**CONVENTION FOR THE SAFEGUARDING OF THE
INTANGIBLE CULTURAL HERITAGE**

**GENERAL ASSEMBLY OF THE STATES PARTIES TO THE CONVENTION**

**Eighth session**

**UNESCO Headquarters, Room I**

**8 to 10 September 2020**

**Financial statement for the period
1 January 2018 – 31 December 2019**

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| **Summary**In conformity with Article 7.5 of its Financial Regulations, the accounts of the Special Account for the Fund for the Safeguarding of the Intangible Cultural Heritage ‘shall be submitted by the Director-General to the General Assembly of the States Parties to the Convention’. The present document includes the Financial Report for the Intangible Cultural Heritage Fund for the period 1 January 2018 to 31 December 2019. |

**Explanatory Note**

1. In conformity with Article 7.5 of its Financial Regulations, the accounts of the Special Account for the Fund for the Safeguarding of the Intangible Cultural Heritage (hereafter ‘the Fund’) ‘shall be submitted by the Director-General to the General Assembly of the States Parties to the Convention’. The present document includes the Financial Report for the Fund for the period 1 January 2018 to 31 December 2019, preceded by a brief explanatory note.
2. The Fund is governed by the Financial Regulations of the Special Account for the Fund for the Safeguarding of the Intangible Cultural Heritage, adopted by the Committee at its first extraordinary session ([Decision 1.EXT.COM 9](https://ich.unesco.org/doc/src/00192-EN-PDF.pdf)). Its sources of income are governed by Article 25.3 of the Convention and Article 4 of the above-mentioned Financial Regulations. During the reporting period, the resources of the Fund related to the compulsory and voluntary assessed contributions from States Parties were utilized according to the Plan for the use of the resources of the Fund approved by the seventh session of the General Assembly in June 2018 ([Resolution 7.GA 8](https://ich.unesco.org/en/Decisions/7.GA/8)).
3. **Income (Statement I)**[[1]](#footnote-1)
4. During the reporting period, the income of the Fund consisted of:

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| 1. Compulsory and voluntary assessed contributions from States Parties[[2]](#footnote-2)
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| Compulsory contributions from 173 States Parties to the Convention, as described in Article 26.1 of the Convention | US$3,629,786 |
| Voluntary contributions received from three of the five States Parties, which, at the time of their ratification, had recourse to Article 26.2 of the Convention  | US$446,383 |
| 1. Voluntary supplementary contributions
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| *Contributions made for specific purposes relating to specific projects approved by the Committee, in accordance with Article 25.5 of the Convention* |  |
| From Japan to support a global reflection on the listing mechanisms of the 2003 Convention ([Decision 13.COM 6](https://ich.unesco.org/en/Decisions/13.COM/6))From the Netherlands for the implementation of the programme ‘Safeguarding intangible cultural heritage through formal and non-formal education in Latin America and the Caribbean’ ([Decision 14.COM 6](https://ich.unesco.org/en/Decisions/14.COM/6)) | US$267,238US$111,111 |
| *Sub-fund intended exclusively to strengthen the human capacities of the Secretariat (*[*Resolution 3.GA 9*](http://www.unesco.org/culture/ich/doc/src/ITH-10-3.GA-CONF.201-Resolution%20Rev.-EN.doc)*)[[3]](#footnote-3)* |  |
| China, Finland, Kazakhstan, Monaco, Montenegro and Sweden | US$141,044 |
| 1. Interest credited to the Fund
 | US$513,820 |
|  |  |
| **TOTAL** | **US$5,109,382** |

