

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

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

BUREAU OF THE WORLD HERITAGE COMMITTEE

Twenty-first session

UNESCO Headquarters, Paris, Room X (Fontenoy)

23 - 28 June 1997

Report on 1996 contracts, income and expenditure and 1997 estimated income and projected expenditure for World Heritage media activities.

SUMMARY

In accordance with the request of the Committee at its twentieth session, this Information Document provides a clear breakdown of income and expenditure relating to World Heritage media contracts in 1996. An indication of expected income from these contracts in 1997 is also provided.

List of tables annexed to this Information Document:

- TABLE A: INCOME FROM CONTRACTS WITH MEDIA PARTNERS
1 January - 31 December 1996
- TABLE B: EXPENDITURE FROM EARMARKED INCOME RELATING
TO CONTRACTS WITH MEDIA PARTNERS
1 January - 31 December 1996
- TABLE C: BALANCE OF FUNDS AVAILABLE FROM CONTRACTS
WITH MEDIA PARTNERS
1 January - 31 December 1996

1. BREAKDOWN OF INCOME BY CONTRACT

1.1 A breakdown of income generated from twelve on-going contracts with the media and publishers during the period 1 January to 31 December 1996 is provided in Table A annexed to this Information Document. Six of these contracts were established and signed by the Director, UNESCO World Heritage Centre on behalf of UNESCO upon consultation with, and approval of, the UNESCO Legal Affairs Office (LA), Bureau of the Budget (BB) and the Bureau of the Comptroller (BOC), in conformity with the rules and procedures of UNESCO. Other units of the Organization were also consulted (e.g. Office of Public Information (OPI) for films, and Bureau of Documentation, Informatics and Telecommunications (DIT) for contracts involving the application of new technologies). The other six contracts were signed by the Director, UNESCO Publishing Office (UPO), in accordance with UNESCO procedures relevant to publications.

1.2 Table A presents the name of the partner of each of the twelve current contracts, the unit within UNESCO which signed the contract on behalf of the Director-General, the date of signature, the duration of the contract, brief description of the purpose of the contract, the terms of the income to UNESCO and the amount of earmarked and non-earmarked funds received during this reporting period (1 January to 31 December 1996).

1.3 The earmarked funds are provided by the media partners to finance the services to be rendered by UNESCO in the backstopping of the contracts.

1.4 As Table A indicates, 1996 income in earmarked funds amounted to US\$ 144,152 (from two television contracts for UNESCO backstopping services and two UPO contracts which include production cost-sharing from income). Income in non-earmarked funds amounted to US\$ 168,966 from six contracts. **The total of 1996 income from media contracts, before deductions for servicing, therefore amounted to US\$ 313,118, which is over twice the 1995 income.** Two of the active contracts did not yield any income in 1996, since sales only commenced in 1997.

2. BREAKDOWN OF EXPENDITURES

2.1 The breakdown of expenditures during the period 1 January to 31 December 1996 is provided in Table B annexed to this Information Document.

2.2 As Table B indicates, total 1996 expenditures amounting to US\$ 23,413 have been debited against the 1996 earmarked income (US\$ 121,496) for the servicing of media contracts. In addition, an amount of US\$ 10,000 was paid to the UNESCO Publishing Office (UPO) as the World Heritage Centre's share towards the production of the 1997 World Heritage Diary which was charged against income from royalties (US\$22,656) received from UNESCO-UPO. The total of US\$ 121,496 plus US\$ 22,656 equals US\$ 144,152 of earmarked income as indicated in Table A.

2.3 It should however be noted that 1996 expenditures in servicing against the total 1996 income of earmarked funds (US\$ 121,496) does not include "commissions" on fund-raising, amounting to US\$ 55,000 nor US\$ 33,795.44 to be reimbursed to the UNESCO Regular Programme which will be settled in 1997. Whilst awaiting payment of servicing

fees on the media contracts in 1996, it was necessary to advance US\$ 33,795.44 from the UNESCO Regular Programme. When the outstanding payment on “commissions” and reimbursement to the UNESCO Regular Programme are settled, total expenditure from the 1996 earmarked income for servicing fees would amount to US\$ 112,208.44 (that is, the total expenditure of US\$ 23,413 plus US\$ 33,795.44 plus US\$ 55,000). Expenditures in servicing against the total 1996 income of earmarked and non-earmarked funds (US\$ 313,118), would therefore represent some 35%.

