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CONVENTION CONCERNING THE PROTECTION OF THE
WORLD CULTURAL AND NATURAL HERITAGE

BUREAU OF THE WORLD HERITAGE COMMITTEE

Twenty-first session
UNESCO Headquarters, Paris, Room X (Fontenoy)

23 - 28 June 1997

Item 7 of the Provisional Agenda : Progress report by the Committee's Consultative Body on the overall management and financial review of the administration of the World Heritage Convention

SUMMARY
At its twentieth session, the World Heritage Committee established a Consultative Body on the overall management and financial review of the administration of the World Heritage Convention. This Body held a meeting on 1 and 2 April 1997 in which it raised detailed questions and objectives to be answered and met by the review. The report of this meeting is attached for presentation to the Bureau.

Report of the Consultative Body
(Paris, 1-2 April 1997)

Introduction

The Chairperson of the World Heritage Committee, Ms Maria Teresa Franco, opened the meeting by saying the Director-General had demonstrated a very open, positive attitude to the work of the World Heritage Committee and has expressed his support for developing the activities of Committee, its Consultative Body and the Centre. She expressed her gratitude to the Director-General and the Secretariat for the assistance given to the Consultative Body and hoped the meeting would be very positive and constructive.

All the members of the Consultative Body created at the twentieth session of the World Heritage Committee in Merida (2-7 december 1996) were represented : Australia, Benin, Canada, France, Italy, Japan, Lebanon, Malta and Mexico. The representative of the United States of America, Member State of the World Heritage Committee, has been invited to attend after the agreement of the members of the Consultative Body.

In accordance with the adopted agenda, the Consultative Body has paid a particular attention to clarify the questions mentionned in the Merida document in order to facilitate the external auditor's task ; it has also studied other points which the Committee had recommended to review.

I. Questions to be answered by UNESCO's external financial auditor

A. Financial aspects

Agreement was reached on the need to make a list of questions on the financial aspect. (See Annex.)

Many participants see the Centre as a unit making expenditure from the ordinary programme (document C/5) and from the World Heritage Fund, as well as other expenditure. As regards revenue, a distinction needed to be made between

"normal", foreseeable revenue and other, "commercial" revenue. Their origin and destination had to be clear. In that respect, the participants considered that the term "revenue" was preferable to "profits".

As for promotional contracts, which may be sources of revenues, several delegations asked whether the Chairperson had signed new contracts since the Merida meeting. The Chairperson replied that she had not signed any.

Concerning the relation between ordinary budget and World Heritage Fund, the fear was expressed that an assessment of the ordinary budget might duplicate those already carried on by UNESCO for past biennia, but it was pointed out that it was a matter of a specific audit concerning the Centre's income. There was detailed discussion of the idea that any expenditure designed to implement the Convention was a contribution to the World Heritage Fund and therefore came within the Committee's jurisdiction.

Reference was also made to Article 15, paragraph 4 of the Convention concerning contributions to the Fund, the purposes of which must be defined by the Committee. This point was raised in reference to the presentation to the Committee of some expenditures made in some countries without the Committee's approval.

Several members wanted the period covered by the assessment to be extended beyond that planned, i.e. the financial year 1996, so that the Consultative Body could have a comprehensive view of practice over several years. The reservations about this are as follows : the Consultative Body should not go beyond its mandate, it should consider consulting the Director-General on the matter ; earlier years might be referred to only if the needs of the assessment required it. It was pointed out that the Centre was established in 1992, that the issue of commercial income did not arise until 1995, so it would be useful to go back at most only one year. With respect to this point, reference was also made to cases in which several versions of the same document had been submitted to the Committee.

One delegate wondered whether an attempt should not be made to supplement the financial regulations.

Some members of the Consultative Body thought it was also important to add to these questions on purely financial matters, the following question :

What exactly are the Centre's functions ? What is their relationship in particular with those of the Physical Heritage Division, and generally with the Culture and Science Sectors, and with other units of the Organization, such as the UNESCO Publications Office and the Audiovisual Division ?

It was pointed out that the Consultative Body's ideas about financial and administrative matters could provide the basis for a "philosophical", "legal" and "technical" debate about the application of the Convention, but that, for the moment, the auditors' task was to provide the Consultative Body with answers from which it could draw conclusions. These conclusions should include examination of possible imbalances in the implementation of the Convention on the global and regional levels, particularly in some commercial activities, bearing in mind that some of these imbalances reflect the priorities set by the Committee or the Centre for their action.

B. Presentation of the Budget

As regards the presentation of the budget, one delegate repeated a request that had been made many times at previous sessions of the Committee, that a satisfactory model for presentation of the budget be submitted, as the members of the Committee were not satisfied with the models submitted up to now. Modes of presentation may vary considerably from one country to another and this should not lead to misunderstandings. The matter is to reach an agreement on the informations which, according to the Committee members, should appear in all budgetary presentations.

The information should concern the budget the Committee has to approve as well as the execution of the current budget.

As for the expenses, differences should be clearly shown between those estimated in the budget and those really made.

As for the incomes, some are difficult to foresee exactly but can be estimated, according to the number of contracts concluded.

A clear budget can thus be approved including well defined incomes and an approximative part according to "other sources" of income.

The suggestion was also made that unforeseeable income should not be spent in the year in which it is received, but the following year, after the Committee has been informed of it and is aware of the content of the Fund.