1. Compared to the preceding biennium, the total income during the reporting period increased by 5.2% due mainly to the increased interests (from US$277,238 to US$513,820). While voluntary supplementary contributions decreased by 27.6%, it was partly compensated by the increase in compulsory and voluntary assessed contributions. This increase was due mainly to the increase in assessment rates as a result of the new scale of assessment adopted by the United Nations for 2019, as well as the slight increase in the number of States Parties. Finally, as at 31 December 2019, the total unpaid balance of assessed contributions represented the equivalent of 23.7% of 2019 compulsory contributions.
2. **Schedule of appropriations and expenditure for the period 1 January 2018 to 31 December 2019 (Statement I and Schedule 1.1, pages 6–7)**[[4]](#footnote-4)
3. By its [Resolution 7.GA](https://ich.unesco.org/en/Decisions/7.GA/8)8, the General Assembly approved a budget of US$8,590,922 for the period 1 January 2018 to 31 December 2019. This corresponds to the balance of the Fund (excluding the sub-fund dedicated to specific activities approved by the Committee and the sub-fund for Enhancing the human capacities of the Secretariat) on 1 January 2018 (US$9,590,922) less the Reserve Fund accumulated up to that date (US$1,000,000).
4. The Financial Report (Schedule 1.1) shows total expenditure of US$5,400,185 as of 31 December 2019, which is 62.9% of the approved budget. Compared to the 2016–2017 biennium, this represents a significant increase, both in terms of expenditure rate (45.2% of the approved budget spent in 2016–2017) and in terms of nominal amount, with an additional US$1.79 million spent in 2018–2019. This improvement represents a direct outcome from the Secretariat’s efforts to intensify the operationalization of the International Assistance mechanisms of the Fund (budget lines 1, 1.1 and 2). Explanations for each budget line of the schedule of appropriations and expenditure are provided below.
5. In line with the priorities set by the Guidelines for the use of the resources of the Fund in Chapter II.1 of the Operational Directives, the General Assembly decided that the majority of the resources (**budget line 1**, 52.55%) would continue to be allocated to the provision of International Assistance to States Parties in order to supplement their national efforts to safeguard intangible cultural heritage. As at 31 December 2019, expenditures under budget line 1 more than doubled, from US$1.29 million in 2016–2017 to US$2.77 million in 2018–2019. Budget line 1 presents an expenditure rate of 61.3% (33.9% increase compared to the expenditure rate of the previous biennium). Expenses under this line correspond to International Assistance granted by the Committee or its Bureau for twenty-three projects[[5]](#footnote-5), eleven of which were initiated in Africa during the reporting period.
6. The new **budget line 1.1** (8.20%) is used to cover the biennial costs of three extra-budgetary fixed-term posts (one P3, one P2 and one G5) that were created by the General Assembly at its seventh session in 2018 to fully activate the International Assistance mechanisms and effectively monitor and evaluate their implementation ([Resolution 7.GA 8](https://ich.unesco.org/en/Decisions/7.GA/8)). The expenditure rate of this budget line is low, as the recruitment procedures for all three posts were finalized in November 2019. The recruitment of the three posts led to the creation of a ‘Safeguarding Implementation and Monitoring Team’ that became fully operational from February 2020 (see [document LHE/20/8.GA/6](https://ich.unesco.org/doc/src/LHE-20-8.GA-6-EN.docx)).
7. Concerning the **budget line 2** (Preparatory Assistance; 4.00%), the Secretariat received three preparatory assistance requests for a nomination to the List of Intangible Cultural Heritage in Need of Urgent Safeguarding – one of which was withdrawn by the requesting State Party – and one preparatory assistance request for a proposal to the Register of Good Safeguarding Practices. The Bureau approved all three requests presented to it. As a result, one proposal to the Register of Good Safeguarding Practices (2020 cycle) and two nominations to the Urgent Safeguarding List (2021 cycle) were submitted.
8. Expenditures reflected in this line also include the provision of technical assistance in accordance with [Decision 8.COM 7.c](https://ich.unesco.org/en/Decisions/8.COM/7.c). During the reporting period, such assistance was provided to three States Parties for their International Assistance requests. The three requests were finalized through this support mechanism and two of them were approved by the Bureau during the reporting period.
9. The use of the budget for ‘other functions of the Committee’ (**budget line 3**; 20.00%) was decided by the Bureau on the basis of specific proposals prepared by the Secretariat for the 2018–2019 biennium ([Decision 12.COM 7](https://ich.unesco.org/en/Decisions/12.COM/7)). According to the plan approved by the Bureau in its [Decision 13.COM 2.BUR 3](https://ich.unesco.org/doc/src/ITH-18-13.COM_2.BUR-Decisions_Rev.-EN.docx), these funds were dedicated to: capacity building and guidance on safeguarding measures and good practices (36%); awareness raising and outreach (27%); knowledge-management services (20%); and the integration of intangible cultural heritage into development plans, policies and programmes (17%). For the 2018–2019 biennium, 91.7% of the funds approved were spent and obligated as of 31 December 2019. This high expenditure rate is maintained compared to the previous biennium (92.8%). More details on the progress made in the implementation of these funds can be found in [document LHE/20/8.GA/6](https://ich.unesco.org/doc/src/LHE-20-8.GA-6-EN.docx) ‘Report of the Secretariat on its activities’.
10. Following the Internal Oversight Service’s recommendation in its audit of the working methods of the culture conventions ([IOS/AUD/2013/06](http://www.unesco.org/culture/ich/doc/src/IOS-AUD-2013-06-EN.pdf)), the Committee requested that the Secretariat apply the cost recovery policy consistently when using the resources of the Fund ([Decision 8.COM 11](http://www.unesco.org/culture/ich/doc/src/ITH-13-8.COM-Decisions-EN.doc)). Consequently, and as provided in Article 5.2 of the Financial Regulations of the Fund, budget lines 1 to 3 were charged with direct expenses related to their implementation.
11. **Budget line 4** (1.71%), which was used to finance the participation of thirty-five experts representing developing States Members of the Committee, its Bureau and subsidiary bodies in its sessions, reached an expenditure rate of 97.8%, representing a 39% increase compared to the previous biennium.
12. The expenditure rate of **budget line 5** (4.06%) reached 94.8%, corresponding to the participation costs of five eligible experts from developing States Parties non-members of the Committee serving on the Evaluation Body in 2018 and 2019 and the participation costs of eighty-two experts in the thirteenth and fourteenth sessions of the Committee.
13. **Budget line 6** (3.48%) reflects the participation costs of the six accredited non-governmental organizations (NGOs) serving on the Evaluation Body in 2018 and 2019 and the participation of twenty-six NGOs in the thirteenth session and twenty-five NGOs in the fourteenth session of the Committee respectively. The expenditure rate of this budget line reached 91.1%.
14. In line with [Resolution 7.GA 8](https://ich.unesco.org/en/Decisions/7.GA/8) and as described in [document LHE/20/8.GA/7](https://ich.unesco.org/doc/src/LHE-20-8.GA-6-EN.docx), two budget transfers were carried out in 2019, respectively from budget line 4 to budget line 5 (US$24,866) and from budget line 6 to budget line 5 (US$45,000). Compared with the 2016–2017 biennium, these transfers allowed an additional twenty-nine experts from developing States Parties non-members of the Committee to participate in the sessions of the Committee (budget line 5). Meanwhile, the Fund could still respond positively to an increasing number of requests to cover the participation of experts representing developing States Members of the Committee, its Bureau and subsidiary bodies (budget line 4) and of accredited NGOs (budget line 6).
15. **Budget line 7** shows an expenditure rate of 40.0%, corresponding to the fees of the eligible members of the Evaluation Body (nine in 2018 and eight in 2019) and the fees paid to the Chairperson and the Rapporteur of the Body for the additional tasks they perform. This rate remains relatively low due to the need to establish the contract of the members of the Evaluation Body at the beginning of the evaluation cycle, when only one fourth of the total budget is available.
16. **Additional reports**
17. **Annex II (a)** of the present document contains the list of voluntary supplementary contributions paid between 1 January 2018 to 31 December 2019 for specific purposes, as stipulated in Article 25.5 of the Convention, following a decision of the Committee. **Annex II (b)** lists other forms of support provided by States Parties and other entities during the same reporting period. In conformity with paragraph 77 of the Operational Directives, [an updated list of donors](https://ich.unesco.org/en/donors) can be found on the website of the Convention.
18. **Annex III** shows the total expenditure incurred for each specific activity/project approved by the Committee, from its beginning until 31 December 2019.
19. **Annex IV** shows the forecasts, based on the Secretariat’s estimation, for the future use of the funds allocated to ongoing specific activities/projects approved by the Committee.

