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

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

**Eighth session**

**UNESCO Headquarters, Room I**

**8 to 10 September 2020**

**Item 7 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 2020–2021 and the first semester of 2022 (Annex I).**Decision required:** paragraph 49 |

1. **Background**
2. Article 7(c) of the Convention requests that the Committee ‘prepare and submit to the General Assembly for approval a draft plan for the use of the resources of the [Intangible Cultural Heritage] Fund [Special Account (hereafter ‘the Fund’)], in accordance with Article 25’ of the Convention. The draft plan (hereafter the ‘Plan’), submitted by the Committee in accordance with its [Decision 14.COM 7](https://ich.unesco.org/en/Decisions/14.COM/7) and annexed to the present document, was prepared in conformity with the guidelines found in Chapter II.1 of the Operational Directives and based on the experience of implementing the Plan during previous biennia. The financial report for the period 1 January 2018 to 31 December 2019 is available in [document LHE/20/8.GA/INF.7](https://ich.unesco.org/doc/src/LHE-20-8.GA-INF.7-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 requested to approve a Plan for the period 1 January 2020 to 31 December 2021 and, on a provisional basis, for the first six months of the next financial period, i.e. from 1 January 2022 to 30 June 2022. The provisional budget for the first semester of 2020 adopted by the seventh session of the General Assembly ([Resolution 7.GA 8](https://ich.unesco.org/en/Decisions/7.GA/8)) will in turn be superseded by the present Plan once adopted by the current session of the General Assembly.
4. At year-end 2019, the fund balance available for programme activities was US$7,840,379, excluding the Reserve Fund. It is proposed that the General Assembly allocates funds in each line on the basis of percentages of the total resources available, rather than in absolute figures. This will allow, in case of need, for assessed contributions received during the biennium to be allocated to each budget line following the approved percentages. In this way, the Committee will be able 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. At the same time, it is also suggested 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.
5. Furthermore, the General Assembly is once again asked to authorize the Committee to make immediate use of contributions related to specific projects, provided that they are within the scope of the two funding priorities approved by the Committee for the period 2018–2021 ([Decision 12.COM 6](https://ich.unesco.org/en/Decisions/12.COM/6)): ‘Strengthening capacities to safeguard intangible cultural heritage and contribute to sustainable development’ and ‘Safeguarding intangible cultural heritage in formal and non-formal education’. The list of such contributions, as well as other voluntary supplementary contributions and donors, can be found in the information document  [LHE/20/8.GA/INF.7](https://ich.unesco.org/doc/src/LHE-20-8.GA-INF.7-EN.docx).
6. In order to better understand the context of the proposed plan for the use of the resources of the Intangible Cultural Heritage Fund for the period 2020–2021 ([Part III](#III_Plan)), the present document first provides an overview of the present status of the Fund and of current trends ([Part II](#II_Status)). It also describes the measures taken to preserve the continuity of the work of the Secretariat following the postponement of the eighth session of the General Assembly from June to September 2020 ([Part IV](#IV_Continuity_Measures)), while its fifth section proposes a new annual target for the sub-fund ([Part V](#V_Subfund)). The sixth section addresses the continued application of a Management Cost rate of 0 per cent for all assessed contributions ([Part VI](#VI_Management_Cost)). Finally, the document proposes revisions to the Financial Regulations of the Fund in conformity with decisions from UNESCO’s Executive Board concerning the Financial Regulations of Special Accounts ([Part VII](#VII_Financial_Regulations)).
7. **STATUS AND TRENDS**
8. Based on the financial report for the period 1 January 2018 to 31 December 2019 ([document LHE/20/8.GA/INF.7](https://ich.unesco.org/doc/src/LHE-20-8.GA-INF.7-EN.docx)) and following the analysis of trends outlined in document [ITH/18/7.GA/8](https://ich.unesco.org/doc/src/ITH-18-7.GA-8-EN.docx), this section describes the evolution of the income and expenditures of the Fund until 31 December 2019.
9. During the 2018–2019 biennium, the expenditures for programme activities have, for the first time, surpassed US$5 million and represent 149% of the compulsory assessed contributions due for 2018–2019 (see Figure 1 below). The increase in expenditure is linked to the improvement in the capacity to deliver. It is worth noting that this has led to a decrease of the fund balance at year-end 2019 compared to the previous period.



**Figure 1:** Evolution ofexpenditures of the Fund (2010–2019)

1. A clear feature in the use of the Fund during the 2018–2019 biennium is that the use of the **International Assistance mechanisms**, corresponding to budget lines 1, 1.1 and 2 (see Figure 2 below), increased significantly (116%) compared to the previous biennium. As for the expenditure rate, it reached 52% as at 31 December 2019, its highest point in both nominal amount and percentage since 2010. This positive result is mainly thanks to: 1) the increase in 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)); 2) the 90% increase (compared to the previous 2016–2017 biennium[[1]](#footnote-1)) in the number of requests examined by the Bureau, with the corresponding recommendations prepared by the Secretariat and 3) the continuation of a relatively high proportion of requests approved by the Bureau (70% of requests examined by the Bureau in 2018 and 2019 have been approved), demonstrating the overall satisfactory quality of the requests received by the Secretariat.



**Figure 2:** Expenditure rate for International and Preparatory Assistance

**Assessed contributions**

1. It should be recalled that the **payment of contributions** is an obligation incumbent on all States Parties that have ratified the Convention, in accordance with Article 26. As at 31 December 2019, the arrears in **compulsory assessed contributions** amounted to US$435,318 (against US$455,033 at 31 December 2017), of which US$202,682 corresponded to unpaid contributions of years prior to 2019. The amount of unpaid contributions has remained around US$400,000 since 2016. As of 31 December 2019, 82 States Parties (47%) had not paid their contribution for 2019. Amongst them, 46 States Parties (27%) had also not paid their contribution for years prior to 2019 (see [Statement of compulsory contributions as at 31 December 2019](https://ich.unesco.org/en/ich-fund-00816)).[[2]](#footnote-2) With regards to the **voluntary assessed contributions** of States Parties assessed in accordance with Article 26.2 of the Convention, a comparison over the past six years shows that payments remained on average at 63% of the assessed amounts.2

**Prospects for future budget cycles**

1. After ten years of constant increase, the fund balance at year-end has decreased for the first time and is expected to decrease at the end of the 2020-2021 biennium as well. This forecast trend is a positive sign from an operational point of view. It reflects States’ increased capacity to access funds that support programmes and projects which contribute to the safeguarding of living heritage, as well as the improved ability of the governing bodies of the Convention and of the Secretariat to respond to their requests. However, this trend also means that the amount of financial resources available to support State efforts to safeguard intangible cultural heritage will likely diminish in the future, even though this is not an immediate concern. On the other hand, now that the Fund is in a healthier operational situation, the Convention is in a better position to pursue voluntary supplementary contributions.

