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

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

WORLD HERITAGE COMMITTEE

**Sixth extraordinary session
Paris, UNESCO Headquarters, Room II
17 – 22 March 2003**

**Item 6 of the Provisional Agenda: Revised structure of the budget of the World Heritage
Fund**

**Proposed revised structure of the budget of the World Heritage Fund
(document WHC-02/CONF.202/13D Rev, prepared for the 26th session of the World
Heritage Committee, Budapest 2002)**

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Paris, 18 June 2002
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UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND CULTURAL
ORGANIZATION

CONVENTION CONCERNING THE PROTECTION OF THE WORLD
CULTURAL AND NATURAL HERITAGE

30th Anniversary
(1972-2002)

WORLD HERITAGE COMMITTEE

Twenty-sixth session

Budapest, Hungary
24 - 29 June 2002

Item 17 of the Provisional Agenda: Progress report on the preparation of the proposed Strategic Orientations of the World Heritage Committee and revised structure of the World Heritage Fund

**PROPOSED REVISED STRUCTURE OF THE BUDGET OF THE WORLD
HERITAGE FUND**

SUMMARY

On 7 June 2002, following the dispatch of document WHC-02/CONF.202/13D dated 28 May 2002, a further revised version of the proposed budget structure dated 27 May 2002 was received by the Secretariat. It is reproduced below.

As requested by the Committee at its 25th session (Helsinki, 2001), this document presents a proposal for a new budget structure for the World Heritage Fund.

The document is presented in two parts:

- I. Revised Version of the New Budget Structure Proposal presented by the working group
- II. Remarks of the Secretariat

Decision required:

The Committee is requested to discuss the principles of the new budget structure and provide orientations to the Secretariat for the preparation of the next biennial budget (2004-2005).

I. NEW BUDGET STRUCTURE PROPOSAL PRESENTED BY THE INFORMAL WORKING GROUP

1. Reference is made to:

- the decision contained in §XVI.7 of the Report of the 25th session of the Committee (Helsinki, 2001) which suggested that “the Centre take necessary steps to restructure the budget in line with the current reform process” (WHC-01/CONF.208/24), and
- the recommendations of the 26th session of the Bureau (April 2002) contained in §§ IX.19 to IX.22 of the Report of the Rapporteur (WHC-02/CONF.202/2) which read as follows:

"Structure of the budget of the World Heritage Fund

IX.18 The Director of the Centre recalled that the 25th session of the Committee (Helsinki, 2001) had established a working group to prepare a proposal for a clearer presentation and structure of the budget of the World Heritage Fund. He expressed his interest in receiving the comments of the working group in preparation for the 26th session of the Committee (Budapest, June 2002).

IX.19 The Observer of St Lucia informed the Bureau that the working group had almost finalised the preparation of specific proposals to be submitted to the World Heritage Centre.

IX.20 The Observer of Argentina requested that the new budget (i) avoid duplication of budget lines, (ii) show other extra-budgetary resources alongside the resources from the World Heritage Fund, and (iii) provide distinct budget lines for each type of International Assistance.

IX.21 The Director of the Centre highlighted two additional budget issues that require the decision of the 26th session of the Committee (Budapest, June 2002):

- (i) a review of the budget ceilings for International Assistance (there is now a 10 month period between Committee and Bureau sessions when it may be necessary to provide the Chairperson with greater flexibility to approve International Assistance requests), and
- (ii) a potential change in the emergency reserve of the World Heritage Fund."

- ### 2. Following the 26th session of the Bureau (April 2002), a proposal for a budget structure was provided to the Secretariat by the working group established at the time of the 25th session of the Committee (Helsinki, 2001).

3. The main characteristics of this proposal are to:
 - establish a budget comprised of seven chapters in place of the existing five chapters;
 - show side by side the budgets related to each of the three sources of funding (World Heritage Fund, UNESCO Regular Programme and extra-budgetary funds), thus giving the Committee a global view of resources for an improved implementation of the Convention's objectives;
 - show the Secretariat budgeted costs under a dedicated chapter I "Secretariat of the WH Committee" regrouping in particular the costs of all personnel and consultants contracted by the World Heritage Centre;
 - show in a dedicated chapter the expenditure to be incurred under partnership agreements; and,
 - distribute technical assistance costs according to the strategic objectives set up by the Committee, i.e., Credibility of the List, Conservation and Capacity-Building.
4. The proposal was discussed with the working group at two meetings (16 and 29 April 2002), at which time the Secretariat expressed a number of views reproduced under section II below.
5. The various tables and annexes forming part of the revised proposal received on 7 June 2002 are shown on the next pages.