2.4 Table C indicates the balance of funds available from contracts with media partners. The balance is US\$ 190,909.56.

2.5 As the Director of the UNESCO World Heritage Centre stated at the twentieth session of the Committee, the earmarked funds received from contracts with the media partners as “servicing” fee or “project development fee” have been used to cover the costs involved in negotiating the terms of the contract and for backstopping the activities to be undertaken by UNESCO in fulfillment of these contracts.

2.6 Given the professional expertise of a production manager needed by UNESCO to first, provide the technical and administrative backstopping to implement the obligations undertaken by UNESCO in the contracts concluded prior to 1 January 1996, and second, to negotiate new contracts with potential partners, the Centre employed a consultant to serve as the Media Adviser to the Centre from 1 March 1996 to 28 February 1997 (now prolonged to cover the period up to 31 August 1997). The terms of the consultancy contract, based on the standard clauses for project development and fund-raising contracts were approved by the Legal Affairs Office and BOC of UNESCO.

3. EXPECTED INCOME IN 1997 FROM CURRENT CONTRACTS

3.1 All except one of the contracts in Table A have continued in 1997 and are likely to provide the same level of income. It is difficult to make an accurate projection of the amount of income in 1997 since it is contingent on the actual sales of the publications and on the completion of the film productions. However, on the basis of guaranteed income from some of the contracts, on the current rate of film production, and estimates based on income from royalties received in prior years, a minimum amount of US\$ 300,000 can be expected in income in 1997 (US\$ 150,000 in earmarked funds for servicing and some US\$ 150,000 in non-earmarked funds).

3.2 At present, the Centre is negotiating with Sudwestfunk (SWF), Walk Corporation/NHK (Japan) and the National Federation of UNESCO Associations in Japan (NFUAJ)/ Tokyo Broadcasting Corporation (TBS) to increase the number of television documentary films. If these negotiations are successful, a considerably higher amount of income to the World Heritage Fund can be expected, in addition to the value of having film documentation about a great number of World Heritage sites. Payment of the contracted amount is, however, contingent on the actual production of the films.

4. ANALYSIS OF THE 1996-97 TRIAL PERIOD AND PROPOSALS FOR THE FUTURE

- 4.1 To ensure proper backstopping of the contracts concluded with media partners prior to 1996, and to pursue new opportunities on a trial basis, the Centre negotiated the inclusion of "servicing" fees in contracts with the media partners, especially for those contracts that would require substantive support from the Centre in terms of content validation and logistic support.
- 4.2 On a trial basis, the Centre employed, initially on a part-time basis, a professional media production manager, whose services then became full-time from 1 March 1996, as referred to under paragraph 2.6 above.
- 4.3 As part of the information strategy for the production of public education and information material and their wide diffusion, the World Heritage Centre in close collaboration with other services of UNESCO, has been pro-active in developing collaboration with national television networks and other media companies recommended by the UNESCO National Commissions or UNESCO Associations. In the past 18 months, this strategy has resulted in the increase of contracts with media partners and the production of over 200 high quality television documentary films, numerous richly illustrated books and other World Heritage information products, representing an investment in productions and publications estimated by the partners at over **US\$ 50 million**.
- 4.4 Experience during this trial period indicates the necessity of continued professional and technical backstopping to honour the current contracts and to initiate and develop new collaborations. Furthermore, the need for greater vigilance in ensuring the content of the media products was recognized due to a number of cases, such as the CD-ROM on the World Heritage Cities and the guidebook on World Heritage Sites in Mexico - as pointed out by the Committee at its twentieth session - where factual errors have occurred.
- 4.5 UNESCO is committed to the continued improvement in the quality of the World Heritage media products and to enhance its efforts in seeking new partners for well-targeted information material to contribute to greater public awareness and support for the protection of World Heritage. However, to do this, the mutual trust and cooperation developed between UNESCO and its partners over this trial period must be maintained. The Centre, therefore, requires the financial means to develop new contracts and to service the existing ones.
- 4.6 Some 30% of the income generated from these contracts will continue to be required to finance the costs to backstop the contracts, to validate the content of the products and to develop new media cooperation. An annual financial statement will be presented to the Committee, and the balance of funds remaining from the servicing income will be transferred to the World Heritage Fund as unearmarked income, upon consent from the partners.

