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Diversity of Cultural Expressions

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CONFERENCE OF PARTIES TO THE CONVENTION ON THE PROTECTION AND PROMOTION OF THE DIVERSITY OF CULTURAL EXPRESSIONS

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Item 7 of the provisional agenda: Functioning and administration of the International Fund for Cultural Diversity

SUMMARY

Article 18.1 of the Convention provides for the establishment of the International Fund for Cultural Diversity. In accordance with Article 18.4 of the Convention, the use of resources of the Fund shall be decided by the Intergovernmental Committee on the basis of guidelines determined by the Conference of Parties. This document sets out the provisions of the Convention relating to the establishment of the Fund and a draft resolution concerning its establishment.

Decision required: paragraph 6

1. This document sets out the provisions of the Convention on the Protection and Promotion of the Diversity of Cultural Expressions (hereinafter referred to as "the Convention") relating to the International Fund for Cultural Diversity (hereinafter referred to as "the Fund"). It provides information on the establishment of a special account for the administration of the Fund and contains a draft resolution concerning its establishment.

2. Article 18.1 provides for the establishment of the Fund. Article 18.2 states that the Fund shall consist of funds-in-trust established in accordance with the Financial Regulations of UNESCO. However, given the multi-donor nature of the Fund, it will be managed as a Special Account. In accordance with Article 18.3 of the Convention, the resources of the Fund shall consist of: voluntary contributions made by Parties; funds appropriated for this purpose by the General Conference of UNESCO; contributions, gifts or bequests by other States, organizations and programmes of the United Nations system, other regional or international organizations, and public or private bodies or individuals; any interest due on resources of the Fund; funds raised through collections and receipts from events organized for the benefit of the Fund; and any other resources authorized by the Fund's regulations. Lastly, Article 18.6 of the Convention stipulates that no political, economic or other conditions that are incompatible with the objectives of the Convention may be attached to contributions made to the Fund, while Article 18.7 provides that Parties shall endeavour to provide voluntary contributions on a regular basis towards the implementation of the Convention.

3. Article 14 provides that Parties shall endeavour to support cooperation for sustainable development and poverty reduction, especially in relation to the specific needs of developing countries, in order to foster the emergence of a dynamic cultural sector. To that end, it recommends a number of means which it enumerates (non-exhaustive list), including in particular financial support. In accordance with Article 14(d)(i), the Fund, as stipulated in Article 18, constitutes one of the means of financial support through which Parties shall endeavour to support cooperation for sustainable development.

4. In accordance with the provisions of the Convention, in particular Articles 18.1 and 18.2, a special account for the administration of the Fund of voluntary contributions shall be established in accordance with Article 6.6 of the Financial Regulations of UNESCO. To that end, pursuant to Article 6.7 of the Financial Regulations of UNESCO, a special draft financial regulation on the management of the Fund has been drawn up in conformity with the model text for the Financial Regulations of Special Accounts, as adopted by the Executive Board at its 161st session (see Annex). In pursuance of Administrative Circular No. 2280, a support cost rate of 10% is currently applicable to the Special Accounts for voluntary contributions. A Special Account has the advantage of combining many contributions to finance specific projects. In addition, any unused balance at the end of the financial period is carried over to the following one. The establishment of a special account does not prevent donors from also financing projects under funds-in-trust. Thus, as stipulated in Article 18.5 of the Convention, the Intergovernmental Committee for the Protection and Promotion of the Diversity of Cultural Expressions (hereinafter referred to as "the Committee") may accept contributions and other forms of assistance for general or specific purposes relating to specific projects, provided that it approves such projects.

