



United Nations
Educational, Scientific and
Cultural Organization



Convention for the fight
against the illicit trafficking
of cultural property

5 MSP

C70/19/5.MSP/7
Paris, April 2019
Original: English

Limited Distribution

Meeting of States Parties to the UNESCO Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property (UNESCO, Paris, 1970)

Fifth Meeting
Paris, UNESCO Headquarters, Room XI
20 and 21 May 2019

Item 7 of the Provisional Agenda: Report on the use of the Fund of the 1970 Convention

This document is presented pursuant to Resolution **4.MSP 14** of the Fourth Meeting of States Parties held in May 2017 and presents the financial report as of 31 December 2018 on the use of the Fund of the 1970 Convention for the biennium ending 31 December 2019 and also contains the budget proposal of the Fund for the biennium 2020-2021, for review and approval by the Fifth Meeting of States Parties.

Draft Resolution: Paragraph 21

Background

1. The illegal trafficking of cultural property will continue as long as the demand for such items exists. Therefore, the need for States Parties to effectively and efficiently implement the 1970 Convention at the national level continues to increase. However, insufficient financial resources for its implementation negatively impacts the Secretariat's ability to meet the Convention's operational and statutory obligations. Consequently, the First Session of the Subsidiary Committee of the Meeting of States Parties to the 1970 Convention (hereinafter "the Subsidiary Committee"), decided "to consider, at its second session (2-3 July 2013), the possibility and modalities of establishing a Fund to support the implementation of the 1970 Convention" ([Decision 1.SC 8](#)).
2. As decided by the Subsidiary Committee, the Secretariat submitted document [C70/15/3.MSP/10](#) to the Third Meeting of States Parties (May 2015) with the aim of establishing a Fund in the form of a Special Account.
3. In Resolution [3.MSP 10](#) the States Parties to the 1970 Convention invited the Director-General to establish the Fund, took note of the draft Financial Regulations of the Fund and approved the budget for the use of its resources. States Parties requested the Secretariat to prepare, for the ordinary session of the Meeting of States Parties in 2017, a document on the use of the Fund [C70/17/4.MSP/14](#), including a budget proposal for the biennium 2018-2019, which was subsequently approved. In accordance with Resolution [4.MSP 14](#) the Secretariat provides a report on the use of fund of the 1970 Convention for the biennium ending 31 December 2019 under Part II of this Document. Part III of this document presents the budget proposal of the Fund for the biennium 2020-2021.

Contributions of the Parties to the 1970 Convention

4. Since the establishment of the Fund in May 2015, only two States Parties have made voluntary contributions to the Fund. The People's Republic of China contributed US\$ 65,000 in 2016, the Netherlands contributed EUR 35,000 (equivalent to US\$ 40 650) in 2017 and EUR 35,000 (equivalent to US\$ 40 000) in 2018.
5. In this regard, the Secretariat wishes to further highlight the need for additional financial resources in order to enable it to accommodate future requests from States Parties to fulfill their commitments to implement the objectives of the Convention. The objective of the 1970 Fund would thus not be limited to ensuring that 50% of the Parties make voluntary contributions to the Fund, but that contributions are made on an annual basis.
6. To continue to raise awareness, and remind States Parties of the option to utilize the Fund for the 1970 Convention, the Secretariat will create a webpage dedicated to the Fund.

Report on the execution of the budget for 2018-2019

7. Total income from 1 January 2018 to 31 December 2018 amounted to US\$ 42,282, while the total fund available as at 31 December 2018 came at US\$ 121,822. This is reflected in the financial statements prepared by UNESCO's Bureau of Financial Management (BFM), which are found in Annex I.
8. In the context of expenditure allocated to the Fund, during the reference period, a total of US\$ 16,931 was spent for the implementation of two projects below mentioned. Annex I breaks down the details of said expenditure.

