

**INTERGOVERNMENTAL COMMITTEE  
FOR THE PROTECTION AND PROMOTION  
OF THE DIVERSITY OF CULTURAL EXPRESSIONS**

**Fifteenth Session  
Online  
8 – 11 February 2022**

**Item 8 of the provisional agenda:** Provisional budget (2022-2023) of the International Fund for Cultural Diversity

In accordance with the revised Financial Regulations adopted by the Committee (Decision 12.IGC 5b) and approved by the Conference of Parties (Resolution 7.CP 9), this document presents the IFCD's provisional budget for 2022-2023.

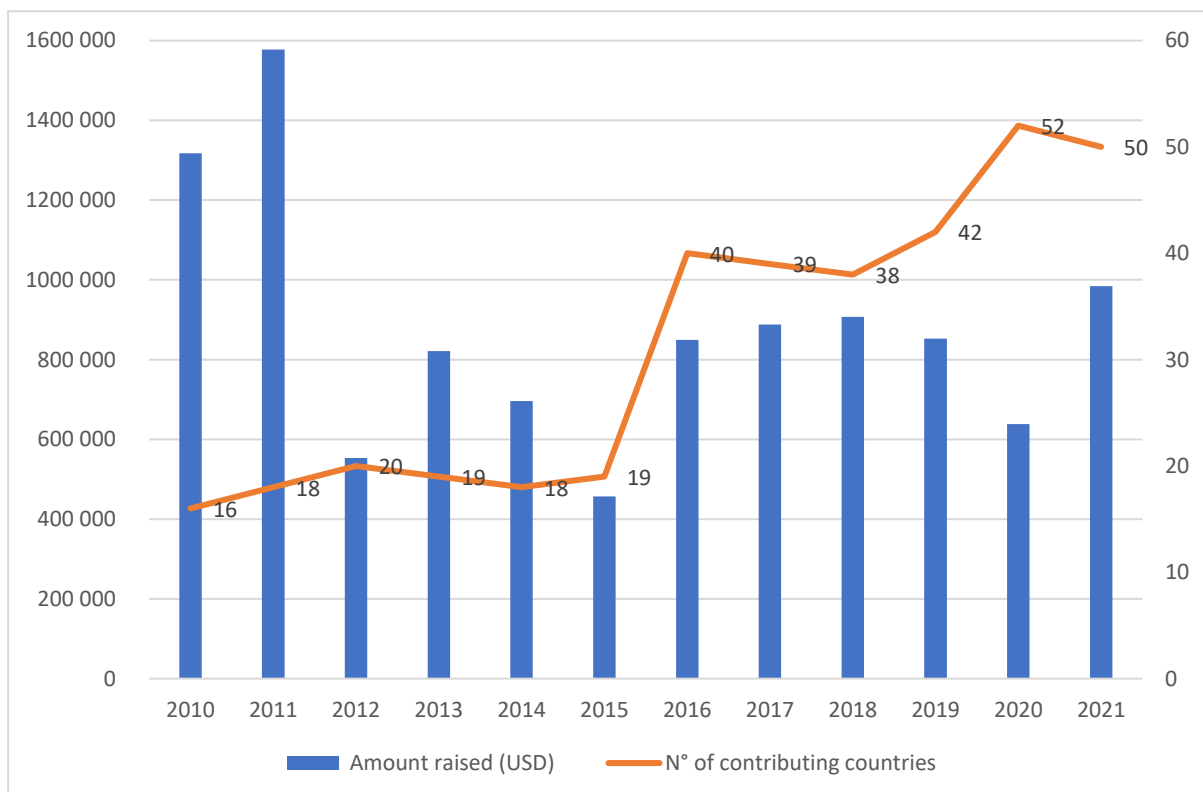
**Decision required:** paragraph 13

## I. Background

1. In accordance with the Financial Regulations of the International Fund for Cultural Diversity (IFCD) approved by the Conference of Parties in 2019, this document presents a provisional budget for 2022-2023.
2. To recall, the IFCD is financed by voluntary contributions. In accordance with the Organization’s integrated budget cycle, and Article 2 (Financial period) and Article 6 (Expenditure) of the IFCD Financial Regulations, the financial period for budget estimates shall be two consecutive calendar years. This report on the provisional budget of the IFCD complements the report on the implementation of the International Fund for Cultural Diversity (2021) and recommended projects from the twelfth call for funding requests (DCE/22/15.IGC/6).
3. At this session, the Committee is to examine the provisional budget for 2022-2023 and consider its adoption.