TABLE 1: WORLD HERITAGE FUND INCOME AND EXPENDITURE 2004 – 2005 (Ver 27.05.2002)

	INCOME					EXPENDITURE					
WORLD HERITAGE FUND	Opening balance	Investment & other proprietary income	Assessed contributions of States Parties (compulsory or voluntary)	UNESCO Regular Budget	Other	TOTAL INCOME	Contributions of States Parties (compulsory or voluntary)	UNESCO Regular Budget	Other	Reserve	TOTAL EXPENDITURE
TOTALS		(a)	(b)	(c)	(d)						

Viz. Helsinki document WHC-01/CONF.208/18, p 2 - ...

- (a) Detailed list in annex 1
- (b) Detailed list in annex 2
- (c) Detailed list in annex 3
- (d) Detailed list in annex 4

Notes by the Secretariat:

- The reserves should not be included in income and expenditure, as the account needs to show excess (or shortfall) of income over expenditure for the period before taking reserves brought forward into account (re United Nations Accounting Standards).
- UNESCO' regular programme does not contribute directly to the World Heritage Fund as such and to avoid confusion should be removed from this document.
- The caption "Investment and other proprietary income" regroups interest accrued on the fund deposited at bank accounts and donations, gifts and bequests designated under Article 13 (b) and (c) of the Convention.
- The caption "Other" regroups funds raised and other resources designated under Article 13 (d) and (e) of the Convention. The majority of extra-budgetary project funds are not credited to the World Heritage Fund.

TABLE 2: GENERAL OVERVIEW OF THE 2004-2005 PROGRAMME AND BUDGET FOR THE WORLD HERITAGE CONVENTION

	World Heritage Fund	Other UNESCO (Regular Budget) (a)	Other Trust Funds (b)	Total
I. SECRETARIAT OF THE WH COMMITTEE (art. 14 of the convention)				
II. GENERAL STUDIES AND SUPPORT ACTIVITIES				
III. CREDIBILITY AND REPRESENTATIVITY OF THE WHLIST				
IV. CONSERVATION OF PROPERTIES INSCRIBED ON THE WH LIST				
V. CAPACITY BUILDING OF STATES PARTIES				
VI. ??? (RELATED TO SPECIFIC TARGET GROUPS) (c)				
VII. RESERVE				
TOTAL				

Viz. Helsinki document WHC-01/CONF.208/18, p 3 – 4, 10 – 15

- (a) Detailed list in annex 5
- (b) Detailed list in annex 6
- (c) New title to suggest by WHC – more result oriented

**TABLE 3: DETAILED PRESENTATION OF THE 2004-2005 WH PROGRAMME AND BUDGET
CHAPTER BY CHAPTER**

Viz. Helsinki document WHC-01/CONF.208/18, p 10 - 16, 17 - 38

I. SECRETARIAT OF THE WH COMMITTEE (art. 14 of the convention)	World Heritage Fund	Other UNESCO (Regular Budget)	Other Trust Funds	Total
I.1. Organisation of statutory meetings				
I.2. Information & documentation . Statutory documentation, registration and web site . Information Management System				
I.3. Personnel costs To be specified viz. <i>Helsinki document WHC-01/CONF.208/18, p 19</i>				
I.4. Staff missions				
I.5. Running costs "Headquarters costs", viz. <i>Helsinki document WHC-01/CONF.208/18</i>				
TOTAL				

II. GENERAL STUDIES AND SUPPORT ACTIVITIES	World Heritage Fund	Other UNESCO (Regular Budget)	Other Trust Funds	Total
II.1. Reforms and improvement to working methods (working groups) . Revision of operational guidelines . Revision of orientations . Follow-up on administrative reforms				
II.2. Prospective studies				
II.3. Coordination with other conventions and programmes				
II.3. Periodic reporting . Africa . Arab countries . Asia and Pacific . Latin America and Caribbean . Europe and North America				
II.5. Evaluations and audits				
TOTAL				

III. CREDIBILITY AND REPRESENTATIVITY OF THE WHLIST	World Heritage Fund	Other UNESCO (Regular Budget)	Other Trust Funds	Total
III.1. Establishing of principles III.1.A. Analyses of the World Heritage list and indicative lists . Advisory bodies III.1.B. Comparative studies . Advisory bodies III.1.C. Global Strategy . Results and conclusions . Arab countries . Africa . Asia and Pacific . Latin America and Caribbean . Europe and North America				
III.2. Evaluation of nomination proposals . Advisory bodies				
III.3. Technical Assistance to State Parties for the elaboration of: III.3.A. Indicative lists . Arab countries* . Africa* . Asia and Pacific . Latin America and Caribbean . Europe and North America III.3.B. Nomination proposals . Arab countries* . Africa* . Asia and Pacific . Latin America and Caribbean . Europe and North America				
TOTAL				

* Follow-up of periodic reports, expected results (e.g., x indicative lists, z nomination proposals).

