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UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANIZATION

CONVENTION CONCERNING THE PROTECTION OF THE WORLD CULTURAL AND NATURAL HERITAGE

WORLD HERITAGE COMMITTEE

Thirty second Session

Quebec City, Canada
2 – 10 July 2008

Item 17 of the Provisional Agenda: Progress report on the implementation
of the recommendations of the 2007 Audit

Progress report on the implementation of decision 31 COM 19

SUMMARY

As per Decision **31 COM 19** (Christchurch, 2007), paragraph 12 and 14, this document contains a progress report on activities carried out to implement the various provisions of Decision **31 COM 19** as well as a proposal for the creation and financing of new fixed term posts for core functions at the World Heritage Centre.

Draft Decision: 32 COM 17, see Point IV

I. Background

1. As requested by the 30th session of the World Heritage Committee (Vilnius, 2006), a management audit of the World Heritage Centre (the Centre) was conducted between November 2006 and April 2007. The audit was carried out by the firm Deloitte, following a competitive selection process, according to the established UNESCO procedures. The final report of the Management Audit is available (in English and French) on the website of the World Heritage Centre at <http://whc.unesco.org/archive/2007/whc07-31com-19areve.pdf>
2. The final report on the Management Audit, and the observations of the Director General of UNESCO, were considered by the World Heritage Committee at its 31st session (Christchurch, 2007) and Decision **31 COM 19** was adopted. As requested in paragraph 13 of the decision, a results-based plan on implementing paragraph 12 of the decision was presented to the 16th session of the General Assembly (GA) of States Parties in October 2007. Resolution **16 GA 5** (UNESCO, 2007) adopted by the GA on this item is in the Annex.

II. Progress report on Implementing the Recommendations of the Management Audit of the World Heritage Centre

3. A progress report on measures taken to implement recommendations from the management audit can be summarised in the following table.

Progress Report on Implementing the Recommendations of the Management Audit of the World Heritage Centre

	Recommendation	Actions Proposed	Time-Frame	Results Expected
1.	Improve the accounting and budgetary management and internal control mechanism	a) A memo (ADG/CLT/08/021) was issued on 21 February 2008 on the administrative flexibility of the World Heritage Centre (WHC). This administrative flexibility should enable WHC to function with more autonomy, especially as regards the development and the adjustment of work plans, the use of funds earmarked for consultants, temporary and other contractors, and the signing of cooperation agreements with various institutions, international organizations and other public and private partners. The memo is available at the following web address: http://whc.unesco.org/en/memos	Done	Management and efficiency of WHC improved
		b) The Director General has (through DG/Note/07/31 dated 7 August 2007 and DG/Note/08/14 dated 4 April 2008) reformed the internal financial control system and introduced an internal control policy framework, which also apply to the WHC.	Done	Accounting and budgetary management within WHC enhanced
		c) As regards the analytical accounting system, WHC will prepare and submit its requirements to Central Services of UNESCO who will examine how to integrate them within UNESCO's system.	2008-2009	
		d) On the issue of reviewing and revising the formats for the financial statements, WHC will also develop its needs assessments based on a reflexion with the Central Services of UNESCO who will examine their integration within UNESCO's system.	2008-2009	
		e) Section and Unit Heads of WHC participate fully in the preparation and management of budgets from all sources.	Ongoing	
2.	Strengthen management	a) A system of regular staff meetings has been introduced and	Ongoing	Effectiveness and

	Recommendation	Actions Proposed	Time-Frame	Results Expected
	process	institutionalized in order to identify and expeditiously resolve management issues.		efficiency of the WHC reinforced
		b) The Administration Unit of WHC is improving its methods to work cooperatively with all Sections and Units, and vice-versa, to facilitate the implementation of all operations of WHC by identifying and resolving administrative constraints in a timely manner	Ongoing	
		c) Coordination with Field Offices and other Programme Sectors has been further enhanced for planning and implementing various activities, as evidenced in the process adopted for the preparation of the 34 C/5	Ongoing	Inter-sectoral coordination and coordination with Field Offices strengthened
		d) A Steering Committee has been set-up, comprising the ADGs for Culture and for Natural Sciences, and the Directors of the Centre as well as DIR/SC/EEC, which has met upstream of the preparation of the 34 C/5 and work plans to ensure complementarity of functions, as well as to plan and coordinate joint activities	Periodic meetings	
		e) Consultations are continuing with the relevant Central Services of UNESCO and the Advisory Bodies to simplify the contracting procedures between WHC and the Advisory Bodies to the World Heritage Committee	2008-2009	Working procedures between the Centre and Advisory Bodies streamlined
3.	Clarify the organizational structure and personnel requirements, including a mapping of the workload and innovative proposals for the engagement of non-permanent staff	a) As recommended by the Management Audit, a DG Blue Note (DG/08/01) was issued on 7 January 2008 revising and clarifying the Centre's structure in the context of the reorganization of the Culture Sector. This includes the regrouping of various Sections and Units around complementary functions, and establishing clear supervision and reporting lines. Two new positions, a D1 post of Deputy Director for Management, a P4 post for Head of the Special Projects Unit have been created. In addition, a P4 Post	End 2008	Functional efficiency of WHC enhanced

