SUMMARY

An audit was carried out by the External Auditor in December 2009. It covered the organization of the World Heritage Centre, its financial and human resources, its financial situation and the execution of its missions to implement the World Heritage Convention from 2007 to 2009. The audit included interviews with several Ambassadors, Permanent Delegates to UNESCO from State Parties on all five continents which are members of the World Heritage Committee or have been in recent years. Document 184EX/8 Part III is reproduced hereafter.

Draft Decision: 34 COM 5G, See page 24
EXTERNAL AUDITOR’S REPORTS

PART III

AUDIT REPORT ON THE
UNESCO WORLD HERITAGE CENTRE (WHC)

SUMMARY
In accordance with Article 12.4 of the Financial Regulations, the External Auditor submits the audit report on the UNESCO World Heritage Centre (WHC).
Audit Report

on the

UNESCO World Heritage Centre
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1. FRAMEWORK AND PERIMETER OF THE AUDIT

1. This audit was included by the External Auditor in his 2009 programme and carried out in December 2009. It covers the organization of the Centre, its financial and human resources, its financial situation and the execution of its missions to implement the World Heritage Convention from 2007 to 2009. The audit included interviews with several Ambassadors, Permanent Delegates to UNESCO from countries on all five continents which are members of the World Heritage Committee or have been in recent years. It will be complemented by the evaluation requested by the General Assembly of States Parties to the Convention from the External Auditor for its 18th session on “the implementation of the Global Strategy from its inception in 1994 to 2011 and the Partnership for Conservation Initiative (PACT)”.1

2. WORLD HERITAGE CENTRE MISSIONS

2.1. Status and functions of the Centre

2. Article 14, paragraph 1, of the Convention for the Protection of the World Cultural and Natural Heritage, adopted by the General Conference on 16 November 1972, states that the World Heritage Committee shall be “assisted by a Secretariat appointed by the Director-General of UNESCO”. For 20 years, this secretariat was provided jointly by the Culture Sector and the Natural Sciences Sector.

3. It was only in 1992 that the Centre was established within the UNESCO Secretariat. The Director-General stated at that time that “the main purpose of the Centre will be to carry out, rapidly and efficiently, activities related to the implementation of the Convention”, and that its operations would be “closely coordinated” with culture and natural sciences activities.2

4. The Director of the Centre is the Secretary to the General Assembly of States Parties to the 1972 Convention and to the World Heritage Committee. The Director and the Centre’s staff together form the secretariat of the Assembly and of the Committee.3

5. In 1995, a new decision by the Director-General confirmed that: “the Centre is placed under (his) direct authority and coordinates all UNESCO activities with regard to World Heritage”. As recommended by the Executive Board, “a certain operational flexibility in financial and administrative terms” was granted in 1995 to the World Heritage Centre, an integral part of UNESCO as an administrative unit of the Organization.4 In January 2000, the Director-General modified the arrangements: in “the interest of rationalization and efficiency”, the Director-General decided to attach the Centre to the Culture Sector, “it being understood that its specificity will be preserved”.

6. As part of the reorganization of the Culture Sector, the Director-General redefined the structure of the World Heritage Centre in January 2008, “in order to ensure greater overall efficiency and consistency with the strategic priorities defined by the intergovernmental World Heritage Committee” and to give effect to the decisions taken by the Committee on the recommendations of the 2007 management audit (see below). The structure of the Centre had to be “more transparent and functional, establishing clear lines of reporting”. The “delegation of increased authority” had to be accompanied by the reinforcement of internal and external controls.5

1 Resolution 17 GA 9, paragraph 16, adopted by the General Assembly at its 17th session (October 2009).
2 Decision in DG/Note/92/13 of 30 April 1992.
3 Rule 15.2 of the Rules of Procedure of the General Assembly and Rule 43.1 of those of the Committee; Letter DG/4.1/16/03, 21 October 2003 from the Director-General to Committee members.
4 Executive Board, 147th session (October-November 1995), recommendation in 147 EX/Dec. 5.1, III, para. 9 (a) endorsed by the General Conference at its 28th session, 28 C/Res. 3.10.
5 Director-General Note of 7 January 2008 (DG/Note/08/01).
7. One fifth of all world heritage property is natural sites. The January 2008 decision therefore established a Steering Committee composed of the Assistant Directors-General for Culture and Natural Sciences, the Director of the Centre and the Director of the Division of Ecological and Earth Sciences.

8. Two observations may be made: the Centre’s visibility and authority were asserted during the period in which it enjoyed significant internal autonomy and was directly under the responsibility of the Director-General of UNESCO. This being so, its attachment to the Culture Sector is viable as long as a steering committee can ensure consistency with the activities of the Natural Sciences Sector.

2.2. Overall trends in the missions and resources allocated to the Centre

9. The management audit carried out in 2007 by Deloitte at the request of the World Heritage Committee highlighted the fact that the World Heritage Centre was one of the Organization’s most visible programmes. A comparison of the Centre’s workload versus its financial and human resources can be made using the table below:

Table No. 1 – Development of the World Heritage List, budget and Centre staffing (1998-2009)

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of sites on the World Heritage List</th>
<th>WHC budget</th>
<th>Regular budget</th>
<th>World Heritage Fund</th>
<th>Extrabudgetary resources</th>
<th>Staff – number of posts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of sites on the World Heritage List</td>
<td>581</td>
<td>629</td>
<td>690</td>
<td>721</td>
<td>730</td>
<td>754</td>
</tr>
<tr>
<td>WHC budget</td>
<td>$15,523,291</td>
<td>$19,926,600</td>
<td>$24,872,400</td>
<td>$24,867,000</td>
<td>$30,471,500</td>
<td>$38,152,600</td>
</tr>
<tr>
<td>Regular budget</td>
<td>$4,541,700</td>
<td>$4,926,600</td>
<td>$5,872,400</td>
<td>$7,575,900</td>
<td>$10,089,500</td>
<td>$13,766,800</td>
</tr>
<tr>
<td>World Heritage Fund</td>
<td>$10,981,591</td>
<td>$12,369,199</td>
<td>$9,907,745</td>
<td>$8,417,215</td>
<td>$8,368,596</td>
<td>$8,962,969</td>
</tr>
<tr>
<td>Extrabudgetary resources</td>
<td>Not available</td>
<td>$2,630,801</td>
<td>$9,092,255</td>
<td>$8,873,885</td>
<td>$12,013,404</td>
<td>$15,422,831</td>
</tr>
<tr>
<td>Staff – number of posts</td>
<td>28</td>
<td>33</td>
<td>43</td>
<td>60</td>
<td>69</td>
<td>61</td>
</tr>
<tr>
<td>Established posts (regular budget and FITOCA)</td>
<td>22</td>
<td>28</td>
<td>33</td>
<td>40</td>
<td>38</td>
<td>40</td>
</tr>
<tr>
<td>Temporary staff, ALD and experts</td>
<td>6</td>
<td>5</td>
<td>10</td>
<td>20</td>
<td>31</td>
<td>21</td>
</tr>
</tbody>
</table>

Source: UNESCO World Heritage Centre

The figures above are the approved budget funds for main line of action IV.1 “Protecting and conserving immovable cultural and natural properties, in particular through the effective implementation of the World Heritage Convention” of Major Programme IV – Culture (34 C/5 Approved, Annex I).

Average staffing per biennium, not including consultants and supernumeraries.

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10. Although the number of sites on the list has increased by half in ten years, available resources (budgetary and staffing resources) have more than doubled. Extrabudgetary funds, non-existent ten years ago, now represent some two-fifths of available funding. Similarly, the number of temporary or external staff who are not remunerated from UNESCO’s regular budget has increased rapidly and now represents a third of the total. The number of sites on the World Heritage List is not the only parameter to consider, however, when evaluating how the resources and missions of the Centre have evolved. Nomination and monitoring procedures, for example, have been diversified and made more rigorous, even though they have become somewhat more complex as a result (see below).