#### BUDGET LINES AND ALLOCATIONS FOR THE 40 C/5 (2020–2021)

1. The proposal for the allocation of funds for the 40 C/5 (2020–2021) follows the structure based on budget lines, which has been used for the past equivalent exercises. These budget lines can be divided into three categories, namely those expenditures related to: a) International Assistance; b) ‘other functions’ of the Committee in the sense of Article 7 of the Convention; and c) participation in the meetings of the governing bodies and assistance to the Committee. 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 taking into account the 9% decrease of funds available at the end of the 2018-2019 biennium (US$7.84 million) compared with the end of 2016-2017 biennium (US$8.59 million).

**International Assistance**

1. The majority of the resources are proposed to be allocated for providing International Assistance to States Parties to supplement their national efforts to safeguard intangible cultural heritage (**budget lines 1, 1.1 and 2**). The combined percentage of these three lines (64.75%) remains the same as during the previous biennium.
2. As part of this combined percentage, 51.96% of the total amount to be allocated globally are foreseen for the support provided to States for safeguarding programmes and projects (**budget line 1**). This allocation should allow the Fund to maintain the current level of support to States through International Assistance, should the number of requests received remain stable during the 2020–2021 period.
3. At its seventh session in June 2018, the General Assembly approved the creation of three extra-budgetary fixed-term posts ([Resolution 7.GA 8](https://ich.unesco.org/en/Decisions/7.GA/8)) to form a dedicated team to operationalize the implementation of the International Assistance mechanisms. Some 10.79% of the resources of the Fund are proposed to be allocated to cover the costs of these three posts (**budget line 1.1**).
4. Furthermore, it is proposed that 2% of the funds be budgeted for granting preparatory assistance (**budget line 2**). In addition to preparatory assistance for nomination files, the Committee decided to use this line to provide technical assistance to States Parties for preparing International Assistance requests.[[3]](#footnote-3) Considering that preparatory assistance is rather underutilized (15.5% expenditure rate for 2018–2019) and that States have required technical assistance much more often than preparatory assistance in its traditional format, it is proposed that the budget allocated under this line continue to be used for technical assistance.

**‘Other functions of the Committee’**

1. **Budget line 3**, ‘Other functions of the Committee’, will be maintained at 20% in order to strengthen the work initiated during the current biennium. 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]).
2. At its fourteenth session in 2019, the Committee introduced a new approval procedure for the spending plan under budget line 3 ([Decision 14.COM 7](https://ich.unesco.org/en/Decisions/14.COM/7)). Until the 2018–2019 biennium, the Committee 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 (most recently in [Decision 12.COM 7](https://ich.unesco.org/en/Decisions/12.COM/7)). From the 2020–2021 biennium onwards, the Committee requested that the Secretariat present for examination by the sixteenth session of the Committee, and every session thereafter in odd-numbered years, a percentage breakdown under budget line 3 of the Plan, ‘Other functions of the Committee’, in terms of Expected Results as per the approved C/5, with a view to presenting it for approval by the following session of the General Assembly ([Decision 14.COM 7](https://ich.unesco.org/en/Decisions/14.COM/7)). In the same decision and as a transitional measure, the Committee requested that a percentage breakdown be submitted to the present session of the General Assembly under budget line 3 of the Plan, ‘Other functions of the Committee’, in terms of Expected Results as per the approved C/5.
3. **Strategic rationale**. The proposed plan for this budget line builds on the lessons learnt from activities implemented during the previous biennium. For consistency with the approved 40 C/5 and integration with the related reports to the governing bodies of both the Convention and UNESCO, the proposed Expected Results (ERs) are aligned with the [performance indicators](https://unesdoc.unesco.org/ark%3A/48223/pf0000367155) defined in the 40 C/5 for the Major Programme IV Culture, Main Line of Action 2, ER 6 ‘Intangible cultural heritage identified and safeguarded by Member States and communities, in particular through the effective implementation of the 2003 Convention’. Furthermore, since the annexed proposal covers the full biennium of 2020–2021 and supersedes the provisional spending plan previously approved by the Bureau of the Committee for the first six months of 2020 ([Decision 14.COM 2.BUR 3](https://ich.unesco.org/doc/src/LHE-19-14.COM_2.BUR-Decisions-EN.docx)), the ERs also include work accomplished in the first semester of 2020.
4. Funds allocated to this budget line will continue to provide essential support for a number of upstream and cross-cutting actions that have an overall and long-term impact for the implementation of the Convention. Specifically, the fund will support cross-cutting orientations to:
* Highlight the contributions that safeguarding living heritage can make for sustaining the world’s cultural diversity and for addressing a broad range of sustainable development issues in line with the 2030 Agenda: this includes efforts to deepen the integration of living heritage into broader UNESCO programmes and strengthen its contribution to SDGs, in particular those concerning education, gender, climate change, indigenous people and youth;
* Seek means to mobilize financial resources for the Convention in order to meet the growing demands of its governing bodies and those of the international community;
* Enhance the visibility of the Convention and the accessibility of information through an improved website, as well as outreach and communication initiatives;
* Support the reflections on the core issues identified by the Committee that are crucial for the further development of the Convention, including on the future of the listing mechanisms, the economic implications of activities linked to living heritage and the enhanced participation of civil society and NGOs;
* Continue the ongoing transition of the global capacity-building programme to support States and communities in the implementation of the Convention at the national level through a broader range of institutional partnerships and more diversified training formats and contents.
1. **Breakdown by Expected Result.** All four ERs remain the same as in the previous biennium, in line with the 40 C/5. The budget proposed for the current biennium aims to balance the allocation between the different ERs:

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| **Expected Result** | **2018−2019[[4]](#footnote-4)** | **1 January − 30 June 2020[[5]](#footnote-5)** | **2020−2021** |
| ER 1: Sound governance of the 2003 Convention facilitated by enhanced monitoring and knowledge management services | 20% | 23% | 27% |
| ER 2: Implementation of the Convention in Member States encouraged through a strengthened capacity-building programme  | 36% | 43% | 33% |
| ER 3: Integration of intangible cultural heritage into development plans, policies and programmes supported | 17% | 14% | 13% |
| ER 4: Objectives of the Convention promoted through awareness-raising and outreach | 27% | 20% | 27% |
| Total budget | 100% | 100% | 100% |

1. In order to avoid interruptions or delays in execution and in line with the resolution adopted by the General Conference at its fortieth session in November 2019, authorizing the Director-General to make transfers between appropriation lines of UNESCO’s regular programme up to an amount of 5% of the initial appropriation under the 40 C/5,[[6]](#footnote-6) the Committee authorized the Secretariat to make transfers between activities within budget line 3 up to a cumulative amount equivalent to 5% of the initial total allocation ([Decision 14.COM 7](https://ich.unesco.org/en/Decisions/14.COM/7)). Based on the indicative amount of the budget indicated in Annex I, this would be equivalent to US$78,403. The Secretariat would inform the Committee in writing, at the session following such action, of the details and reasons for these transfers, should they occur.

