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Diversity of
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8 IGC

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

**Eighth Ordinary Session
Paris, UNESCO Headquarters
9 - 11 December 2014**

Item 10 of the provisional agenda: Use of the financial resources of the International Fund for Cultural Diversity (IFCD)

In accordance with Decision 7.IGC 9, this document presents a detailed report on the use of the financial resources of the IFCD and a provisional draft budget for 2015.

Decision required: paragraph 15

1. In accordance with the Guidelines approved by the Conference of Parties and the Decisions adopted by the Intergovernmental Committee for the Protection and Promotion of the Diversity of Cultural Expressions (hereinafter “the Committee”), this document presents the Secretariat’s report on the use of the financial resources of the International Fund for Cultural Diversity (hereinafter “IFCD”) and the provisional draft budget for 2015.
2. At this session, the Committee is to examine:
 - (i) the financial statements for the period 1 January 2013 to 31 December 2013 and 1 January 2014 to 30 June 2014; and
 - (ii) the provisional draft budget for 2015 and consider its adoption.

I - Financial statements for the period 1 January 2013 to 31 December 2013 and 1 January 2014 to 30 June 2014

3. During the reporting period of 1 January 2013 to 30 June 2014, the total income of the IFCD amounted to **US\$ 1,075,380.86**. This income consisted of:
 - a) Voluntary contributions from Andorra, Australia, Bosnia and Herzegovina, Brazil, China, Czech Republic, Estonia, Finland, France, Lithuania, Malawi, Mexico, Monaco, Portugal, Saint Vincent and the Grenadines, Serbia, Slovenia, Sweden, Switzerland, Ukraine and an anonymous donor, which totalled US\$ 1,060,894.86.
 - b) Interest earned on the resources of the IFCD, which totalled US\$ 14,486.
4. During the reporting period, 20 out of the 134 Parties to the Convention (14.9%) contributed to the IFCD. Compared to the previous reporting period, where 23 Parties to the Convention made a voluntary contribution to the IFCD, the number of Parties contributing to the IFCD decreased by 3 percentage points. However, the total income of the IFCD in the current reporting period remains almost the same compared to the previous one: A total of US\$ 1,071,071.68 were credited to the IFCD during the period of 1 January 2012 to 30 June 2013.
5. In terms of the expenditures related to the IFCD during the reporting period, a total of **US\$ 1,726,196.71** were disbursed as follows:
 - a) Evaluation of funding requests by the IFCD Panel of Experts: US\$ 36,617.04.
 - b) Operating costs of the IFCD: US\$ 5,237.72.
 - c) Cost of participation in statutory meetings by experts from least-developed countries (LDCs) that are members of the Committee: US\$ 10,006.83.
 - d) Funding of projects approved by the Committee: US\$ 1,436,133.97.
 - e) Fundraising and communication strategy: US\$ 79,991.17.
 - f) Evaluation of the IFCD Pilot Phase: US\$ 1,283.01.
 - g) Programme support costs (10%): US\$ 156,926.97.
6. Financial statements of income and expenditure and schedules of expenditure prepared by the UNESCO Bureau of Financial Management for the IFCD covering the period from 1 January to 31 December 2013 and from 1 January to 30 June 2014 are presented in Annex I.
7. With the purpose of reinforcing the financial and budgetary management of the IFCD to increase its transparency and improve its overall monitoring and reporting mechanisms, the Secretariat worked with the Administrative Unit of the Culture Sector and the UNESCO Bureau of Financial Management to establish a new coding structure that allows for an improved reporting by activity and financial cycle. The new budget code structure is operational since January 2014.