11. The transformation of how both budgetary and human resources are structured is not coincidental. Obtaining more resources and seeking new partnerships involves a significant workload. Above all, though, extrabudgetary resources are by nature unpredictable, as the recent decrease in funding from the United Nations Foundation shows. Likewise, using outside staff has certain drawbacks: training is needed in procedures and work methods; staff must be integrated into the team, and there is high turnover.

Recommendation No. 1: Maintain a reasonable balance between the permanent financial and human resources and the external/temporary ones, which have allowed the Centre to expand its activities in the last ten years.

2.3. World Heritage Centre programme documents and monitoring

12. For the 2008-2009 biennium (34 C/5), the General Conference adopted 34 C/Resolution 39 for Major Programme IV – Culture, which included main line of action IV.1 “Protecting and conserving immovable cultural and natural properties, in particular through the effective implementation of the World Heritage Convention”. Expected in particular was a “more representative, credible and balanced World Heritage List, with particular reference to the Africa, Caribbean and Pacific regions”, the strengthening of “national capacities for the conservation and management of heritage properties, [...] in particular in post-conflict and post-disaster countries”.

13. These expected results were linked to performance indicators and benchmarks. They were not always uniform and not all of the Centre’s actual activities were included. The introduction of a more operational management tool could provide effective support in running the Centre.

2.4. Cooperation with other institutions

14. The very nature of the World Heritage Centre’s missions means that it cooperates with United Nations special agencies (Food and Agriculture Organization of the United Nations, World Tourism Organization, programmes (United Nations Environment Programme, United Nations Development Programme), and various system bodies (MONUC, UNFIP, ISDR, CBD, UNITAR). The Centre also works in a limited capacity with the World Bank. Upon analysis, these forms of cooperation give the impression that efforts are scattered and reactions are ad hoc. The Centre runs the risk of allocating too many resources and too much of its staff’s time to cooperation.

15. It would then be advisable to reorganize existing forms of cooperation more coherently according to the main action themes defined by the Committee by establishing a multiparty agreement uniting UNESCO, via the Centre, and the United Nations institutions and bodies which contribute to these various themes.

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7 The decrease in the number of officials between 2006-2007 and 2008-2009 is for the most part an “illusion”, as some temporary posts were reclassified as consulting positions, which do not appear in the table.
Recommendation No. 2: Consolidate and streamline cooperation with other United Nations institutions and programmes around a small number of themes.

2.5. Previous audits and evaluations

16. The following audits have been carried out since 1997:

<table>
<thead>
<tr>
<th>TYPE</th>
<th>AUDITOR</th>
<th>DATE</th>
<th>OBSERVATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management audit and financial audit</td>
<td>Auditor General of Canada</td>
<td>1997</td>
<td>Joint work between the External Auditor and an <em>ad hoc</em> advisory body composed of nine countries</td>
</tr>
<tr>
<td>Survey-based financial audit</td>
<td>Internal Oversight Service (IOS)</td>
<td>2004</td>
<td>Unliquidated obligations (ULOs)</td>
</tr>
<tr>
<td>Financial audit</td>
<td>IOS</td>
<td>2005</td>
<td>Follow-up on recommendations from 1997 audit</td>
</tr>
<tr>
<td>Study for the implementation of results-based management (RBM)</td>
<td>Sté Baastel</td>
<td>2006</td>
<td>External audit: preparation of results-based management (<em>see below</em>)</td>
</tr>
<tr>
<td>Evaluation of international assistance</td>
<td>Ms Taboroff</td>
<td>2005/2006</td>
<td>External audit: analytical study and recommendations</td>
</tr>
<tr>
<td>Management audit</td>
<td>Deloitte</td>
<td>2007</td>
<td>Full external audit following on from that of 1997</td>
</tr>
<tr>
<td>Compliance audit</td>
<td>IOS</td>
<td>2007</td>
<td>Aksum project (<em>see below</em>)</td>
</tr>
<tr>
<td>Inquiry into WHC workload</td>
<td>IOS</td>
<td>2008</td>
<td>Evaluation following on recommendations of Deloitte report</td>
</tr>
</tbody>
</table>

17. The Deloitte report (2007) made reference to "a context of recurring internal and external evaluation". The mission assigned to Deloitte was global in character and initiated at the request of the Committee, as was the case for the 1997 evaluation of the administrative management of the World Heritage Convention. It should be noted that the Committee and the General Assembly of States Parties have attached great importance to the follow-up to these evaluations.

Recommendation No. 3: Carry out audits on the organization, activities and finances of the Centre according to an established timetable.

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9 Decision 30 COM 6 (and 12): "The World Heritage Committee (...) requests a management audit of the World Heritage Centre in order to facilitate the development of a strategic plan for reinforcing the implementation of the Convention." (30th session, Vilnius, 2006).
10 20th session of the World Heritage Committee (Mérida, 1996).
3. ORGANIZATION OF THE WORLD HERITAGE CENTRE

3.1. Human resources management

18. The Director-General’s decision of 7 January 2008 (cited above) entailed the reconfiguration of the units and roles of staff. The World Heritage Committee was expected to take a decision in 2008 on the possibility of adding seven staff members to the teams to assist in implementing structural changes at the World Heritage Centre. However, consensus was not reached on how the posts were to be financed.

19. Postponement of the recruitment of a deputy director for management, stipulated in the Director-General’s Note of January 2008 is even more surprising. Despite the strategic importance of recruiting a D1 profile for the Centre and “urging” by the Committee,12 two years on, an applicant had not yet been selected.

20. An initial selection was made in 200813: a pre-selection committee chose 33 candidates from among 380.14 The Assistant Director-General for Culture (ADG/CLT) then added five additional candidates. The evaluation committee submitted 12 names to the Director-General, who selected four15 for an interview with the committee and with himself. Eventually, the Director-General, in April 2009, decided to re-open the recruitment process. This was done in June 2009: 522 candidates applied, a new selection committee was established and the four candidates who had reached the final phase of the earlier recruitment procedure were asked to apply again. At the date of this audit, the process was not scheduled to be completed before March 2010.

21. In the procedure followed in 2008, the inclusion of five additional candidates after pre-selection was said to have been done “following a careful review of all the candidatures”,16 which would seem to be corroborated by the presence of two of these candidates among the four names on the final list. The addition nevertheless renders the procedure less than ideally transparent.

Recommendation No. 4: Ensure transparency in the recruitment process

22. The imbalance between permanent17 and temporary posts18 has led to high staff turnover: 59% (2006-2007) and 35% (2008-2009). In the last four years, 78 people, most of them on temporary posts, have left the Centre.

23. These staff movements, including retirement, and consequent replacements are not sufficiently anticipated by the Centre’s managers. A forward-looking management approach to human resources is no doubt urgently needed, in order to stabilize a staff base offering all needed skills.

24. This approach should also include continuous education for staff. Some ad hoc training sessions are organized in-house, primarily on the use of information technology and the FABS software package and on UNESCO procedures. These sessions are not part of an annual or biennial training plan, however. At the date of this audit, $13,703 was earmarked for training for the 2008-2009 biennium. Notably, no training is planned for new staff. Furthermore, training given by

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12 Decision 32 COM 17 (32nd session, Quebec City, 2008).
13 Vacancy notice for the post “WHC-003, D1”, published on 23 April 2008.
14 July 2008: 26 external candidates, 3 internal candidates, 4 United Nations candidates.
15 One internal candidate, 2 external candidates, 1 United Nations candidate.
16 Note from ADG/CLT to the Director-General, 17 April 2009.
17 Thirty-seven established posts on the regular budget in 2008-2009 (22 “Professionals” and 15 “General Service” staff), plus FITOCA (Funds-in-Trust Overhead Costs Account) posts.
18 Numbering 6.5 on the regular budget (including 3.5 “Professionals”) and 34.5 on extrabudgetary resources (including 18.5 Appointments of Limited Duration – ALD).
UNESCO central services is not open to all Centre staff members; access is determined by contract type, which is not relevant to the organization of work at the Centre.