## Expected Result 1: Sound governance of the 2003 Convention facilitated by enhanced monitoring and knowledge management services

1. Sound governance of the 2003 Convention is paramount to ensuring that all stakeholders can be efficient and innovative in their work to implement the Convention at the national and international levels and enables a broader demonstration of the importance of safeguarding living heritage in general for sustainable development. To this end, the Secretariat facilitates continual improvements to monitoring and knowledge management and ensures follow up on decisions of the Committee. The global reflection on the listing mechanisms will be a focus of the next couple of years (Decisions [13.COM 6](https://ich.unesco.org/en/Decisions/13.COM/6), [13.COM 10](https://ich.unesco.org/en/Decisions/13.COM/10) and [14.COM 14](https://ich.unesco.org/en/Decisions/14.COM/14)), and as such, the Secretariat will continue to support this process, which is funded largely by Japan, notably through the organization of an expert meeting and an intergovernmental open-ended working group. Similarly, in response to recurrent recommendations of the Evaluation Body and a decision of the Committee requesting ‘the Secretariat to publish the recommendations of the Evaluation Body on the safeguarding measures and good practices that address the risk of decontextualization and over-commercialization of elements’ ([Decision 14.COM 10](https://ich.unesco.org/en/Decisions/14.COM/10)), the Secretariat also proposes to work on guidance for States Parties and communities for leveraging the economic potential of living heritage while addressing the risks of decontextualization and over-commercialization.
2. Overall, the Secretariat relies on knowledge management as a key support to encourage new ways of working in response to ever-changing circumstances and new priorities. This situation reinforced the need to continually upgrade and improve data management and provide innovative web-based solutions that can streamline routine processes, for example, through developing online forms for requests and submissions. Furthermore, online interfaces can make it possible to collect, disseminate and navigate information on topics such as the domains of competence of accredited NGOs ([Decision 14.COM 15](https://ich.unesco.org/en/Decisions/14.COM/15)). Not only can these developments simplify and consolidate information, but they will also make it accessible to multiple stakeholders. The COVID-19 crisis, during which the Secretariat and many Convention’s stakeholders (including the Evaluation Body) worked from home, showed even more clearly that the online accessibility of information and the availability of online tools are critical for the continuity of statutory processes.
3. Furthermore, building on the increased operationalization of the International Assistance mechanism over the past few years, the newly recruited Safeguarding Implementation and Monitoring Team will initiate an enhanced monitoring of ongoing projects funded by the Fund and gather lessons learned from ongoing and completed projects. This will be achieved with the introduction of tools to guide States Parties and through improving qualitative and quantitative data collection.

## Expected Result 2: Implementation of the Convention in Member States encouraged through a strengthened capacity-building programme

1. With the continuous expansion of the Convention, demand for capacity-building remains high, as States Parties are confronted with new challenges. At the same time, the context and conditions for implementing the capacity-building programme are evolving, requiring new approaches and strategies. The emergence of the COVID-19 crisis – and the subsequent restrictions on the organization of public meetings and international travel – made particularly clear that the capacity-building programme needs to adapt.
2. During the present biennium, the Secretariat will focus on implementing a strategic repositioning of the programme to include a larger percentage of online training in content areas covered by the programme, relying on both self-guided and instructor-based modalities. Considering the large scope that the programme has covered since its launch, this represents a considerable undertaking that will be intensified this biennium. The successful experience of capacity-building for the periodic reporting cycle in Latin America and the Caribbean allowed the Secretariat to gather useful knowledge and skills to design, produce and implement online training programmes. The online format means that the programme can reach and train a larger group of people, without requiring participants’ travel and lodging, thus proving to be cost effective and more environmentally friendly.
3. To ensure the sustainability of the capacity-building programme going forward, the Secretariat will continue monitoring its results, in particular regarding the integration of intangible cultural heritage safeguarding in policies. The identification and building of strategic partnerships with other organisations active in the fields of culture and heritage, including Category 2 Centres and universities will also remain a priority. In this regard, the Secretariat foresees the development of Massive Open Online courses (MOOCs), as an innovative way to expand the reach of the capacity-building programme to younger audiences of students and young people with an interest in living heritage, along with government officials and NGOs.

## Expected Result 3: Integration of intangible cultural heritage into development plans, policies and programmes supported

1. In response to the Committee’s adoption of two funding priorities for 2018–2021 ([Decision 12.COM 6](https://ich.unesco.org/en/Decisions/12.COM/6)), the Secretariat developed, over the past two years, the intersectoral initiative ‘Safeguarding intangible cultural heritage through formal and non-formal education’ which contributes to a UNESCO house-wide intersectoral initiative on ‘Education and Culture together in action to advance the SDGs’. As an upstream action, the Secretariat will launch and further develop the clearing house for knowledge sharing, cooperation and innovation on intangible cultural heritage and education to facilitate work in this area at the global level. Efforts will be intensified to build and sustain partnerships with relevant donors, global education programmes and institutions to find support for this growing demand and activities will be developed accordingly.
2. At its thirteenth session in 2018, the Committee recognized the importance of indigenous peoples worldwide in ensuring the sustainability, learning, use and transmission of their languages as fundamental vehicles of intangible cultural heritage ([Decision 13.COM 20](https://ich.unesco.org/en/Decisions/13.COM/20)). In line with this decision, the Secretariat will reach out to indigenous peoples and associations that are actively engaged in integrating their living heritage into formal and non-formal education programmes to reflect their experiences in the clearing house and in the action plan that UNESCO is developing for the International Decade on Indigenous Languages. Furthermore, synergies between the 2003 Convention and the UN system’s work in the framework of the 2030 Agenda will be further pursued in the area of climate change and biodiversity, with new opportunities arising in the context of the preparation of the post-2020 Global Biodiversity Framework of the Convention for Biological Diversity.

## Expected Result 4: Objectives of the Convention promoted through awareness-raising and outreach

1. As defined in its Article 1, one of the main purposes of the Convention is to raise awareness about the importance of intangible cultural heritage at the local, national and international levels. Based on actions carried out in the previous biennium, the Secretariat will continue initiating communication activities to raise awareness and outreach at all levels, and in particular at the international level. Furthermore, developing strategic and effective institutional partnerships will remain key to promoting the objectives of the Convention. In this regard, the Secretariat plans to strengthen its efforts to seek means for increasing the financial resources received for implementing the Convention.
2. The [Convention’s website](https://ich.unesco.org/) is the backbone for disseminating information on the Convention and its implementation, from the work of the governing bodies to projects and activities implemented at the national level. The growth of the Convention – both in its geographical scope and thematic expansion – has led to a wealth of information that will be reorganized. The website’s redesign will improve the accessibility of all the information it contains, with a focus on the connections between living heritage and sustainable development. Building on the successful experience of the [platform on living heritage experiences and the COVID-19 pandemic](https://ich.unesco.org/en/living-heritage-experiences-and-the-covid-19-pandemic-01123) launched in May 2020, the Secretariat will also reinforce the capacity of its website to serve as an exchange and communication platform.
3. A broad range of tools and communication initiatives will be launched and developed to reach a wide range of stakeholders, including governmental authorities, partner organizations such as accredited NGOs and category 2 centres as well as communities. Communication tools and guidance will be developed for States Parties. Interactive visualization tools (such as the online interface ‘Dive into intangible cultural heritage!’), exhibitions – both physical and virtual – as well as electronic brochures will be prepared and organized around strategic themes, in particular on sustainable development and emergencies. Specific efforts will be undertaken to reach out beyond usual UNESCO audiences and ensure the presence of living heritage in at least one major international event on sustainable development.