IV. CONSERVATION OF PROPERTIES INSCRIBED ON THE WHLIST	World Heritage Fund	Other UNESCO (Regular Budget)	Other Trust Funds	Total
IV.1. Elaboration of principles . Working group? . Advisory bodies				
IV.2. Reactive monitoring of the state of conservation . Advisory bodies				
IV.3. Technical Assistance to State Parties for: IV.3.A. Emergency (a) IV.3.B. Conservation of property inscribed on the WH in danger list . Arab countries* . Africa* . Asia and Pacific . Latin America and Caribbean . Europe and North America IV.3.C. Conservation of property inscribed on the WH list (b) . Arab countries* . Africa* . Asia and Pacific . Latin America and Caribbean . Europe and North America				
IV.4. Cross cutting themes (= "Programmes") to be regrouped by theme: . Historic cities . Forests . Tourism .				
TOTAL				

(a) = "Reserve" for emergency

(b) Implementation of recommendations accompanying nominations to the WH list, conservation works, definition of buffer zones, elaboration of management plans, etc.

* Follow-up of periodic reports, to be specified (e.g., x maps or buffer zones, z management plans)

Notes by the Secretariat:

As International Assistance being subject to requests presented by State Parties, the related advance budgeting may present difficulties.

V. CAPACITY BUILDING OF STATES PARTIES	World Heritage Fund	Other UNESCO (Regular Budget)	Other Trust Funds	Total
V.1. Training . Thematic training . Arab countries* . Africa* . Asia and Pacific . Latin America and Caribbean . Europe and North America				
V.2. Technical Assistance to State Parties for the development of heritage policies (a) . Arab countries* . Africa* . Asia and Pacific . Latin America and Caribbean . Europe and North America				
V.3. Technical Assistance to State Parties for awareness (b) . Arab countries* . Africa* . Asia and Pacific . Latin America and Caribbean . Europe and North America				
TOTAL				

* Follow-up of periodic reports.

(a) E.g. : Development of legislation and management, attendance to statutory meetings

(b) Linked to specific States and their properties' needs

Notes by the Secretariat:

Capacity building is included in all aspects of activities and cannot when assistance is provided to State Parties be dissociated with conservation activities.

VI. ??? (RELATED TO SPECIFIC TARGET GROUPS) (a)	World Heritage Fund	Other UNESCO (Regular Budget)	Other Trust Funds	Total
VI.1. International awareness activities				
VI.2. Youth				
VI.3. Universites				
VI.4. Media and publications				
VI.5. Tourism industry				
VI.6. Foundations				
VI.7. Other				
TOTAL				

New title to suggest by WH Centre – more result oriented. VI.1-VI.7, as presented, is based on the present situation.

VII. RESERVE	World Heritage Fund	Other UNESCO (Regular Budget)	Other Trust Funds	Total
VII.1. Unallocated reserve				
TOTAL				

**TABLE 4: SUMMARY OF THE 2004-2005 PROGRAMME AND BUDGET
RELATED TO THE ADVISORY BODIES**

	World Heritage Fund	Other UNESCO (Regular Budget)	Other Trust Funds	Total
ICOMOS				
II. General studies and support activities III.1. Elaboration of principles III.2. Evaluation of nomination proposals IV.1. Elaboration of principles IV.2. Reactive monitoring V.1. Training				
IUCN				
II. General studies and support activities III.1. Elaboration of principles III.2. Evaluation of nomination proposals IV.1. Elaboration of principles IV.2. Reactive monitoring V.1. Training				
ICCROM				
II. General studies and support activities III.1. Elaboration of principles IV.1. Elaboration of principles V.1. Training				
TOTAL				