**Recommendation No. 5: Engage in reflection so as to develop a clear, long-term and shared vision (WHC – ADG/CLT – HRM – BB – IOS) of the human resources and core skills needed to implement the world heritage safeguarding strategy as well as the funding sources to mobilize.**

25. Overall, the number of Centre staff (not including supernumeraries and consultants) nearly doubled between 2000-2001 (33 people) and 2008-2009 (61 people); the total number of staff at the Centre increased from 37 to 82. It should be noted that after some staff members (five people) were transferred to the Centre in 2006 from the Tangible Heritage Section in the Culture Sector, all left in the space of a year (transferred or retired). The Centre also employs specialists seconded by States Parties, which cover the related salary costs.

26. It has been observed that French nationals (17 out of 61 positions, or 28%), and more generally individuals from Europe and North America (38 positions, 62% of all staff) are strongly represented among the WHC staff. A marked presence of host-country nationals in General Service posts is probably to be expected. The fact that 17.6% of all professional posts are held by French nationals can be considered high given the universal nature of the Centre's mandate and the composition of the World Heritage List. The General Assembly of States Parties called for “improvements in personnel requirements, taking into account geographical representation”.

**Recommendation No. 6: Seek more balanced distribution of the staff in the “Professional” category**

3.2. Results-based management

27. The World Heritage Centre (WHC) was chosen in 2004 as a pilot unit of the Organization to integrate RBM into its activities and staff work plans. The United Nations Foundation granted the Centre funding ($100,000) in November 2004 for a study on the integration of RBM into its operations.

28. The methods of implementation of the study warrant attention. The Canadian company Baastel was selected, without any call for tenders, to conduct the study ($85,000). Two contracts with the same purpose were signed, in October 2005 and March 2006. At the request of the financial services, the absence of competitive bidding was justified – at least for the first contract – by the Director of WHC, who drew attention to the low cost of the contract, the contractor’s excellent knowledge of UNESCO and the “high quality service provided to BSP/RBM and IOC”. The report submitted to UNESCO, dated May 2006, was prepared by two persons. While the first author belonged to the advisory group, the second author was still in charge of the RBM unit of the Bureau of Strategic Planning in late 2005. Competitive bidding would have been desirable. The Centre explained that “Baastel was selected by BSP/RBM and not by WHC”. As to

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19 Eight out of 45.5 “P” (22 established posts, 3.5 temporary posts, 4.5 FITOCA and 15.5 ALD). Only established posts are subject to geographical distribution requirements.
20 Resolution 17 GA 7 (17th session, October 2009).
21 Results-based management (RBM).
22 Fee contracts of 7 October 2005 ($24,000) and 10 March 2006 ($61,200).
23 Division of the Comptroller of the Sector for Administration (now BOC/FPC).
24 Administrative Manual, Item 10.2, paragraph 5.5.
the Bureau of Strategic Planning (BSP), it explained that “neither the Director of BSP at the time nor any other member of BSP was involved in the selection of Baastel for WHC, nor did they see or endorse the report”.

29. The report was submitted to the World Heritage Committee (30th session, Vilnius, July 2006). The Committee did not retain its proposals.

Recommendation No. 7: Ensure that the World Heritage Centre introduces a results-based management approach in its programming documents (C/4 and C/5) fully consistent with the methodology used by the Organization.

3.3. Linkages between the World Heritage Centre and the World Heritage Committee

30. The “Intergovernmental Committee for the Protection of the Cultural and Natural Heritage of Outstanding Universal Value, called the World Heritage Committee”26 is composed of 21 members and meets at least once a year.27 The World Heritage Centre has served as its secretariat since 1992.

31. The annual sessions of the Committee have very full agendas and involve long working days.28 More than 800 kilos of documents are sent to participants for review and comment. More than 250 decisions are taken, on average, at each session.

32. At its 33rd session (Seville, June 2009), the Committee thus considered reports on the 31 sites on the List of World Heritage in Danger and 147 reports on the state of conservation of other properties on the World Heritage List. Several solutions were discussed with a view to reducing its workload, including the reactivation of specialized sub-commissions to prepare the work of the Committee or holding two sessions a year – an option for which the Committee requested a feasibility study.29 It would be appropriate to focus reform of the Committee’s working methods on the planning of regular audits of the Centre, as recommended above.

4. THE FINANCIAL SITUATION OF THE WORLD HERITAGE CENTRE

4.1. The various categories of resources of the Centre

33. The World Heritage Centre has three types of resources: the regular budget (or programme), the World Heritage Fund, managed in the form of a Special Account with specific financial regulations, and extrabudgetary funds. Each of these resources is governed by particular management rules.

34. The regular programme (UNESCO’s overall budget) provides most of the operating and staffing resources of the World Heritage Centre, some $12 million each biennium.

35. The World Heritage Fund is a specific instrument established by the 1972 Convention to assist States Parties in identifying, preserving and promoting world heritage sites. It is funded through compulsory and voluntary contributions by States Parties. Compulsory contributions are equivalent to 1% of their annual contributions to UNESCO.30 The Fund is also financed through voluntary contributions, partnerships, proceeds from sales and publications, and donations from

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26 Article 8, paragraph 1, of the World Heritage Convention of 16 November 1972.
27 Cost of organizing meetings, $221,712 in 2007 (31st session, Christchurch), $220,380 in 2008 (32nd session, Quebec City), $227,670 in 2009 (33rd session, Seville).
28 Ten days at the 32nd session in Quebec City (July 2008), eight days at the 33rd session in Seville (June 2009).
29 Decision 33 COM 14A.2 (33rd session, 2009).
30 The return to UNESCO of the United States of America (which had not withdrawn from the Convention) paradoxically led to a reduction in the resources of the Fund to the extent that the return of the Organization’s main contributing country reduced somewhat the compulsory contributions of the other States Parties.
individuals. The Fund’s income is relatively stable and the collection rate has been appropriate in recent years, notwithstanding the late receipt in 2008 of part of the contributions expected in 2007.

Table No. 2: Progression in contributions to the Fund and their collection rate

<table>
<thead>
<tr>
<th></th>
<th>USD Current</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Compulsory contributions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>voted</td>
<td>1,836,912</td>
<td>1,837,614</td>
<td>1,836,851</td>
<td>1,836,407</td>
<td>1,891,201</td>
<td></td>
</tr>
<tr>
<td>received</td>
<td>1,876,557</td>
<td>1,836,139</td>
<td>1,809,079</td>
<td>1,701,578</td>
<td>2,056,245</td>
<td></td>
</tr>
<tr>
<td><strong>Voluntary contributions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>expected</td>
<td>1,295,696</td>
<td>1,295,696</td>
<td>1,217,426,</td>
<td>2,434,851</td>
<td>1,251,369</td>
<td></td>
</tr>
<tr>
<td>received</td>
<td>1,276,876</td>
<td>1,246,541</td>
<td>1,243,066</td>
<td>1,227,523</td>
<td>1,261,966</td>
<td></td>
</tr>
<tr>
<td>Total received</td>
<td>3,153,433</td>
<td>3,082,680</td>
<td>3,052,145</td>
<td>2,929,101</td>
<td>3,318,211</td>
<td></td>
</tr>
<tr>
<td>Compulsory contributions received/voted</td>
<td>102%</td>
<td>100%</td>
<td>98%</td>
<td>93%</td>
<td>109%</td>
<td></td>
</tr>
<tr>
<td>Voluntary contributions received/expected</td>
<td>99%</td>
<td>96%</td>
<td>102%</td>
<td>50%</td>
<td>101%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Bureau of the Budget

36. Fund expenditure amounts to some $7.5 million each biennium. Expenses incurred but not liquidated at the end of the biennium may be carried forward to subsequent financial periods. The Fund mainly finances services provided by advisory bodies and international assistance to States Parties (see below).

