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

**GENERAL ASSEMBLY OF THE STATES PARTIES TO THE CONVENTION**

**Seventh session**

**UNESCO Headquarters, Room II**

**4 to 6 June 2018**

**Item 8 of the Provisional Agenda:**

**Use of the resources of the Intangible Cultural Heritage Fund**

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| **Summary**Article 7(c) of the Convention provides that the Committee shall prepare and submit to the General Assembly for approval a draft plan for the use of the resources of the Fund. This document presents such a draft plan, as recommended by the Committee for the period 2018-2019 and the first semester of 2020 (Annex).**Decision required:** paragraph 28 |

1. **Background**
2. Article 7(c) of the Convention provides that the Committee shall ‘prepare and submit to the General Assembly for approval a draft plan for the use of the resources of the Intangible Cultural Heritage Fund (hereafter the Fund), in accordance with Article 25’ of the Convention. The guidelines for the use of the resources of the Fund are to be found in Chapter II.1 of the Operational Directives for the Implementation of the Convention. The draft plan (hereafter the ‘Plan’), submitted by the Committee in accordance with its [Decision 12.COM 7](https://ich.unesco.org/en/Decisions/12.COM/7), annexed to the present document, was prepared in conformity with those guidelines and based on the experience of implementing the Plan during previous biennia. The financial report for the period 1 January 2016 to 31 December 2017 is available in document [ITH/18/7.GA/INF.8](https://ich.unesco.org/doc/src/ITH-18-7.GA-INF.8-EN.docx), along with an explanatory note.
3. In accordance with Article 2 of the Financial Regulations of the Fund, ‘the financial period [of the Fund] shall correspond to that of UNESCO’. 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. It is therefore hereby requested to approve a Plan for the period 1 January 2018 to 31 December 2019 and, on a provisional basis, for the first six months of the next financial period, i.e. from 1 January 2020 to 30 June 2020. The provisional budget for the first semester of 2018 adopted by the sixth session of the General Assembly ([Resolution 6.GA 9](https://ich.unesco.org/en/Resolutions/6.GA/9)) will in turn be superseded by the present Plan once it has been adopted by the current session of the General Assembly.
4. The Plan submitted by the Committee is based on the unrestricted balance of the Fund as of 31 December 2017 (US$8,590,922). This total excludes restricted funds of three kinds: firstly, a Reserve Fund set aside for emergency International Assistance (see Article 6 of the Financial Regulations of the Fund); secondly, the earmarked contributions for specific purposes relating to specific projects (see Article 25.5 of the Convention); and thirdly, the sub-fund used exclusively for enhancing the human capacities of the Secretariat, in conformity with Resolution 3.GA 9.
5. It is proposed that funds be allocated in each line in terms of the percentages of the total resources available, rather than in absolute figures. This will allow the Committee to make use of any significant unrestricted voluntary supplementary contributions (as described in Article 27) that might be credited to the Fund during the biennium. To reflect the possibility that a donor may wish to make a significant supplementary contribution, it is proposed that the General Assembly, as it did during its previous sessions, authorize the Committee to make immediate use of any such contributions upon receipt, in conformity with the percentages established in the Plan.
6. It is also proposed that, as it did in its previous sessions, the General Assembly again authorize the Committee to make immediate use of contributions related to specific projects (‘earmarked’ contributions), provided that those projects have been approved by the Committee prior to the receipt of the funds. In the same vein of efficiency, the Committee took a similar decision at its twelfth session concerning the two new funding priorities it approved for the period 2018-2021 ([Decision 12.COM 6](https://ich.unesco.org/en/Decisions/12.COM/6)). These were entitled ‘Strengthening capacities to safeguard intangible cultural heritage and contribute to sustainable development’ and ‘Safeguarding intangible cultural heritage in formal and non-formal education’. While approving these funding priorities, the Committee authorized the Secretariat to make immediate use of any future voluntary supplementary contributions made between two Committee sessions to support activities within the scope of these two priorities.
7. The Committee furthermore requested that the Secretariat report on the progress in the implementation of any voluntary supplementary contributions it may have received since its last session. The list of such donors and the amounts of their contributions can be found in information document [ITH/18/7.GA/INF.8](https://ich.unesco.org/doc/src/ITH-18-7.GA-INF.8-EN.docx) The document provides the list of supplementary voluntary contributions received for the period 1 January 2016 to 31 December 2017. In accordance with paragraph 77 of the Operational Directives, an updated list of donors, in alphabetical order, is also available through the website of the Convention.[[1]](#footnote-1)
8. **Trends**
9. For the first time, when discussing the Plan to be submitted to the General Assembly, at its twelfth session the Committee considered the trends regarding the use of the Fund since 2010. In particular, the Committee noted that the income to the Fund has largely exceeded expenditure in each biennium and the balance of unrestricted and unencumbered funds has grown steadily. This situation is largely explained by the low use States Parties have made of the International Assistance mechanisms. During the 38 C/5, considering only the budget corresponding to the assessed contributions due each biennium, the expenditure rate increased to 53%, compared to the 21% in the 37 C/5. This positive result was mainly thanks to: 1) the decision of the sixth session of the General Assembly to increase the ceiling of International Assistance requests that can be presented to the Bureau from US$25,000 to US$100,000 ([Resolution 6.GA 7](https://ich.unesco.org/en/Resolutions/6.GA/7)); and 2) a 40% increase (compared to previous biennia) of the cases examined by the Bureau for International Assistance requests of less than US$100,000 (or less than US$25,000 before June 2016). Despite such efforts, the total expenditure rate under these two budget lines remains proportionally low (26%), as shown in Figure 1. This is due to the continuous increase in the total budget approved in each biennium. If this trend persists, the budget will continue to increase in future cycles, making it even more difficult to bring the expenditures to a level that is in harmony with the assessed contributions to the Fund.

