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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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INFORMATION DOCUMENT

Fund-raising for the International Fund for Cultural Diversity (IFCD)

1. The Intergovernmental Committee for the Protection and Promotion of the Diversity of Cultural Expressions (hereafter referred to as “the Committee”), at its first extraordinary session (June 2008), requested the Secretariat, using extra budgetary funding where available, to hold informal consultations with Parties, experts, enterprises and donors, with a view to identifying potential sources of financing for the International Fund for Cultural Diversity (IFCD) hereafter called “the Fund”.
2. To that end, the Secretariat organized an exchange session entitled “Fund-raising: Challenges and Opportunities”, which was held on 5 March 2009 at UNESCO Headquarters and was attended by the Parties to the Convention, civil society and representatives of the private sector. The purpose of the meeting was to present convincing experiences to serve as a basis for the Committee’s reflection on defining a fund-raising strategy for the Fund. During the meeting, various actors involved in fund-raising as donors or beneficiaries presented their experiences and activities in that field.
3. Speakers at the exchange session included a representative of UNICEF France, an organization with a long and successful record of fund-raising, a representative of the TOTAL Foundation, the largest French company foundation, and a representative of the Internet site Touscoprod.com, a very recent Internet fund-raising initiative aimed at rounding up the funding for film production. Further to this meeting, UNITAID presented its innovative experience of fund-raising before the opening of the second extraordinary session of the Committee in March 2009.
4. At its second ordinary session (December 2008), the Committee had reaffirmed the need to put in place a fund-raising strategy, given the voluntary nature of contributions to the Fund, and therefore had decided to include in the agenda of its second extraordinary session an item entitled “Examination of possible alternatives for fund-raising for the Fund, including innovative financial mechanisms” (Decision 2.IGC 9).
5. Further to the debate on this item at its second extraordinary session (March 2009), the Committee requested the Secretariat to prepare an information document for the second ordinary session of the Conference of Parties (Decision 2.EXT.IGC 6). The Committee also decided to ask the Conference of Parties to mandate the Committee to devise a fund-raising strategy for the Fund and called upon all Parties to make voluntary contributions to the IFCD, by considering also the use of innovative financing mechanisms.

Debate of the Committee at its second extraordinary session

6. The Committee undertook an in-depth discussion on the fund-raising strategy of the IFCD in the light of the debates at the exchange session and its preliminary conclusions, such as: the complementarity of national and international approaches, the need for a clear message, the importance of small donors and the need to secure their loyalty to ensure the long-term future of resources, the transparency and traceability of donations, the advantage of involving the donor in the action, the importance of a marketing and communication strategy and the use of new media such as the Internet.
7. The Committee once more noted the difficulty of providing the Fund with large amounts capable of fostering the emergence of a dynamic cultural sector in the developing countries solely from the voluntary contributions of the Parties. The need for a fund-raising strategy for the IFCD was reaffirmed as was the use of innovative financing mechanisms.

8. There was unanimity on the close link between the visibility of the Convention and fund-raising and on the need to establish a communication and promotion strategy for the Convention which would stimulate fund-raising. The Committee considered that in order to establish such a strategy it would be necessary to call upon professional services and therefore to set up a substantial budget. It also believed that it was essential to formulate a clear appealing universal message so that the cause of the diversity of cultural expressions would be seen as beneficial to human development.

9. The responsibility and the fundamental and essential role of the Parties in defining national strategies capable of funding the cultural industries were repeatedly emphasized. The establishment of appropriate legal frameworks was advocated together with the introduction of innovative fund-raising strategies and mechanisms facilitating the application of the Convention at national and international level.

10. The debate also highlighted the importance of the role of civil society in the text of the Convention and the need to involve it at all stages in the process: definition of the message, raising the awareness of the broadest possible section of the public and of potential donors.

11. Several lines of action were suggested that could be integrated into the fund-raising strategy, specifically:

- the establishment of a network of public and private organizations interested in participating in the Fund, including through the creation of innovative mechanisms;
- the use of events such as the World Day for Cultural Diversity (21 May) and any fund-raising initiative;
- the identification and designation of one or more spokespersons for the Convention connected to important networks to promote the cause of the Convention;
- the creation or reinforcement of national funds to promote the diversity of cultural expressions and fund projects.

Preliminary conclusions

12. In view of the need to make progress, the Committee requested that the Conference of Parties mandate it to define a fund-raising strategy. At this stage in the process, the **Secretariat** will have to reflect the debates, taking due account of the respective roles of the stakeholders and integrate the operational guidelines. After defining the main lines of a visibility policy, the Secretariat will:

- (i) identify and disseminate to stakeholders a range of innovative funding mechanisms;
- (ii) develop criteria to attract and secure the loyalty of small donors, involving them in the execution and the evaluation of projects and keeping them informed of the use of financial resources, with due regard for traceability and transparency;
- (iii) lead the exchange and communication platform of the Global Alliance for Cultural Diversity to promote trisectoral partnerships (private sector, public sector, civil society), with due regard for the operational guidelines of Article 15 of the Convention;
- (iv) facilitate the analysis and dissemination of information and good practices regarding the introduction of legal and administrative measures conducive, at national level, to the growth and funding of cultural industries, in accordance with Article 9 of the Convention.

13. **Civil society** will be called on to play a proactive role in the process of ratification and will be involved through the consultations which will prove necessary at all stages in the elaboration of the fund-raising strategy.