## II. Current situation and prospects

4. As of 30 November 2021, the total amount of IFCD resources available (including voluntary contributions and interest generated) is **US\$1,993,411**. It should be noted that the total amount of contributions received from Parties from 1 December 2020 to 30 November 2021 including interests accrued is **US\$1,133,715** as presented in the document DCE/22/15.IGC/6 and DCE/22/15.IGC/INF.6). This amount is comprised of **US\$120,989** received from Parties from 1 to 31 December 2020, **US\$996,536** received from Parties from 1 January to 30 November 2021 as well as interests generated (US\$ 16,190) during this period.
5. As can be seen in the graph below, there was a significant increase in the amount of contributions raised including interest generated in 2021. This is an encouraging sign attesting to the renewed commitment of Parties and other stakeholders towards the IFCD.



6. It should be noted that if all Parties were to contribute to the IFCD at least 1% of their contribution to UNESCO’s regular programme budget, as encouraged by the Committee, the total amount of contributions to the IFCD could amount to over **US\$2 million per year**.

### III. Target incomes expected to be mobilized during 2022-2023

7. At its 14<sup>th</sup> session, the Committee adopted the 2021-2023 IFCD’s fundraising strategy ([DCE/14.IGC/11](#)). Subsequently, the Conference of Parties at its 8<sup>th</sup> session in June 2021 invited “the Committee to allocate the financial resources necessary for its implementation in the Funds’ provisional budget for the period 2022-2023 (Resolution [Resolution 8.CP 12](#)).
8. To recall, according to the adopted 2021-2023 IFCD fundraising strategy, the following incomes are expected to be raised over the three years:

Expected income in US\$	2021	2022	2023	TOTAL (2021-2023)
Government	1 100 000	1 300 000	1 500 000	3 900 000
Corporations	0	0	20 000	20 000
HNWI	50 000	75 000	150 000	275 000
<b>Total</b>	<b>1 150 000</b>	<b>1 375 000</b>	<b>1 670 000</b>	<b>4 195 000</b>
<i>Voluntary contributions raised from 1 Jan. to 30 Nov. 2021</i>	<b>996,536</b>	N/A	N/A	N/A

9. As noted above, the voluntary contributions of **US\$996,536** mobilized from 1 January to 30 November 2021 represents **87%** of US\$1,150,000 expected in 2021 according to the fundraising strategy. This rate does not take into account the contributions received during December 2021, which are reflected in the year-end 2021 financial report presented in document DCE/22/15.IGC/INF.6.
10. Through the full implementation of the IFCD fundraising strategy with necessary financial investment, it is expected that the amount of **US\$1,375,000** is mobilized in 2022 and **US\$1,670,000** in 2023.

### IV. Provisional draft budget for 2022-2023

11. At this session, the Committee is invited to examine the IFCD’s provisional budget for the period 2022-2023. A provisional draft budget is presented in Annex to this document. It includes the following six main aspects of the IFCD proposed expenditures:

- a) **Project funding.** The Committee, in accordance with its practice, allocate 70% of the IFCD resource available as at 30 November of the year preceding the Committee session, for the financing of projects to be approved the following year by the Committee based on the recommendations of the IFCD Expert Group.

However, given the uncertainty about the level of resources available as at 30 November 2022, it is proposed to allocate 70% of the contributions received for the period from 1 December 2020 to 30 November 2021 to the financing of projects in 2022 (**US\$1,133,715**), and 70% of an estimated amount of contributions expected for the period from 1 December 2021 to 30 November 2022 (**US\$1,375,000**<sup>1</sup>) to the financing of projects in 2023.

