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**REPORT BY THE DIRECTOR-GENERAL ON THE ACTIVITIES
OF THE INTERNATIONAL FUND FOR THE PROMOTION OF CULTURE
(2000-2001)**

OUTLINE

Source: Statutes of the Fund, Article 9.

Background: According to this article the Director-General reports on the activities of the Fund to the General Conference.

Purpose: The present report covers the period that has elapsed since the 30th session of the General Conference, during which period the Director-General has reviewed the programme and staffing of the International Fund for the Promotion of Culture in the context of the reform of the structure and functioning of the Secretariat.

Decision required: The present document requires no decision.

A. REORIENTATION OF THE ACTIVITIES OF THE IFPC

1. Since the 30th session of the General Conference a review of the activities of the International Fund for the Promotion of Culture (IFPC) has been carried out, in the context of the overall reform of the Organization, involving a significant concentration of UNESCO's programme and a rationalization of the structure and functioning of its Secretariat, set against a background of severe financial austerity.

2. The Administrative Council of the IFPC had met on 9 November 1999, and given favourable consideration to the proposals submitted at that juncture. However, in the context of the reform process, the newly-elected Director-General noted that the Statutes of the IFPC had given the Fund an extremely broad and diverse mandate. Although designed to give flexibility to the Fund's work, this had led, in fact, to dispersal of funds and effort, neither of which appeared appropriate, in a context of selectivity and concentration. In fact, in the early 1990s, the Secretariat and Council had already considered it necessary to focus the activities of the IFPC and had decided to concentrate on the promotion of the career development of young artists. Needs in this domain far outstripped the resources available internationally, and such a course of action offered considerable potential for co-financing and other forms of partnership, which could complement UNESCO's regular programme. It was in this spirit that the so-called "Aschberg fund" had been established enabling the IFPC to launch the *UNESCO-ASCHBERG Bursaries for Artists* in 1994. This programme has proved to be innovative and successful, and has given a distinctive profile to the Fund and its work. The IFPC is thus responsible for managing both its own Special Account set up in 1975 and the "Aschberg" Special Account (established by virtue of 162 EX/Decision 5.54 of the 142nd session of the Executive Board in 1993, which approved its Financial Regulations). The existence and nature of the two responsibilities have been important considerations during the process of review.

3. The Director-General proposed to the Administrative Council of the IFPC in February 2001 that efforts of the Fund focus upon the following cluster of purposes which would be complementary to the bursary programme:

- the promotion of diversity in all forms of contemporary cultural expression, including cultural industries at the local and grass-roots level, e.g. crafts, book production, audiovisual production, etc.;
- the reinforcement of institutions, programmes and other initiatives designed to improve the efficiency and "management" of arts and cultural institutions; and
- research into the dynamics of contemporary cultural practice, audience development, etc.

4. The Director-General also noted that the Statutes provided a framework favourable to interaction with civil society organizations, foundations and the private sector, etc. He considered therefore that coalitions and partnerships could be built around specific and well-defined projects, which can benefit from the experience and expertise of the UNESCO Secretariat in the above-mentioned domains of activity. Under the supervision of the Fund's Director, sustainable partnerships would be identified and built with institutions in the private and foundation sectors. This would enable a sufficient critical mass to be achieved around ambitious and original projects initiated under the aegis of the Fund and approved by the Council.

5. These strategic orientations, which were presented by the Director-General to the Council at its meeting held on 21 February 2001, could not be approved at that session for lack of time, and were reconsidered and approved at the subsequent meeting held on 18 June 2001. Since then, the Secretariat has begun negotiating the appropriate partnerships so that the new approach can be effectively launched in the year 2002.