37. The level of the operational reserve of the Fund (some $4 million at the end of 2008) seems high. One reason for this is that expenditure may be made only within the limits of funds available, but a significant part of the payments to advisory bodies are made at the beginning of the year, before the funds have all been made available. The high level of the reserve may thus be justified although it does not suggest optimum management of the funds.

38. Online donations are paid into a bank account opened specially by the Bureau of the Comptroller (BOC) and managed by it in the same way as the Organization’s other bank accounts. At the end of each month, the donations paid into this account are credited to the World Heritage Fund. The online donations received in this account for the world heritage amounted to €8,729 in 2009.

39. Extrabudgetary funds, which exceeded $20 million in the 2008-2009 biennium, now represent the Centre’s main resource. In addition to directly funding the Centre’s staff costs, they contribute to funding UNESCO staff expenditure and Headquarters costs, through the deduction of support costs (13% of the total amount). The World Heritage Centre managed 169 extrabudgetary projects during the 2008-2009 biennium, of which 72 were still ongoing in late November 2009.

40. In just over ten years, the World Heritage Fund, which was at the heart of the mechanism, has become a minority stakeholder, accounting for 18% of the Centre’s total funding in 2008-2009 against 51% in 1996-1997. This trend represents an achievement for the World Heritage Centre, which has successfully raised 10 times more extrabudgetary funding than 10 years ago. It also constitutes its major weakness. The use of extrabudgetary funds is most often subject to specific requests from donors (geographical or sectoral allocation), with the risk that priorities may sometimes be imposed on the Centre on top of the Committee’s strategic objectives. Furthermore, this uncertain funding situation may jeopardize the sustainability of the activities undertaken by the Centre.

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31 Article 4.2 of the Financial Regulations for the World Heritage Fund.
Table No. 3: Progression in the various sources of funding of the World Heritage Centre

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>USD (current)</td>
<td>%</td>
<td>USD (current)</td>
<td>%</td>
</tr>
<tr>
<td>Regular budget</td>
<td>3,500,000</td>
<td>31%</td>
<td>11,890,321</td>
<td>28%</td>
</tr>
<tr>
<td>World Heritage Fund</td>
<td>5,800,000</td>
<td>51%</td>
<td>7,677,041</td>
<td>18%</td>
</tr>
<tr>
<td>Extrabudgetary*</td>
<td>2,000,000</td>
<td>18%</td>
<td>22,694,294</td>
<td>54%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>11,300,000</td>
<td>100%</td>
<td>42,261,656</td>
<td>100%</td>
</tr>
</tbody>
</table>

*Potential expenditure over the biennium

Source: Budget Implementation Report 2008-2009 (WHC-09/33.COM/16A) submitted to the World Heritage Committee (33rd session, June 2009). It should be noted that these data differ from those contained in the C/5 document (see below).

41. The Centre is responsible for collecting part of the income, which is not standard practice at UNESCO. Since 1993, the Bureau of the Comptroller has entrusted the Centre with collection of States Parties’ contributions to the World Heritage Fund. This process is under the responsibility of the Administrative Officer of WHC, in cooperation with the Treasury Section (BOC/TRS). It is also the Centre that acknowledges receipt of funds from partnerships with the private sector that are not funds-in-trust.

Recommendation No. 8: Centralize all calls for funds in the Bureau of the Comptroller.

4.2. The absence of reliable, summary official financial information

42. Monitoring of implementation of the work programme is divided into three components, according to the type of funding considered: the Bureau of the Budget for the regular programme, the Bureau of the Comptroller for the World Heritage Fund, and the Bureau of the Budget and the Sector for External Relations and Cooperation (ERC) for extrabudgetary funds.

43. In addition, the budgetary nomenclature is not consistent. The regular programme is organized into lines of action and activities, but its monitoring may be carried out retrospectively by main type of expenditure (staff, contracts, equipment and maintenance, training, support costs). The monitoring of the World Heritage Fund is carried out, at the request of the Committee, by main line of action, although this operational system is not fully observed since significant items of expenditure are not broken down by activity (advisory bodies, staff and overhead costs). As to the monitoring of extrabudgetary funds by item of expenditure, this is carried out by the Centre’s project managers, who have the implementation status of the funds in spreadsheet form, in accordance with the breakdown provided for in the financial annexes to contracts with donors.

44. Although the monitoring arrangements differ, the results-based management approach, endorsed by donors, is conducive to the harmonization of monitoring and reporting, regardless of the source of funding. Moreover, as confirmed by the Bureau of the Comptroller, UNESCO’s budgetary and financial accounting tool (FABS) enables the monitoring of the implementation of projects by activity, as defined in the project contract documents. “It is sufficient, on creating the budget code in FABS, to establish budget sub-codes (WBS elements) in the PS module”, which is the FABS project management module.

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32 Preparation and dispatch of letters calling for contributions, acknowledgements of receipt, follow-up of arrears.
33 Finance and Budget System.
34 WBS – Work Breakdown Structure, PS – Project System.
Recommendation No. 9: Provide better information, combined if necessary with training, for project managers in project management under FABS.

45. The World Heritage Committee requires a financial overview of all the sources of funding used by the World Heritage Centre. However, the only summary tables available are prepared for information purposes by and under the responsibility of the Administrative Officer of the Centre, and without any shared methodology or validation process with the other units concerned (BB, BOC and ERC).

46. With regard to extrabudgetary resources, the most relevant amount in taking a consolidated approach to the Centre’s resources is the amount available for the two years of the biennium. In the summary tables, the breakdown of expenditure for each extrabudgetary project among the various lines of the Fund nomenclature has not been validated by the project managers. In addition, the accounting and budgetary software does not enable monitoring of the activity of the many external service providers by type of expenditure, so that 90% of expenditure on extrabudgetary funds may thus appear on a single line.

47. A comparison of Tables No. 1 and No. 3 for the 2008-2009 biennium reveals significant differences. In order to determine its budget (Table No. 1), the World Heritage Centre refers to the appropriations under main line of action IV.1, “Protecting and conserving immovable cultural properties and natural properties, in particular through the effective implementation of the World Heritage Convention”, as set out in document 34 C/5 under Major Programme IV – Culture. The actual heading of the main line of action shows, however, that it includes Sector activities beyond the scope of WHC. Furthermore, the summary at the end of the introduction to document 34 C/5 includes a line entitled “of which WHC” under the Culture Sector, which shows smaller amounts: $12,254,100 for the regular budget (instead of $13,766,800) and $9,398,000 for extrabudgetary resources (instead of $15,422,831). The Centre explained that the appropriations under main line of action IV.1 included the contribution of other services of the Culture Sector and field offices to world heritage conservation activities. Nevertheless, in a document submitted to the Committee in June 2009 (33rd session), the World Heritage Centre provided different figures (see Table No. 3) for the regular budget, in view of a difference in scope, as well as for the World Heritage Fund and, in particular, for extrabudgetary resources, which included, for instance, resources identified since the beginning of the biennium ($22.69 million against $9.4 million or $15.42 million). The Centre replied that it was an “informal document for information purposes only, not certified by BOC”. It is urgent to establish a reliable reporting mechanism (see below).

48. Expenditure is not consolidated by type (staff, contracts, equipment and maintenance, training, support costs) among the three funding sources. It is also impossible to establish a link between the use of extrabudgetary funds and the main lines of action defined by the World Heritage Committee.

