



United Nations  
Educational, Scientific and  
Cultural Organization



Convention for the fight  
against the illicit trafficking  
of cultural property

3 MSP

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**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)**

**Third Meeting  
Paris, UNESCO Headquarters, Room II  
18-20 May 2015**

**Provisional agenda item 10:** Consideration of the possibility to create a Fund for the 1970 Convention

Pursuant to Decision 1.SC 8 by which the Subsidiary Committee of the Meeting of States Parties to the 1970 Convention decided “to consider, at its 2nd Session, the possibility and the modalities of establishing a Fund to support the implementation of the 1970 Convention”, the Secretariat submitted a document to the 2nd Session of the Subsidiary Committee of the Meeting of States Parties on the desirability of establishing such a Fund. The document was finally not considered due to time constraints and no decision was adopted in this regard.

Due to the urgent need to improve the current financial situation impacting upon the implementation of activities under the 1970 Convention, the Secretariat submits the present document to the Meeting of States Parties with a view to consider the creation of a Fund in the form of a Special Account.

This document also contains, as an Annex, the draft financial regulations of the Fund and a proposed budget for the Biennium 2016 – 2017, should the Meeting of States Parties decide to establish such a Fund.

**Decision required:** paragraph 12

1. During the discussions at the first session of the Subsidiary Committee of the Meeting of States Parties to the 1970 Convention (hereinafter “the Subsidiary Committee”), held on 2 and 3 July 2013, the Subsidiary Committee decided “to consider, at its second session, the possibility and the modalities of establishing a Fund to support the implementation of the 1970 Convention” (Decision 1.SC 8).

2. Following the second session of the Subsidiary Committee (30 June to 2 July 2014), the Secretariat submitted a document<sup>1</sup> as a basis for discussion to members of the Subsidiary Committee with a view to taking a decision on the desirability of establishing such a Fund. However, due to time constraints, the document was not considered and subsequently no decision was adopted in this regard.

3. Given the urgent need to provide the 1970 Convention with additional resources allowing for an enhanced implementation, the Secretariat submits the present working document on the possibility to create a Fund for the 1970 Convention to the consideration of the Meeting of States Parties.

4. The total regular budget allocation for activities under the 1970 Convention for the period 2014-2015 is \$766,200, out of which the amount of \$492,200 have been earmarked for activities managed by the Secretariat at Headquarters (more than half of which is allocated to the holding of statutory meetings) and \$274,000 for field offices. It accounts for 10% of the entire budget allocated for Major Programme IV under document 37 C/5 approved.

5. As regular programme resources are insufficient to meet requirements for the implementation of the 1970 Convention, the Secretariat appeals regularly to Member States in order to mobilize extrabudgetary contributions. Accordingly, the following funding methods have been used for the biennium 2014 - 2015<sup>2</sup>:

- (a) voluntary contributions in the form of additional appropriations to the regular programme.;
- (b) “Funds in Trust”, which are funds used to manage contributions made for a project selected by a donor in cooperation with the Organization.

6. Regarding human resources, there are only two permanent staff members working full-time in the 1970 Convention Secretariat paid from the regular programme and budget of the Organization: a Professional post (P3) and a General Services post (G4). In addition, a vacant P-2 post will be transferred from within the Sector shortly and a new P-2 post is being proposed for creation in the 38 C/5 to reinforce the human resources of this Convention. These fixed posts are supplemented by a P2 temporary whose contract terminates on 30 June 2015 and an expert seconded by Turkey until 20 July 2015. In addition, a junior consultant lawyer and a webmaster are funded from extrabudgetary resources until 19 June and 18 August respectively.

7. As reported by the Internal Oversight Service (IOS) in its ‘Evaluation of UNESCO’s Standard-setting Work of the Culture Sector: Part II – 1970 Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property’<sup>3</sup>, there has been an exponential increase in States Parties’ requests for assistance to the Secretariat, in addition to the regular work related to the organization of statutory meetings of the 1970 Convention. Requests from Member States are related to the following areas:

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<sup>1</sup> [http://www.unesco.org/new/fileadmin/MULTIMEDIA/HQ/CLT/6\\_CreationFonds\\_2SC\\_en.pdf](http://www.unesco.org/new/fileadmin/MULTIMEDIA/HQ/CLT/6_CreationFonds_2SC_en.pdf)

<sup>2</sup> See C70/15/3.MSP/6 (Secretariat’s Report) for further information of extra-budgetary contributions.

<sup>3</sup> See [IOS/EVS/PI/133 REV.](#)

- national and regional training workshops;
- emergency actions in countries where cultural heritage is damaged or in danger;;
- development of tools to raise awareness on action against trafficking in cultural property;
- good offices with the art market concerning cultural property of doubtful provenance;
- alert mechanisms for auction of archaeological artefacts;
- facilitation of cooperation with operational partners;

8. With a view to supplementing existing resources and supporting the implementation of the 1970 Convention, the Meeting of States Parties may consider it desirable to request the Director-General to establish a Special Account with a view to supporting the 1970 Convention through the allocation of resources to reinforce its operational implementation (capacity-building, outreach and communication, inventorying and monitoring of sales, *i.a.*) and contributing to the participation of representatives from developing countries in sessions of the Meeting of States Parties and its Subsidiary Committee. To that end, pursuant to Articles 6.5 and 6.6 of the Financial Regulations of UNESCO, draft financial regulations of the Fund have been drawn up in conformity with the model text for Financial Regulations of Special Accounts, as adopted by the Executive Board at its 161<sup>st</sup> session (see Annex 1).

