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

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**Item 6 of the provisional agenda: Preparation of guidelines on the
use of the resources of the International Fund for Cultural Diversity**

SUMMARY

In compliance with Article 18.4 of the Convention, the use of the resources of the Fund is decided by the Committee on the basis of the guidelines of the Conference of Parties. The first session of the Conference of Parties adopted Resolution 1.CP 7 in which it requests the Committee to submit to it for approval, at its second ordinary session (June 2009), draft guidelines on the use of the resources of the Fund. The following document presents preliminary draft guidelines, which could be refined, amended and completed in light of the debates of the Committee.

Required decision: paragraph 17

1. Article 18.1 of the Convention on the Protection and Promotion of the Diversity of Cultural Expressions (hereinafter referred to as “the Convention”) provides for the creation of the International Fund for Cultural Diversity (hereinafter referred to as “the Fund”). In compliance with Article 18.4 of the Convention, the use of the resources of the Fund is decided by the Intergovernmental Committee for the Protection and Promotion of the Diversity of Cultural Expressions (hereinafter “the Committee”) on the basis of the guidelines of the Conference of Parties.
2. The first session of the Conference of Parties adopted Resolution 1.CP 7, by which it approved the Financial Regulation for the Fund and requested the Committee to submit to it for approval, at its second ordinary session, draft guidelines on the use of the resources of the Fund (hereinafter referred to as “draft guidelines”), specifying its priorities and modalities. In this Resolution, it also requested the Committee to take into account the debates of the first session of the Conference of Parties, (cf. document CE/07/1.CP/CONF/209/10, Draft Analytical Summary, paragraphs 137 to 159^{*}). The Conference of Parties recommended that the resources of the Fund be used mainly for projects with structural impact and support regional partnerships for the development of cultural policies and infrastructures as well as for capacity-building.
3. The Special Account of the Fund was created in compliance with the Financial Regulations of UNESCO following a decision by the Director-General in August 2007. The Financial Regulations applicable to the Special Account of the Fund specify that, given the multi-donor character of the Fund, it will be managed as a special account. It also specifies that the purpose of the Special Account is to fund activities decided by the Committee on the basis of the guidelines of the Conference of Parties. The funding is intended to assist the 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 compliance with Article 14 of the Convention.
4. To guarantee the coherence of the draft operational guidelines, it is proposed in draft decision 1.IGC 5B (paragraph 14 of document CE/07/1.IGC/5B) that the different aspects of international cooperation (Article 14 of the Convention), the subject of paragraph 6.3 of Chapter 6 of the draft Table of Contents of the operational guidelines, will be examined by the Committee in conjunction with Chapter 7 concerning the Fund, in the framework of the present agenda item, the subject of which is the preparation of the guidelines on the use of the resources of the Fund. This coherence is essential as the Fund constitutes one of the means by which Parties undertake to support cooperation for development.
5. This document presents preliminary draft guidelines for the use of the resources of the Fund (hereinafter referred to as “preliminary draft”). At this stage, the preliminary draft does not include proposals on the modalities of use of the resources of the Fund. The preparation of modalities depends on the prior approval by the Committee of the content of the preliminary draft, in particular the fields of intervention of the Fund and the categories of beneficiaries and assistance. Consequently, it is proposed to the Committee, in the framework of this agenda item, to proceed according to the following three steps:

* This document will be submitted for adoption at the second session of the Conference of Parties in June 2009.

- (i) **Examine the preliminary draft guidelines on the use of the resources of the Fund presented in this document;**
- (ii) **Initiate discussions on the modalities of use of the resources of the Fund;**
- (iii) **Initiate discussions on cooperation for development (Article 14 of the Convention).**

These debates will provide the Secretariat with the recommendations of the Committee, which are essential for the preparation of a preliminary draft of paragraph 6.3 of the Table of Contents on cooperation for development and for the further preparation of draft Chapter 7 on the operational guidelines concerning the Fund.