	Recommendation	Actions Proposed	Time-Frame	Results Expected
		(Head of Unit) was redeployed from Communication, Education & Partnership Unit (CEP) to the Latin America and Caribbean Unit. The recruitment of these three positions is ongoing and main decisions regarding the restructuring have been taken, pending final decisions on the financing of most needed posts. The DG Blue Note is available at the following web address: http://whc.unesco.org/en/memos		
		b) The work load attached to the performance of different functions within the WHC will be assessed, in cooperation with the Internal Oversight Service (IOS), as a basis for estimating future personnel requirements of the Centre	2008-2009	Distribution of workload of staff rationalized
		c) Innovative solutions for the creation of posts have been explored, in cooperation with Central Services, including the complementary use of resources from different source of funding. On this basis, a certain number of posts considered essential for the operation of the Centre are proposed to be created by combining the various available resources. Please see details in Chapter III of this document.	Ongoing	Security of tenure of staff improved
4.	Delineate the respective roles of the World Heritage Centre and the Advisory Bodies	a) A protocol will be developed, which will clearly delineate the relative roles and responsibilities of the WHC and the Advisory Bodies (joint missions, drafting of state of conservation reports, studies and analysis, etc), and which will be consistent with the provisions of the <i>Convention</i> and its Operational Guidelines	2008-2009	Roles and responsibilities between the WHC and the Advisory Bodies clarified
5.	Develop and implement a strategy for knowledge management and information sharing	a) Ongoing efforts for the development of the online / web-based knowledge management facility and documentation centre will be continued and further strengthened, in close cooperation with the Advisory Bodies. This would include modalities for regular information sharing among the different sections / units, and between them and the WHC	Ongoing	Knowledge management and information sharing functions of the WHC strengthened

	Recommendation	Actions Proposed	Time-Frame	Results Expected
		Directorate		
		b) A procedures manual will be prepared for the WHC, which will clearly outline the process to be followed for its various management and technical tasks, in order to capture and document institutional knowledge	2008-2009	
6.	Prepare guidelines for carrying out World Heritage missions	a) Clear guidelines have been established for the different types of missions, including their relative priority, time spent on the missions, sources of financing, who (WHC, Advisory Bodies, FOs, other Programme Sectors, consultants) should go on which mission, etc. This recommendation will be further reinforced through the action proposed at 4. a) above.	Done	A clear strategy for WHC missions adopted and implemented

II. Proposal for the creation and financing of posts for core functions at the World Heritage Centre

4. With a view to creating and financing the minimum number of posts necessary to accomplish the core functions of the *Convention*, and thus finding a lasting solution to the problem of long-term temporary staff in WHC, a detailed review was carried out by the Assistant Director-General for Culture, the Director of the Centre, the Director of the Bureau of Budget and the Director of the Bureau of Human Resources to determine the “core functions” of the World Heritage Centre, using as a basis the roles and responsibilities assigned to it under paragraphs 27 to 29 of the *Operational Guidelines*, as well as the analysis of the Centre’s work processes undertaken as part of the 2007 Management Audit.
5. The analysis also took into account the existing organisational chart and the revised structure of the World Heritage Centre, as contained in the DG Blue Note of 7 January 2008 (copy attached), which outlines an appropriate re-distribution of tasks and functions of staff. As a result of such work, it appeared that a minimum of 7 additional permanent positions are needed in order, for the WHC, to perform the basic tasks entrusted to it.