On this basis the amount allocated for project funding in 2022 is **US\$741,683**. Considering the 2022 fundraising target of US\$1,375,000, the amount to be allocated for project funding in 2023 is estimated at **US\$900,000**<sup>2</sup>. The total amount proposed for project funding for 2022-2023 is thus **US\$1,641,683**.

<sup>1</sup> US\$1,375,000 corresponding to the contributions for the year 2022 (Year 2) as per the 2021-2023 IFCD fundraising and communication strategy has also been used as an estimate for the amount of contributions expected for the period from 1 December 2021 to 30 November 2022.

<sup>2</sup> US\$1,375,000 x 70% - 7% (management costs) = US\$899,533 – amount rounded to US\$900,000 for 2023 project funding.

- b) **Management of the annual call.** It is proposed to allocate the total amount of **US\$255,000** for the followings as fixed costs:
- i. **US\$85,000** is allocated for the **evaluation of funding requests** by the IFCD Panel of Experts for two calls for funding requests and the meeting of the panel of experts (Paragraph 16.3 of the Guidelines on the Use of the Resources of the IFCD).
  - ii. **US\$1,000** is allocated for IFCD **operating expenses** such as conference calls, dispatch of contracts by DHL, etc.
  - iii. **US\$25,000** is allocated for the **participation in statutory meetings** of experts from least-developed countries (LDCs) that are members of the Committee and who make a request, in pursuant to Paragraph 7.2.2 of the aforementioned Guidelines. This amount is identical to the amount allocated in the 2020-2021 IFCD budget.
  - iv. **US\$144,000** is allocated for the **cost recovery** for the UNESCO staff working on the management of the annual calls over two years. This amount is dedicated to the preparation and management of ongoing projects as well as projects to be approved in the 2022-2023 period. The annual amount applied is the same since the budget approved in 2019.
- c) **IFCD fundraising.** In line with Decision 14.IGC 11 of the Committee and Resolution 8. CP 12, it is proposed to invest **US\$391,330** over 2022-2023 for the implementation of the 2021-2023 IFCD fundraising strategy. This amount corresponds to the investment of **US\$196,130** required for the IFCD fundraising strategy in 2022 and **US\$195,200** in 2023.
- d) **Monitoring and evaluation (M&E)** of the funded projects. In line with Recommendation 12 of the second external evaluation<sup>3</sup> and in order to ensure that the IFCD remains as a “learning-driven” funds, it is proposed to invest **US\$49,500** as a fixed cost for 2022-2023 to strengthen the monitoring and evaluation of funded projects. This amount corresponds to **3%** of the estimated project funding of **US\$1,641,215**. This proposal to invest in M&E is in line with the practice recommended by the UNESCO Secretariat under 41C/5 to allocate 3% of activity funds for evaluation. The benefit of increased investment in the M&E are three-fold, as described below
- i. Reinforced M&E would ensure return on investment in terms of achieving concrete impact of the IFCD-funded projects.
  - ii. Strengthened M&E would lead to better fundraising messaging substantiated with data, information and also voices of beneficiaries.
  - iii. Continuous M&E would allow the Secretariat to promote the IFCD as a peer-to-peer learning platform for international cooperation and mobilize IFCD project managers for future advocacy.
- e) **Management costs** (7%) of the total amount raised in 2022-2023.
- f) **Unassigned funds** – It is proposed that 10% of the provisional budget be earmarked as unassigned funds. The unassigned funds allow the IFCD to meet any exceptional costs and guarantee its sustainability.