6. The preliminary draft includes the following chapters, the titles of which are based on the provisions of the Convention: guiding principles, objectives, scope of application, categories of assistance, form of assistance and beneficiaries.
7. The chapter on the scope of application, which sets out fields of intervention, is organized according to a well-defined order of priorities. Given the fact that the Fund is instituted by the Convention for the purposes of cooperation for development (as stated in Article 14), the guidelines deriving from this article have *de facto* the highest ranking in the hierarchy of the fields of intervention of the Fund. Furthermore, as the Conference of Parties had requested the Committee to take into account the debates that had taken place during its first session, the Secretariat analyzed the declarations of the Parties and refined the order of priority of the fields of intervention in paragraph 16 of the preliminary draft. An order of priority is also proposed for the categories of assistance in paragraph 17 of the preliminary draft.
8. Paragraph 18 of the preliminary draft proposes a categorization of the beneficiaries of assistance from the Fund, which includes the different stakeholders of the protection and promotion of the diversity of cultural expressions, to which the Convention makes reference. Given the importance that the Convention attaches to civil society, it is included as a beneficiary of the Fund in the preliminary draft. In order to guarantee the coherence of the draft operational guidelines, it is therefore recommended that the wording of the paragraph on civil society as a beneficiary of assistance be harmonized with the definition of civil society that the Committee will have adopted.
9. It should be recalled that during the first session of the Conference of Parties, some delegations wished that access to the Fund be relatively simplified, so that all Parties can benefit. The Conference of Parties recommended the efficient, collegial and cost-effective management of the Fund, so as to allocate the maximum amount of resources to the projects; the production of periodical reports on the results achieved by the beneficiaries of the projects supported and their evaluation.
10. To this end, the Committee may wish, on the basis of the examination of the preliminary draft, to initiate discussions which could include the following issues: official means of submitting requests to the Secretariat; evaluation of requests for assistance before approval and following the implementation of the projects; maximum and minimum budget amounts of requests for assistance, providing that the Fund disposes of sufficient financial resources; distribution of resources according to the categories of assistance; distribution of resources allocated to the different categories of beneficiaries.

11. This debate would provide the Secretariat with recommendations from the Committee on modalities in order to continue preparing the draft operational guidelines on the Fund.
12. Article 14 of Convention concerning cooperation for development is a flagship provision of international cooperation. It underlines the guiding principles of solidarity and international cooperation, the complementarity of the economic and cultural aspects of development and sustainable development. It stipulates that the Parties shall undertake, *inter alia*, 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 through various means detailed in a non exhaustive list. Its implementation requires the drafting of operational guidelines indicating the measures and methods that the Parties could adopt to achieve sustainable cooperation that takes into account the needs of developing countries parties to the Convention. Special attention could be given to the five links of the chain, i.e. creation, production, distribution and dissemination, access and enjoyment of cultural expressions. To this end, during this session the Committee may wish to start preliminary discussions on cooperation for development and formulate a certain number of recommendations aimed to facilitate the elaboration by the Secretariat of preliminary draft operational guidelines on Article 14 (paragraph 6.3 of Chapter 6 of the draft Table of Contents of the operational guidelines).
13. After the examination of this agenda item, the Committee may wish to amend and adopt, in full or in part, the preliminary draft guidelines on the use of the resources of the Fund. It is for the Committee to adopt a roadmap including a timetable and working methods for the next steps of its preparation.
14. The Committee may wish to request the Secretariat to prepare the preliminary draft of paragraph 6.3 of Chapter 6 of the draft Table of Contents of the operational guidelines on cooperation for development as well as to draft Chapter 7 on the Fund including the guidelines and modalities of use of the resources of the Fund. These drafts should take into account the debates of the present session of the Committee and will be submitted at its next session.
15. In July 2007, a meeting of independent experts, financed by the UNESCO/Spain Funds-in-Trust, was co-organized by UNESCO, the Spanish Agency for International Cooperation and the Inter-university Institute for Cultural Communication. The purpose of the meeting was to reflect on the implementation of the provisions of the Convention relating to international cooperation, and more particularly to identify major difficulties and to propose implementation modalities. The final report of this meeting was transmitted for information to the members of the Committee (document CE/07/1.IGC/INF.3) who could, should they wish to, take note of it in the reflection process.
16. The preliminary draft guidelines for the use of the resources of the International Fund on Cultural Diversity are as follows:

Preliminary Draft Guidelines for the Use of the Resources of the International Fund for Cultural Diversity

Guiding Principles

The use of the resources of the Fund shall:

1. Comply with the objectives of the Convention as stated in *Article 1*, and contribute substantially to their achievement;
2. Comply with the guiding principles stipulated in *Article 2* of the Convention;
3. Comply with the scope of application of the Convention as provided for in its *Article 3*;
4. Apply to cultural diversity as defined by *Article 4.1* of the Convention and be complementary to other international funds covering similar fields;
5. May not be attached to any political, economic or other conditions that are incompatible with the objectives of the Convention, in compliance with its *Article 18.6*;
6. Meet the needs and priorities expressed by developing countries, giving preference to South/South cooperation;
7. Have structural impact, contribute to achieving concrete results for its beneficiaries and bring about sustainable progress;