Discussion then turned to the Reserve Fund, which amounts to some two to three million U.S. dollars, and which the Committee alone should allocate. The Reserve Fund should be distinguished from the Emergency Fund that was designed to cover emergencies and the amount of which the Committee had recently set at \$ 500 000.

Several members stressed the need of having only one financial instrument, one account and one budget.

C. Management practices

The first questions in this area concerned the staff. The members of the Committee had not been fully informed about the people working at the Centre as general services, professionals, directors, consultants, volunteers, supernumeraries, associated experts, etc. If the Committee had a complete table it could draw conclusions.

Questions were also raised regarding the way the auditors should proceed in this matter, whether the administrative aspects were regarded as being part of their mandate, following the Director-General's decision to give the external auditors both tasks. Once the auditor's responsibilities were explained, an agreement was reached on

the possibility of combining the two aspects of the assessment so to submit them to the next Bureau meeting in June 1997.

The auditors will interview people in the Centre and the staff of other divisions of UNESCO or outside UNESCO, for example, some delegations and former Chairpersons of the Committee.

II. Proposals to be submitted at the next session of the Bureau

A. Global Strategy

Some members of the Consultative Body mentioned that this question was not relevant to their mandate ; while others considered it was, given the financial aspects and the management practices implied. This item should be submitted to the Bureau for discussion at the meeting on the Global Strategy planned for 1997.

It was recalled that the Committee had decided in Merida to draw up a list of experts endorsed by States so as to avoid certain diplomatic misunderstandings ; nevertheless, many delegates mentioned very successful examples of co-operation in some regions of the world.

B. The emblem

In this connection, it was recalled that the Committee had decided to use the term "emblem" and not "logo".

The discussion of the use of the World heritage emblem began by discussion of certain practical problems with which heritage officers in the field, far from UNESCO Headquarters, are often confronted. Some delegations mentioned experiences in their countries and guidelines they might follow for each type of product planned. All the delegations stressed that the requests for the use of the emblem would increase.

To deal with the uncontrolled use, all the members of the Consultative Body agreed on the need to lay down precise guidelines for the use of the emblem.

The following questions were raised :

1. Who at UNESCO has authority to authorise use of the emblem ? For commercial or other ends ? For non-profit-making activities ? for loss-making or for promotional purposes ?
2. Is there a code of conduct on the subject ?
3. Who makes a profit and how is it distributed ?
4. How are products carrying the emblem distributed ?
5. How many emblems are there ?
6. Should use of the emblem be granted with no charge ?
7. How do the Centre and Governments use the emblem ?
8. How can the emblem be protected by the various national legislation ?
9. How can the procedure be simplified or clarified so that legitimate use of the emblem is simpler ?
10. How can a cost-benefit analysis of "commercial" and "promotional" contracts be carried out ?

In conclusion, the question of seeking the opinion of UNESCO's legal adviser or some other competent legal adviser was discussed and it is hoped it will be available at the next meeting of the consultative body which will take place just before the Bureau session in June 1997.

ANNEX

I. Questions to be answered by UNESCO's external auditor.

A. Financial aspects

1. What is the whole financial situation at the 31st of december 1996 of the World Heritage Fund, the Reserve Fund and the Emergency Fund ? Where are they deposited, what are the interests and the periods ?
2. What are the differences between the estimated expenses in the budget provisions and those really made ?
3. Analysis of "Other Income" and of "Additional Income" accounts.
4. What are the expenses on personnel and their relation to the sources of income ?
5. What are the existing contracts and income generated during 1997 in addition to the approved budget ? What is the use of this income ?
6. Are all the incomes of the Heritage Centre paid into the Fund ? Are there other accounts ?
7. In view of the fact that some organizations might want to give themselves a respectable image by donations and services, how the private sources of funding can be clearly identifiable so that the Committee may advisedly decide whether or not to accept their offers ?

B. Presentation of the budget

1. To answer requests that had been made many times is it possible to propose a satisfactory model for presentation of the budget be submitted, as the members of the Committee were not satisfied with the models submitted up to now ?
2. The last ordinary budget of UNESCO allocated \$1 100 300 to the direct costs of the programme and the Centre's running costs. What is this money used for ? Article 15 3 b (ii) of the Convention provides for the contributions UNESCO may make to the World Heritage Fund. Should the sums allocated from UNESCO's ordinary budget not be paid totally or in part, directly into the Heritage Fund ?

3. The auditor should see whether all the spending by the Secretariat of the Convention has been legitimately carried out in accordance with the provisions of the Convention, the Guidelines and the Committee's decisions.

C. Management practices

a) Questions of staff

1. What is the organisational chart of the World Heritage Centre ? How are the tasks distributed amongst general services, professionals, directors, consultants, volunteers, supernumeraries, associated experts ? What are the real tasks they accomplish ?
2. If the Center uses consultants, how are they chosen and paid ?
3. Are there consultants paid according to the income they bring in ?

b) Questions of contracts

1. What is the procedure of conclusion of contracts ?
2. What do they contain ?
3. How many have been signed ?
4. What rights do countries have over images ?
5. Which companies carry them out ? Is there sub-contracting ?
6. Who assesses the management ?
7. Who has contractual capacity and how is competence divided between the Director-General, the Committee, the Chairperson of the Committee and the Centre ? To what extent does the Director-General delegate his authority to the Director of the Centre ?