	Post	Justification and function
1.	P5 – Chief of Regional Units Section	This post is to coordinate the activities of the five regional units with a view to enabling effective cooperation among regions, especially through exchanging experience and lessons, and ensuring coherent delivery of the programme in the States Parties.
2.	P4 – Programme Specialist for the implementation of Committee Programmes	This post is to provide support to the Cities and SIDS Programs and to the States Parties in the less represented regions for implementing the <i>World Heritage Convention</i> , for support to new nominations and promotion of activities related to capacity building.
3.	P3 – Programme Specialist in the Policy and Statutory Meetings Unit (POL)	This post is for the statutory function of receiving, reviewing and documenting all the nomination and tentative list documents submitted by the States Parties, checking them for completeness, and working with the Advisory Bodies ICOMOS and IUCN for their evaluation.
4.	P3 – Programme Specialist for Reinforced Monitoring Policy and Statutory Meetings Unit (POL)	The World Heritage Committee has introduced a “Reinforced Monitoring Mechanism” at its 31 st session in 2007. This post will coordinate the implementation of the reinforced monitoring missions, preparation and submission of reports and corrective measures.
5.	P1/2 – Assistant Programme Specialist Policy and Statutory Meetings Unit (POL)	This post is to support the Chief of the POL Unit in coordinating the preparation of all documents and for the statutory meetings, organising statutory and related expert meetings, and finalisation of the decisions and summary records of discussions of these meetings. Support is also provided to the States Parties on all statutory matters.
6.	P1/2 – Manager of the Information Management Unit (IMS)	This post is to manage all the web related functions of the WHC, including the management of the related databases and on-line management tools
7.	P1/2 – Assistant Programme Specialist for the Africa Regional Unit	This post is to provide support to the States Parties in the Africa Region (which is a priority region) for implementing the <i>World Heritage Convention</i> and for coordinating various

		activities related to capacity building, conservation, support to nominations, etc.
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6. Despite the measures taken to increase the staff resources of the Centre, including in the 34 C/5 (where 1 D and 1 P4 posts were added) and through internal transfers, it is becoming critical to explore with the Member States, the States Parties to the *Convention* and the World Heritage Committee the introduction of innovative proposals for funding such needed positions. The World Heritage Committee, in its decision **31 COM 19**, welcomed the suggestion to allow the World Heritage Centre "where appropriate, to use budgets from different sources in a complementary and efficient way to deliver the desired results."
7. The co-financing of these 7 posts by the regular programme budget, the World Heritage Fund and extrabudgetary resources seems to be a way worthy of exploring. Once this principle to use the World Heritage Fund is accepted by the World Heritage Committee, a proposal will also be submitted to UNESCO's Executive Board at its 180th session in 2008 to endorse the principle of the use of regular programme budget for activities costs for this purpose. Subsequently, discussions will be held with donors in order to put in place this innovative scheme.
8. Should the World Heritage Committee, the Executive Board and the donors give their approval for the financing of these 7 posts, they would be opened to recruitment, through the procedures applied to regular staff of UNESCO (recruitment made on a competitive basis, following formal advertisement of the post). Under the present administrative provisions, the Organization may decide to advertise these newly created posts externally from the outset in order to allow persons currently employed with temporary contracts to apply as external candidates.
9. These seven positions, which correspond to seven indispensable functions of World Heritage Centre, are currently financed through the Regular Programme Budget for activities and through Extrabudgetary Funds, and are therefore dependant on the availability of resources. So far, it has been possible to support all these functions, albeit often derogations from UNESCO staff rules were needed to continue temporary contracts. However, the financial outlook for the biennium and a correct implementation of the rules for temporary posts will not allow a continuation of these temporary posts beyond the end of 2008. The cost of these 7 posts for the year 2009, based on the adjusted standard staff costs in the 34 C/5, is US\$ 996,000 and is proposed to be equally shared between extrabudgetary projects, the World Heritage Fund and the Regular Programme. In case this proposal is not accepted the following risks are foreseen.
 - **P5 Post for Chief of Regional Units Section.** Without this post, it would not be possible to implement the organigramme proposed by the Audit of the World Heritage Centre and announced in the Blue Note of the Director General in January 2008.
 - **P4 Post for Programme specialist for the implementation of Committee Programs.** Without this post it will be impossible to ensure the continuous and effective management of important Programs approved by the World Heritage Committee.
 - **P3 post for Management of nominations.** Should this post not be continued, the Centre's ability to manage the nomination files would be severely impacted. This activity is essential for the proper management, analysis of the nomination files and the assistance to member States in the preparation of dossiers.