Viz. Helsinki document WHC-01/CONF.208/18, p 25 and following, annexes 1 – 3

TABLE 5: SUMMARY, REGION BY REGION, OF THE 2004-2005 PROGRAMME AND BUDGET

	World Heritage Fund	Other UNESCO (Regular Budget)	Other Trust Funds	Total
Arab countries II. General studies and support activities III. Credibility of the WH list IV. Conservation of the WH list property V. Capacity building VI. ??? (related to specific target groups)				
Africa II. General studies and support activities III. Credibility of the WH list IV. Conservation of the WH list property V. Capacity building VI. ??? (related to specific target groups)				
Asia and Pacific II. General studies and support activities III. Credibility of the WH list IV. Conservation of the WH list property V. Capacity building VI. ??? (related to specific target groups)				
Latin America and Caribbean II. General studies and support activities III. Credibility of the WH list IV. Conservation of the WH list property V. Capacity building VI. ??? (related to specific target groups)				
Europe and North America II. General studies and support activities III. Credibility of the WH list IV. Conservation of the WH list property V. Capacity building VI. ??? (related to specific target groups)				
TOTAL				

Viz. Helsinki document WHC-01/CONF.208/18, in particular p 30 – 36, annex IV

Notes by the Secretariat:

International Assistance cannot be allocated to given regions in advance of its granting.

TABLE 6: FOLLOW-UP TO THE PERIODIC REPORTS FOR 2004-2005
Format for presenting activities to develop following the periodic report for a given region

ARAB REGION	Emergency	Long term		2004-2005			
		Calendar/ Project duration	Total cost of project	World Heritage Fund	Other UNESCO (Regular Budget)	Other Trust Funds	Total
II. GENERAL STUDIES AND SUPPORT ACTIVITIES							
II.3. Coordination with other conventions and programmes . (expected results, e.g., x ratifications)							
II.4. Periodic Reporting . (expected results, e.g., additional reports)							
III. CREDIBILITY AND REPRESENTATIVITY OF THE WH LIST							
III.1.C. global strategy . (list of activities)							
III.3.A. Elaboration of indicative lists . (list of countries)							
III.3B. Elaboration of nomination proposals . (list of countries)							
IV. CONSERVATION OF PROPERTIES INSCRIBED ON THE WH LIST							
IV.3.B. Conservation of property inscribed on the WH in danger list . (list of countries and property)							
IV.3.C. Conservation of property inscribed on the WH list . (list of countries and property)							
V. CAPACITY BUILDING OF STATES							

ARAB REGION	Emergency	Long term		2004-2005			
		Calendar/ Project duration	Total cost of project	World Heritage Fund	Other UNESCO (Regular Budget)	Other Trust Funds	Total
PARTIES							
V.1. Training . (list of countries and expected results) V.2. Development of heritage policies . (list of countries and expected results) V.4. Awareness . (list of countries and expected results)							
TOTAL							

To be already used for the presentation of 2003 actions in Arab countries and Africa. To be included in future in the working documents submitted to the Committee.

Annex 1 – World Heritage Fund 2004-2005: Investment and other proprietary income

SOURCE	Title of project or activity	Partners	Region/countries concerned	Expected amounts
INTEREST .				
MEDIA AND PUBLISHERS .				
TOURISM .				
OTHER .				
TOTAL				

Viz. Helsinki document WHC-01/CONF.208/18, p 13-15

Annex 2 – World Heritage Fund 2004-2005: Assessed contributions of the State Parties

State Parties	Compulsory contributions (+)/ Voluntary contributions (V)	Status of contributions As at 31.12.2003	Compulsory Contributions due for 2004-2005	Voluntary Contributions Expected for 2004-2005	Total assessed (compulsory and voluntary)
Afghanistan	+				
Albania	+				
Total					

Viz. Helsinki document WHC-01/CONF.208/18, p 5 and annexes

Only 8 countries are concerned by voluntary obligations: the proposal is to present a general table for the contributions, with clear indication of their nature and two separate columns.

Annex 3 – World Heritage Fund 2004-2005: Contributions from the UNESCO Regular Budget

Budgetary Line (C/5)	Implementing Department	WHF corresponding chapter	Recipient Region/countries	Titre of project or activity	UNESCO Regular Budget
		II. General Studies and Support Activities			
		III. Credibility and representativity of the WH list			
Ex. TO4211		IV. Conservation of properties inscribed on the WH list			
		V. Capacity building of State Parties			
		VI. ??? (specific target groups)			
TOTAL					

Viz. 31 C5, WHC-01/CONF.208/18, p 16-24

Annex 4– World Heritage Fund 2004-2005: other resources

SOURCE	Corresponding WHF chapter	Recipient Region/ Countries	Title of project or activity	Project duration	Total contribution	Contribution 2004-2005
STATE PARTIES · ·						
NON PROFIT SECTOR (OGI & ONG) · ·						
PRIVATE SECTOR · ·						
TOTAL						