II - Provisional draft budget for 2015

8. The IFCD Guidelines provide that the Committee approve the budget in accordance with the resources available in the IFCD. A provisional draft budget for 2015 is presented in Annex II.
9. At its seventh ordinary session in December 2013, the Committee adopted Decision 7.IGC 6 indicating that 70% of the amount available in the IFCD on 30 June 2014 would be allocated to the budget for the IFCD.
10. Past practice for the preparation of the provisional draft budget for the IFCD established during the IFCD Pilot Phase has been that a minimum of 82% of the budget is to be allocated to funding projects. While this practice has been rigorously implemented since it was adopted in 2009 (Decision 3.IGC 5) and allocations of fixed costs have been adjusted to the actual expenditures over time to allow for a majority of the funds of the budget to be dedicated to funding projects, the stagnation of contributions to the IFCD may jeopardize this effort in upcoming funding cycles.
11. For the provisional draft budget for 2015, 82% of the budget funds are allocated to funding of projects and fixed costs make up only 18% of this sum.
12. The total amount available as of 30 June 2014 is **US\$ 1,086,323**. The budget requested for 2015 amounts to **US\$ 760,426**, including the support costs (10%), and unassigned funds amount to **US\$ 325,897**. The budget is broken down into two main sections:
 - (a) fixed costs, amounting to **US\$ 67,000**; and
 - (b) funding of projects, amounting to **US\$ 624,296**.

Below is an overview of the activities to be financed by the IFCD in 2015.

Fixed costs

- Evaluation of funding requests by the IFCD Panel of Experts: the sixth funding cycle will be launched in 2015. US\$ 45,000 will be allocated by the Secretariat for the evaluation of project proposals by the IFCD Panel of Experts.
- Operating costs of the IFCD: operating costs amounting to US\$ 7,000 will be allocated to the monitoring of IFCD-funded projects, conference calls with the members of the IFCD Panel of Experts and correspondence with project managers.
- Cost of participation in statutory meetings by experts from LDCs that are members of the Committee: in accordance with Article 23.7 of the Convention and paragraph 7.2.2 of the Guidelines on the Use of the Resources of the IFCD, costs will continue to be incurred to ensure the participation of government experts from LDCs that are members of the Committee in statutory meetings. US\$ 15,000 have been allocated for this purpose.

Funding of projects

- Funding of projects approved by the Committee: US\$ 624,296 have been allocated for funding projects to be approved during the eighth ordinary session of the Committee.
13. In compliance with UNESCO's financial regulations, 10% of programme support costs are applicable to the special account. Hence, US\$ 69,130 have been allocated for this purpose.
 14. Document CE/14/8.IGC/9 contains a detailed report on the use of funds intended for fundraising activities in 2013-2014, that were allocated by the seventh ordinary session of the Committee from the unassigned funds (Decision 7.IGC 7). 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/14/8.IGC/9 presents an estimated budget of US\$ 47,563 intended for additional fundraising activities to be undertaken in 2015 to be approved by the Committee, and if so decided, to be allocated from the unassigned funds.

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

DRAFT DECISION 8.IGC 10

The Committee,

1. *Having examined documents CE/14/8.IGC/8, CE/14/8.IGC/9 and CE/14/8.IGC/10 and their Annexes,*
2. *Recalls its Decisions 3.IGC 5, 4.IGC 10A, 5.IGC 6, 6.IGC 9 and 7.IGC 9;*
3. *Takes note of the financial statements of the International Fund for Cultural Diversity for the period 1 January to 31 December 2013 and 1 January to 30 June 2014 as set out in Annex I;*
4. *Having examined the provisional draft budget for 2015 set out in Annex II;*
5. *Adopts the budget for 2015 as set out in Annex II;*
6. *Requests the Secretariat to submit to the Committee, at its next ordinary session, a detailed report on the use of the IFCD financial resources;*
7. *Requests the Director-General to launch a new appeal for contributions in 2015 to all Convention stakeholders;*
8. *Thanks all the contributors that have supported the IFCD since the last ordinary session of the Committee and encourages Parties to consider the possibility of supporting the Fund by providing regular voluntary contribution equivalent to at least 1 per cent of their total contribution to UNESCO.*

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 2013 TO 31 DECEMBER 2013**

(EXPRESSED IN US DOLLARS)