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

1. The participation of experts in intangible cultural heritage representing developing States Parties in statutory meetings 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 covered by **budget line 6**. It is proposed that 2.63%, 3.31% and 3.31%, respectively, be dedicated to the above-mentioned lines. The slight adjustments in the percentages aim to ensure support to all eligible members of the Committee, while balancing at the same time the support provided to States Parties and accredited NGOs, given the increasing number of ratifications in recent years.
2. At its seventh session ([Resolution 7.GA 8](https://ich.unesco.org/en/Decisions/7.GA/8)), the General Assembly recommended that the Secretariat be authorized to make transfers between budget lines 4, 5 and 6, up to 30% of their initial total allocation. During the reporting period 2018–2019, the following two transfers were carried out, in September and November 2019 respectively, between these three budget lines as follows:
	* US$24,866 from budget line 4 to budget line 5 (this amount represents 14% of the initial allocation under budget line 4);
	* US$45,000 from budget line 6 to budget line 5 (this amount represents 13% of the initial allocation under budget line 6).
3. These two transfers allowed the Fund to a) cover the travel costs of forty experts from developing States Parties to the Convention but not Members of the Committee to participate in the fourteenth session of the Committee in 2019 (budget line 5); b) to respond positively to all requests from experts representing developing States that are Members of the Committee to attend the fourteenth session of the Committee in 2019 (budget line 4); and c) cover the travel costs of twenty-five experts representing accredited non-governmental organizations from developing countries for this same session of the Committee (budget line 6).
4. **Budget line 7** is proposed to be maintained at 6% to cover the cost of the advisory services provided at the request of the Committee from January 2020 to December 2021.
5. For the period 2020–2021, the intention remains to make efficient use of the funds in accordance with the necessities of each cycle. In this regard, it has been observed that the use of the funds allocated to budget line 7 can significantly vary from one year to another, as eligibility depend on the country of expert members of the Evaluation Body. Therefore, to enhance efforts to respond to as many requests for financial assistance as possible across the different categories of participants, the Committee recommended to the General Assembly to also authorize the Secretariat to make transfers between budget lines 4, 5, 6 and 7, up to an equivalent of 30% of their initial total ([Decision 14.COM 7](https://ich.unesco.org/en/Decisions/14.COM/7)). In the same decision, the Secretariat was requested to inform the Committee and the General Assembly in writing, at the session following such action, of the details of and reasons for these transfers.

#### CONTINUITY MEASURES FOLLOWING THE POSTPONEMENT OF THE EIGHTH SESSION OF THE GENERAL ASSEMBLY

1. In light of the postponement of the eighth session of the General Assembly due to the COVID-19 pandemic, the Secretariat was obliged to reprogramme part of the Fund budget approved for the first semester of 2020 for business continuity. The General Assembly, at the original dates from 9 to 11 June 2020, would have examined the proposal of the Committee to approve the present Plan for the use of the resources of the Intangible Cultural Heritage Fund for the biennium 2020–2021 as well as one fourth of the amount established for the two-year period from 1 January 2020 to 31 December 2021 be provisionally allocated to the first semester of 2022 ([Decision 14.COM 7](https://ich.unesco.org/en/Decisions/14.COM/7)).
2. Given that the General Assembly at its seventh session approved 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 ([Resolution 7.GA 8](https://ich.unesco.org/en/Decisions/7.GA/8)), the Secretariat faced a risk of disruption in its operations after 30 June 2020. In order to maintain its operations and as an intermediary measure, the Secretariat, in consultation with UNESCO’s Central Services, decided to extend the validity of the approved budget for the first six months of 2020 until the eighth session of the General Assembly of the Convention could be convened. This extension did not affect the overall budget of US$2,147,731 approved by the General Assembly for the first six months of 2020 and does not impact the overall biennial Plan and the percentages proposed.

#### STRENGTHENING THE HUMAN RESOURCES OF THE SECRETARIAT

1. In 2010, the General Assembly established a dedicated sub-fund, within the Intangible Cultural Heritage Fund, to be used exclusively for enhancing the human capacities of the Secretariat. At the time, the General Assembly considered that funds in the amount of approximately US$1.1 million per year were needed for this purpose ([Resolution 3.GA 9](https://ich.unesco.org/doc/src/ITH-10-3.GA-CONF.201-Resolution%20Rev.-EN.doc)).
2. Recognizing that the Secretariat’s ability to provide quality services to Member States depends largely on its human resources, many and various donors have provided support over the years. This support was most recently reflected in [Decision 7.GA 8](https://ich.unesco.org/en/Decisions/7.GA/8) of the General Assembly to create three new extra-budgetary fixed-term posts in order to enhance the human resources of the Secretariat for the implementation of the International Assistance mechanisms of the Fund (see [document LHE/20/8.GA/INF.7](https://ich.unesco.org/doc/src/LHE-20-8.GA-INF.7-EN.docx)). The three posts, together with the in-kind and financial contributions received during the present biennium, contribute to addressing the needs identified by the Secretariat in terms of human resources, even though the annual target of the sub-fund, set at US$1.1 million, was not reached.
3. Since this target was first set in 2010, the Convention has considerably expanded its geographical reach (from 113 States Parties to 178 as of July 2020) and its thematic scope. In 2019, the Committee therefore requested ‘that the Secretariat reassess its human resource needs and submit a new revised annual target of the sub-fund’ for examination by the General Assembly at the present session ([Decision 14.COM 6](https://ich.unesco.org/en/Decisions/14.COM/6)).
4. Currently there are ten professional and five general fixed-term staff working at the Living Heritage Entity, including the Secretary of the Convention, the Heads of the two units (Programme Management Unit as well as Capacity-building and Heritage Policy Unit) and the three extrabudgetary fixed-term post holders. These numbers are not 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, treating nominations and non-governmental organizations requests for accreditation and reviewing and following-up on periodic reporting) and other vital functions (regional officer roles, capacity-building programme, thematic work on education and on emergencies, and outreach and communication). Under the current situation, many of these core obligations and functions are fulfilled by temporary staff under various contract arrangements.
5. Based on actual costs incurred by the Secretariat, the annual target of the sub-fund would need to be set at US$950,000 per year. This would permit the Secretariat to adequately continue addressing emerging needs and enhancing the implementation of the Convention, for instance through the roll-out of the periodic reporting mechanism, the implementation of an outreach and communication plan, thematic initiatives on ‘safeguarding intangible cultural heritage in formal and non-formal education’ and ‘intangible cultural heritage in emergencies’ and the reflection launched by the Committee on the future of the Convention’s listing mechanisms. To this end, voluntary contributions to the sub-fund, whether from States or from the private sector, are still necessary.