9. Furthermore, it should be noted that Recommendation 21 of the aforementioned Evaluation suggested States Parties to the Convention to 'strengthen the Secretariat with the level of expertise, stability and resources required to respond to the ever increasing demand for its services.'

10. The utilization of the Fund's resources will be prepared by the Secretariat for the consideration and approval of the Meeting of States Parties for each biennium.

11. Should the Meeting of the States Parties decide upon the establishment of such a Fund, a draft budget for the use of resources under the Fund, for possible approval at the current session, is attached (see Annex 2).

12. The Meeting of States Parties may wish to adopt the following decision:

**DRAFT DECISION 3.MSP 10**

*The Meeting of States Parties,*

1. Having examined document C70/15/3.MSP/10 and its Annexes;
2. Recalling Decision 1.SC 8;
3. Acknowledging the need to enhance the implementation of the 1970 Convention on a long-term basis in order that it may better respond to the wishes and needs of States Parties;
4. Expresses its appreciation to the Member States that have already provided funds or support to the Secretariat to enhance its resources;
5. Considers that it is desirable to establish a dedicated Fund for the 1970 Convention;
6. Requests the Director-General to establish such a Fund;

7. Takes note of the draft Financial Regulations of this Fund as contained in Annex 1 to document C70/15/3.MSP/10;
8. Approves the budget for the use of the resources to be financed by the Fund of the 1970 Convention, as contained in Annex 2. If the amount of the Fund is insufficient to meet all the activities of the plan, the Secretariat, in consultation with the Bureau of the Meeting of States Parties, shall make a choice on what activity to finance.
9. Invites States Parties to contribute the Fund;
10. Requests the Secretariat to prepare, for the forthcoming ordinary session of Meeting of States Parties in 2017, a draft budget for the use of the Fund for the biennium 2018 – 2019.

**Annex 1: Draft Financial regulations of the Special Account of the Fund  
for the 1970 Convention on the Means of Prohibiting and Preventing the Illicit Import,  
Export and Transfer of Ownership of Cultural Property**

**Article 1 – Creation of a Special Account**

1.1 In accordance with Article 6, paragraphs 5 and 6, of the Financial Regulations of UNESCO, there is hereby created a Special Account of the Fund for the 1970 Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property, hereafter referred to as the Special Account.

1.2 The following regulations shall govern the operation of the Special Account.

**Article 2 – Financial period**

The financial period shall correspond to that of UNESCO.

**Article 3 – Purpose**

The purpose of the Special Account is to receive voluntary contributions with a view to support the 1970 Convention through the assignment of sufficient resources to reinforce mainly its operational implementation and contribute to the expenses of representatives from developing countries participating in sessions of the Meeting of States Parties and its Subsidiary Committee.

**Article 4 – Income**

The income of the Special Account shall consist of:

- (a) voluntary contributions from States, international agencies and organizations, as well as other entities;
- (b) such amounts provided from the regular budget of the Organization as might be determined by the General Conference;
- (c) such subventions, endowments, gifts and bequests as are allocated to it for purposes consistent with the object of the Special Account;
- (d) miscellaneous income, including any interest earned on the investments referred to in Article 7 below.

**Article 5 – Expenditure**

The Special Account shall be debited with the expenditure relating to its purpose as described in Article 3 above, including administrative expenses specifically relating to it and programme support costs applicable to Special Accounts. Expenses shall be incurred in accordance with a budget approved for each biennium by the Meeting of States Parties.

**Article 6 – Accounts**

6.1 The Chief Financial Officer shall maintain such accounting records as are necessary.

6.2 Any unused balance at the end of a financial period shall be carried forward to the following financial period.

6.3 The accounts of the Special Account shall be presented for audit to the External Auditor of UNESCO, together with the other accounts of the Organization.

6.4 Contributions in kind shall be recorded outside the Special Account.

#### **Article 7 – Investments**

7.1 The Director-General may make short-term investments of sums standing to the credit of the Special Account.

7.2 Interest earned on these investments shall be credited to the Special Account.

#### **Article 8 – Closure of the Special Account**

The Director-General shall decide upon the closure of the Special Account at such time as she deems that its operation is no longer necessary and inform the Executive Board accordingly.

#### **Article 9 – General provision**

Unless otherwise provided in these Regulations, the Special Account shall be administered in accordance with the Financial Regulations of UNESCO.

## Annex 2

### Draft budget for the use of the resources of the Fund for approval by the Meeting of States Parties

While UNESCO's programmes will now be defined for quadrennial periods, the General Conference decided to maintain the biennial cycle for the appropriation of the regular budget (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 of the following odd year.

The Meeting of the States Parties to the Convention meets equally in ordinary session of each odd-numbered year, i.e. in each year of a General Conference.

The Meeting is therefore requested to approve the below draft budget for the use of the resources of the Fund that covers twenty-four months from 1 January 2016 to 31 December 2017.

<b>Draft budget for the Use of the Resources of the Fund</b>	
For the period 1 January 2016 to 31 December 2017, the resources of the 1970 Convention Fund may be used for the following purposes:	
<b>Purpose</b>	<b>Percentage of the resources under the Fund</b>
<b>Capacity-building</b> Projects that build national and regional capacities to fight against the illicit trafficking in cultural property among of all 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%
<b>Public outreach and communication</b> Projects aimed at the sensitization of different segments of the population	Up to 30%
<b>Development of inventories</b> Projects aimed at the development of inventories of cultural objects international standards, including digitization processes and training	Up to 15%
<b>Monitoring of internet sales</b> National or international initiatives aimed at monitoring on-line auctions of cultural objects	Up to 15%
<b>Other uses of the Fund</b> Participation in the sessions of the Committee and the Meeting of States Parties of experts representing developing countries	Up to 10%

