

**Limited distribution**

**WHC-94/CONF.003/5  
Paris, November 1994  
Original: English/French**

**UNITED NATIONS EDUCATIONAL,  
SCIENTIFIC AND CULTURAL ORGANIZATION**

**CONVENTION CONCERNING THE PROTECTION OF THE  
WORLD CULTURAL AND NATURAL HERITAGE**

**WORLD HERITAGE COMMITTEE**

**Eighteenth session  
Phuket, Thailand**

**12-17 December 1994**

**Item 8 of the Provisional Agenda: Strengthening of the World Heritage Centre in  
1994 and its further development**

1. The UNESCO World Heritage Centre was established by the Director-General on 16 March 1992 on the occasion of the celebration of the twentieth anniversary of the Convention concerning the protection of the world cultural and natural heritage. The Director-General entrusted to the Centre the responsibility of carrying out, with rapidity and efficiency, the activities related to the implementation of the Convention, of promoting its application by Member States, of promoting the action of the Organization in the field of cultural and natural heritage and of making a special effort to collect extra-budgetary resources. The initial staff of the Centre was constituted by the staff of the two UNESCO Sectors (Science and Culture) which were in charge of the implementation of the World Heritage Convention and which provided the Secretariat of the World Heritage Committee. Mr. B. von Droste was appointed Director of the Centre and Secretary of the World Heritage Committee. The resources of the Centre came from the budgetary provisions existing in the work plans for 1992-1993 for the activities henceforward entrusted to the Centre.

2. Since 1993 possibilities have been explored of giving the World Heritage Centre a greater degree of functional autonomy in order to enable it to fulfil its tasks and to carry out the responsibilities entrusted to the Secretariat of UNESCO under the Convention with better efficiency, as well as to enable it to respond with all the necessary flexibility to the complex tasks it has to perform under the Convention. In his note dated 23 February 1993 the Director-General stressed that « all action regarding co-ordination should have flexibility as its hallmark, this being an essential condition for its effectiveness » and that « the Director of the Centre must be able to exercise to the full the responsibilities which (the Director-General has) entrusted to him ». He also stated that he wished « to delegate to the Director of the Centre whatever powers will assist him in fulfilling his responsibilities ».

3. Following this decision studies were carried out by the Secretariat of UNESCO on the arrangements to be made in order to confer on the Centre a greater degree of functional autonomy. Arrangements in force for the International Institute of Educational Planning (IIEP) and for the International Bureau of Education (IBE) were taken into consideration as a model of what might be proposed with regard to the Centre.

4. During the same period the intergovernmental bodies of the World Heritage Convention gave consideration to the issue of the management of the Centre. The subject was discussed at the seventeenth session of the Bureau of the World Heritage Committee (21-26 June 1993). Furthermore, at the seventeenth session of the Committee (6-11 December 1993) an item entitled « Management and Staffing of the World Heritage Centre » was added to the agenda upon the proposal of one of the members. After having considered proposals prepared by a working group the Committee « agreed on the importance of the World Heritage Centre as a unified body within the Secretariat of UNESCO ». The Committee also « underlined that the determination of needs on staffing and funding levels can only be reached based on a clarification of the role and functions of the Centre ». The proposed definition of the role and of the functions of the Centre is outlined in the text adopted by the Committee (Report of the Committee, paragraph VII.10). Responding to the discussion, Mr A. Badran, Deputy Director-General a.i., "agreed that the suggestions which the Committee may wish to address to the Director-General of UNESCO should foremost endeavour to define the functional autonomy of the Centre and how to use best existing structures."

5. As an outcome of these developments the Director-General, in his oral report to the Executive Board at its 145th session (17 October-4 November 1994), informed the Board of his intentions concerning the autonomy of the World Heritage Centre in the following words, " I find it is timely for UNESCO to take certain measures that will institute the practical conditions for effective **functional autonomy of both IOC** (Intergovernmental Oceanographic Commission) **and WHC** (World Heritage Centre) within the Organization. The procedures by which UNESCO would confer to IOC and WHC an effective functional autonomy in regard to administrative and financial aspects would be based upon the successful modalities already approved by the General Conference in regard to the International Institute for Educational Planning (IIEP) and the International Bureau of Education (IBE). In accordance with the precedents established for these two institutions, a proposal could be included within the Draft UNESCO Programme and Budget for 1996-1997 (Draft 28 C/5) by which UNESCO would provide its regular programme support to IOC and WHC through a 'financial allocation'".