14. The Parties may also make a **political commitment** to provide regular contributions to the IFCD and, to that end, conduct national fund-raising campaigns in support of the emergence of a dynamic cultural sector, notably:

- (i) by defining national strategies including innovative and appropriate fund-raising mechanisms;
- (ii) by celebrating 21 May – World Day for Cultural Diversity – and making use of every opportunity, particularly festivals, to raise funds;
- (iii) by supporting the adoption of legislative and administrative measures such as laws encouraging sponsorship, one or more systems of internal taxation capable of financing funds for the promotion of cultural industries so that cultural policies with substantial resources can be put in place;
- (iv) by basing their cooperation with civil society on the operational guidelines to be approved by the Conference of Parties, not forgetting culture professionals, in particular societies of authors, trade unions and associations of creators.

15. This information note summarizes document CE/09/2.EXT.IGC/208/6.Add. which is available on the website of the Convention at the following address:

www.unesco.org/culture/en/diversity/convention.

16. The Committee's discussions on this question will be reflected in the detailed draft summary record to be approved by the Committee at its third ordinary session in December 2009. A brief summary of the statement by the representative of UNITAID is annexed to this document.

ANNEX

Summary of exchange session

Fund-raising: Challenges and Opportunities – the experience of UNITAID

Mr Philippe Duneton, Deputy Executive Secretary of UNITAID, made a presentation on the solidarity tax on airline tickets, an innovative and sustainable form of funding for UNITAID. The purpose of that organization is to act on the market for medicines used to treat HIV/AIDS, malaria and tuberculosis in order to make treatment accessible to the underprivileged. It has some thirty partners such as UNICEF, WHO and the Clinton Foundation, which enables it to reduce its operating costs. UNITAID was launched in September 2006 at the General Assembly of the United Nations and the first contributions were received in December 2006. However, UNITAID is the culmination of a political effort begun in 2004 which reflected the commitment of Presidents Chirac (France), Lula (Brazil) and Lagos (Chile). The requirements of the fight against poverty were the subject of a declaration during the General Assembly of the United Nations in 2004, and followed by reflection on innovative funding mechanisms. Thus, the "Landau" report presented the innovative mechanisms that could increase the volume of international aid. These discussions were behind the establishment of the "Group of 44", which has a rotating secretariat. France will be providing the secretariat until the end of May 2009 and a meeting will be held in Paris at which a number of studies will be presented. These studies are all the more important as the current financial crisis is exerting pressure on development aid. Since the fear of greater difficulties due to the crisis is shared by all stakeholders in the field of health aid, the group proposes to introduce a tax on exchange transactions. This possible mechanism would appear to be the most promising in terms of feasibility.

As of 2004, the situation was as follows: most of those who are ill live in the South whereas the medicines are produced in the North. Thus, treatment for HIV/AIDS which costs \$10 000 per person per annum in the West is not viable in the countries of the South. The founder countries therefore decided to establish UNITAID. The first studies began in April 2006 and the convention signed by the member countries (Brazil, Chile, France, Norway and United Kingdom), attached to WHO, dates from September 2006. The governing bodies of the organization are a small Executive Board of 11 members (chaired by Mr Douste-Blazy), which met for the first time in Geneva in October 2006 and a Secretariat (headed by Mr Jorge Bermudez), which is hosted by WHO and is composed of some 30 people. The Consultative Forum enables UNITAID to voice its views and to influence the policies and choice of future members.

UNITAID today has 29 member countries, plus the Gates Foundation. Its annual budget is \$320 million and it is all the more stable as no major reduction in air traffic is anticipated. Of the funds received by UNITAID, 80% must be used in the least developed countries or intermediate countries. Its activities are principally concentrated in Africa. The donations come from South America, Africa, Europe and Asia.

In his conclusion, **Mr Duneton** emphasized the importance of having introduced a global tax to solve a global problem. In 2004, **it was essential to identify a long-term funding mechanism**. The tax on airline tickets (which promote and represent globalization) enables practical steps to be taken to reduce the inequality generated by globalization and has no negative impact on the economic activity of countries or businesses (air transport). The mechanism allows States, by virtue of their sovereignty, to define the conditions for the application of the tax, which may vary with the nature, destination or class of the flight. Moreover, the amounts selected often correspond to the price of a medical treatment. In two years health aid measures have been supported in 93 countries. Today the tax represents 72%

of UNITAID's funding and is applied to all airlines on departure from or arrival in a country that has decided to introduce it. It is paid when the ticket is purchased. Seven countries apply it and 14 are currently introducing it. The introduction of a tax does require legislation and the legislative process may vary in length.

Following the above presentation, **Ms Françoise Rivière, Assistant Director-General for Culture**, concluded that, in spite of being slow and cumbersome, the international system could adapt.

The delegation of **Senegal** wondered about the possibility of applying the mechanism to sectors other than health. It also emphasized that there was no unanimity within governments on the subject of tax systems. In that connection, it inquired as to the difficulties encountered by UNITAID and how they had been resolved.

Mr Philippe Duneton stressed the importance of involving civil society, which was often very attentive and keen on vigorous action. It provided a stimulus and was a source of reflection. The legislative phase required a degree of mobilization which went beyond politics and depended on an active approach by associations and NGOs. He also emphasized the obstacles put up by certain bodies such as the International Air Transport Association, which initially looked askance at the idea of the tax.

The delegation of **Brazil** asked if and how UNITAID planned to attract voluntary contributions.

Mr Philippe Duneton explained that UNITAID realized that some countries would never introduce the tax and had therefore provided a mechanism for voluntary contributions by citizens. Thus, a citizen could make a voluntary contribution when buying a ticket. This additional measure, which could bring in between one hundred million and one billion dollars in two or three years time, was not however intended to replace the tax.

The **Assistant Director-General for Culture** underscored the relevance of the innovative funding model at international level. Finally, she drew attention to the meeting of the "Group of 44" which would be held in France at the end of May and invited the delegations present to attend.