



United Nations
Educational, Scientific and
Cultural Organization



Diversity of
Cultural Expressions

7 IGC

CE/13/7.IGC/9
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INTERGOVERNMENTAL COMMITTEE FOR THE PROTECTION AND PROMOTION OF THE DIVERSITY OF CULTURAL EXPRESSIONS

Seventh Ordinary Session
Paris, UNESCO Headquarters
10 - 13 December 2013

Item 9 of the provisional agenda: Use of the financial resources of the International Fund for Cultural Diversity (IFCD)

In accordance with Decision 6.IGC 9, this document presents a detailed report on the use of the IFCD funds for fundraising activities and a provisional draft budget for 2014.

Decision required: paragraph 9

1. At its third ordinary session (December 2009), the Intergovernmental Committee for the Protection and Promotion of the Diversity of Cultural Expressions (hereinafter “the Committee”) adopted Decision 3.IGC 5 indicating that 70% of the amount available in the International Fund for Cultural Diversity (hereinafter “IFCD”) on 1 July of each year would be allocated as the budget for the specified funding cycle. Of this amount, the Committee decided that at least 60% would be allocated to funding projects, at most 20% for preparatory assistance and 2% for reserve funding, if necessary, for projects concerning special situations (as foreseen in Articles 8 and 17 of the Convention). In other words, 82% of the total funds available for the IFCD funding cycles each year are to be allocated to supporting projects on the ground.
2. At this session, the Committee is to examine:
 - (i) the financial statements of income and expenditure for the period 1 January to 31 December 2012 and from 1 January to 30 June 2013; and
 - (ii) the draft budget for 2014 and consider its adoption.
3. Financial statements of income and actual expenditure prepared by the UNESCO Bureau of Financial Management for the IFCD covering the period from 1 January to 31 December 2012 and from 1 January to 30 June 2013 are presented in Annex I.
4. As of 30 June 2013, cumulative contributions credited to the IFCD totalled **US\$ 6,338,150** including interest; cumulative allocations totalled **US\$ 4,883,160** (including 10% support costs); and unassigned funds totalled **US\$ 436,497**.
5. Staff costs related to the management of the IFCD by the Secretariat are covered through the regular programme budget of the Diversity of Cultural Expressions Section. They correspond to a P-4 post, a P-5 post (20% of whose time is dedicated to the IFCD), a P-2 post and a G-6 post. Specialized consultants were recruited to carry out tasks such as database development for the IFCD online evaluation platform and paid for under the regular programme. Staff costs of the Administrative Unit of the Culture Sector are covered by the regular programme. They correspond to a G-7 post (15% of whose time is dedicated to the IFCD) and a P-4 post (5% of whose time is dedicated to the IFCD). UNESCO’s cost recovery policy has not yet been implemented for the IFCD. The audit of the working methods of cultural conventions carried out by the Internal Oversight Service in 2013 recommends allowing the application of the cost-recovery policy (Recommendation 1(e)). In 2012-2013, the work of the aforementioned staff members included:
 - *Project administration*: including processing deliverables and payments for the 61 IFCD-funded projects; drafting and coordinating all correspondence with project managers whose projects were or were not accepted for funding in the third cycle; drafting and processing contracts, deliverables and payments for the third cycle of 13 IFCD-funded projects.
 - *Project implementation*: including management of all correspondence related to and monitoring the implementation and progress of the four cycles of 61 IFCD-funded projects.
 - *Fourth call for funding requests*: preparing the application package and National Commission briefing in English and French; responding to inquiries regarding the application process, content and requirements; registering and performing a technical examination of the funding requests received by the Secretariat; preparing and processing contracts for the Panel of Experts; drafting letters to applicants and National Commissions to communicate the results of the Secretariat's technical examination, and responding to appeals.

- *Communication*: updating the IFCD website with profiles of newly-funded projects and news, updates and results of ongoing projects; liaising/corresponding with relevant UNESCO field offices to coordinate project implementation efforts; preparing documents and presentations for IFCD-related meetings and events held in various developing countries worldwide.
- *Fundraising*: preparing and coordinating activities and events linked to the IFCD fundraising and communications strategy, including the preparation of the five newsletters, videos and booklets on IFCD projects, and preparation, organization and follow-up of the official launch of the campaign “Your 1% Counts for Creativity”.

Draft budget for 2014

6. The IFCD Guidelines provide that the Committee approve the budget in accordance with the resources available in the IFCD. A draft budget for 2014 is presented in Annex II.
7. The total budget requested for 2014 amounts to **US\$ 1,018,493**, including the support costs (10%). It is broken down into two main sections:
 - (a) fixed costs, amounting to US\$ 95,000;
 - (b) funding requests, amounting to US\$ 830,903, of which US\$ 18,518 correspond to reserve funds.

Below is an overview of the activities to be financed by the IFCD in 2014.

Fixed costs

- *Panel of Experts*: the fifth funding cycle will be launched in 2014. Expenses for the evaluation of funding requests by the expert panel and the organization of a meeting of the expert panel.
- *Participation costs*: in accordance with Article 23.7 of the Convention and paragraph 6.4.1 of the Guidelines, costs will continue to be incurred to ensure the participation of Parties from least developed countries (LDCs) that are members of the Committee in statutory meetings.
- *Operating costs*: operating costs and expenses of the Secretariat will continue to be dedicated to monitoring of IFCD-funded projects and correspondence with project managers.