49. In order to have a double breakdown of expenditure, by type and by main line of action, and to consolidate information on all funding sources, it would be necessary to adopt a nomenclature of expenditure common to the three sources and to seek validation of its relevance by the various services concerned at UNESCO and by the World Heritage Committee. Work is under way with the

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35 34 C/5 (in English) and Annex I, “Budget summary by main line of action of regular and extrabudgetary resources”.
36 In Annex I of document 34 C/5, these resources are combined with those of the World Heritage Fund to produce the total “extrabudgetary resources” ($24,385,000).
37 Amounting to $1.56 million for the regular budget and $6.02 million for extrabudgetary resources.
38 The resources allocated to the implementation of the Convention for the Protection of Cultural Property in the Event of Armed Conflict (Hague Convention) of 14 May 1954 had been included in document 34 C/5 in the line regarding WHC, since the Centre was responsible for managing the 1954 Convention (decision in DG/Note/07/02 of 25 January 2007). However, this responsibility was transferred in 2008 to the Division of Cultural Objects and Intangible Heritage (Note by the Director-General dated 7 January 2008).
Organization’s central services with a view to establishing a reporting framework. The Centre would create budget sub-codes for each extrabudgetary project in order to link these projects to an activity approved by the Committee. “In addition, it is planned that the Centre should clarify its proposals to manage unliquidated obligations carried forward from 2009 to 2010”.  

Recommendation No. 10: Establish, in cooperation with the Bureau of the Budget and the Bureau of the Comptroller, consolidated financial information on the three funding sources, in accordance with a framework provided by the Committee and using a nomenclature (by function and by type) compatible with the Organization’s financial and budgetary system. With regard to extrabudgetary funds, prepare a multi-year management chart that shows, year after year, new obligations, funds collected and the amount of outstanding funds. Provide this information each year to the Committee.

4.3. Traceability of the use of the funds

50. There is considerable cross-subsidization between extrabudgetary funds and the regular programme. Staff members of the Centre with posts funded directly by the operational budgets of extrabudgetary projects thus contribute to ongoing activities usually financed by the regular programme, particularly with regard to the secretariat of the Convention. Conversely, management fees are systematically deducted from the extrabudgetary funds in exchange for the structural costs incurred by UNESCO for their implementation (see above). Everybody working with the Centre should be invited to provide information on their work time allocation by line of action and by project. This would make it possible to calculate the overall cost of implementing each project, thereby providing a clear basis for considering the fungibility of unused funds. This approach could also be extended, in the long term, to the main lines of action.

Recommendation No. 11: Make the necessary arrangements to make it possible to calculate, in consultation with the Bureau of the Budget, if necessary, carrying out a small-scale trial, the overall cost of implementation of projects, with a view to integrating all the direct and indirect costs of a project.

4.4. Overseeing the financial resources of the Centre

51. The External Auditor draws attention to three points. First, 51% of the resources of the World Heritage Fund go to the advisory bodies (see below), which are contractually bound to provide detailed financial statements. The Centre does not make sufficient use of these statements, even though their aggregation would provide for a breakdown of its payments by main category of expenditure.

52. Second, the existence of numerous extrabudgetary projects to be monitored, the average size of which is below €500,000, and which must be reported on, entails high transaction costs: fund-raising in accordance with different schedules, reports to be established in accordance with different timelines and formats. The Centre should endeavour to propose a standard framework for reports to donors.

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39 Statement made in February 2010 by the Bureau of the Budget.
40 These include 15.5 Appointments of Limited Duration, temporary posts, supernumerary assistance and consultants.
41 An average of €416,881 for the 2008-2009 biennium: $120,732 for non-localized projects, $540,558 for projects in Africa, $139,747 in the Arab States, $567,823 in Asia and the Pacific, $145,000 in Europe and North America, and $1,814,389 in Latin America and the Caribbean.
42 One hundred and sixty-nine extrabudgetary projects managed in the 2008-2009 biennium.
53. Third, the development of private partnerships should be accompanied by the definition of balanced commitments for each party. The partnerships are aimed at raising awareness of the objectives of the Convention and mobilizing funds. Some partnership agreements, however, require the World Heritage Centre to provide information or services that entail costs for it, while its partner’s requirements are not clearly defined. In this regard, examples include an agreement with a major museum, whereby the partner commits itself only to providing “in-kind support to UNESCO in promoting world heritage”, a framework agreement, without a specific project or commitments, signed in April 2004 with an NGO that provides conservation assistance, and an agreement signed in 2005 with an online travel agency, which also lacks clarity.

54. Caution is also required regarding the risks to image linked to the use of the world heritage emblem by private partners. The Operational Guidelines for the Implementation of the World Heritage Convention do contain safeguards, arising from the 1883 Paris Convention for the Protection of Industrial Property. Nevertheless, a fine watchmaking company, with which the Centre had signed a three-year agreement, published, in December 2009, an advertisement associating the World Heritage logo with its brand without asking for prior permission from the Centre, as it was contractually required to do. The industrial group pledged by telephone to submit any future advertising plans to UNESCO for validation. Other partnerships raise the issue of their consistency with the provisions of the Convention with regard to the use of the emblem by travel agencies.

Recommendation No. 12: Further this analysis through the audit requested by the General Assembly of States Parties at its 17th session.

5. THE ROLE OF THE CENTRE IN THE MANAGEMENT OF THE WORLD HERITAGE LIST

5.1. Management of the World Heritage List

55. In 10 years, the number of sites on the World Heritage List has increased by 29% and the number of reports on the state of conservation of properties submitted to the Committee has risen by 88%. Of the 191 UNESCO Member States, 186 have ratified the 1972 Convention and 89% have drawn up a “tentative list” of properties they intend to nominate for inclusion (1,476 properties in total).

Table No. 4: Management of the World Heritage List

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2003</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sites on the list</td>
<td>690</td>
<td>754</td>
<td>812</td>
<td>830</td>
<td>851</td>
<td>878</td>
<td>890</td>
</tr>
<tr>
<td>of which OECD</td>
<td>49.6</td>
<td>49.2</td>
<td>48.3</td>
<td>47.9</td>
<td>47.9</td>
<td>47.7</td>
<td>47.7</td>
</tr>
<tr>
<td>countries (%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>States Parties Tentative Lists</td>
<td>160</td>
<td>176</td>
<td>180</td>
<td>182</td>
<td>183</td>
<td>185</td>
<td>186</td>
</tr>
<tr>
<td>Reports on the</td>
<td>94</td>
<td>134</td>
<td>137</td>
<td>133</td>
<td>161</td>
<td>158</td>
<td>178</td>
</tr>
<tr>
<td>state of properties</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

43 Guidelines and Principles for the Use of the World Heritage Emblem, adopted in 1998 (22nd session, Kyoto), paragraphs 261 to 279 of the Operational Guidelines for the Implementation of the World Heritage Convention. See the Directives concerning the use of the name, acronym, logo and Internet domain names of UNESCO, 2007 (34 C/26 and 34 C/74).

44 Operational Guidelines, paragraph 275(g).
56. Thirty-one of the 890 properties on the World Heritage List have had to be included in the List of World Heritage in Danger because they are “threatened by serious and specific dangers”.\textsuperscript{45} Twelve of those properties have been listed for more than 10 years and two have been listed for more than 20 years.\textsuperscript{46} For many properties, the State Party has not yet prepared a draft statement of outstanding universal value.

57. This observation highlights the need to effectively monitor and manage expectations with regard to the Centre. Redressing the balance of the List is thus a priority for the Intergovernmental Committee. Sites located in developing countries, emerging countries and economies in transition, both at the time of their inclusion in the List and in the context of their monitoring, call for proportionally greater efforts than those situated in the OECD area.

5.2. Inclusion in the List

58. The main stages in the inclusion of a property in the List are the preparation of the nomination file (\textit{selection by the State Party, which requires the drawing up of the “tentative list”, then compilation of the file with the assistance of the World Heritage Centre}), the official dispatch of the file (\textit{before 1 February}) to the Centre which checks that it is complete, and transmits it to the “advisory bodies” (see below), which carry out the technical examination and express an opinion and, finally, the examination by the Intergovernmental Committee (\textit{June/July}) which takes the final decision.

