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# World Heritage

# 19 GA

**WHC-13/19.GA/8**

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## UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANIZATION

### NINETEENTH SESSION OF THE GENERAL ASSEMBLY OF STATES PARTIES TO THE CONVENTION CONCERNING THE PROTECTION OF THE WORLD CULTURAL AND NATURAL HERITAGE

Paris, UNESCO Headquarters

19-21 November 2013

**Item 8 of the Provisional Agenda: Determination of the amount of the contributions to the World Heritage Fund in accordance with the provisions of Article 16 of the *World Heritage Convention***

Determination of the amount of the contributions to the World Heritage Fund in accordance with the provisions of Article 16 of the *World Heritage Convention*

#### SUMMARY

In accordance with Article 16 paragraph 1 of the *World Heritage Convention*, the General Assembly shall determine, in the form of a uniform percentage, the amount of the contributions to be paid to the World Heritage Fund by the States Parties to the *Convention* for the financial period 2014-2015.

The above-mentioned paragraph of Article 16 continues stating that "This decision of the General Assembly requires the majority of the States Parties present and voting, which have not made the declaration referred to in paragraph 2 of this Article. In no case shall the compulsory contribution of States Parties to the *Convention* exceed 1% of the contribution to the regular budget of the United Nations Educational, Scientific and Cultural Organization."

This document also contains the latest information on the initiatives towards the sustainability of the World Heritage Fund as requested by Resolution **18 GA 7**.

**Draft Resolution: 19 GA 8, see Part IV**

## I. BACKGROUND

1. The *World Heritage Convention* in its Article 15 established “a Fund for the Protection of the World Cultural and Natural Heritage of Outstanding Universal Value”, called “the World Heritage Fund” that consists mainly of “compulsory and voluntary contributions made by States Parties to this *Convention*”.

2. In accordance with Article 16 of the *World Heritage Convention*, it is the General Assembly of States Parties to the *Convention*, who determines every two years, in the form of a uniform percentage, the amount of the contributions to be paid to the World Heritage Fund by the States Parties. Thus, the Part IV of this document presents a draft resolution for the General Assembly’s consideration that relates to the percentage for the contributions to be received in the World Heritage Fund for the financial period 2014-2015.

3. If the 190 States Parties to the *Convention* would pay 1% of their contribution to the regular budget of UNESCO, regardless of their assessed contributions being compulsory or voluntary, the total amount would be US\$6,528,398, based on a UNESCO budget ceiling of US\$653 million as proposed in document 37 C/5 Draft Programme and Budget prior to the 37th session of the World Heritage Committee.

4. As per Article 15.4 of the *World Heritage Convention*, the World Heritage Committee shall define the purpose for which the contributions to the World Heritage Fund and other forms of assistance are made available. During its 37th session, the World Heritage Committee in Decision **37 COM 15.I** approved the budget of US\$6,579,559 for the World Heritage Fund for the biennium 2014-2015. As explained in Document WHC-13/37.COM/15.Rev the difference will have to be covered by other income. The difference may increase if the contribution to UNESCO’s regular budget is reduced by the General Conference at its 37th session.

5. According to Article 16 of the *World Heritage Convention*, “in no case shall the compulsory contribution of States Parties to the *Convention* exceed 1% of the contribution to the regular budget of the United Nations Educational, Scientific and Cultural Organization.” The draft resolution in the present document proposes to “set at 1% the percentage for the calculation of the amount of the contributions to be paid to the World Heritage Fund by States Parties for the financial period 2014-2015” as less than 1% would have a difficult impact on the situation of the World Heritage Fund, whose sustainability is a growing concern of States Parties for several years now, as described in the following Part II.

## II. ANALYSIS ON SUSTAINABILITY OF THE WORLD HERITAGE FUND

6. This part presents the latest information concerning the issue of the sustainability of the World Heritage Fund since the last session of the General Assembly, as requested in Resolution **18 GA 7** paragraph 6.

7. To recall why the sustainability of the World Heritage Fund remains, for several years already, an issue that needs to be addressed, it should be reminded that the *World Heritage Convention* with 190 States Parties is an almost universal Convention and considering the ceiling of 1% provided in Article 16 of the *Convention*, the World Heritage Fund will not increase, as very few members remain to adhere. However, at the same time, the number of inscriptions of World Heritage sites on the World Heritage List is increasing, which necessitates more resources, especially for conservation and monitoring activities.

8. At the 36th session of the World Heritage Committee (Saint Petersburg, 2012), Document WHC-12/36.COM/15.Rev presented options for additional voluntary contributions to the World Heritage Fund, that were examined in-depth by the Budget Working Group,

established as a Standing Consultative Body of the Committee, in order to propose a solution to sustain the World Heritage Fund and respond to the needs of the *World Heritage Convention*.

9. In particular, there were 5 options among which one had 4 variants as shown below. Among them the options 1, 3.1, 3.2, 3.3 and 3.4 were illustrated by a table showing the amounts for each State Party (See Annex 1).