Funding requests

- The budget available for funding requests to be approved by the Committee at its seventh session is US\$ 830,903.

8. Document CE/13/7.IGC/7 contains a detailed report on the use of funds intended for fundraising activities in 2012-2013, that were allocated by the sixth ordinary session of the Committee from the unassigned funds (Decision 6.IGC 6). The expenditures are reflected in the financial statements prepared by the UNESCO Bureau of Financial Management for the IFCD presented in Annex I. In addition, Document CE/13/7.IGC/7 presents an estimated budget of US\$ 55,281 intended for additional fundraising activities to be undertaken in 2014.

9. The Committee may wish to adopt the following decision:

DRAFT DECISION 7.IGC 9

The Committee,

1. *Having examined document CE/13/7.IGC/9 and its Annexes and document CE/13/7.IGC/7 and its Annexes,*
2. *Recalls its Decisions 3.IGC 5, 4.IGC 10A, 5.IGC 6 and 6.IGC 9;*
3. *Takes note of the financial statements of the International Fund for Cultural Diversity for the period 1 January to 31 December 2012 as set out in Annex I;*
4. *Having examined the draft budget for 2014 set out in Annex II and recalling Decision 7.IGC 7;*
5. *Adopts the budget for 2014 as set out in Annex II;*
6. *Considers that Article 5 of the Financial Regulations of the Special Account for the International Fund for Cultural Diversity allows the application of the Organization's cost-recovery policy and corresponds to Recommendation 1(e) of the audit of the working methods of cultural conventions;*
7. *Requests the Secretariat to apply the cost-recovery policy using the financial resources of the IFCD;*
8. *Requests the Secretariat to submit to the Committee, at its next ordinary session, a detailed report on the use of the IFCD funds for fundraising activities;*
9. *Requests the Director-General to launch a new appeal for contributions in 2014 to all Convention stakeholders.*

ANNEX I



UNESCO

INTERNATIONAL FUND FOR CULTURAL DIVERSITY

**STATEMENT OF INCOME AND EXPENDITURE AND CHANGES IN RESERVES AND FUND BALANCES
FOR THE PERIOD 1 JANUARY 2012 TO 31 DECEMBER 2012**

(EXPRESSED IN US DOLLARS)

INCOME

Voluntary Contributions - Schedule 1.1	536,671.05
Other income:	
Interest	16,394.00
TOTAL INCOME	<u>553,065.05</u>

EXPENDITURE

Cash Disbursements - Schedule 1.2	1,657,683.75
Decrease in balance of unliquidated obligations	(119,804.18)
TOTAL EXPENDITURE	<u>1,537,879.57</u>

EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	<u>(984,814.52)</u>
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Reserves and fund balances, beginning of the period	<u>3,472,945.35</u>
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RESERVES AND FUND BALANCES, END OF THE PERIOD	<u>2,488,130.83</u>
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UNESCO
INTERNATIONAL FUND FOR CULTURAL DIVERSITY
SCHEDULE OF INCOME
FOR THE PERIOD 1 JANUARY 2012 TO 31 DECEMBER 2012
(EXPRESSED IN US DOLLARS)

Funds received		
Andorra	22,932.70	
Barbados	2,000.00	
Belgium (Flanders)	51,948.00	
Bosnia and Herzegovina	2,000.00	
China	80,000.00	
Estonia	1,306.00	
Finland	26,212.40	
France	64,767.00	
The Former Yugoslav Republic of Macedonia	310.00	
Mauritius	805.46	
Mexico	71,208.00	
Monaco	24,509.80	
Montenegro	1,324.50	
Portugal	25,000.00	
Serbia	1,863.36	
Slovakia	4,742.62	
Slovenia	3,474.90	
Sweden	41,126.47	
Switzerland	103,509.32	
Ukraine	2,841.00	
Campaign Kili FIDC 2012	1,036.27	
Silent Party Fundraising Event	<u>3,753.25</u>	536,671.05
Interest		16,394.00
TOTAL		<u><u>553,065.05</u></u>

Schedule 1.2



UNESCO

INTERNATIONAL FUND FOR CULTURAL DIVERSITY

SCHEDULE OF EXPENDITURE FOR THE PERIOD 1 JANUARY 2012 TO 31 DECEMBER 2012

	Disbursements	Unliquidated Obligations	Total
Evaluation of funding requests by the expert panel	31,469.37	2,000.00	33,469.37
Cost of participation in statutory meetings by experts from LDCs that are members of the Committee	1,422.08	1,523.32	2,945.40
Programmes/projects approved for funding from IFCD by the Committee of 2005 Convention	1,403,487.25	417,563.00	1,821,050.25
Fundraising for the IFCD	56,977.00	-	56,977.00
Evaluation of the IFCD Pilot Phase	12,466.77	-	12,466.77
Operating Costs for the IFCD	1,162.76	2,243.79	3,406.55
SUB-TOTAL	1,506,985.23	423,330.11	1,930,315.34
PROGRAMME SUPPORT COSTS 10%	150,698.52	42,333.01	193,031.53
TOTAL	1,657,683.75	465,663.12	2,123,346.87
Unliquidated Obligations 1 January 2012	-	(585,467.30)	(585,467.30)
TOTAL EXPENDITURE	1,657,683.75	(119,804.18)	1,537,879.57