59. The 2007-2009 procedures were examined by sampling two files from each Committee session.\textsuperscript{47} The stages followed by those files do not require particular comment. The technical opinions of the advisory bodies were generally followed. However, although in 2009 the Committee followed the unfavourable opinion of the International Union for Conservation of Nature and Natural Resources (IUCN) on the Mount Wutai file, submitted as a mixed site, it did include the property in the List on the basis of the cultural criteria, despite the fact that the report of the International Council on Monuments and Sites (ICOMOS) contained misgivings. Similarly, the Committee decided to refer the Le Corbusier file back to the States Parties so that it could be strengthened, even though ICOMOS had proposed that examination be deferred on the grounds that the list of properties was too dispersed (22 sites) and poorly managed.

5.3. Relations with the advisory bodies

60. The 1972 Convention states that the Director-General of UNESCO “\textit{shall prepare the Committee’s documentation and the agenda of its meetings and shall have the responsibility for the implementation of its decisions}”, and that he or she shall do so by “\textit{utilizing to the fullest extent possible the services}” of the three advisory bodies that the Convention lists: the International Centre for the Study of the Preservation and Restoration of Cultural Property (ICCROM), International Council on Monuments and Sites (ICOMOS) and the International Union for the Conservation of Nature and Natural Resources (IUCN).\textsuperscript{48} Payments to the advisory bodies are increasing considerably, owing to the lengthening of the World Heritage List and the diversification of monitoring measures. Primarily charged to the World Heritage Fund, these payments amounted to $3.25 million in 2008-2009.\textsuperscript{49}

\textsuperscript{45} 1972 Convention, Article 11(4).
\textsuperscript{46} The Old City of Jerusalem and its Walls (1982, see below) and the Chan Chan Archaeological Zone in Peru (1986).
\textsuperscript{47} For 2007 (31st session): Sydney Opera House (Australia) and the Dolomites (Italy); 2008 (32nd session): the Morne Cultural Landscape (Mauritius) and the Temple of Preah Vihear (Cambodia); 2009 (33rd session): the Mount Wutai (China) and the Architectural and Urban Work of Le Corbusier (Argentina, Belgium, France, Germany, Japan and Switzerland).
\textsuperscript{48} Article 14, paragraph 2, of the Convention. See also Article 13, paragraph 7. NB: ICCROM = International Centre for the Study of the Preservation and Restoration of Cultural Property; ICOMOS = International Council on Monuments and Sites.
\textsuperscript{49} They amounted to $2.69 million in 2006-2007 and $2.10 million in 2004-2005, i.e. representing an increase of 54.7% since 2004-2005.
61. The World Heritage Centre's relations with ICOMOS were examined. ICOMOS is a non-governmental organization with associate status which mobilizes scientific committees made up of professionals. Its involvement on behalf of the Centre entails providing independent advice developed through a codified internal procedure. ICOMOS is entirely dependent on UNESCO’s contributions, unlike IUCN, which has partnerships with other donors.

62. The question of the positioning of the Centre and of the advisory bodies has been a recurrent one. The need to clarify their relations was again brought to the fore at the 33rd session of the Committee. The 1972 Convention refers to the assistance of the advisory bodies in its Articles 8 (3), 13 (7) and 14 (2). It leaves scope, however, for greater openness towards other potential providers and explicitly mentions the possibility of calling on “public and private bodies and individuals” (Article 13.7), which is consistent with the Administrative Manual (Item 10.2).

5.4. Assistance to States Parties

63. The 1972 Convention makes provision for international assistance to States Parties in respect of properties included in the World Heritage List, or likely to be. It is mainly financed from the World Heritage Fund. Priority is accorded to properties placed on the List of World Heritage in Danger.

64. As at 27 October 2009, 36 requests for assistance had been approved for the 2007-2009 biennium: 9 for preparatory assistance ($219,000), 20 for site conservation and management ($512,000) and 7 for emergency reasons ($385,000). Some 30 or so requests were on hold pending the response of the State Party to the observations made by the advisory bodies. In all, international assistance to States Parties should be of the order of $1.2 million over the biennium, approximately four times less than in 2002-2003. An increasing number of allocations which stagnate are going, in fact, to other uses, mostly for the fees of the advisory bodies (see above).

65. The implementation of the provision of assistance is subject to intervention limits which may seem low. The decision-making mechanism is shared in a complicated way between the Director of the Centre, the Chairperson of the Committee and the Committee itself. For two years now, a panel involving the secretariat and the advisory bodies has also been called upon to provide advice.

66. In 2006, an evaluation of the provision of assistance led to the recommendation of measures to improve procedures. The Committee requested and expanded and deepened “impact evaluation for international assistance” on the basis of reliable information.

5.5. The Centre’s management capacity in relation to natural sites

67. At the end of 2009, the World Heritage List included 176 “natural” and 25 “mixed” sites. Eighty-five sites are simultaneously listed as World Heritage sites and recognized as “Biosphere Reserves”. World Heritage sites represent about 10% of the surface of protected areas at the global level. Furthermore, many of them are in very extensive natural spaces (especially forests). At its session in Vilnius in 2006, the World Heritage Committee adopted a natural heritage strategy, which emphasized the constant improvement of site management capacities, the ecosystem approach and biodiversity.

50 Report WHC-09/33.COM/5A.
51 The Centre has also put in place, in cooperation with the NGO Fauna and Flora International, a rapid response facility to address emergency situations in natural sites.
52 Namely, $30,000 for preparatory activities and $10,000 for promotional operations.
53 Competent up to an amount of $5,000.
54 Up to an amount of $10,000 (preparation, technical assistance and training) and $75,000 (emergency assistance).
55 Revision of the application form, selection of monitoring indicators, new reporting procedures (30th session, Vilnius, WHC-06/30.COM/14A).
56 Decision 30 COM 14A (paragraph 6.b).
68. A strategy was established for cooperation between the World Heritage Centre and the UNESCO Natural Sciences Sector, which conducts the Programme on Man and the Biosphere. Cooperation was also initiated with the European Space Agency, the Convention on Biological Diversity and UNDP, as well as with the United Nations Foundation.

69. The Centre’s capacity for action seems limited. When the audit was conducted, only four of the Centre’s programme specialists\(^57\) had a recognized scientific qualification in a subject-area relevant to natural sites. The Director-General’s instruction dated 7 January 2008, which stipulated that each of the Centre’s regional sections should have one official qualified in the natural heritage, cannot therefore be respected.

6. EXAMINATION OF SOME ACTIVITIES FOR THE PRESERVATION OF THE WORLD HERITAGE

6.1. The Old City of Jerusalem and its Walls

70. The site of the Old City of Jerusalem and its Walls was included in the World Heritage List in 1981 at the request of Jordan. The following year it was placed on the List of World Heritage in Danger. The risks identified were a significant loss of historical authenticity, less protection for the site because of a change in its legal status, and endangerment on account of the town planning scheme. UNESCO has allocated to the property extrabudgetary funds totalling some $4 million since 1988.

71. The Organization’s commitment has been strong since the announcement in 2001 by the Director-General, approved by the General Conference (2003), of an initiative to draw up a global action plan, supported by the Executive Board and the General Conference.\(^58\) It was marked by the drawing up, with the assistance of an international expert committee and with support from the Italian cooperation agency, of an “Action Plan for the Safeguarding of the Cultural Heritage of the Old City of Jerusalem”, approved in 2007 by the General Conference, the Executive Board and the World Heritage Committee.\(^59\) The World Heritage Committee invited the international donor community to support, through extrabudgetary funding, activities aimed at safeguarding, “in particular in the context of the Action Plan”.\(^60\) It considered, however, that “the political context does not allow the definition of a desired state of conservation at this stage for the removal of the property from the List of World Heritage in Danger”.

72. Concurrently but separately, UNESCO defined and implemented in Jerusalem the “reinforced monitoring mechanism”, in compliance with a decision adopted by the Executive Board at its 176th session,\(^61\) which followed a special mission from the World Heritage Centre, ICOMOS and ICCROM that had been dispatched by the Director-General in February 2007. “Reinforced monitoring” entails monitoring, at short intervals instead of once a year, the state of property in danger of losing its outstanding universal value. It pertains to the state of conservation of the “Mughrabi Ascent”\(^62\) in Jerusalem. The main question is that of archaeological excavations and town planning schemes inside a world heritage site.