#### MANAGEMENT COST RATE OF THE FUND

1. The Fund, as well as other comparable multi-donor special accounts such as the World Heritage Fund, has benefitted from a special Management Cost rate derogation (0 per cent), granted by the Director-General with regard to their assessed contributions, while 10 per cent was charged on voluntary supplementary contributions initially.
2. At its thirteenth session ([Decision 13.COM 6](https://ich.unesco.org/en/Decisions/13.COM/6)), the Committee took note of the Executive Board document [204 EX/5 Part II.E](http://unesdoc.unesco.org/images/0026/002615/261576e.pdf) on ‘Cost recovery policy: Revised Proposal for a differential rate policy for Management Cost Rates’ and its related decision, according to which the Board decided that all multi-donor special accounts should now be subject to a new rate of 7 per cent. The document presented to the 204thsession of the Executive Board stated that ‘necessary consultations with the Governing Bodies of States Parties to the Intangible Cultural Heritage Convention and to the World Heritage Convention will take place between June 2018 and November 2019’ (see document [204 EX/5 Part II.E](http://unesdoc.unesco.org/ulis/cgi-bin/ExtractPDF.pl?catno=261576&lang=e&from=126&to=139&display=2&ts=1534862511), paragraph 14). At its forty-second session in 2018, the World Heritage Committee decided to ‘recommend strongly that the current Management Cost rate of 0 per cent continues to apply to the special account of the World Heritage Fund’ ([Decision 42 COM 14](https://whc.unesco.org/document/168796)). At its fourteenth session ([Decision 14.COM 6](https://ich.unesco.org/en/Decisions/14.COM/6)), the Committee of the 2003 Convention recommended ‘that the General Assembly endorse the continued application of a Management Cost rate of 0 per cent for all assessed contributions to the special account of the Intangible Cultural Heritage Fund and apply a Management Cost rate of 7 per cent for all other contributions.’

#### ALIGNMENT OF FINANCIAL REGULATIONS OF SPECIAL ACCOUNTS

1. At its 200th session in 2016, UNESCO’s Executive Board approved Standard Financial Regulations for all types of Special Accounts including those related to conventions, as set out in [Annex IV of document 200EX/19](https://unesdoc.unesco.org/ark%3A/48223/pf0000245750) ([200 EX/Decision 19](https://unesdoc.unesco.org/ark%3A/48223/pf0000246369)). At its following session in 2017, the Executive Board requested that the Director-General propose to the relevant governing body of each Special Account, a realignment of the Financial Regulations of their respective Special Account with the abovementioned Standard Financial Regulations ([201 EX/Decision 24](https://unesdoc.unesco.org/ark%3A/48223/pf0000248900)). In 2019, the Committee requested that the Secretariat propose, for examination by the General Assembly at its present session, draft revisions to the Financial Regulations ([Decision 14.COM 7](https://ich.unesco.org/en/Decisions/14.COM/7)).
2. Realigning the Financial Regulations of the Fund requires a number of revisions as presented in Annex III. In particular, a new Article 4 as proposed would stipulate that the General Assembly has authority over the appropriation of the resources of the Fund based on the Operational Directives and that the Secretariat administers the Fund in accordance with the Convention, the decisions of the governing bodies of the Convention and the Financial Regulations. Furthermore, newly proposed Articles 4.4 and 10 would formalize the current practice applied in terms of reporting, whereby the Secretariat reports to the General Assembly on the use of the resources on a biennial basis. A new Article 11 as proposed would specify the modalities, through which the General Assembly could close the Fund. UNESCO’s Executive Board would be informed of any amendment to the Financial Regulations of the Fund (new Article 12.1).
3. The General Assembly may wish to adopt the following resolution:

DRAFT RESOLUTION 8.GA 7

The General Assembly,

1. Having examined documents LHE/20/8.GA/7 Rev. and [LHE/20/8.GA/INF.7](https://ich.unesco.org/doc/src/LHE-20-8.GA-INF.7-EN.docx),
2. Recalling Article 7(c) of the Convention and paragraphs 66 and 67 of the Operational Directives,
3. Further recalling 200 EX/Decision 19 and 201 EX/Decision 24, as well as the Appropriation Resolution for 2020–2021 adopted by the General Conference at its fortieth session,

**Status and trends of the Fund**

1. Welcomes the recent positive trends in the implementation of the Fund, commends the Secretariat for its efforts to intensify the operationalization of the International Assistance mechanisms, takes note that a dedicated team has been established with three new extra-budgetary fixed-term posts and looks forward to observing the improved monitoring of the impact of projects supported by the Fund;
2. Takes note of the measures taken by the Secretariat, with no impact to the overall biennial Plan, to ensure the continuity of its activities following the postponement of the eighth session of the General Assembly;
3. Further takes note of the donors that have provided voluntary supplementary contributions to the Fund since its last session, namely the People’s Republic of China, Finland, Japan, Kazakhstan, Monaco, Montenegro, the Netherlands and Sweden, as well as the in-kind support from the People’s Republic of China, Japan and Singapore;
4. 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 voluntary supplementary contributions to the Intangible Cultural Heritage Fund and 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;

**Plan for the use of the resources of the Fund**

1. Approves the Plan for the use of the resources of the Fund for the period 1 January 2020 to 31 December 2021 as well as for the period 1 January 2022 to 30 June 2022 in the Annex I to this Resolution;
2. Understands that, at the time of its ninth session in 2022, it may readjust the budget plan from 1 January 2022 to 30 June 2022; if the General Assembly is unable to meet prior to 30 June 2022, the Secretariat is authorized to continue operations until such a time that the General Assembly is able to meet;
3. Also takes note of the authorization granted by the Committee to the Secretariat, when utilizing the funds allocated under budget line 3 of the Plan, to make transfers between activities included under budget line 3 up to a cumulative amount equivalent to 5 per cent of the initial total allocation proposed to the General Assembly for this purpose;
4. 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;
5. 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;
6. Also authorizes the Secretariat to make transfers between budget lines 4, 5, 6 and 7, up to an equivalent of 30 per cent of their initial total allocation, 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;

**Sub-fund for enhancing the human resources of the Secretariat**

1. Underlines the need to enhance the human resources of the Secretariat on a lasting basis in order that it may better respond to the wishes and needs of States Parties, recognizes that funds in the amount of approximately US$950,000 per year are needed for this purpose and invites States Parties to provide voluntary supplementary contributions to the sub-fund in the corresponding amount per year;

**Management Cost Rate**

1. Endorses the continued application of a Management Cost rate of 0 per cent for all assessed contributions to the special account of the Intangible Cultural Heritage Fund and apply a Management Cost rate of 7 per cent for all other contributions;

**Financial Regulations**

1. Further approves the revisions to the Financial Regulations of the Special Account for the Fund for the Safeguarding of the Intangible Cultural Heritage as described in Annexes II and III of the present Resolution in order to align them with UNESCO’s Standard Financial Regulations.