	2013	2012
INCOME		
Voluntary Contributions - Schedule 1.1	811,000.27	536,671.05
Other income:		
Interest	10,467.00	16,394.00
TOTAL INCOME	<u>821,467.27</u>	<u>553,065.05</u>
EXPENDITURE		
Cash Disbursements - Schedule 1.2	1,361,804.11	1,657,683.75
Increase in balance of unliquidated obligations	(18,872.41)	(119,804.18)
TOTAL EXPENDITURE	<u>1,342,931.70</u>	<u>1,537,879.57</u>
EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	<u>(521,464.43)</u>	<u>(984,814.52)</u>
Reserves and fund balances, beginning of the period	<u>2,488,130.83</u>	<u>3,472,945.35</u>
RESERVES AND FUND BALANCES, END OF THE PERIOD	<u>1,966,666.40</u>	<u>2,488,130.83</u>



UNESCO
INTERNATIONAL FUND FOR CULTURAL DIVERSITY
SCHEDULE OF INCOME
FOR THE PERIOD 1 JANUARY 2013 TO 31 DECEMBER 2013
(EXPRESSED IN US DOLLARS)

Funds received		
Andorra	10,190.25	
Australia	71,823.00	
Bosnia and Herzegovina	2,000.00	
Brazil	250,000.00	
China	80,000.00	
Czech Republic	3,157.05	
Estonia	1,306.00	
Finland	26,525.20	
France	184,364.20	
Lithuania	6,793.50	
Malawi	100.00	
Mexico	36,208.00	
Monaco	27,586.20	
Portugal	17,217.63	
Saint Vincent and the Grenadines	1,001.31	
Serbia	2,252.01	
Slovenia	3,449.80	
Sweden	30,286.38	
Switzerland	53,506.74	
Ukraine	3,232.00	
Other	1.00	811,000.27
Interest		10,467.00
TOTAL		821,467.27

Schedule 1.2



UNESCO

INTERNATIONAL FUND FOR CULTURAL DIVERSITY

SCHEDULE OF EXPENDITURE FOR THE PERIOD 1 JANUARY 2013 TO 31 DECEMBER 2013

	Disbursements	Unliquidated Obligations	Total
Evaluation of funding requests by the expert panel	36,617.04	-	36,617.04
Cost of participation in statutory meetings by experts from LDCs that are members of the Committee	10,006.83	1,713.03	11,719.86
Programmes/projects approved for funding from IFCD by the Committee of 2005 Convention	1,116,133.97	372,152.00	1,488,285.97
Fundraising for the IFCD	69,457.74	23,168.00	92,625.74
Evaluation of the IFCD Pilot Phase	1,283.01	8,870.95	10,153.96
Operating Costs for the IFCD	4,505.15	269.39	4,774.54
SUB-TOTAL	1,238,003.74	406,173.37	1,644,177.11
PROGRAMME SUPPORT COSTS 10%	123,800.37	40,617.34	164,417.71
TOTAL	1,361,804.11	446,790.71	1,808,594.82
Unliquidated Obligations 1 January 2012	-	(465,663.12)	(465,663.12)
TOTAL EXPENDITURE	1,361,804.11	(18,872.41)	1,342,931.70



UNESCO

INTERNATIONAL FUND FOR CULTURAL DIVERSITY

STATEMENT OF INCOME AND EXPENDITURE AND CHANGES IN RESERVES AND FUND BALANCES
FOR THE PERIOD 1 JANUARY 2014 TO 30 JUNE 2014

(EXPRESSED IN US DOLLARS)

INCOME

Voluntary Contributions - Schedule 1.1 249,894.59

Other income:

Interest 4,019.00

TOTAL INCOME 253,913.59

EXPENDITURE

Programme Activities Schedule 1.2 928,805.89

TOTAL EXPENDITURE 928,805.89

EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE (674,892.30)

Savings on prior years' obligations and other adjustments (28.99)