6. In order to implement the functional autonomy of the Centre a number of measures should now be taken which are described below.

7. In the first place, it would be desirable to confer on the World Heritage Centre a larger degree of financial autonomy, on the lines of the situation of the IIEP and of the IBE. The control of the operations of the Centre, and in particular the approval of its budget, would be entrusted to the World Heritage Committee, which would play a role similar to that of the Governing Board of the IIEP and of the Council of the IBE. In the case of these two entities the funds earmarked under the regular programme for their activities are provided in the form of a global financial allocation approved by the General Conference. This allocation is paid into a Special Account which is administered by the Director of the

institution concerned, under the authority of the Director-General and on the basis of a budget adopted by the governing organ.

8. The arrangements concerning the financial autonomy of the World Heritage Centre would have to be somewhat different, taking into account the existence of the World Heritage Fund which is one of the key instruments of the Convention. The General Conference could decide, if it agrees with the idea of a financial allocation, that this allocation would be paid into the Fund. This would be in accordance with Article 15.3, b, ii) of the Convention which provides that « the resources of the Fund shall consist of ... contributions ... which may be made by ... UNESCO... ».

9. A single budget could then be established, covering both the resources provided by the States Parties in accordance with article 16 of the Convention and the financial allocation of UNESCO, as well as any other resources which might be made available to the Fund. This budget would cover programme costs as well as staff costs, hitherto included in the budget of UNESCO, as the relevant provisions in the budget of the Organization will be made in the form of a global financial allocation. The draft overall budget of the World Heritage Centre (including the contributions of the States Parties to the Convention, the financial allocation of UNESCO and any other income) will be prepared by the Director of the Centre and submitted, through the Bureau, to the Committee for adoption.

10. The Convention provides that the World Heritage Fund constitutes a trust fund, in accordance with the provisions of the Financial Regulations of UNESCO. The Fund has its own Financial Regulations, established by the Director-General under article 6.7 of the Financial Regulations of UNESCO. This article stipulates that « (the) Director-General may, when necessary in connection with the purposes of a Trust Fund, Reserve or Special Account, prepare special financial regulations to govern the operations of such funds and accounts, which shall be reported to the Executive Board; the Executive Board may make appropriate recommendations to the Director-General thereon ».

11. In order to implement the above arrangements, the Financial Regulations of the Fund would have to be substantially modified. A draft text of the new Financial Regulations is attached hereto in Annex 1 for the information of the Committee and for its comments. Taking into account any comments the Committee may wish to make, the Director-General, in accordance with the provisions of the Financial Regulations of UNESCO quoted in the preceding paragraph, will report to the Executive Board the revised Financial Regulations established by him.

12. In the second place, a large degree of administrative autonomy for the Centre is desirable if the Centre is to fulfil its tasks speedily and efficiently within the framework of the programme and budget approved by the World Heritage Committee. This process has already started and it will be carried further. It involves appropriate delegation of authority by the Director-General; the procedures to be used will draw to a large extent on the successful experience of the IIEP and of the IBE. Detailed arrangements are being worked out and will be submitted to the Director-General for approval.

D R A F T

UNITED NATIONS EDUCATIONAL, SCIENTIFIC  
AND CULTURAL ORGANIZATION

CONVENTION CONCERNING THE PROTECTION  
OF THE WORLD CULTURAL AND NATURAL HERITAGE

FINANCIAL REGULATIONS OF THE WORLD HERITAGE FUND

**Article 1. Establishment of the financial regulations of the World Heritage Fund**

Article 15 of the Convention concerning the Protection of the World Cultural and Natural Heritage, hereinafter referred to as "the Convention" establishes a Fund for the Protection of the World Cultural and Natural Heritage of Outstanding Universal Value, called "the World Heritage Fund", hereinafter referred to as "the Fund", which shall constitute a trust fund, in conformity with the provisions of the Financial Regulations of UNESCO. Consequently, in accordance with Article 6.7 of the Financial Regulations of UNESCO, the Director-General has established these financial regulations for the administration of this Fund.