Viz. Helsinki document WHC-01/CONF.208/18, p 10 – 15

Annex 5 – Other contributions of the 2004-2005 UNESCO Regular Budget for the implementation of the WH Convention

Budgetary Line (C/5)	Implementing Department	Corresponding WHF chapter	Recipient region/countries	Title of project or de activity	Other UNESCO Regular Budget	World Heritage Fund (as proposed for that project)
		I. Secretariat of the WH Committee				
		II. General Studies and support Activities				
		III. Credibility and representativity of the WH list				
TO4211		IV. Conservation of properties inscribed on the WH list				
		V. Capacity building of State Parties				
		VI. ??? (specific target groups)				
TOTAL						

31 C5; Helsinki document WHC-01/CONF.208/18, p 16 – 24, 25 – 38

Annex 6 – Other Trust Funds, special accounts and contributions in 2004-2005 for the implementation of the World Heritage Convention

Donor	Type of Resource (eg. Trust Funds, special accounts)	WHF corresponding chapter	Recipient Region/ countries	Titre of project or activity	Project duration	Total Donor Contribution	Contribution 2004 – 2005 Donor	World Heritage Fund (as proposed for that project)
TOTAL								

Viz. Helsinki document WHC-01/CONF.208/18, p 10-13 partially

II. REMARKS OF THE SECRETARIAT

6. The Secretariat thanks the working group for the work carried out which provides a good basis for the development of a new budget structure. Furthermore, the Secretariat wishes to contribute to the discussions of the Committee by offering the following remarks:

1) Budget approval prerogatives

The tables show each the three sources of funds that finance the Centre's activities, i.e., the World Heritage Fund, the UNESCO Regular Programme funds and the extra-budgetary funds. However, the UNESCO Comptroller is of the opinion that in the budget presentation only the World Heritage Fund is subject to approval by the Committee. The budgets related to the other funds are displayed for information purposes (as in the existing budget presentation).

2) Varying accuracy of budgeted amounts

Whereas in the month of June preceding the new biennium, the World Heritage Fund budget to be approved is well defined, the UNESCO Regular Programme funds will be only known with absolute certainty when approved in the following month of November by the General Conference of UNESCO. The related figures presented to the Committee in June may therefore be subject to alteration.

The extra-budgetary resources depend on commitments that may not have been finalised at the moment of approval of the budget of the World Heritage Fund.

Hence, the Secretariat recommends to the Committee not to rely exclusively on these forecasts to decide on the allocations made to the various chapters of the World Heritage Fund budget.

3) Simplification

The new budget structure shows seven chapters and 68 budget lines instead of the existing five chapters with 45 lines.

This may increase the rigidity of the budget, unless adequate mechanisms are provided for adjustments to be made to the budget during its implementation.

The Secretariat recommends regrouping some of the items and simplifying the presentation of the tables. Also, the number of proposed summary tables could be reduced in order to simplify the analysis of key budget allocations.

4) Different budgeting approaches

The proposed budget structure appears to mix two types of budgeting approaches, namely, the cost centre approach (as in §§ I and III) and the result-based approach (as in §§ II, IV, V and VI). The consequence

is that some expenditure, though related to result-based chapters, is recorded in cost centre chapters. For instance, the remuneration and mission costs of a consultant working on the conservation of a site will be recorded under chapter I “Secretariat of the WH Committee”, whereas related equipment and local costs would be recorded under chapter V “Conservation of properties inscribed on the WH list”. As a result, costs other than Advisory Bodies fees, and in particular international assistance, may be in their majority shown under chapter I. This may limit the ability to show the link between budget and strategic objectives defined by the Committee. The Secretariat would therefore recommend restricting to chapter I costs solely pertaining to the work of the Secretariat in relation to the Committee and recording other costs under the appropriate result-based chapters.

The nature of chapter III “Partnerships” is also unclear. As all partnerships are targeted to programme or project support, they should be recorded under the chapters relating to the strategic objectives.

5) Coherence with the C/5

The new budget structure in its final version would have to comply to the C/5 budgeting format, in order to harmonize World Heritage Fund, Regular Programme and Extra-budgetary budget and reporting structures. The Secretariat recommends therefore to develop the new budget in parallel with the preparation of the 32 C/5.

6) Coherence with the Operational Guidelines

Finally, the Secretariat recommends that the budget structure should be result-based and consistent with the articulation of the revised Operational Guidelines.