73. The World Heritage Committee examined, at its most recent session, a monitoring report that had been drawn up in February 2009 (the sixth such report). It particularly regretted, as did the

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\(^{57}\) In addition to the Deputy Director of the Centre, a natural heritage specialist, who follows a rather large number of programmes, over and above his managerial duties.

\(^{58}\) 31st, 32nd (32 C/Resolution 39) and 33rd (33 C/Resolution 13) sessions of the General Conference and 170th session (October 2004) of the Executive Board (170 EX/10 Rev.).

\(^{59}\) Decision 31 COM/7A.18, 177 EX/Decision 19 and 34 C/Resolution 47. Project 534RAB4001 ($454,460).

\(^{60}\) Decision 33 COM/7A.18 (Seville, 2009), documents 182 EX/15 and 35 C/16; ongoing projects 549RAB4000 (European Commission, $0.7 million) and 570RAB4002 (Leventis Foundation, $0.27 million).

\(^{61}\) 176 EX/Special plenary meeting/Decision and decisions of the World Heritage Committee (31 COM 5.2 of 2007 and 32 COM 7A.18 of 2008), which provide for a two-year experimental period.

\(^{62}\) Pathway leading from the Western Wall Plaza (Wall of Lamentations) to the Mughrabi Gate of the Haram ash-Sharif (Esplanade of the Temple).
Executive Board, the postponement of a technical follow-up meeting with Jordanian and Waqf experts which it had sought. It requested “a report from the World Heritage Centre at least every three months”, until its 34th session.

Recommendation No. 13: In the forthcoming evaluation of the reinforced monitoring mechanism, clearly define the modalities for disseminating and discussing the more frequent reports which are the point of this procedure.

6.2. The Aksum Obelisk reinstallation operation

74. The ruins of the ancient capital of the Kingdom of Aksum were placed on the World Heritage List in 1980. One of the seven stelae of the Aksum necropolis, broken into five fragments when Aksum was destroyed in the tenth century, was taken to Rome in 1937, reassembled and erected near the Arch of Constantine. In application of the peace treaty between Italy and Ethiopia (1949), it was returned to Ethiopia. Italy financed and conducted the dismantling of the monolith into three components and its transportation by plane in April 2005. It had promised Ethiopia in 2004 to “finance the re-erection and restoration of the Obelisk in the Aksum archaeological site, to be executed by UNESCO with technical support from Italian experts in collaboration with the Ethiopian side”. Italian Funds-in-Trust for the conservation of the World Heritage site amounted to $5.7 million.

75. UNESCO underlined the extraordinary achievement of that “technically complex” operation. The External Auditor wishes, in turn, to stress two points. The first concerns the administrative management of the project. After a phase of preliminary studies conducted by the architectural firm that had supervised the monolith’s dismantling in Italy, the then Assistant Director-General for Culture obtained from the Director-General in July 2005, at the request of the World Heritage Centre, a waiver of the rules governing the award of contracts for the reinstallation operation itself, a waiver confirmed in January 2006. However, in October 2006, the Comptroller recommended a return to normal procedures, notably in view of the positions taken by the Executive Board. The Contracts Committee refused the waiver requested by the Centre. The competitive bidding process generated only one tender, which was from the company which had dismantled the monolith.

76. At the request of the Assistant Director-General for Culture, IOS conducted in the first half of 2007 an inquiry into the process of selecting the architectural firm. The IOS report stressed that neither the Director-General nor the Assistant Director-General for Culture had been informed in July 2005 that the Contracts Committee had asked for an expert appraisal by an independent architect of the selection of the architectural and engineering team. The waiver of the rules of competitive bidding had therefore been obtained on the basis of incomplete information. IOS considered that the procedure that had been followed since November 2006 was, on the other hand, in conformity with UNESCO’s procedures, but recommended that the suitability of the prices be subjected to an independent expert appraisal. The architectural firm and the bidding construction company had in fact been in contact during the phase of the preliminary studies. An independent expert, selected after a call for tenders, was of the opinion that the prices indicated in

63 181 EX/Decision 5 (III) and 182 EX/Decision 5 (II).
64 Above-mentioned Decision 33 COM 7.2 (2009), report requested for 2011.
65 Memorandum of Understanding of 18 November 2004 and letter of 15 October 2004 from the Permanent Delegation of Italy to UNESCO.
68 Director-General’s decisions of 8 July 2005 (memo ADG/CLT/05/067 of that same date) and of 6 January 2006 (memo WHC/DIR/06/02 of 5 January 2006).
69 Memo DCO/1/06/355 of 27 October 2006, approved by the Director-General, which refers to the report by the External Auditor on the Brasilia Office.
71 Recommendation of the Contracts Committee of 7 July 2005.
the estimate of the architectural and engineering team were reasonable. The Contracts Committee then made a favourable recommendation on the proposed contracts with the construction company and with the architectural firm.\footnote{Recommendation of the Contracts Committee of 15 June 2007 (contract signed on 3 July for segment 1, $1,444,495) and of 23 July 2007 (contract signed on 14 August 2007, $446,637).} \footnote{A contract was notably signed with the same company for segment 2 of phase 2 ($1.89 million).}

77. It hardly needs stating that, in the opinion of IOS, the procedure followed in 2005 and 2006 contravened the Organization’s rules. The rest of the procedure does not require any further observations.\footnote{Note of the Sector for External Relations and Cooperation (ERC) dated 10 March 2006.}

78. The second point concerns the deadlines. The initial project had referred to a reinstallation of the stela “at the beginning of 2007, as expected by the Ethiopian authorities”.\footnote{Document 180 EX/62.} The deadline was then set at 18 months from June 2006. Owing to delays in the transfer of funds and the cessation of administrative procedures pending the findings of the inquiry carried out by IOS, the work only started in the early summer of 2007 and the teams were not hard at work until October 2007. The reinstallation of the stela was celebrated on 4 September 2008,\footnote{Medium-Term Strategy for 2008-2013, paragraph 106.} shortly before the end of the year 2000 in the Ethiopian calendar. It was only in February 2009 though that the architectural firm was in a position to certify that the company had met its contractual obligations.

6.3. World heritage sites in the Democratic Republic of the Congo

79. The five world heritage sites in the Democratic Republic of the Congo (DRC) were placed on the List of World Heritage in Danger between 1994 and 1999 because of the threats created by civil unrest. They are endangered by the poaching of ivory and bushmeat, illegal logging and mining, and the settlement of populations fleeing conflict zones.

80. Since 2000 UNESCO has been implementing a programme for the “protection of the world heritage sites in the Democratic Republic of Congo – Biodiversity Conservation in Regions of Armed Conflict”. The programme has been provided with $7.14 million in extrabudgetary funds since 2000.\footnote{Conference on Endangered Heritage in the Democratic Republic of the Congo (September 2004). Statement by the Vice-President of the Democratic Republic of the Congo.} However, only a third of the contribution pledged by the United Nations Foundation for the 2005-2010 phase was paid through the intermediary of UNFIP, because the partner association had been unable to provide the Foundation with the equal amount of funding.\footnote{Decisions 31 COM 7A.32 (2007), 32 COM 7A.31 (2008) and 33 COM 7A.31 (2009).} A mid-term assessment (September 2007) permitted an orderly closure of the operation. A total allocation of €2.2 million\footnote{Congolese Institute for Nature Conservation.} is in the process of being approved for a third phase (2010-2012).