**Article 2. Administration of the Fund**

The Fund shall be administered, by delegation of authority of the Director-General of UNESCO and under the control of the Intergovernmental Committee for the Protection of the Cultural and Natural Heritage of Outstanding Universal Value established by Article 8 of the Convention, called "the World Heritage Committee", hereinafter referred to as "the Committee", by the Director of the World Heritage Centre of UNESCO, hereinafter referred to as the "Director".

**Article 3. Purpose of the Fund**

The purpose of the Fund is to receive contributions from sources indicated in Article 5.1 hereinafter and to make payments from these resources, to contribute to the protection of properties which belong to the world cultural and natural heritage of outstanding universal value, in accordance with the terms of the Convention and these Financial Regulations.

**Article 4. Financial period of the Fund**

The financial period shall begin on 1 January and end on 31 December of each year.

## **Article 5. Income**

5.1 The resources of the Fund shall consist of:

- (a) Contributions made by the States Parties to the Convention in accordance with Article 16 of the Convention;
- (b) Financial contributions made by the General Conference of UNESCO;
- (c) Contributions, gifts or bequests which may be made by:
  - i) Other States;
  - ii) Other organizations of the United Nations system, particularly the United Nations Development Programme or other intergovernmental organizations;
  - iii) Public or private bodies or individuals;
- (d) Any interest due on the resources of the Fund;
- (e) Funds raised by collections and receipts from events organized for the benefit of the Fund;
- (f) All other resources authorized by the Committee.

5.2 In conformity with Article 16 of the Convention, the contributions of the States which have not made the declaration referred to in paragraph 2 of this Article shall be calculated according to a scale fixed by the General Assembly of States Parties to the Convention.

5.3 The terms of payment of all the contributions of States Parties to the Convention shall be determined by the first General Assembly of States Parties to the Convention.

5.4 The Director is authorized to accept in the name of the Fund the income defined in Article 5.1 above, provided that the purposes for which the contribution is made are consistent with the policies, aims and activities of the Fund, subject to prior approval of the Committee in every case where this acceptance would imply additional liability for the Fund.

5.5 The Director shall report to the Committee on the contributions, gifts or bequests that he has accepted.

## **Article 6. Expenditure**

6.1 The resources of the Fund may be used only for activities defined by the Committee, which may take the following forms:

- (a) Studies concerning the artistic, scientific and technical problems raised by the protection, conservation, presentation and rehabilitation of the cultural and natural heritage, such as it is defined by the Convention;
- (b) Provision of experts, technicians and skilled labour to ensure that the approved work is correctly carried out;

- (c) Training of specialists at all levels in the field of identification, protection, conservation, presentation and rehabilitation of the cultural and natural heritage;
- (d) Supply of equipment which the State concerned does not possess or is not in a position to acquire;
- (e) Low-interest or interest-free loans which might be repayable on a long-term basis;
- (f) The granting, in exceptional cases and for special reasons, of non-repayable subsidies;
- (g) Operating expenses (personnel, equipment, communications, etc.) of the World Heritage Centre of UNESCO.

#### **Article 7. The Budget**

7.1 An annual budget, in a form determined by the Committee, shall be drawn up by the Director and submitted to the Committee for approval.

7.2 The vote for budgetary appropriations shall constitute an authorization to incur obligations and make payments for the purposes for which the appropriations were voted and up to the amounts available under each source of financing.

7.3 Appropriations shall be available for obligation during the financial period to which they relate.

7.4 Appropriations shall remain available for one year following the end of the financial period to which they relate to the extent that they are required to discharge obligations in respect of goods supplied and services rendered in the financial period and to liquidate any other outstanding legal obligations of the financial period.

7.5 The balance of the appropriations remaining unobligated at the close of a financial period shall be credited to the General Account of the Fund.

#### **Article 8. General Account**

8.1 There shall be established a General Account to which shall be credited the income of the Fund as defined in Article 5 of these Regulations, and which shall serve to finance the approved budget of the Fund.