4.7 In conclusion, given the limited financial resources of UNESCO, without the partnerships with media and publishing companies, the Organization's capacity to produce public information material on World Heritage would be extremely limited. Hence in pursuance with Article 27 and the general spirit of the Convention, UNESCO, and especially the World Heritage Centre, hopes to address the challenge of enhancing public awareness and support for World Heritage through education and information activities. These activities will rely on the further strengthening of partnerships with the press, radio and television media and publishers to maximize the access to information about World Heritage sites and World Heritage conservation by the general public in both the developed and developing nations of the world.

TABLE A: INCOME FROM CONTRACTS WITH MEDIA PARTNERS

1 January - 31 December 1996

CONTRACT NO	PARTNER	SIGNED BY	DATE OF SIGNATURE	DURATION OF CONTRACT*	DESCRIPTION	INCOME	SERVICING	EARMARKED (US\$)	NON EARMARKED (US\$)
1	SUDWESTFUNK (SWF) German Consortium	WHC	28/02/95	According to production of 104 films	104 TV films of 15 minutes (35 mm) of which 79 films were produced between 1995 and mid-May 1997. International coverage.	104 films X 3,000 DM, i.e. 312,000 DM or US\$ 185,714.29 (1,68 DM = US\$ 1). US\$ 91,496 received in 1996, i.e. the equivalent of 51 films.	100%	91,496.00	-
2	Verlagshaus Stuttgart (VS) (Bertelsmann-ADAC) Germany with Plaza-y-Janes (P&J) Spain	UPO	06/10/94	According to volume of distribution	Encyclopaedia in 12 volumes, launched in January 1997 in Germany, Spain and Japan in 3 language versions.	DM 50,000 at signature DM 25,000 Dec 1995; DM 75,000 Dec 1996; DM 100,000 end 1997; DM 100,000 end 1998; DM 100,000 end 1999.	NONE	-	28,961.00
3	Kodansha - Japan (contract derived from VS)	UPO	27/09/93	According to volume of distribution	12 volumes in Japanese (derived from VS project). Up to 275,000 copies.	4% of sales price, and 30 % of the royalties to other publishers. No income in 1996. Sales commenced 1997.	NONE	-	-
4	NFUAJ - Tokyo - Broadcast System (TBS) Sony Corporation	WHC	16/02/96	According to production levels	50 TV films of 30 minutes (renewable contract).	US\$ 60,000 (of which US\$ 30,000 for servicing).	YES	30,000.00	30,000.00
5	Kobi Graphics for Panasonic-Matsushita	WHC	22/10/96	1997 to 1999	Calendar 1997 on World Heritage sites and a Youth calendar.	7% of sales price with a minimum of US\$ 50,000. Plus 1000 copies of the Calendar and 5000 copies of Youth Calendar.	NONE	-	50,000.00
6	IGPC - Intergovernmental Philatelic Corporation-New-York-USA	WHC	06/08/96	1997	Series of stamps (World Heritage sites) 21 countries.	US\$ 20,000	NONE	-	20,000.00
7	Harper-MacRae - Australia and USA	WHC	23/08/96	According to level of distribution	9 Titles published on World Heritage. International philatelic campaign, Info-Kit: Australia, USA and potentially international editions.	3 % of net sales of the publications. Remaining income: 35% up to US\$ 3,500,000; beyond this sum 75%. Income foreseen only in 1998.	NONE	-	-
8	Walk corporation for NHK, Japan	WHC	08/11/96	According to production levels	50 TV films of 10 minutes (35 mm) with NHK (renewable contract): Japan	200,000 FF at signature. Contract renewable after 50 films. Exclusive Copyrights for rushes to be used worldwide by UNESCO.	NONE	-	38,835.00
9	INCAFO Spain	UPO			World Heritage collection (English, French, Spanish).	1/6 sales price received from UPO	NONE **	17,598.00	-
10	INCAFO Spain	UPO			1995 World Heritage Diary	Royalties	NONE **	5,058.00	-
11	Ed. TIEMPO Spain	UPO			Supplement of "Tiempo" on World Heritage. In collaboration with UPO.	Royalties	NONE	-	1,170.00
12	INCAFO (taken over by Ediciones San Marcos)	UPO	12/12/1996 with Ediciones San Marcos	Renewable	World Heritage Review. Published in three languages: English, French, Spanish.	10 % of net income and 30 % of publicity income. No revenue in 1996.	NONE	-	-
TOTAL								144,152.00	168,966.00
GRAND TOTAL								313, 118.00	