- Option 1: Increasing the standard percentage used in the calculation of the contributions to the World Heritage Fund from 1% to 2%.
- Option 2: Determining a minimum level contribution
- Option 3: Increasing the contributions on the basis of the number of properties inscribed on the World Heritage List
  - Option 3.1: Increasing the contributions by a flat rate of US\$3,300 per property inscribed
  - Option 3.2: Increasing the contributions by an additional 4% of the current assessed contribution per property inscribed
  - Option 3.3: Increasing the contributions by an additional amount per property inscribed, according to a percentage increasing with the number of properties inscribed
  - Option 3.4: Increasing the contributions by an additional amount per property inscribed, according to a percentage decreasing with the number of properties inscribed
- Option 4: Increasing the contributions on the basis of the number of tourists arrivals at World Heritage Sites
- Option 5: Contributing per activity

10. The World Heritage Committee at its 36th session did not decide on any particular option, but in its Decision **36 COM 15** paragraph 26 did highlight “the urgent need to ensure the sustainability of the World Heritage Fund” and left the issue open by urging “States Parties to consider allocating voluntary contributions to the World Heritage Fund, to the extent possible and within their capacity.”

11. In 2012/2013 the Internal Oversight Service of UNESCO carried out an audit of the World Heritage Centre (WHC) among which the “review of the financial model and WHC sustainability, including funding sources and uses” was one of the objectives. The IOS Report stated that “we recommend that the Director of World Heritage Centre (i) continues to bring to the Committee’s attention the options, together with the Centre’s analyses and recommendations, to increase contributions to the World Heritage Fund...”

12. The Secretariat raised once again the issue of the sustainability of the World Heritage Fund at the 37th session of the World Heritage Committee (Phnom Penh, 2013). In particular Document WHC-13/37.COM/15.Rev presented the options made to the 36th session, as well as three additional options that were elaborated by the Budget Working Group during the 36th session.

13. The table reflecting the different options and corresponding amounts for each State Party, as per the categories defined by the World Bank (Least Developed Countries, Low Income Economies, Lower Middle Income Economies, Upper Middle Income Economies, High Income Economies), applied the scale of the 2013 contributions. There was a general recognition that the increase of the World Heritage Fund should be around 200% and that the percentage applied should be revised at a later stage. The three additional sub-options, which relate to option 2: Determining a minimum level contribution, are the following:

- Option 2.3: Applying a minimum contribution for each World Bank category (except for States Parties whose 2013 contribution is already above the minimum contribution);

- Option 2.4: Applying Option 2.3 + a formula including a 59% increase for contributions above US\$20,000 to be close to a 200% increase;
- Option 2.5: Applying Option 2.3 + Option 3.2 (increasing contributions by 4% of the assessed contribution to the World Heritage Fund per property inscribed starting from 6 sites and above).

14. While presenting the work of the Budget Working Group (that discussed the options in detail) and the draft decision on the budget in the Plenary, the Chairman decided to propose to the World Heritage Committee to approve the option of doubling the assessed contributions of the States Parties from 1% to 2% as additional voluntary contributions to the World Heritage Fund. However, due to the fact that no consensus could be reached, the World Heritage Committee did not decide on any specific option. Instead, it decided in Decision **37 COM 15.I** Part III paragraph 30 to call upon “all States Parties to consider allocating unrestricted supplementary voluntary contributions to the World Heritage Fund to the extent possible and within their capacity to pay.”

15. Considering that appeals made to States Parties for unrestricted voluntary contributions had limited results (only Estonia made unrestricted voluntary contributions in 2012 and 2013 of 10,000 EUR each), and taking into account the request in Resolution **18 GA 7** paragraph 6, the General Assembly may wish to consider the various options in Annex 1 and take a decision by retaining one of the options proposed to enhance the sustainability of the World Heritage Fund. It may be recalled that any of the options retained can be applied only on a voluntary basis.

### III. DECISIONS OF THE WORLD HERITAGE COMMITTEE ON CONTRIBUTIONS

16. Since the 18th session of the General Assembly (Paris, 2011), the World Heritage Committee held two sessions and took the decisions below to express concern about the payment of the assessed contributions and the sustainability of the World Heritage Fund:

#### **Decision: 36 COM 15**

The World Heritage Committee,  
(...)  
PART III  
(...)

25. Considers that without additional contributions being made to the World Heritage Fund, financial resources will not be sufficient to provide for the statutory processes as well as International Assistance, thereby threatening the credibility of the *Convention* and the fulfilment of its objectives;
26. Highlights the urgent need to ensure the sustainability of the World Heritage Fund and having considered a range of options to this end, urges States Parties to consider allocating voluntary contributions to the World Heritage Fund, to the extent possible and within their capacity;
27. Calls upon States Parties to give serious consideration to this appeal in order to ensure the sustainability of the World Heritage Fund as well as the integrity of the World Heritage regime;
28. Decides that additional contributions received in terms of this appeal be utilized for International Assistance towards conservation and management of World Heritage properties;
29. Requests the World Heritage Centre to report annually to the Committee on the amounts received as well as the contributors of voluntary contributions;
30. Decides to review annually the response of States Parties in terms of paragraph 26 and to continue to explore appropriate ways to ensure the sustainability of the Fund;

(...)