Objectives of the Fund

The objectives of the Fund are to:

8. Support cooperation for sustainable development and poverty reduction, especially in relation to the specific needs of developing countries in compliance with *Article 14* of the Convention;
9. Foster the emergence of a dynamic cultural sector, particularly in developing countries, in compliance with *Article 14* of the Convention;
10. Integrate culture in the Parties' sustainable development policies at all levels for the creation of conditions conducive to sustainable development, in compliance with *Article 13* of the Convention;
11. Strengthen international cooperation, especially in relation to the specific needs of developing countries in order to, *inter alia*:
 - 11.1. Facilitate dialogue on cultural policies;
 - 11.2. Build public sector strategic and management capacities in public cultural institutions, through international professional cultural exchanges, as well as best practice sharing;

- 11.3. Strengthen partnerships with civil society, non governmental organizations and the private sector, as well as among these bodies, in order to support and promote the diversity of cultural expressions;
 - 11.4. Promote the use of new technologies and encourage partnerships in order to strengthen information sharing and cultural understanding, and to foster the diversity of cultural expressions;
 - 11.5. Encourage the conclusion of co-production and co-distribution agreements.
12. Strengthen international cooperation in special situations where cultural expressions, on Parties' territories, are at risk of extinction, under serious threat, or otherwise in need of urgent safeguarding, particularly in developing countries;
 13. Contribute to the implementation in developing countries of the measures provided for by the Convention, including those aiming to protect (*Article 6.2*), and promote (*Article 7.1*) the diversity of cultural expressions;
 14. Contribute to ensuring fair geographical distribution of the expertise of the members of the Committee, through the participation of experts nationals from least developed countries that are members of the Committee, that request assistance to participate in one of the Committee's meetings;
 15. Contribute to any other objective in line with the Convention and compatible with the present guidelines, which the Committee would deem necessary to bring to the attention of the Conference of Parties;

Scope of Application

16. The fields of intervention of the Fund include:
 - 16.1. **Implementation of appropriate cultural measures and policies:**
 - (a) Definition of transversal and participative national strategies in favour of the diversity of cultural expressions;
 - (b) Preparation and consolidation of cultural policies;
 - (c) Establishment of appropriate legal and institutional frameworks;
 - 16.2. **Support to institutional infrastructures:**
 - (a) Establishment and strengthening of institutions in the public and private sectors;
 - (b) Strengthening, in particular, of the budgetary and human capacities of public institutions;
 - (c) Provision of infrastructure and equipment for the public and private sectors, as well as members of civil society[†], for the creation, production, dissemination and distribution of cultural activities, goods and services at the national and regional level;
 - (d) Support and coordination of civil society organizations and platforms on issues covered by the Convention;
 - 16.3. **Capacity-building and expertise:**
 - (a) Contribute to human resource training and to professionalizing the cultural sector in developing countries, in the public and private sectors, as well as civil society, concerning *inter alia*:
 - (i) Preparation and implementation of measures and policies,
 - (ii) Strategic and management capacities,

[†] According to the definition of "civil society" to be adopted by the Committee.

- (iii) Development and sustainability of small, medium and micro cultural enterprises,
- (iv) Promotion and distribution of cultural expressions,
- (v) Use of all technologies,
- (vi) Development and transfer of skills.

(b) Support the strengthening of the States' expertise, particularly in developing countries, for data collection and information exchange as provided for by *Article 19.4*;

16.4. Development of cultural industries:

(a) Capacity-building of cultural production through the following means, as prescribed by *Article 14* of the Convention:

- (i) By contributing, where possible, to supporting the creative work of artists in developing countries;
- (ii) By encouraging appropriate collaboration between developed and developing countries, including in the fields of music and film;

(b) Creation or development of capacities in cultural dissemination, distribution and circulation in developing countries:

- (i) By fostering the emergence of viable local and regional markets;
- (ii) By facilitating, where possible, the mobility of artists in developing countries ;
- (iii) By facilitating wider access to the global market and international distribution channels for their cultural activities, goods and services;

