeguarding practices and updating and publishing the Lists and the Register of Best Safeguarding Practices;  | 20.00% | 20.00% |
| 4. | Participation in the sessions of the Committee, its Bureau and its subsidiary bodies of experts in intangible cultural heritage representing developing States Members of the Committee; | 2.25% | 2.75% |
| 5. | Participation in the sessions of the Committee and its consultative bodies of experts in intangible cultural heritage representing developing states that are Parties to the Convention but not Members of the Committee; | 2.75% | 2.75% |
| 6. | Participation in the sessions of the Committee, its Bureau and its consultative bodies of public or private bodies, private persons, notably members of communities and groups, that have been invited by the Committee to advise them on specific matters, as well as experts in intangible cultural heritage representing accredited NGOs from developing countries; | 4.50% | 4.50% |
| 7. | The costs of advisory services to be provided at the request of the Committee, including support to developing States whose representatives have been appointed to the Evaluation Body; | 6.00% | 5.50% |
|  | Sub-total | 100% | 95% |
| 8. | To build up the Reserve Fund referred to in Article 6 of the Fund’s Financial Regulations. | U$24,190 | 5% |
| Funds that have not been committed at the end of the period of this Plan are carried over to the next financial period and shall be allocated in accordance with the Plan approved by the General Assembly at that time. |  |

ANNEX II

Statement I





Statement II



Statement III

**ANNEX II (a)**



**ANNEX II (b)**



**ANNEX II (c)**



**ANNEX III**





1. . Figures rounded to the next highest dollar compared to that in Financial Statement I, page 12. [↑](#footnote-ref-1)
2. . In Financial Statement I, the assessed compulsory contributions for the 2014-2015 period are shown as income, whether they have been received or not; in Financial Statement II, the unpaid amount from States Parties due on 31 August 2015 was US$387,056. The assessed voluntary contributions appear as income only on the date when they are received. [↑](#footnote-ref-2)
3. . Since its creation in 2010, the sub-fund – intended exclusively to strengthen the human capacities of the Secretariat –had received, as of 30 September 2015, contributions of a total amount of US$1,363,270, representing a quarter of its identified requirements for this period. [↑](#footnote-ref-3)
4. . Figures rounded to the next highest dollar compared to that in Financial Statement I, page 13. [↑](#footnote-ref-4)
5. . This calculation takes into account actual expenditure to date, the international assistance granted by the Bureau of the Committee but not yet materialized into contracts at the time of writing, the remaining funds allocated to ‘Other functions of the Committee’ likely to be spent before the end of the year, and the costs of participation of experts from States Parties and non-governmental organizations in the tenth session of the Committee. [↑](#footnote-ref-5)
6. . In the current configuration of the Committee, 70% of its members are eligible to receive official development assistance (ODA); with one expert from each country, not more than 65% of the funds available for their participation in the Committee meetings will be used for this purpose in the current biennium. In fact, half of the eligible countries belong to the category of Upper Middle Income and among them, rarely more than half require assistance for their participation costs. [↑](#footnote-ref-6)