**Figure 1:** expenditure rate: International and Preparatory Assistance

1. The full potential of this mechanism as a means of safeguarding living heritage has not been explored. In this sense, the underutilization of the funds dedicated to International Assistance and the inadequate monitoring mechanism is unfortunate at a time when other financial sources to support the Convention and, in particular, its implementation at the national and local levels are diminishing, while developing States continue to express their need for resources and support to safeguard their intangible cultural heritage.
2. **Budget lines and allocations proposed for the 39 C/5**
3. The proposal for the allocation of funds for the 39 C/5 (2018-2019) follows the structure based on budget lines, which has been used for all of the past equivalent exercises. These budget lines can be divided into four categories, namely those expenditures related to: a) International Assistance; b) ‘other functions’ of the Committee in the sense of Article 7 of the Convention; c) participation in the meetings of the governing bodies and assistance to the Committee; and d) the Reserve Fund. The percentage of allocation expressed for each budget line proposed on this occasion also largely follows the same proportionality as the past biennium, with minor variations, as described below.

**International Assistance**

1. Recognizing the underutilization of the International Assistance mechanism as a major challenge under the Convention, at its twelfth session the Committee deliberated on possible ways to support States in making better use of the resources of the Fund. The discussion focused, in particular, on the possibility of enhancing the human resources of the Secretariat by creating a dedicated team needed to operationalize the mechanism, including its effective monitoring.
2. Currently, there are eight professional and four general fixed-term staff working in the Intangible Cultural Heritage Section, including the Secretary of the Convention and the Chiefs of the two units (the Programme Implementation Unit and the Capacity-building and Heritage Policy Unit). It is worth noting that this situation represents a decrease in staff member numbers by 20% since 2010 (reflecting the house-wide situation of UNESCO in the context of the financial crises since 2011), while the number of States Parties to the Convention increased by 30% during the same period. At the same time, other mechanisms such as periodic reporting, the evaluation and accreditation of non-governmental organizations (NGOs) and support for the capacity-building facilitators’ network require more resources within the Secretariat as the scope of operation for each of them has become increasingly complex and voluminous.
3. The current regular programme posts are not really sufficient to allow the Secretariat to respond to all its core statutory obligations (such as preparing statutory meetings including drafting documents, supporting the Evaluation Body with its work, processing nominations and NGO requests for accreditation and reviewing their status, as well as following-up on periodic reporting and developing an overall results framework for the Convention) and other vital functions (regional officer roles, the capacity-building programme and developing thematic activities at the request of the Committee). As a result, many of these core obligations and functions are currently undertaken by temporary staff. Under the current situation, the work on International Assistance is divided among a number of staff over and above their primary responsibilities. However, in order to redress the underutilization of the International Assistance mechanisms and the ever-growing balance of the Fund, it is imperative to have a team dedicated to the implementation of International Assistance.
4. Therefore, compared to the Plans from previous biennia, the Plan hereby submitted by the Committee proposes the creation of a new budget line (**budget line 1.1**), which will cover the biennial costs of three extra-budgetary fixed-term posts (one P3, one P2 and one G5). The biannual cost of this newly created team is estimated as being 8.2% of the Fund, covered by minor reductions in budget lines 1 and 2, which will in fact benefit from the creation of the three posts, as they will be working on its implementation. The dedicated ‘International Assistance implementation team’ shall work on establishing and maintaining a holistic system of managing the mechanism. The division of tasks within the team is foreseen in such a way that the P3 post holder will be mainly in charge of setting up the improved International Assistance mechanism from strategic points of view, while the P2 post holder will manage the day-to-day implementation and monitoring of each of the projects, in coordination with other members of the Convention’s Secretariat, Field Offices and other services of UNESCO; the administrative procedures, such as contract establishments and payments, will be handled by the G5 post holder.