16.5. Development of funding systems:

(a) Through the preparation of studies on funding mechanisms or on systems that provides grants for public development aid;

(b) Adoption and development of measures aimed to grant public financial aid such as low interest rate loans, microcredit, guarantee funds, subsidies and other funding mechanisms;

16.6. Development, strengthening and transfer of technology and know-how by establishing appropriate incentives, in particular in the field of cultural industries and enterprises;

16.7. Identification of the needs of developing countries through mappings and studies on the link between culture, cultural industries and sustainable economic development;

16.8. Education and public awareness on the importance of protection and promotion of the diversity of cultural expressions;

16.9. Participation in the Committee's expert meetings by nationals of least developed countries that are members of the Committee;

16.10. Other fields of intervention that the Committee may deem necessary to bring to the attention of the Conference of Parties.

Forms and Categories of Assistance

17. The use of the resources of the Fund could take the form of legal, technical, financial, human or material assistance and will be allocated for:
- 17.1. Assistance to foster the emergence of dynamic cultural sectors in developing countries. This assistance may be requested in the following fields: cultural policies, institutional infrastructures, capacity-building, cultural industries, funding systems and technology transfer;
 - 17.2. Assistance in special situations to Parties that have determined the existence of one of these situations: at risk of extinction, under serious threat or in need of urgent safeguarding, particularly in developing countries;
 - 17.3. Preparatory assistance. Such assistance may be requested to identify the specific needs of developing countries Parties to the Convention and to prepare their requests for assistance in order to foster the emergence of a dynamic cultural sector;
 - 17.4. Use of consulting services by the Committee in order to:
 - (a) Cover the fees of independent experts in charge of evaluating the requests for assistance submitted to the Committee and the results of the projects supported by the Fund;
 - (b) Fund, if necessary, the costs of participation in the Committee's meetings by public or private organizations from least developed countries, as well as individuals invited by the Committee to participate in order to consult them on specific issues, within the budgetary limits and subject to the decision of the Committee.
 - 17.5. Participation in the Committee's expert meetings by nationals from least developed countries that are members of the Committee, that have requested assistance to participate in the meetings in compliance with paragraph 15, within the budgetary limits and subject to the decision of the Committee.

Beneficiaries

18. The beneficiaries of the Fund's assistance include:
- 18.1. Developing countries parties to the Convention, individually or jointly;
 - 18.2. Parties to the Convention that have determined the existence of one of the situations mentioned in *Article 8* of the Convention;
 - 18.3. Civil society[‡] organizations from developing countries parties to the Convention that have interests, expertise and programmes in the fields covered by the Convention;
 - 18.4. Corporate bodies of the private sector that are either medium, small or micro cultural enterprises from developing countries parties to the Convention;
 - 18.5. Public or private organizations from least developed countries, as well as individuals invited by the Committee to participate in its meetings in order to consult them on specific issues;

[‡] According to the definition of "civil society" to be adopted by the Committee.

- 18.6.** Experts from least developed countries that are members of the Committee who have requested assistance to participate in the meetings of the Committee, in compliance with paragraph 14, within the limit of the funds available;
- 18.7** Independent experts in charge of evaluating requests for assistance submitted to the Committee and reports on the projects supported by the Fund.

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

Draft decision 1.IGC 6

The Committee,

1. *Having examined document CE/07/1.IGC/6;*
2. *Recalling Resolution 1.CP 7, by which the Conference of Parties requested the Committee 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, by specifying its priorities and modalities;*
3. *Recalling decision 1. IGC 5B by which it decided that the different aspects of cooperation for development (Article 14 of the Convention), the subject of paragraph 6.3 of the draft Table of Contents of the operational guidelines, would be examined in conjunction with Chapter 7 concerning the Fund (Articles 14 (d) (i) and 18 of the Convention) ;*
4. *Decides to continue the preparation of the operational guidelines on the provisions on cooperation for development, in conjunction with those on the use of the resources of the Fund, and to include this item on the agenda of its next session;*
5. *Decides to use, on a provisional basis, the preliminary draft guidelines on the use of the resources of the Fund, as amended and annexed to the present decision, for the preparation of the draft guidelines to be submitted for approval at the second ordinary session of the Conference of Parties;*
6. *Requests the Secretariat to prepare, in light of the debates of the present session, the preliminary draft of paragraph 6.3 of the Table of Contents of the operational guidelines on cooperation for development as well as the draft of Chapter 7 on the Fund and to submit them to it at its next session.*