81. The action of UNESCO – and of the World Heritage Centre – mainly takes place at the level of dialogue with the national actors in conservation, national and local authorities and the de facto authorities in some areas. The strategic role “of a meeting platform and honest broker”, assigned to UNESCO with regard to the protection of the heritage by the Medium-Term Strategy,\footnote{Medium-Term Strategy for 2008-2013, paragraph 106.} finds its expression here. The World Heritage Centre has therefore not given up hope that the ministerial-level meeting promised in 2004, requested by the Committee in 2007 and again promised for 2008, will be held one day.\footnote{Medium-Term Strategy for 2008-2013, paragraph 106.} It also refers to the drawing up of a memorandum of understanding under its aegis, between the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC) and its Congolese partner, ICCN.\footnote{Medium-Term Strategy for 2008-2013, paragraph 106.} It considers that without the project...
“Biodiversity Conservation in Regions of Armed Conflict” and ICCN’s work on the ground, little would remain of the resources of the world heritage sites”. 83

82. The sites in DRC were also the subject, after Jerusalem (see above), of one of the earliest applications of the reinforced monitoring mechanism, following the massacre of mountain gorillas in Virunga National Park in July 2007.-

6.4. Illegal logging and mining

83. Ninety-seven world heritage sites are forest belts. In the 2008-2009 biennium, they gave rise to seven projects funded out of extrabudgetary resources totalling $13.43 million.

84. The World Heritage Committee is informed annually of the dangers for the preservation of the outstanding character of sites posed by deforestation and illegal logging, mining and oil exploration, including “the issuing of mining licences covering the property”, the “illegal trafficking of timber, minerals and ivory”, the “envisaged oil prospecting projects overlapping the property”, the “mining activities that are progressing near the property and its buffer zone”, the “possibility of creating an enclave for mining activities within a component of the property”, and the “increase in illegal logging as well as other illegal resource exploitation”.84

85. The Convention places means of pressure at the disposal of the Committee and the World Heritage Centre: the Committee “urges the State Party to ensure that the operations of the mining concessions […] are fully assessed prior to activity commencing”, or “regrets that the State Party did not follow the procedure outlined in […] the Operational Guidelines […]”, and requests the State Party to “state unequivocally that no commitment has been made on any mining concessions within the boundaries of the inscribed property”.85

86. These means are strengthened for properties placed on the “List of World Heritage in Danger”: detailed annual reports, pressure for “a proposal for the desired state of conservation for the removal of the property from the List of World Heritage in Danger”, and a “mechanism to promote international collaboration in support of the property”.86 The threat of a “likely inscription of the property on the List of World Heritage in Danger” was, as a matter of fact, used in 2009 by the Committee in order to try to obtain a response, expected since 2004, to the many factors in the gradual erosion of the Tropical Rainforest Heritage of Sumatra.87

87. “Reactive monitoring measures” can be added, at the risk of superimposing procedures to achieve similar objectives.88

88. Nevertheless, effective management of the List in the face of these threats will require, first, their precise identification and real-time information of the World Heritage Centre and, second, cooperation with economic and social actors for sustainable development.

89. On the first point, the main role lies with the national authorities, which necessitates an ongoing dialogue between the World Heritage Centre and national delegations. The Centre may also draw on the expertise of IUCN, its own specialists and the methodology developed by the United Nations Environment Programme (UNEP) on environmental impact assessments.

90. On the second point, the International Council on Mining and Metals (ICMM)89 2003 Position Statement on Mining and Protected Areas, formulated with the support of the World Heritage

84 Examples taken from the documents of the 33rd session, of June 2009: Decisions 33 COM.7A.2, 7A.4, 7A.8, 7B.1, 7B.31 and 7B.147.
85 Examples: Decisions 33 COM.7B.1, 7B.8 and 7B.31.
86 Examples: Decisions 33 COM.7A.3 and 7B.34.
87 Decision 33 COM 7B.15.
88 Examples: Decisions 33 COM.7A.8 and 7A.4.
Centre,[^90] is a good practice to promote in other sectors, in particular those of oil exploration and exploitation and forestry industries. On the other hand, a guide for the management of natural sites, produced by an oil company under the supervision of the World Heritage Centre, is very general in nature.[^91]

**Recommendation No. 14:** Seek to draw up with the actors concerned documents setting out good practices to be observed with regard to activities planned within world heritage sites, their buffer zone or the ecosystem within which they lie.

91. Noting that poaching, oil exploitation and the unilateral reduction of 90% of the surface area of the protected site had taken away its outstanding universal value, the Committee granted in 2007 the request by the State Party and removed the Arabian Oryx Sanctuary (Oman) from the World Heritage List.[^92] However, several delegations have pointed out that the removal, which was a “first”,[^93] represented a setback for the Committee in the protection of the outstanding universal value of a site on the List.[^94]

6.5. World heritage and tourism

92. In 1972, date of the adoption of the *World Heritage Convention*, 190 million international tourist arrivals were recorded; in 2008, that number had risen to 924 million.[^95] In 2012, when the Convention will celebrate its fortieth anniversary, the total will have exceeded one billion; the 1.5 billion mark is expected by 2020. It is estimated that there is a cultural purpose among the visitors’ reasons for 20% of international trips. Internal movements – for which there is no accurate estimate – would seem to represent between five and seven times the number of international arrivals.

93. The word “tourism” does not appear in the 1972 Convention. It nevertheless requires States to ensure not only “the identification, protection and conservation” of the cultural and natural heritage, but also “its presentation” (Article 4). The World Heritage Committee adopted in 2001 a tourism programme based on sustainable development.

94. This “World Heritage Sustainable Tourism Initiative” has raised genuine interest among States Parties to the Convention and international institutions. Yet its impact seems to have been confined to the holding of around half a dozen meetings, or technical seminars, and some modest research into the relation between heritage and tourism and the difficult to measure impact of inclusion in the World Heritage List on the number of visitors to sites. The Centre’s Cultural Tourism Unit, established in 2008, had at the end of 2009 only one person, in a precarious administrative situation moreover.

95. When the audit was conducted, the Centre was unable to answer simple queries on the impact of tourism on world heritage sites, such as the number of visitors received by the 890 sites or the amount of income generated by the visits. However, pressure is growing on many of these sites, victims of over-frequentation in the absence of proper planning and appropriate management tools. In some cases, world heritage status and the resultant increased publicity would seem to be counterproductive. This negative impact of tourism threatens to worsen with the expected doubling of the flows over the period 2000-2020.

[^90]: 23rd session of the World Heritage Committee (Marrakesh, 1999), joint working group established at the 24th session (Cairns, 2000).
[^92]: 31st session, Christchurch, June 2007.
[^94]: A second site, that of the Dresden Elbe Valley, was removed from the List in June 2009.
[^95]: 1972 Convention, Article 6, paragraph 1.

Source and definition: World Tourism Organization.
Recommendation No. 15: Systematically include a reference to tourism in the management plan to be attached to the nominations for inscription on the World Heritage List. Require site managers to gather and present annually information on the number of visitors to the sites and on the resources derived from them. Supplement to this effect the *Operational Guidelines* for implementing the World Heritage Convention.

Comments by the Director-General:

The Director-General thanks the External Auditor for his audit report on the World Heritage Centre (WHC) of UNESCO’s Culture Sector. She takes note of the recommendations made in the report and will endeavour to implement them, while noting that prior agreement from the World Heritage Committee will be needed for Recommendations 13 and 15.
Item 8 of the provisional agenda

EXTERNAL AUDITOR's REPORTS

PART III

AUDIT REPORT ON THE
UNESCO WORLD HERITAGE CENTRE (WHC)

CORRIGENDUM

The following change should be made to document 184 EX/8 Part III.

Paragraph 61, delete the last sentence and replace it with the following sentence: "The World Heritage Centre is examining with ICOMOS and the other consultative organizations the improvements it might be necessary to make to the contractual arrangement defining the services they are to provide".
Draft Decision : 34 COM 5G

The World Heritage Committee,

1. Having examined Document WHC-10/34.COM/5G,

2. Recalling Resolution 184 EX 8 Part II, adopted by the UNESCO Executive Board at its 184th session (30 March – 15 April 2010),

3. Takes note of the above-mentioned Document.