8.2 The balance of the General Account shall be carried over from one financial period to another.

8.3 The Committee shall determine the use of the funds of this General Account.

**Article 9. Custody and investment of funds**

9.1 All resources of the Fund shall be deposited without delay in the banks or depositories chosen by the Director or officer of the World Heritage Centre to whom the Director may delegate this authority.

9.2 The Director may make investments of moneys not needed for immediate requirements, in the framework of the policy implemented by the Financial Comptroller of UNESCO for the investments of the Organization.

9.3 Income derived from investments shall be credited to the different income of the Fund.

**Article 10. Reserve Fund**

10.1 There shall be established a Reserve Fund to meet requests for assistance following disasters or natural calamities, as foreseen in paragraph 2 of Article 21 of the Convention. The amount to be transferred to the Reserve Fund from the General Account shall be determined periodically by the Committee upon the proposal of the Director. The Reserve Fund shall be managed in conformity with the provisions of Article 11 below.

**Article 11. Trust Funds, Reserve and Special Accounts**

11.1 The Director may establish reserve accounts to finance the Working Capital Fund, end-of-service indemnities, and other obligations under the Fund. These accounts shall be revised as necessary by the Committee at the time of approval of the budget.

11.2 Trust Funds and Special Accounts may be established by the Director and shall be reported to the Committee.

11.3 The Director may, when necessary in connexion with the purposes of a Trust Fund, Reserve or Special Account, prepare special financial regulations to govern the operations of such funds and accounts, which shall be reported to the Committee. Unless otherwise provided, such funds and accounts shall be administered in accordance with the present Regulations.

**Article 12. Internal control**

12.1 The Director shall:

- (a) Establish detailed financial rules and procedures for approval by the Committee, to ensure effective financial administration and the exercise of economy;
- (b) Cause all payments to be made on the basis of supporting vouchers and other documents which ensure that the services or goods have been received, and that payment has not previously been made;
- (c) Designate the officers who may receive moneys, incur obligations and make payments on behalf of the Fund;

- (d) Maintain an internal financial control which shall provide for an effective current examination and review of financial transactions in order to ensure:
  - i) The regularity of the receipt, custody and disposal of all funds and other financial resources of the Fund;
  - ii) The conformity of obligations and expenditures with the appropriations or other financial provision determined by the Committee, or with the purposes and rules relating to Trust Funds and Special Accounts;
  - iii) The economic use of the resources of the Fund.
- (e) Ensure that the obligations incurred do not exceed the funds effectively received and available to cover these obligations.

12.2 No obligations shall be incurred until allotments or other appropriate authorizations have been made in writing under the authority of the Director.

12.3 The Director may, after full investigation, authorize the writing off of losses of cash, stores and other assets provided that a statement of all such amounts written off shall be submitted to the External Auditor with the accounts.

### **Article 13. Accounts**

13.1 The Director shall maintain such accounting records as are necessary and shall submit to the Committee an annual accounting showing, for the financial period to which it relates:

- a) The income and expenditure;
- b) The budgetary situation, including:
  - i) The original budget appropriations;
  - ii) The appropriations as modified by any transfers or supplementary appropriations approved by the Committee;
  - iii) The amounts charged against those appropriations;
- c) The assets and liabilities of the Fund.

He shall also give such other information as may be appropriate to indicate the current financial position of the Fund.

13.2 The annual accounts of the Fund shall be presented in dollars of the United States of America. Accounting records may, however, be kept in such currency or currencies as the Director may deem necessary.

13.3 Appropriate separate accounts shall be maintained for all Trust Funds, Reserve and Special Accounts.

**Article 14. External auditing of the accounts**

14.1 The accounts of the Fund are an integral part of the financial situation of UNESCO and the Committee may request that the annual accounts of the Fund be presented to the External Auditors of UNESCO for examination. The audited accounts of the Fund and, where it exists, UNESCO's External Auditors' report relating to the Fund, shall be presented to the Committee and the General Assembly of States Parties to the Convention.

**Article 15. General provisions**

15.1 These Financial Regulations of the Fund shall replace the Regulations submitted to the Executive Board at its 102nd session.

15.2 Unless otherwise provided, the Fund shall be administered in accordance with the Financial Regulations of UNESCO.