5. The safeguarding projects financed by the Fund have become comprehensive in recent times, including, for example, inventorying, awareness raising, transmission, revitalization, as well as building the capacities of communities or national institutions or the inclusion of intangible cultural heritage in education, among others. They are also carried out in different parts of the world by a variety of actors. Through their implementation, such projects raise pertinent questions on different aspects of the Convention. In this way, International Assistance could be an important source of information regarding the implementation of the Convention at the national levels. However, the lack of human capacities of the Secretariat means that the full potential of the mechanism has yet to be explored. Through the dedicated ‘International Assistance implementation team’ within the Secretariat, the improvements shall be sought, first and foremost, to better service States Parties of the Convention.
6. Another important aim of this system is to manage an increasingly voluminous administrative load while allowing timely access for States to much-needed and impactful assistance. Apart from contributing to the technical assessment of International Assistance requests submitted, the team will focus on managing the projects, once they have been approved, by establishing the contracts, settling payments and undertaking other administrative procedures in a timely manner. It is important to undertake risk assessments for each of the requests with a view to minimizing financial and fraud-related risks, as International Assistance becomes a truly worldwide operation with large sums involved.
7. The projects financed by the Fund are important examples of safeguarding activities; by monitoring and evaluating the impacts of assistance supported by the Fund, the dedicated team will also have the important mission of learning from each project and sharing the lessons learnt. In other words, the team will strive to identify good practices and transmit such experiences on the part of beneficiary States – and, by extension, beneficiary communities – to the international arena. Such information could ultimately serve as a communication tool for inspiring other States to engage in the safeguarding of their intangible culture heritage in line with the spirit of the Convention. Once the system is better established, it is hoped that the International Assistance mechanism will provide a better understanding of the safeguarding of intangible cultural heritage in general.
8. From the point of view of budget expenditure, one of the purposes of creating three extra-budgetary fixed-term posts is to ensure timely access to International Assistance that is more impactful at the national level. The target is to reach an optimum level when the budget equals assessed contributions and expenditure. Based on a steadily increasing level of assessed contributions (3% every biennium) and an estimated 40% increase in the use of budget lines 1 and 2 during the 39 C/5 but remaining stable thereafter, this target will be reached by the 44 C/5 biennium (Figure 2). When the budget stabilizes to the amount of the assessed contributions, around 14% of the overall budget will be needed to cover the cost of the fixed-term posts (budget line 1.1).

**Figure 2:** Forecast trends: Fund, if the new Draft Plan for the use of the resources is approved

1. 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 the resources (**budget line 1**, 52.55%) be allocated to providing International Assistance to States Parties to supplement their national efforts to safeguard intangible cultural heritage. As already explained in paragraph 9, and given the systemic underutilization of the International Assistance mechanisms, the reduction under this line compared to the previous biennium (- 6.45%) will serve to set up a new team specifically dedicated to its activation, monitoring and evaluation.
2. The percentage of the funds budgeted for granting Preparatory Assistance (**budget line 2**), as commented above, is proposed to be reduced slightly to 4%. In addition to Preparatory Assistance for nomination files to the Urgent Safeguarding List and proposals for the Register of Good Safeguarding Practices, the Committee decided to use this line to provide technical assistance to States Parties for preparing International Assistance requests ([Decision 8.COM 7.c](https://ich.unesco.org/en/Decisions/8.COM/7.c)). Considering that States have required technical assistance much more than Preparatory Assistance in the traditional form, 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 States Parties in developing their ideas and requirements from a brief concept note into a fully-fledged request.