UNESCO

INTERNATIONAL FUND FOR CULTURAL DIVERSITY

STATEMENT OF INCOME AND EXPENDITURE AND CHANGES IN RESERVES AND FUND BALANCES
FOR THE PERIOD 1 JANUARY 2013 TO 30 JUNE 2013

(EXPRESSED IN US DOLLARS)

INCOME

Voluntary Contributions - Schedule 1.1 513,142.63

Other income:

Interest 4,864.00

TOTAL INCOME 518,006.63

EXPENDITURE

Cash Disbursements - Schedule 1.2 731,112.37

Increase in balance of unliquidated obligations 466,474.66

TOTAL EXPENDITURE 1,197,587.03

EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE (679,580.40)

Reserves and fund balances, beginning of the period 2,488,130.83

RESERVES AND FUND BALANCES, END OF THE PERIOD 1,808,550.43

Schedule 1.1



UNESCO
INTERNATIONAL FUND FOR CULTURAL DIVERSITY
SCHEDULE OF INCOME
FOR THE PERIOD 1 JANUARY 2013 TO 30 JUNE 2013
(EXPRESSED IN US DOLLARS)

Funds received		
Australia	71,823.00	
Brazil	250,000.00	
China	80,000.00	
Finland	26,525.20	
Saint Vincent and the Grenadines	1,001.31	
Sweden	30,286.38	
Switzerland	<u>53,506.74</u>	513,142.63
Interest		4,864.00
TOTAL		<u><u>518,006.63</u></u>



UNESCO
INTERNATIONAL FUND FOR CULTURAL DIVERSITY

SCHEDULE OF EXPENDITURE FOR THE PERIOD 1 JANUARY 2013 TO 30 JUNE 2013

	Disbursements	Unliquidated Obligations	Total
Evaluation of funding requests by the expert panel	-	2,000.00	2,000.00
Cost of participation in statutory meetings by experts from LDCs that are members of the Committee	3,045.91	4,032.36	7,078.27
Programmes/projects approved for funding from IFCD by the Committee of 2005 Convention	619,765.97	789,632.00	1,409,397.97
Fundraising for the IFCD	38,683.75	49,838.49	88,522.24
Evaluation of the IFCD Pilot Phase	-	-	-
Operating Costs for the IFCD	3,151.98	1,895.13	5,047.11
SUB-TOTAL	664,647.61	847,397.98	1,512,045.59
PROGRAMME SUPPORT COSTS 10%	66,464.76	84,739.80	151,204.56
TOTAL	731,112.37	932,137.78	1,663,250.15
Unliquidated Obligations 1 January 2012	-	(465,663.12)	(465,663.12)
TOTAL EXPENDITURE	731,112.37	466,474.66	1,197,587.03

Annex II

IFCD – PROVISIONAL DRAFT BUDGET FOR 2014

	DESCRIPTION	AMOUNT \$US
Fixed costs	Evaluation of funding requests by the expert panel (consultancy contracts)*	65 000
	Operating costs**	10 000
2014	Cost of participation in statutory meetings of experts from LDCs that are members of the Committee (§6.4.2 of the Guidelines***)	20 000
	Cost of participation of public or private organizations (Article 23.7 of the Convention, § 6.4.1 of the Guidelines)	0
Subtotal		95 000
Funding requests***	Funding of programmes/projects: 60% minimum	812 385
	Preparatory assistance: 20% maximum	
	Reserve***	18 518
Subtotal		830 903
SUBTOTAL (fixed costs + funding requests)		925 903
Support costs		92 590
GRAND TOTAL		1 018 493

Total available as at 30 June 2013:	1 454 990
Unassigned funds:	436 497
Total contribution to the IFCD as at 30 June 2013, including interest: US\$ 6 338 150	
Total funds spent/allocated for spending for the period 1 January 2007 to 30 June 2013: US\$ 4 883 160	
Total available as at 30 June 2013 : US\$ 1 454 990	
Total requested for 2014 (in US\$):	1 018 493

* Monitoring of ongoing IFCD-funded projects and development of a results-based project monitoring framework.

** Guidelines on the use of the resources of the IFCD.

*** Based on the Committee's Decision 3.IGC 5, paragraph 10, 60% minimum of the available funds is to be allocated for funding programmes/projects, 20% maximum for preparatory assistance and 2% is reserved for programmes/projects relating to special situations as outlined in Articles 8 and 17 of the Convention (i.e., a minimum of 82% of available funds is to be allocated to funding requests). In this case 87.74% of available funds were allocated to funding requests since fixed costs only made up 10.26% of this sum.

**** In compliance with UNESCO's Financial Regulations, 10% of support costs are applicable to the Special Account.