- **P3 Post for Reinforced Monitoring.** Should this post not be established, it would be difficult to effectively perform the new important task given to the Secretariat by the World Heritage Committee in 2007.
- **P1/2 Post for POL Unit.** Without this post, the capacity to manage the Committee's organization, the preparation of documents all along the year, the organization of information meetings and the assistance to State Parties for the participation to the Committee would be severely limited.
- **P1/2 post for IMS management.** The good performance of the World Heritage Centre information systems all depend on the stability of this function, without which the overall quality and level of services would be seriously impaired.
- **P1/2 Post for Africa Unit.** Without this post, the management of Natural Heritage sites in the region would be affected.

10. As requested by the General Assembly of States Parties, an assessment was conducted on the potential impact of the proposal to use a tripartite funding modality to guarantee the financing of permanent posts. The main elements of the assessment are summarized below.

a) Cost Estimates

Table 1 provides the estimated costs of the 7 posts and the possible distribution of the costs between the funding sources for 2009¹-2013. According to UNESCO's rules and regulations, the post once established would have to be opened to competitive recruitment and therefore the incumbents details are not yet know. Consequently the costs estimates shown in Table 1 were calculated using UNESCO's standard staff costs for the 34 C/5 as a basis, and provisions for currency fluctuations and statutory and inflationary increases were added. Additionally estimates of separation indemnities which would become payable if the posts were abolished at a later date were also included.

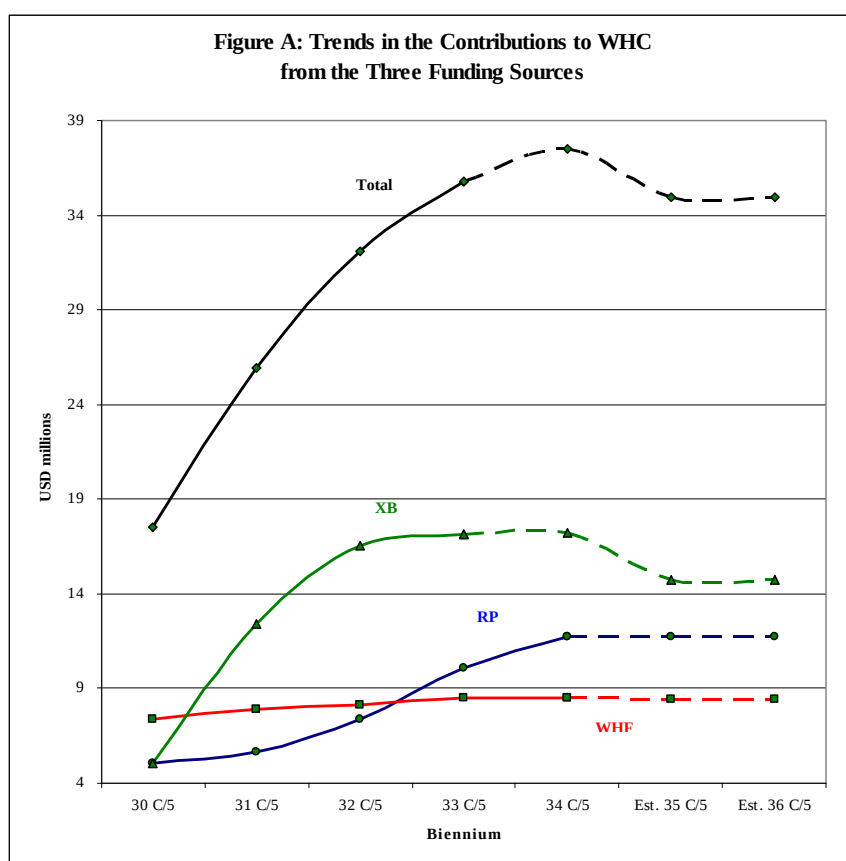
Table 1 – Cost Estimates and Possible Cost Distribution for 2009-2013

	(USD '000)		
	2009	2010-11	2012-13
Proposed funding distribution			
World Heritage Fund	332	685	701
UNESCO Regular Budget	332	685	701
Extrabudgetary Funds	332	685	701
Total	996	2,055	2,103

b) Trends in the Contributions to WHC from the Three Funding Sources

Other factors considered in the assessment were the historical trends and estimates of future contributions to WHC from the three funding sources concerned. This information is provided in **Figure A**. Extrapolations of possible future contribution levels were made based on the historical trends observed. We must note however that this method is extremely limited, as historical trends cannot accurately reflect the numerous variables which determine future contribution levels, some of which can be very subjective and therefore unpredictable. Therefore these estimates are only provided to give an idea of future possible contribution trends if the existing factors remained unchanged.