Annex I

|  |  |  |  |
| --- | --- | --- | --- |
| **Draft plan for the use of the resources of the Fund** |  |  |  |
| For the period 1 January 2020 to 31 December 2021, as well as for the period 1 January to 30 June 2022, the resources of the Intangible Cultural Heritage Fund may be used for the following purposes: | % applied during previous biennium 2018–2019 | % of the total amount proposed 2020–2021[[7]](#footnote-7) | Indicative amounts2020–2021 | Indicative amountsJan–June 2022 |
| 1. | International Assistance, comprising the safeguarding of the 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; | 52.55% | 51.96% | $4,073,861 | $1,018,465 |
| 1.1 | Enhancing human resources to improve the implementation of the International Assistance mechanisms through three extra-budgetary fixed-term posts (one P3, one P2 and one G5); | 8.20% | 10.79% | $845,977 | $211,494 |
| 2. | Preparatory assistance for International Assistance requests, as well as for nomination files for the Urgent Safeguarding List and for proposals for the Register of Good Safeguarding Practices; | 4.00% | 2.00% | $156,808 | $39,202 |
| 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% | $1,568,076 | $392,019 |
|  | ***ER 1:*** *Sound governance of the 2003 Convention facilitated by enhanced monitoring and knowledge management services;* | *4%**(20% of line 3)* | *5.4%**(27% of line 3)* | *$423,380* | *$105,845* |
|  | ***ER 2:*** *Implementation of the Convention in Member States encouraged through a strengthened capacity-building programme;* | *7.2%**(36% of line 3)* | *6.6%**(33% of line 3)* | *$517,465* | *$129,366* |
|  | ***ER 3:*** *Integration of intangible cultural heritage into development plans, policies and programmes supported;* | *3.4%* *(17% of line 3)* | *2.6%**(13% of line 3)* | *$203,850* | *$50,962* |
|  | ***ER 4:*** *Objectives of the Convention promoted through awareness-raising and outreach;* | *5.4%**(27% of line 3)* | *5.4%**(27% of line 3)* | *$423,381* | *$105,846* |
| 4. | Participation in the sessions of the Committee, its Bureau and subsidiary bodies of experts in intangible cultural heritage representing developing States that are Members of the Committee; | 1.71% | 2.63% | $206,202 | $51,550 |
| 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; | 4.06% | 3.31% | $259,516 | $64,879 |
| 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; | 3.48% | 3.31% | $259,516 | $64,879 |
| 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% | 6.00% | $470,423 | $117,606 |
|  | **TOTAL** | **100.00%** | **100.00%** | **$7,840,379** | **$1,960,095** |
| 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 2022 to 30 June 2022, one-fourth of the amount established for the twenty-four months of the financial period 2020–2021 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). |

**Annex II**

**Proposed revised Financial Regulations of the Special Account for**

 **the Fund for the Safeguarding of the Intangible Cultural Heritage in line with the Model Financial Regulations for Special Account related to Conventions endorsed by the UNESCO Executive Board**

|  |  |
| --- | --- |
| **Article 1** | **Creation of a Special Account** |
| 1.1 | Article 25 of the Convention for the Safeguarding of the Intangible Cultural Heritage (hereinafter referred to as the ‘Convention’) establishes a Fund called the Fund for the Safeguarding of the Intangible Cultural Heritage (hereinafter referred to as the ‘Fund’).  |
| 1.2 | In accordance with Article 25 of the Convention and Article 6, paragraphs 5 and 6, of the Financial Regulations of UNESCO, there is hereby created a Special Account for the Fund for the Safeguarding of the Intangible Cultural Heritage (hereinafter referred to as the ‘Special Account’). |
| 1.3 | The following regulations shall govern the operation of the Special Account. |
| **Article 2** | **Financial period** |
| 2.1 | The financial period for budget estimates shall be two consecutive calendar years beginning with an even-numbered year. |
| 2.2 | The financial period for accounting shall be an annual calendar year. |
| **Article 3** | **Purpose** |
|  | In accordance with Article 25 of the Convention, the purpose of this Special Account shall be to receive contributions from the sources indicated in Article 5.1 below and to make payments therefrom, to assist in the safeguarding of intangible cultural heritage in accordance with the terms of the Convention and the present Regulations. |
| **Article 4** | **Governance** |
| 4.1 | The General Assembly of the States Parties (hereinafter referred to as the ‘General Assembly’) has authority over the appropriation of the resources under this Special Account. |
| 4.2 | In accordance with Article 7 of the Convention, the Intergovernmental Committee for the Safeguarding of the Intangible Cultural Heritage (hereinafter referred to as the ‘Committee’) shall 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 of the Convention. |
| 4.3 | The Director-General shall manage and administer the funds of the Special Account in accordance with the text of the Convention, the Operational Directives, the decisions approved by the General Assembly and the Committee, and the present Financial Regulations. |
| 4.4 | The Director-General shall, every two years, submit to the General Assembly and the Committee narrative and financial reports as indicated under Article 10 below. |
| **Article 5** | **Income** |
| 5.1 | In accordance with Article 25.3 of the Convention, the income of the Special Account shall consist of:1. contributions made by States Parties;
2. funds appropriated for this purpose by the General Conference of UNESCO;
3. contributions, gifts or bequests, which may be made by:
4. other States;
5. organizations and programmes of the United Nations system, particularly the United Nations Development Programme, as well as other international organizations;
6. public or private bodies or individuals;
7. any interest due on the resources of the Special Account;
8. funds raised through collections, and receipts from events organized for the benefit of the Special Account;
9. any other resources authorized by the Committee.
 |
| 5.2 | As stipulated in Article 26.1 of the Convention, the contributions of States Parties which have not made the declaration referred to in Article 26.2 of the Convention shall be made according to the uniform percentage determined by the General Assembly of the States Parties to the Convention. |
| **Article 6** | **Expenditure** |
| 6.1 | The use of the resources of the Special Account shall be approved by the General Assembly on a biennial basis. |
| 6.2 | The Special Account shall be debited with the expenditure relating to its purpose as described in Article 3 above, including administrative expenses specifically relating to it and management costs applicable. |
| 6.3 | Expenditure shall be made within the limits of funds available. |
| **Article 7** | **Reserve Fund** |
|  | Within the Special Account there shall be established a reserve fund to meet requests for assistance in cases of extreme urgency, as foreseen in Article 17.3 and 22.2 of the Convention. The amount of the reserve shall be determined by the Committee. |
| **Article 8** | **Accounts** |
| 8.1 | Subsidiary Accounts may be established by the General Assembly and the Committee. |
| 8.2 | The Chief Financial Officer of UNESCO shall maintain such accounting records as are necessary. |
| 8.3 | Any unused balance at the end of a financial period shall be carried forward to the following financial period. |
| 8.4 | The accounts of the Special Account shall be part of the consolidated financial statements presented for audit to the External Auditor of UNESCO. |
| 8.5 | Contributions in kind shall be recorded outside the Special Account. |
| **Article 9** | **Investments** |
| 9.1 | The Director-General may make short-term or long-term investments of sums standing to the credit of the Special Account. |
| 9.2 | Revenue from these investments shall be credited to the Special Account in line with UNESCO’s Financial Rules. |
| **Article 10** | **Reporting** |
| 10.1 | A biennial financial report showing the income and expenditure under the Special Account shall be prepared and submitted to the Committee and the General Assembly.  |
| 10.2 | A biennial narrative report shall be submitted to the Committee and the General Assembly.  |
| **Article 11** | **Closure of the Special Account** |
| 11.1 | The Director-General shall consult the General Assembly at such time as he/she deems that the operation of the Special Account is no longer necessary. Such consultation shall cover the decision on the use of any unspent balance. |
| 11.2 | The decision of the General Assembly shall be transmitted to the Executive Board prior to the effective closure of the Special Account. |
| **Article 12** | **General provision** |
| 12.1 | Any amendment to these Financial Regulations shall be approved by the General Assembly. The Executive Board shall be informed accordingly of any such amendments. |
| 12.2 | Unless otherwise provided in these Regulations, the Special Account shall be administered in accordance with the Financial Regulations of UNESCO. |