**ANNEX I**

Statement I



Schedule 1.1



Statement II

Statement III



**ANNEX II (a)**



**ANNEX II (b)**[[6]](#footnote-6)

**In-kind contributions and secondments in support of the 2003 Convention for the Safeguarding of the Intangible Cultural Heritage for the period 1 January 2018 to 31 December 2019**

**Loans and Secondments[[7]](#footnote-7)**

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| --- | --- |
| China | 13 months at P-2 level |
| Japan | 3 months at P-2 level |
| Singapore | 12 months at P-2 level |

**ANNEX III**



**ANNEX IV**



1. . Figures have been rounded as compared to Financial Statement I, pages 6–7. [↑](#footnote-ref-1)
2. . In Financial Statement I, the assessed compulsory contributions for the period 2018-2019 are shown as income, whether they have been received or not; in Financial Statement II, the unpaid amount from States Parties due on 31 December 2019 was US$435,138. The assessed voluntary contributions appear as income only on the date when they are received. [↑](#footnote-ref-2)
3. . Since its creation in 2010, the sub-fund – intended exclusively to strengthen the human capacities of the Secretariat – had received contributions amounting to a total of US$1.5 million as of 31 December 2019. [↑](#footnote-ref-3)
4. . Figures have been rounded as compared to Financial Statement I, pages 6–7. [↑](#footnote-ref-4)
5. . This figure reflects International Assistance requests that have materialized into contracts during the reporting period, irrespective of their year of approval by the Committee or the Bureau. [↑](#footnote-ref-5)
6. . Annex II(b) issued by the Living Heritage Entity (LHE) as a complement to the financial report issued by the Grants Management Section, Bureau of Strategic Planning (BSP). [↑](#footnote-ref-6)
7. . Staff in office during the reporting period. [↑](#footnote-ref-7)