**‘Other functions of the Committee’**

1. **Budget line 3**, ‘other functions of the Committee’, would be maintained at 20%. Such functions are listed under Article 7 of the Convention and the Secretariat makes use of these funds to assist the Committee in performing these functions, as required by Article 10 of the Convention. In other words, these funds will primarily be used 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 cross-cutting needs of the capacity-building programme and the new initiative to incorporate intangible cultural heritage into formal and non-formal education. Similarly, this budget line will be vital for ensuring the steady improvement in the management of knowledge, information and monitoring, including the website of the Convention.
2. This budget line will also be used to support the broadening of the implementation of the Convention, as requested by the Committee. In particular, this concerns the continuation of the work already underway on the overall results framework for the Convention and its operationalization, the reflection on the participation of accredited NGOs under the Convention as well as the thematic consideration regarding intangible cultural heritage in the situation of emergencies. Funds allocated to this budget line will also contribute to developing new initiatives such as the integration of intangible cultural heritage into development planning through the establishment of partnerships with educational institutions and cooperation with other United Nations agencies. Finally, these funds will also be used to promote the objectives of the Convention though awareness raising and outreach.
3. The Committee once again delegated 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 ([Decision 12.COM 7](https://ich.unesco.org/en/Decisions/12.COM/7)). The detailed spending plan for this budget plan will be made available in time for the second Bureau meeting of the thirteenth session of the Committee, scheduled to be held on 7 June 2018. In that same decision and along the lines of the previous practice, the Committee authorized 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. This 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.

**Participation in the meetings of the governing bodies and assistance to the Committee**

1. The participation in statutory meetings of 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. The participation of experts in intangible cultural heritage representing accredited NGOs from developing countries in the sessions of the Committee is, in turn, covered by **budget line 6**. Taking into account past experiences regarding the amount of requests from the above-mentioned categories for participants in the meeting of the Committee, it is proposed that 2%, 3.25% and 4% be dedicated to the above-mentioned lines, respectively.
2. During its last session ([Decision 12.COM 7](https://ich.unesco.org/en/Decisions/12.COM/7)), the Committee recommended that the Secretariat be authorized to make transfers between budget lines 4, 5 and 6, up to 30% of their initial total allocation. The intention was to make better use of the funds, in accordance with the necessities of each cycle, in an attempt to respond to as many requests for financial assistance as possible. In that same decision, the Secretariat was requested to inform the Committee and the General Assembly of the details of and reasons for these transfers, in writing, at the session following such action.
3. **Budget line 7** covers the costs of advisory services provided at the request of the Committee. It is proposed that this line be maintained at 6%, as the allocation approved for the 38 C/5 exercise proved sufficient to cover all the associated costs.

**Reserve Fund**

1. The Financial Regulations of the Intangible Cultural Heritage Fund require that a **Reserve Fund** be established to meet emergency requests for assistance, as foreseen in Article 22.2 of the Convention. During the last biennium, the total allocation of the Reserve Fund reached the amount of US$1,000,000 – achieving the objective set by the Committee ([Decision 10.COM 8](https://ich.unesco.org/en/Decisions/10.COM/8) and [Resolution 6.GA 9](https://ich.unesco.org/en/Resolutions/6.GA/9)). Considering that this reserve would be tapped for emergency assistance *only* when funds are no longer available in budget line 1, it is proposed that no budget be allocated to **budget line 8** on this occasion.

**Assessed contributions**

1. At the time of writing this document, the 177 States Parties to the Convention represent 64% of the total assessed contributions to UNESCO’s regular budget, with the rates for assessed contributions to the Convention being established at 1% of each State’s contribution to UNESCO’s regular budget. As for the previous biennium, the Fund shall therefore receive about US$3.9 million in assessed contributions from States Parties in 2018-2019 (US$3.6 million compulsory and US$0.3 million voluntary assessed contributions). It is to be noted that, according to the latest report issued by the Bureau of Financial Management, a total amount of $435,243 of the assessed contributions due for years prior to 2018 remains unpaid (31 March 2018). This amount represents 24% of the total amount due for 2018.
2. The General Assembly may wish to adopt the following resolution:

DRAFT RESOLUTION 7.GA 8

The General Assembly,

1. Having examined Documents ITH/18/7.GA/8 and ITH/18/7.GA/INF.8,
2. Recalling Article 7(c) of the Convention and paragraphs 66 and 67 of the Operational Directives,
3. Taking note of the continued underutilization of the Intangible Cultural Heritage Fund and in particular with regards to International Assistance,
4. Recognises the need to enhance the human resources of the Secretariat for the implementation of the International Assistance mechanisms of the Fund, including their effective monitoring, and welcoming the proposal for the creation of three new extra-budgetary fixed-term posts,
5. Requests the Secretariat to initiate, as soon as possible, the recruitment procedure for the three posts to form a dedicated team to operationalize the implementation of the International Assistance mechanisms;
6. Approves the Plan for the use of the resources of the Fund for the period 1 January 2018 to 31 December 2019 as well as for the period 1 January 2020 to 30 June 2020 in the Annex to this Resolution;
7. Understands that, at the time of its eighth session in June 2020, it may readjust the budget plan from 1 January 2020 to 30 June 2020;
8. Authorizes the Committee to make immediate use of any voluntary supplementary contributions that might be received during these periods, as described in Article 27 of the Convention, in accordance with the percentages laid out in the Plan;
9. Further authorizes the Committee to make immediate use of any contributions that it might accept, during these periods, for specific purposes relating to specific projects, provided that those projects have been approved by the Committee prior to the receipt of the funds, as described in Article 25.5 of the Convention;
10. Takes note that the Committee set the amount of the Reserve Fund at US$1 million;
11. Further takes note of the donors that have provided voluntary supplementary contributions to the Fund since its last session, namely, China, Finland, Japan, Monaco, Montenegro, Netherlands, Republic of Korea and the United Arab Emirates;
12. Thanks all the contributors that have supported the Convention and its Secretariat, since its last session, through different forms of support, financial or in-kind, such as earmarked supplementary voluntary contributions to the Intangible Cultural Heritage Fund or the sub-fund for enhancing the human capacities of the Secretariat, Funds-in-Trust, or loaned personnel, and encourages other States to consider the possibility of supporting the Convention through the modality of their choice;
13. Authorizes the Secretariat to make transfers between budget lines 4, 5 and 6 dedicated to financial assistance for experts representing States Parties and representatives of accredited non-governmental organizations for their participation in the sessions of the Committee, its Bureau and subsidiary bodies, up to an equivalent of 30% of their initial total, and requests that the Secretariat inform the Committee and the General Assembly in writing, at the session following such action, of the details of and reasons for these transfers.

**ANNEX**

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| **Draft plan for the use of the resources of the Fund** |  |  |  |
| For the period 1 January 2018 to 31 December 2019, as well as for the period 1 January 2020 to 30 June 2020, the resources of the Intangible Cultural Heritage Fund may be used for the following purposes: | % applied during previous biennium 2016-2017 | % of the total amount proposed 2018-2019[[2]](#footnote-2) | Indicative amounts2018-2019 | Indicative amountsJan-June 2020 |
| 1. | International Assistance, comprising the safeguarding of heritage inscribed on the List of Intangible Cultural Heritage in Need of Urgent Safeguarding, the preparation of inventories and support for other safeguarding programmes, projects and activities; | 59.00% | 52.55% | $4,514,530 | $1,128,632  |
| 1.1 | Enhancing human resources to improve the implementation of the International Assistance mechanisms through the creation of three extra-budgetary fixed-term posts (one P3, one P2 and one G5); | - | 8.20% | $704,456 | $176,114 |
| 2. | Preparatory assistance for International Assistance requests, as well as for nomination files to the Urgent Safeguarding List and proposals for the Register of Good Safeguarding Practices; | 5.50% | 4.00% | $343,637 | $85,909  |
| 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 by strengthening capacities to effectively safeguard intangible cultural heritage, raising awareness of the importance of such heritage, providing guidance on good safeguarding practices and updating and publishing the Lists and the Register of Good Safeguarding Practices; | 20.00% | 20.00% | $1,718,184  | $429,546  |
| 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% | 2.00% | $171,818 | $42,955  |
| 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% | 3.25% | $279,205 | $69,801  |
| 6. | Participation in the sessions of the Committee, its Bureau and consultative bodies of public or private bodies, private persons, notably members of communities and groups, that have been invited by the Committee to advise it on specific matters, as well as experts in intangible cultural heritage representing accredited NGOs from developing countries; | 4.50% | 4.00% | $343,637 | $85,909 |
| 7. | The costs of advisory services to be provided at the request of the Committee, including support for developing States whose representatives have been appointed to the Evaluation Body; | 6.00% | 6.00% | $515,455 | $128,864  |
| 8. | Building up the Reserve Fund referred to in Article 6 of the Financial Regulations of the Fund. | N/A | 0% | - | - |
| **TOTAL** | **100.00%** | **100.00%** | **$8,590,922** | **$2,147,731** |
| 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. |
| For the period 1 January 2020 to 30 June 2020, one-fourth of the amount established for the twenty-four months of the financial period 2018-2019 shall be allocated on a provisional basis, except for the Reserve Fund, whose amount was set by the Committee at US$1 million ([Decision 10.COM 8](https://ich.unesco.org/en/Decisions/10.COM/8)). |

1. . <https://ich.unesco.org/en/donors> [↑](#footnote-ref-1)
2. . Percentages are applied to the balance of the Fund as of 31 December 2017. This balance does not include the Reserve Fund (US$1,000,000). [↑](#footnote-ref-2)