**Annex III**

**Proposed revisions to the Financial Regulations of the Special Account for**

 **the Fund for the Safeguarding of the Intangible Cultural Heritage in accordance with 200 EX/Decision 19**

|  |  |
| --- | --- |
| Financial Regulations of the Special Account for the Fund for the Safeguarding of the Intangible Cultural Heritage  | Proposed revisionsin line with the Model Financial Regulations for Special Account related to Conventions endorsed by the UNESCO Executive Board |
| **Article 1** | **Establishment of the Intangible Heritage Special Account** | **Article 1** | ~~Establishment of the Intangible Heritage~~ **Creation of a** Special Account |
| 1.1 | Article 25 of the Convention for the Safeguarding of the Intangible Cultural Heritage (hereinafter referred to as the ‘Convention’) establishes a Fund called the Fund for the Safeguarding of the Intangible Cultural Heritage (hereinafter referred to as the ‘Fund’). Given the multi-donor nature of the Fund, it will be managed as a Special Account. | * 1.
 | Article 25 of the Convention for the Safeguarding of the Intangible Cultural Heritage (hereinafter referred to as the ‘Convention’) establishes a Fund called the Fund for the Safeguarding of the Intangible Cultural Heritage (hereinafter referred to as the ‘Fund’). ~~Given the multi-donor nature of the Fund, it will be managed as a Special Account.~~ |
| 1.2 | In accordance with Article 6.6 of the Financial Regulations of UNESCO, there is hereby created a Special Account for the Fund for the Safeguarding of the Intangible Cultural Heritage (hereinafter referred to as the ‘Special Account’). | 1.2 | In accordance with ~~Article 6.6~~ **Article 25 of the Convention and Article 6, paragraphs 5 and 6,** of the Financial Regulations of UNESCO, there is hereby created a Special Account for the Fund for the Safeguarding of the Intangible Cultural Heritage (hereinafter referred to as the ‘Special Account’). |
| 1.3 | The following regulations shall govern the operation of the Special Account. | 1.3 | No change. |
| **Article 2** | **Financial period** | **Article 2** | No change. |
|  | The financial period shall correspond to that of UNESCO. | **2.1** | The financial period **for budget estimates shall be two consecutive calendar years beginning with an even-numbered year** ~~shall correspond to that of UNESCO~~. |
|  |  | **2.2** | **The financial period for accounting shall be an annual calendar year.** |
| **Article 3** | **Purpose** | **Article 3** | No change. |
|  | The purpose of this Special Account shall be to receive contributions from the sources indicated in Article 4.1 below and to make payments therefrom, to assist in the safeguarding of intangible cultural heritage in accordance with the terms of the Convention and the present Regulations. |  | **In accordance with Article 25 of the Convention**, the purpose of this Special Account shall be to receive contributions from the sources indicated in ~~Article 4.1~~ **Article 5.1** below and to make payments therefrom, to assist in the safeguarding of intangible cultural heritage in accordance with the terms of the Convention and the present Regulations. |
|  |  | **Article 4** | **Governance** |
|  |  | **4.1** | **The General Assembly of the States Parties (hereinafter referred to as the** **‘General Assembly’) has authority over the appropriation of the resources under this Special Account.** |
|  |  | **4.2** | **In accordance with Article 7 of the Convention, the Intergovernmental Committee for the Safeguarding of the Intangible Cultural Heritage (hereinafter referred to as the ‘Committee’) shall 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 of the Convention.** |
|  |  | **4.3** | **The Director-General shall manage and administer the funds of the Special Account in accordance with the text of the Convention, the Operational Directives, the resolutions adopted by the General Assembly and the decisions adopted by the Committee, and the present Financial Regulations.** |
|  |  | **4.4** | **The Director-General shall, every two years, submit to the General Assembly and the Committee narrative and financial reports as indicated under Article 10 below.** |
| **Article 4** | **Income** | **Article ~~4~~ 5** | No change |
| 4.1 | In accordance with Article 25.3 of the Convention, the income of the Special Account shall consist of:1. contributions made by States Parties to the Convention, in accordance with its Article 26;
2. funds appropriated for this purpose by the General Conference of UNESCO;
3. contributions, gifts or bequests which may be made by:
4. other States;
5. organizations and programmes of the United Nations system, particularly the United Nations Development Programme, as well as other international organizations;
6. public or private bodies or individuals;
7. any interest due on the resources of the Special Account;
8. funds raised through collections, and receipts from events organized for the benefit of the Special Account;
9. any other resources authorized by the Committee.
 | ~~4.1~~**5.1** | In accordance with Article 25.3 of the Convention, the income of the Special Account shall consist of:1. contributions made by States Parties ~~to the Convention, in accordance with its Article 26~~;
2. funds appropriated for this purpose by the General Conference of UNESCO;
3. contributions, gifts or bequests, which may be made by:
4. other States;
5. organizations and programmes of the United Nations system, particularly the United Nations Development Programme, as well as other international organizations;
6. public or private bodies or individuals;
7. any interest due on the resources of the Special Account;
8. funds raised through collections, and receipts from events organized for the benefit of the Special Account;
9. any other resources authorized by the Committee.
 |
| 4.2  | As stipulated in Article 26.1 of the Convention, the contributions of States Parties which have not made the declaration referred to in Article 26.2 of the Convention shall be made according to the uniform percentage determined by the General Assembly of the States Parties to the Convention. | ~~4.2~~**5.2** | No change. |
| **Article 5** | **Expenditure** | **Article ~~5~~6** | No change. |