**Decision: 37 COM 15.1**

The World Heritage Committee,

(...)

PART II

(...)

12. Recalls with deep concern the current financial situation of the World Heritage Fund which hampers its ability to provide for activities related to the *Convention*, including conservation and management of properties, which is a top priority, as well as nominations, and recognizes the necessity to urgently improve the sustainability of the Fund, which is required to underpin the *Convention* as a flagship of UNESCO;

(...)

PART III

(...)

25. Notes that the World Heritage Fund will not increase significantly in future due to the universality of the *Convention*, as well as the provisions of the *Convention* that determines the statutory funding of the World Heritage Fund, while at the same time the number of properties inscribed on the World Heritage List will continue to increase;

26. Considers that without additional contributions being made to the World Heritage Fund, financial resources will not be sufficient to provide for the statutory processes as well as International Assistance, thereby threatening the credibility of the *Convention* and the fulfilment of its objectives;

(...)

29. Recognizes that States Parties have an obligation to fulfil the objectives of the *Convention* and have a responsibility to provide sufficient funding for statutory processes and International Assistance;

30. Highlights the urgent need to ensure the sustainability of the World Heritage Fund and having considered a range of options to this end, calls upon all States Parties to consider allocating unrestricted supplementary voluntary contributions to the World Heritage Fund to the extent possible and within their capacity to pay;

31. Recommends that the General Assembly requests the Director-General of UNESCO to include, in the letter requesting payment of the assessed compulsory and voluntary contributions to States Parties, a request for supplementary voluntary contributions, and to report back to the 20th session of the General Assembly in this regard;

32. Decides to review annually the response of States Parties in terms of paragraph 30 and to continue to explore appropriate ways to ensure the sustainability of the Fund;

33. Calls upon States Parties to give serious consideration to the second general appeal to States Parties for additional supplementary voluntary contributions made on 18 June 2013 in order to ensure the sustainability of the World Heritage Fund as well as the integrity of the World Heritage regime;

34. Also decides that additional contributions received in terms of the second general appeal be utilized for International Assistance towards conservation and management of World Heritage properties;

35. Requests the World Heritage Centre to report annually to the Committee on the amounts of supplementary voluntary contributions received as well as the contributors of such voluntary contributions;

(...)

#### IV. DRAFT RESOLUTION

##### **Draft Resolution: 19 GA 8**

The General Assembly,

1. Having examined Documents WHC-13/19.GA/8, WHC-13/19.GA/INF.8 and WHC-13/19.GA/INF.8.A,
2. Recalling Article 16 paragraph 1 of the World Heritage Convention on the determination, in the form of a uniform percentage, of the amount of the contributions to be paid to the World Heritage Fund by States Parties,
3. Decides to set at 1% the percentage for the calculation of the amount of the contributions to be paid to the World Heritage Fund by States Parties for the financial period 2014-2015;
4. Requests the Director-General of UNESCO to include, in the letter requesting payment of the assessed compulsory and voluntary contributions to the World Heritage Fund to States Parties an additional paragraph requesting States Parties for supplementary voluntary contributions, and to report back to the 20th session of the General Assembly in this regard;
5. Notes the status of compulsory and voluntary contributions to the World Heritage Fund as presented in Document WHC-13/19.GA/INF.8;
6. Reiterates the plea of the World Heritage Committee to States Parties to the Convention to pay their annual contributions by 31 January wherever possible in order to facilitate the timely implementation of the activities financed by the World Heritage Fund;
7. Takes note of the options proposed for allocating unrestricted supplementary voluntary contributions to the World Heritage Fund and recommends to States Parties willing to make these contributions to apply Option no. XX to help towards the sustainability of the World Heritage Fund;
8. Further notes the recommendations of the Audit of the Working Methods of Cultural Conventions carried out by the Internal Oversight Service (IOS) of UNESCO and further decides with regard to recommendation 1 (a) to establish a sub-account within the World Heritage Fund, to be funded from Voluntary Contributions and to be used exclusively for enhancing the human capacities of the Secretariat, and with regard to recommendation 1 (e) apply the cost recovery policy for the staff time spent in managing the World Heritage Fund within the limit of the funds made available under the sub-account;
9. Authorizes the Secretariat to use any funds contributed to the sub-account, upon receipt, in accordance with the financial regulations of the World Heritage Fund and the Organization's rules and procedures;
10. Invites States Parties to provide voluntary supplementary contributions to the sub-account in the amount of at least US\$ 1,000,000 per year;
11. Requests the World Heritage Committee to consider the remaining recommendations of the Audit at its 38th session in 2014.