Reserves and fund balances, beginning of the period 1,966,666.40

RESERVES AND FUND BALANCES, END OF THE PERIOD 1,291,745.11

Schedule 1.1



UNESCO
INTERNATIONAL FUND FOR CULTURAL DIVERSITY
SCHEDULE OF INCOME
FOR THE PERIOD 1 JANUARY 2014 TO 30 JUNE 2014
(EXPRESSED IN US DOLLARS)

Funds received		
Bosnia and Herzegovina	2,000.00	
Estonia	1,281.00	
Finland	27,586.20	
France	108,843.20	
Slovenia	3,659.76	
Sweden	50,091.02	
Switzerland	56,433.41	249,894.59
Interest		4,019.00
TOTAL		253,913.59



UNESCO

INTERNATIONAL FUND FOR CULTURAL DIVERSITY

SCHEDULE OF EXPENDITURE FOR THE PERIOD 1 JANUARY 2014 TO 30 JUNE 2014
PROGRAMME ACTIVITIES

	Budget 2014	Disbursements	Unliquidated Obligations	Total
1 Evaluation of funding requests by the expert panel (consultancy contracts)	65,000.00		10,830.00	10,830.00
2 Operating costs	10,000.00	732.57	1,267.43	2,000.00
3 Cost of participation in statutory meetings of experts from LDCs that are members of the	20,000.00			0.00
4 Funding of projects	630,903.00			0.00
4.1 ZIMCOPY - Zimbabwe		50,000.00	42,928.00	92,928.00
4.2 ASSITEJ - South Africa		50,000.00	48,252.63	98,252.63
4.3 Ministère Culture/Tourisme-Burkina Faso		50,000.00	50,000.00	100,000.00
4.4 PEN Internal-Haiti/Kenia/Nigeria/Serbia		50,000.00	50,000.00	100,000.00
4.5 Malawi National Commission for UNESCO		20,000.00	22,490.00	42,490.00
4.6 THYDEWA - Brazil		45,000.00	45,950.00	90,950.00
4.7 ACCP - Paraguay		45,000.00	45,000.00	90,000.00
4.8 Ministry of Tourism, Heritage and Creati		0.00	54,522.00	54,522.00
4.9 Ministry of Culture - Peru		10,000.00	11,090.00	21,090.00
4.10 Arterial Network - South Africa Chapter		0.00	73,514.93	73,514.93
5 Fund Raising and Communication Strategy	105,130.67	10,533.43	57,258.00	67,791.43
SUB-TOTAL	1,031,033.67	331,266.00	513,102.99	844,368.99
PROGRAMME SUPPORT COSTS 10%	103,103.37	33,126.60	51,310.30	84,436.90
TOTAL	1,134,137.04	364,392.60	564,413.29	928,805.89

Annex II IFCD – PROVISIONAL DRAFT BUDGET FOR 2015

	DESCRIPTION	AMOUNT \$US
Fixed costs 2015	Evaluation of funding requests by the IFCD Panel of Experts (§7.3 of the Guidelines)	45 000
	Operating costs	7 000
	Cost of participation in statutory meetings of government experts from LDCs that are members of the Committee (§7.2.2 of the Guidelines)	15 000
Subtotal		67 000
Funding of projects***	Funding of projects	624 296
Subtotal		624 296
SUBTOTAL (fixed costs + funding of projects)		691 296
Support costs *		69 130
GRAND TOTAL **		760 426

Total available as of 30 June 2014:	1 086 323
Unassigned funds:	325 897
Total contribution to the IFCD as of 30 June 2014, including interest:	6 895 524
* In compliance with UNESCO's Financial Regulations, 10% of support costs are applicable to the Special Account.	
** Based on the Committee's Decision 7.IGC 6, paragraph 7, 70% of the funds available as of 30 June 2014 will be allocated as the budget.	
*** 82% of the budget funds were allocated to funding requests and fixed costs only made up 18% of this sum.	