¹ It is assumed that the 7 posts, if approved, would be established in 2009.



- Extrabudgetary Funds: A decline in the level of extrabudgetary funds is expected to occur in the 35 C/5 (if all other factors remain unchanged) due to the termination of UNFIP funded projects which are estimated at approximately \$2.5 million. It is nevertheless impossible to predict what will be the level of extrabudgetary resources available in 2010 and subsequent years.
- Regular Programme and World Heritage Fund (income only): The extrapolated estimates for future biennia show a relatively flat trend in the contribution levels to WHC.

c) Potential Risks of the Tripartite Funding Modality

- The likely decline in extrabudgetary funds highlights a financial risk which should not be overlooked, that is the possibility that one or more of the funding sources is unable to finance its portion of the costs of the 7 posts for a specified financial period. Should such a case arise, the remaining funding sources would be informed and requested to cover the unfunded amounts. Therefore, even though the tripartite funding modality proposes a balanced distribution of the costs between the three funding sources, the actual funding requirements could vary depending on the availability of funds from the other funding sources.
- If for some reason the necessary funding cannot be raised, the post(s) would have to be abolished. In this case, there is no additional financial risk, as the provisions for separation indemnities which are included in the staff cost calculations would be used for the termination payments and therefore no additional funds would need to be requested from the funding sources for the abolition of the post(s). There are however programmatic risks as the abolition of the post(s) would lead to a reduction in WHC's ability to execute its activities, as outlined in paragraph 9 above.

Conclusion

11. Therefore, it is recommended that the proposal to establish 7 fixed term posts using the tripartite funding modality be approved. If accepted, WHF's portion of the costs for 2009 could be funded by using carryover funds. However, for future biennia, the Committee should consider reinforcing the budget for WHF, at least by an amount sufficient to cover WHF's portion of the costs of the 7 posts. This would help to ensure that the same level of resources is available to WHC for its programme activities as in the previous biennium.

III. Draft Decision

Draft Decision 32 COM 17

The World Heritage Committee,

1. *Having examined Document WHC-08/32.COM/17,*
2. *Recalling Decision **31 COM 19** (Christchurch, 2007),*
3. *Takes note of the progress in implementing the Committee's Decision **31 COM 19** (Christchurch, 2007);*
4. *Encourages the Director General of UNESCO and the Director of the World Heritage Centre to continue their efforts for implementing the remaining recommendations of the management audit;*
5. *Approves, on an experimental basis for the period of the Medium Term Strategy, the use of approximately USD 332,000 for 2009 and USD 685,000 for the biennium 2010-2011 from the World Heritage Fund to co-finance the 7 new fixed-term posts mentioned in Point III of this document, while noting that this amount is likely to vary from one biennium to the other depending on the staff costs and the levels of co-financing from other sources;*
6. *Requests to be informed at its 33rd session in 2009 about the progress made with the implementation of its decisions on the management audit of the World Heritage Centre.*

Resolution: 16 GA 5

The General Assembly,

1. Having examined Document *WHC-07/16.GA/5*,
2. Taking note of Decision **31 COM 19**, adopted at the 31st session of the World Heritage Committee (Christchurch, 2007),
3. Takes note of the results-based action plan to implement the main recommendations of the management audit of the World Heritage Centre;
4. Welcomes the proposals of the Director General of UNESCO to improve the administrative flexibility of the World Heritage Centre, clarify its organizational structure, and create posts, on an experimental basis, by combining multiple sources of financing;
5. Requests the Director-General to prepare, for consideration at the 32nd session of the World Heritage Committee, an assessment, including a risk analysis, about the potential impact of the proposals to use the World Heritage Fund as a guarantee for the creation or abolition of permanent posts;
6. Urges the Director General to pursue the implementation of this action plan and other recommendations of the management audit; and taking into account its analysis by IOS;
7. Requests that the World Heritage Committee be kept informed about the implementation of the action plan and that a progress report be submitted to the 17th session of the General Assembly in 2009.

**World Heritage Centre Proposed Organizational Chart
(Showing Available RP and FITOCA Posts and Requested Posts Only)**