| 5.1  | In accordance with Article 25.4 of the Convention, the use of the resources of the Special Account by the Committee shall be decided on the basis of guidelines laid down by the General Assembly. | ~~5.1~~**6.1** | **The use of the resources of the Special Account shall be approved by the General Assembly on a biennial basis.** ~~In accordance with Article 25.4 of the Convention, the use of the resources of the Special Account by the Committee shall be decided on the basis of guidelines laid down by the General Assembly.~~ |
| 5.2  | The Special Account shall be debited with the expenditure relating to its purpose as described in Article 3 above, including direct administrative expenses specifically relating to it. | ~~5.2~~**6.2** | The Special Account shall be debited with the expenditure relating to its purpose as described in Article 3 above, including administrative expenses specifically relating to it **and management costs applicable.** |
| 5.3  | Expenditure shall be made within the limits of funds available. | ~~5.3~~**6.3** | No change. |
| **Article 6**  | **Reserve Fund** | **Article ~~6~~7** | No change. |
|  | Within the Special Account there shall be established a reserve fund to meet requests for assistance in cases of extreme urgency, as foreseen in Article 17.3 and 22.2 of the Convention. The amount of the reserve shall be determined by the Committee. |  | No change. |
| **Article 7** | **Accounts** | **Article ~~7~~8** | No change. |
|  |  | **8.1** | **Subsidiary Accounts may be established by the General Assembly and the Committee.** |
| 7.1  | The UNESCO Comptroller shall maintain such accounting records as are necessary. | ~~7.1~~**8.2** | The **Chief Financial Officer of UNESCO** ~~UNESCO Comptroller~~ shall maintain such accounting records as are necessary. |
| 7.2  | Any unused balance at the end of a financial period shall be carried forward to the following financial period. | ~~7.2~~**8.3** | No change. |
| 7.3  | The accounts of the Special Account shall be presented for audit to the External Auditor of UNESCO, together with the other accounts of the Organization. | ~~7.3~~**8.4** | The accounts of the Special Account shall be **part of the consolidated financial statements presented for audit to the External Auditor of UNESCO** ~~presented for audit to the External Auditor of UNESCO, together with the other accounts of the Organization~~. |
| 7.4  | Contributions in kind shall be recorded outside the Special Account. | ~~7.4~~**8.5** | No change. |
| 7.5  | The accounts shall be submitted by the Director-General to the General Assembly of the States Parties to the Convention. |  | [Removed] |
| **Article 8** | **Investments** | **Article ~~8~~9** | No change. |
| 8.1  | The Director-General may make short-term investments of sums standing to the credit of the Special Account. | ~~8.1~~**9.1** | The Director-General may make short-term **or long-term** investments of sums standing to the credit of the Special Account. |
| 8.2  | Interest earned on these investments shall be credited to the Special Account. | ~~8.2~~**9.2** | ~~Interest earned on~~ **Revenue from** these investments shall be credited to the Special Account **in line with UNESCO’s Financial Rules.** |
|  |  | **Article 10** | **Reporting** |
|  |  | **10.1** | **A biennial financial report showing the income and expenditure under the Special Account shall be prepared and submitted to the Committee and the General Assembly.**  |
|  |  | **10.2** | **A biennial narrative report shall be submitted to the Committee and the General Assembly.**  |
|  |  | **Article 11** | **Closure of the Special Account** |
|  |  | **11.1** | **The Director-General shall consult the General Assembly at such time as he/she deems that the operation of the Special Account is no longer necessary. Such consultation shall cover the decision on the use of any unspent balance.** |
|  |  | **11.2** | **The decision of the General Assembly shall be transmitted to the Executive Board prior to the effective closure of the Special Account.** |
| **Article 9** | **General provision** | **Article ~~9~~12** | No change. |
|  |  | **12.1** | **Any amendment to these Financial Regulations shall be approved by the General Assembly. The Executive Board shall be informed accordingly of any such amendments.** |
|  | Unless otherwise provided in these Regulations, the Special Account shall be administered in accordance with the Financial Regulations of UNESCO. | **12.2** | No change. |

1. . Compared with the 2014–2015 biennium (37C/5), the number of requests examined by the Bureau has increased by 142%. This increased rate does not take into account the International Assistance requests that have been examined by the Bureau in the second half of 2019. [↑](#footnote-ref-1)
2. . The latest Statement of compulsory contributions is available at: <http://www.unesco.org/eri/cp/factsheets/ICH-Status-of-Contributions.pdf> [↑](#footnote-ref-2)
3. . ‘Preparatory assistance’ corresponds to the assistance that States Parties can request for developing nominations to the List of Intangible Cultural Heritage in Need of Urgent Safeguarding or proposals for the Register of Good Safeguarding Practices (paragraph 21 of the [Operational Directives](https://ich.unesco.org/doc/src/ICH-Operational_Directives-7.GA-PDF-EN.pdf)). ‘Technical assistance’ refers to the provision of experts, as described in Article 21 of the Convention, to States Parties wishing to develop requests for International Assistance ([Decision 8.COM 7.c](https://ich.unesco.org/en/Decisions/8.COM/7.c)). [↑](#footnote-ref-3)
4. . The breakdown by expected result for 2018-2019 was approved by the Bureau of the Intergovernmental Committee in 2018 ([Decision 13.COM 2.BUR 3](https://ich.unesco.org/doc/src/ITH-18-13.COM_2.BUR-Decisions_Rev.-EN.docx)). [↑](#footnote-ref-4)
5. . The breakdown by expected result for the first six months of 2020 was approved by the Bureau of the Intergovernmental Committee in 2019 ([Decision 14.COM 2.BUR 3](https://ich.unesco.org/doc/src/LHE-19-14.COM_2.BUR-Decisions-EN.docx)). [↑](#footnote-ref-5)
6. . See Appropriation Resolution for 2020-2021 in [40 C/5, volume 1: Draft Resolutions, second biennium 2020-2021](https://unesdoc.unesco.org/ark%3A/48223/pf0000367155) (page 12). [↑](#footnote-ref-6)
7. . Percentages are applied to the balance of the Fund as of 31 December 2019. This balance does not include the Reserve Fund (US$1,000,000). [↑](#footnote-ref-7)