## V. Ways forward

12. The 2022-2023 biennium represents a decisive moment for the future of the IFCD. The IFCD, being one of the few funds of UNESCO that directly finance actions of NGOs, has a significant potential to create a coalition of actors of change all over the world. In order to realize this potential, funds required for the fundraising strategy implementation and for M&E should be seen as a necessary “investment”, rather than “expenses”. If the Committee decides to make the proposed investments, it is expected that the IFCD will become a veritable platform for

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<sup>3</sup> Recommendation 12: “make resources available so that the Secretariat can take bold steps for the IFCD to become a “learning-driven” fund by introducing measures that aim to extract lessons and spaces for the reflection at that centre of the IFCD strategy (see [DCE/21/14.IGC/9](#)).

cultural cooperation supporting the development of a dynamic creative sectors in developing countries and facilitating North-South cooperation.

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

**DRAFT DECISION 15.IGC 8**

*The Committee,*

1. *Having examined Document DCE/22/15.IGC/8 and its Annex, as well as Documents DCE/22/15.IGC/6 and DCE/22/15.IGC/INF.6;*
2. *Keeping in mind Resolution 8.CP 12 inviting the Committee to allocate the financial resources necessary for the implementation of the fundraising and communication strategy for the International Fund for Cultural Diversity, for the period 2021-2023, in the Funds' provisional budget for the period 2022-2023;*
3. *Takes note of the financial reports of the IFCD from 1 January 2020 to 30 November 2021 presented in document DCE/22/15.IGC/INF.6;*
4. *Adopts the Draft provisional budget for 2022-2023 including fixed costs, as presented in Annex to document DCE/22/15.IGC/8;*
5. *Thanks all the donors who have supported the IFCD since its last session and encourages Parties to provide regular support to the Fund through a voluntary annual contribution amounting to at least 1% of their total contribution to UNESCO's regular budget;*
6. *Requests Director-General to issue, in 2022, a new call for contributions to all Parties to the Convention, quoting the amount corresponding to 1% of the total contribution of each Member State to UNESCO's regular budget.*

**Annex**  
**Draft provisional budget 2022-2023**

	Description	2022	2023	2022-2023 TOTAL
<b>1. Project funding</b>	Project funding	741 683	900 000	1 641 683
<b>Sub-total 1</b>		<b>741 683</b>	<b>900 000</b>	<b>1 641 683</b>
<b>2. IFCD annual call - Fixed costs (preparation, project management, and reinforced M&amp;E)</b>	Evaluation of projects by the IFCD Panel of Experts and the expert meeting in Paris	42 500	42 500	85 000
	Operating costs	500	500	1 000
	Participation of least developed countries members of the Committee in statutory meetings	12 500	12 500	25 000
	Cost recovery*	72 000	72 000	144 000
<b>Sub-total 2</b>		<b>127 500</b>	<b>127 500</b>	<b>255 000</b>
<b>3. Implementation of the IFCD fundraising strategy - Fixed costs</b>	<b>Database</b>	1 230	1 260	2 490
	<b>Communication material</b>			
	Case for support	2 000	2 040	4 040
	Website development	10 200	10 400	20 600
	Video production	10 200	5 200	15 400
	<b>Events</b>			
	HNWI campaign launch event			
	HNWI awareness events	30 600	31 200	61 800
	Travel and subsistence (staff and champions)	15 000	15 300	30 300
	<b>Staff costs</b>			
	Resource mobilization specialist	76 900	78 800	155 700
	Admin/comm support	50 000	51 000	101 000
<b>Sub-total 3</b>		<b>196 130</b>	<b>195 200</b>	<b>391 330</b>
<b>4. M&amp;E - Fixed costs</b>	<b>Monitoring and evaluation (M&amp;E)</b>	24 750	24 750	49 500
<b>Sub-total 4</b>		<b>24 750</b>	<b>24 750</b>	<b>49 500</b>
<b>Total direct costs</b>		<b>1 090 063</b>	<b>1 247 450</b>	<b>2 337 513</b>
Management costs (7%)		76 304	87 322	163 626
<b>Total</b>		<b>1 166 367</b>	<b>1 334 772</b>	<b>2 501 139</b>
Unassigned funds (10%)		116 637	133 477	250 114
<b>Grand Total</b>		<b>1 283 004</b>	<b>1 468 249</b>	<b>2 751 253</b>