5. In accordance with Article 18.4, the use of resources of the Fund shall be decided by the Intergovernmental Committee on the basis of guidelines determined by the Conference of Parties. Article 23.6 (f) stipulates that the Committee shall also perform any other tasks as may be requested by the Conference of Parties. Consequently, it is for the Conference, if it so decides, to request the Committee to draw up the guidelines on the use of the resources of the Fund. Furthermore, as the establishment of the International Fund for Cultural Diversity, for which Article 18 provides, constitutes a means of supporting cooperation for sustainable development (Article 14 (d)(i)), its operational character requires that guidelines be drawn up on the use of its resources and that they be approved by the Conference of Parties. The Conference may wish to request the Committee to submit to it at its second ordinary session draft guidelines on the use of the Fund's resources.

6. The Conference of Parties may wish to adopt a resolution along the following lines.

DRAFT RESOLUTION 1.CP 7

The Conference of Parties,

1. *Having examined document CE/07/1.CP/CONF/209/7,*
2. *Considering that it is important to implement the Convention at the national, regional and international levels as soon as possible in order to protect and promote the diversity of cultural expressions,*
3. *Recalling that the International Fund for Cultural Diversity constitutes a means by which the Parties shall endeavour to support cooperation for sustainable development in order to foster the emergence of a dynamic cultural sector, especially in relation to the specific needs of developing countries,*
4. *Takes note of the Financial Regulations of the Special Account for the International Fund for Cultural Diversity;*
5. *Requests the Committee, in accordance with Article 23.6(f) of the Convention, to submit to it for approval at its second ordinary session draft guidelines on the use of the resources of the Fund in compliance with Article 18.4.*

ANNEX

FINANCIAL REGULATIONS OF THE SPECIAL ACCOUNT FOR THE INTERNATIONAL FUND FOR CULTURAL DIVERSITY

Article 1 – Creation of a Special Account

1.1 Article 18 of the Convention on the Protection and Promotion of the Diversity of Cultural Expressions (hereinafter referred to as “the Convention”) establishes an International Fund for Cultural Diversity. Given the multi-donor nature of the Fund, it will be managed as a Special Account.

1.2 In accordance with Article 6, paragraph 6, of the Financial Regulations of UNESCO, there is hereby created a Special Account for the International Fund for Cultural Diversity (hereinafter referred to as the “Special Account”).

1.3 The following regulations shall govern the operation of the Special Account.

Article 2 – Financial period

The financial period shall correspond to that of UNESCO.

Article 3 – Purpose

In accordance with Article 18 of the Convention, the purpose of the Special Account is to finance activities decided by the Intergovernmental Committee on the basis of guidelines determined by the Conference of Parties, notably to assist Parties to support cooperation for sustainable development and poverty reduction, especially in relation to the specific needs of developing countries, in order to foster the emergence of a dynamic cultural sector, in accordance with Article 14 of the Convention.

Article 4 – Income

In accordance with Article 18 of the Convention, the income of the Special Account shall consist of:

- (a) voluntary contributions made by the Parties of the Convention;
- (b) funds appropriated for this purpose by the General Conference of UNESCO;
- (c) contributions, gifts or bequests which may be made by:
 - (i) other States,
 - (ii) organizations and programmes of the United Nations system,
 - (iii) other regional or international organizations,
 - (iv) public or private bodies or individuals;
- (d) any interest due on the resources of the Special Account;
- (e) funds raised through collections and receipts from events organized for the benefit of the Voluntary Fund.

Article 5 – Expenditure

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 programme support costs applicable to Special Accounts.

Article 6 – Accounts

6.1 The UNESCO Comptroller shall maintain such accounting records as are necessary.

6.2 Any unused balance at the end of a financial period shall be carried forward to the following financial period.

6.3 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.

6.4 Contributions in kind shall be recorded outside the Special Account.

Article 7 – Investments

7.1 The Director-General may make short-term investments of sums standing to the credit of the Special Account.

7.2 Interest earned on these investments shall be credited to the Special Account.

Article 8 – Closure of the Special Account

The Director-General shall decide upon the closure of the Special Account at such time as he deems that its operation is no longer necessary and inform the Executive Board accordingly.

Article 9 – General provision

Unless otherwise provided in these Regulations, the Special Account shall be administered in accordance with the Financial Regulations of UNESCO.