9. US\$ 5,000 was decentralized to the UNESCO Phnom Penh Office to produce a publication on cases of return and restitution in Cambodia with the aim to raise awareness and promote good practices. The publication (April 2019) illustrates efforts taken by the Royal Government of Cambodia to safeguard cultural heritage and fight the illicit trafficking of cultural property and restitution of stolen works of art since 1989. The total amount spent for this project is US\$ 3,822.
10. Pursuant to a request for financial support for the first regional expert meeting on the fight against illicit trafficking in South-East Europe (SEE), a total amount of US\$ 12,000 was decentralized to the UNESCO Venice Office for a cross training workshop for authorities from the Republic of Moldova and Romania, with particular focus on the implementation of the 1970 UNESCO Convention and the 1995 UNIDROIT Convention.
11. A technical workshop entitled *Inventories Impacts on Museums and Collections Policies in Eastern Africa* took place on 13 March 2019, in collaboration with the UNESCO Regional Office for Eastern Africa, the Kenya National Commission for UNESCO, the Kenyan Minister of Sports, Culture and Heritage, the Kenyan Department of Culture, the National Museums of Kenya. This capacity building workshop aimed to promote dialogue and exchanges between museum directors from the Eastern Africa region, with a focus on inventories of collections and their impact on museums policies. Museum directors from the 13 Member States covered by the UNESCO's Regional Office participated (namely Comoros, Djibouti, Eritrea, Ethiopia, Kenya, Madagascar, Mauritius, Rwanda, Seychelles, Somalia, South Sudan, Uganda and Tanzania). The fund contributed US\$ 20,000 to this workshop (US\$ 7,700 /Capacity-building and US\$ 12,300 / Development of Inventories).
12. Funds utilized for the above-mentioned activities were in accordance with the respective budget lines approved by the Fourth Meeting of States Parties (May 2017) as contained in Document C70/17/4.SMP/14.

Budget proposal for the 1970 Convention Fund for the biennium 2020-2021

13. The General Conference maintains a biennial cycle for the appropriation of the regular budget which was decided by [36 C/Resolution 105](#). Thus, the regular budget of the Organization will continue to be approved by the General Conference at the end of each odd-numbered year, and will comprise two consecutive years starting on 1 January of an even year and ending on 31 December the following odd year.
14. The Meeting of States Parties to the Convention also meets for the ordinary session during each odd numbered year, the same year of the General Conference. Therefore, the Meeting is requested to approve the draft budget for the use of the resources of the Fund covering twenty-four months from 1 January 2020 to 31 December 2021 (see the document in Annex II). The draft budget follows the same structure as the one adopted by the Fourth Meeting of States Parties.
15. Since the creation of the Special Account for the 1970 Convention in 2016, 2 States Parties have made voluntary contributions. Total amount available as of 31 December 2018 was US\$ 121,822 (see paragraph 4 for more details).

Sustainability of the 1970 Convention Fund

16. The growing necessity to protect cultural property is a recurring challenge to the implementation of 1970 Convention. Despite the efforts of the Secretariat to implement the programme and respond to the States Parties' requests, it is clear that the programme delivery cannot be sustained at the same level in the absence of any substantial change with regard to the financial resources. Thus, the States Parties noted the very limited financial resources to implement the statutory activities required for the Convention, thereby compromising its credibility and the fulfilment of its objectives, as well as the undertaking of its operational and statutory functions.
17. Taking into account these acknowledged difficulties, the States Parties decided to create a fund to address the urgent need to ensure the efficient implementation of the Convention. In this regard, the Meeting of States Parties' decision will have a major impact on the efficient implementation of the Convention, notably the safeguarding of the cultural properties and objects threatened by both natural disasters and armed conflicts.
18. Since the creation of the Special Account for the 1970 Convention in 2016, the three voluntary contributions received so far are insufficient in view of the growing needs of the Convention.
19. In this context, it should be noted that the main challenge will be to ensure the sustainability of the 1970 Fund to respond to the high number of needs. Based on funding for other culture conventions, if all States Parties to the Convention were to pay an annual voluntary contribution equivalent to at least 1% of their 2019 assessed contribution to UNESCO's regular Budget, this would represent approximately US\$ 2,5 million expected to be received an amount that would ensure the necessary support for the programme implementation at this moment. As the 1970 Convention Fund is dependent on the voluntary contributions of the States Parties, the Meeting of States Parties may wish to take stock of the budgetary situation, to consider the option brought to its attention, and to determine how the 1970 Convention can be more effectively implemented in future.
20. In conclusion, even though the 1970 Convention is increasingly recognized as an effective international legal instrument, it still faces challenges that risk compromising its effectiveness, its future outcomes and its viability. The two main challenges are:
 - to create partnerships, particularly with potential donors and partners in the private sector;
 - to respond to the high number of needs of Member States.
21. The Meeting of States Parties may wish to adopt the following Resolution:

DRAFT RESOLUTION 5.MSP 7

The Meeting of States Parties,

1. Having examined document C70/19/5.MSP/7 and its Annexes;
2. Taking note of the total amount of US\$ 121,822 available in the Fund of the 1970 Convention Fund, as of 31 December 2018, for its second funding cycle;
3. Takes note of the report on the use of the Fund for the period from 1 January to 31 December 2018 and its related Financial report in Annex I;
4. Approves the budget proposal of the Fund of the 1970 Convention for the biennium 2020-2021 and its corresponding breakdown as shown in Annex II;

5. Thanks the People's Republic of China and the Netherlands for their voluntary contributions to the 1970 Convention Fund since its creation;
6. Noting the financial difficulties that the Fund of the 1970 Convention is facing and recalling that the Fund is dependent on the voluntary contributions of the Parties, calls upon Parties to make annual voluntary contributions to the fund, equivalent to at least 1% of their total contribution to UNESCO regular Programme, so that the fund is adequately and sustainably resourced to ensure the implementation of the 1970 Convention, in particular in countries affected by armed conflicts and natural disasters in Africa, Arab States and SIDS;
7. Underscoring that sustainability of the Fund of the 1970 Convention is a shared responsibility which concerns all States Parties, affecting the overall credibility of the 1970 Convention, including effectiveness and efficiency of protection of cultural properties and objects and emphasizing the urgency of securing adequate financial resources to achieve the objectives of the 1970 Convention;
8. Requests the Secretariat to submit, to the forthcoming ordinary session of the Meeting of States Parties in 2021, a detailed report on the use of the financial resources of the Fund for the biennium 2020-2021 and a budget proposal on the use of the Fund for the biennium 2022-2023;
9. Also requests the Secretariat to create, using resources from the fund, a webpage about it on the website of the 1970 Convention and to present it to the sixth ordinary session of the Meeting of States Parties in 2021.

ANNEX I

FINANCIAL REPORT OF THE FUND OF THE 1970 CONVENTION FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2018



UNESCO - SPECIAL ACCOUNT

1970 Convention on the means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property

Statement of Income and Expenditure for the Period 1 January 2018 to 31 December 2018

(Expressed in US dollars)

INCOME

Netherlands	August 2018	EUR 35,000	40 000,10
Interest earned			2 282,00
TOTAL INCOME			42 282,10

EXPENDITURE

Capacity-building			12 001,10
Public outreach and communication			3 822,08
Development of inventories			-
Monitoring of internet sales			-
Other uses of the Fund			-
Management Costs			1 107,62
TOTAL EXPENDITURE			16 930,80

EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE **25 351,30**

Fund balance as at 1 January 2018 96 470,85

FUNDS BALANCE AS AT 31 DECEMBER 2018 **121 822,15**

Financial Report issued by the Bureau of Financial Management.

The total income and expenditure are in accordance with UNESCO's financial records.

ANNEX II

BUDGET PROPOSAL FOR THE USE OF THE RESOURCES OF THE FUND FOR THE BIENNIUM 2020-2021

For the period 1 January 2020 to 31 December 2021, the resources of the 1970 Convention Fund may be used for the following purposes:	
Purpose	Percentage of the resources under the Fund
Capacity-building Projects that build national and regional capacities to fight against the illicit trafficking in cultural property of relevant stakeholders, as well as the development and implementation of activities and measures to promote and disseminate good practices and the work of the Committee;	Up to 30%
Public outreach and communication Projects aimed at the sensitization the public	Up to 30%
Development of inventories Projects aimed at the development of inventories of cultural objects according to international standards, including digitization processes and training	Up to 15%
Monitoring of internet sales National or international initiatives aimed at monitoring on-line auctions of cultural objects	Up to 15%
Other uses of the Fund Participation in the sessions of the Committee and the Meeting of States Parties of experts representing least developed countries	Up to 10%