Notes:

* All contracts to be continued in 1997 except No. 11 Ed. TIEMPO Spain

** Contracts without servicing but cost-sharing for production required from income

TABLE B: EXPENDITURE FROM EARMARKED INCOME RELATING TO CONTRACTS WITH MEDIA PARTNERS
1 January - 31 December 1996

EXPENDITURE FROM EARMARKED INCOME - MEDIA ACTIVITIES

CONTRACT NO	PARTNER	DESCRIPTION OF EXPENDITURE	EARMARKED INCOME (US\$)	TOTAL EXPENDITURE (US\$)	BALANCE (US\$)
1	SUDWESTFUNK (SWF) German Film Consortium		91,496.00		
1	SUDWESTFUNK (SWF) German Film Consortium	Consultant Fees for Media Activities		20,927.00	
1	SUDWESTFUNK (SWF) German Film Consortium	Travel and miscellaneous expenses for Media Activities		2,486.00	
SUB-TOTAL			91,496.00	23,413.00	
4	NFUAJ - Tokyo - Broadcast System (TBS) Sony Corporation	Series of 50 TV films on WH Sites. For broadcasting in Japan.	30,000.00	0.00	
SUB-TOTAL			30,000.00	0.00	
TOTAL OF EARMARKED INCOME AND EXPENDITURE			121,496.00	23,413.00	98,083.00 *

EXPENDITURE FROM EARMARKED INCOME FROM UNESCO-UPO

CONTRACT NO	PARTNER	DESCRIPTION OF EXPENDITURE	EARMARKED INCOME (US\$)	TOTAL EXPENDITURE (US\$)	BALANCE (US\$)
9	INCAFO		17,598.00		
10	INCAFO		5,058.00		
9 & 10	INCAFO	Co-production share with UPO for 1997 World Heritage Diary		10,000.00	
TOTAL OF INCOME FROM UNESCO-UPO AND EXPENDITURE			22,656.00	10,000.00	12,656.00

Notes:

* Of which there is an outstanding payment of US\$ 55,000 for commission and US\$ 33,795.44 to be reimbursed to Regular Programme (see paragraph 2.3 of WHC-97/CONF.204/INF.7)

TABLE C: BALANCE OF FUNDS AVAILABLE FROM CONTRACTS WITH MEDIA PARTNERS
1 January - 31 December 1996

DESCRIPTION	INCOME (US\$)	EXPENDITURE (US\$)	BALANCE (US\$)
EARMARKED INCOME FOR SERVICING (SEE TABLE A FOR DETAILS)	121,496.00		
Expenditure for Servicing			
Fees, travel and miscellaneous expenditure for Media Activities (see Table B for details)		23,413.00	
Reimbursement to Regular Programme for Consultant Fees for Media Activities (see paragraph 2.3 of WHC-97/CONF.204/INF.7)		33,795.44	
Commission (see paragraph 2.3 of WHC-97/CONF.204/INF.7)		55,000.00	
SUB-TOTAL		112,208.44	
Balance available for servicing			9,287.56
INCOME FROM UNESCO-UPO (SEE TABLE A FOR DETAILS)	22,656.00		
Cost-sharing for 1997 World Heritage Diary (see Table B for details)		10,000.00	
Balance available for production cost-sharing			12,656.00
NON-EARMARKED INCOME (SEE TABLE A FOR DETAILS)	168,966.00		
Expenditure from non-earmarked income		—	
Balance available from non-earmarked income			168,966.00
TOTALS	313,118.00	122,208.44	190,909.56