6. It was in the context of this review that the Director-General decided to entrust the administration of the Fund to the Division of Arts and Cultural Enterprise and to suppress the extrabudgetary post of Director, whose cost had so far been met by the annual interest income on the IFPC's endowment of some \$4 million, leaving a negligible amount to be spent on operational activities. Furthermore, as he pointed out personally at that meeting, the appointment of the official who had previously been Director a.i. of the Fund was made on 12 November 1999, i.e. the date of his own election. This appointment had been made without either competitive recruitment or the positive recommendation of the concerned Sector; it was therefore not in conformity with the provisions of the Staff Rules and Regulations which the General Conference had enjoined upon him to uphold. As the proactive role he envisages for the IFPC could not be pursued meaningfully in these conditions, he found it more appropriate to entrust the directorship of the IFPC to the Director of the Division of Arts and Cultural Enterprise, and consulted the Council on this matter at its meeting of 21 February 2001. Following this statutory consultation, the Director-General proceeded with the appointment of the Director of the Division of the Arts and Cultural Enterprise as the Director of the Fund on 8 March 2001.

B. ADMINISTRATIVE COUNCIL OF THE IFPC

7. In October 1999, on the recommendation of the then Acting Director of the IFPC, Director-General Mayor decided to re-constitute the Council and to appoint the following personalities to a four-year term of office: Mr Jonathan Dimbleby (United Kingdom), H.E. Mr Dan Haulica (Romania), Mr Enrique V. Iglesias (Uruguay), Mr Bernard Latarjet (France), Ms Rosario G. Manalo (Philippines), Mr Hisashi Owada (Japan), Mr Eduardo Portella (Brazil), Ms Carmen Ramia (Venezuela), Professor Joaquin Ruiz-Giménez Cortés (Spain), H.E. Mr Mohamed Sahnoun (Algeria), HRH Princess Maria Theresa of Luxembourg, H.E. Mr Yaw B. Turkson (Ghana) and H.E. Mr Olabiyi B.J. Yai (Benin).

8. At a meeting held on 9 November 1999 the Council elected as Chairman Professor Joaquin Ruiz-Giménez Cortés; it also constituted an Executive Committee composed of Ms Carmen Ramia and Messrs. Dan Haulica, Bernard Latarjet and Olabiyi B.J. Yai. As mentioned in paragraph 2 above, at this session the Council considered a number of programme orientations put forward by the then Acting Director of the IFPC. Subsequently, at another meeting held on 2 and 3 May 2000, the Council gave further consideration to the above-mentioned orientations and approved funding for a certain number of projects as described in document IFPC2001/31C (to be distributed to delegates at the General Conference upon request).

9. As stated above, in the current year (2001), the Council has met twice, on 21 February and 18 June. At the first meeting, Professor Joaquin Ruiz-Giménez Cortés (Spain) announced his decision to resign, for personal reasons. Mr Eduardo Portella (Brazil) was elected to replace him as Chairman. The Director-General took part in this meeting and personally presented the considerations described in paragraphs 1 through 7 above, which had led him to take decisions of an administrative as well as substantive nature concerning the IFPC. As the Council devoted most of the ensuing discussion to the administrative issues and related

procedural matters, it could not consider the strategic orientations proposed or examine projects recommended for funding in the year 2001. The Council discussed these matters in depth at its second meeting, on 18 June, which was also attended by two members newly appointed by the Director-General in March 2001: Dr Alberta Arthurs (United States) and Mr Abdullah A. Yateem (Bahrain). At that meeting the Council, considering that the Statutes of the IFPC could well be reviewed in relation to current realities and needs, decided to set up a committee to review the Statutes and report on the matter to the Council. This committee is composed of Dr Alberta Arthurs, Ms Rosario G. Manalo and H.E. Mr Yaw B. Turkson. In June 2001, the Director-General appointed one new member of the Council: Mr Antonio Alçada Baptista (Portugal).

C. CONTRIBUTIONS, INCOME AND EXPENDITURE

10. Income and expenditure situation of the IFPC Special Account was as follows:

	US \$
1999	
Capital	3,936,730
Income	
Interest and exchange adjustments	200,679
New contributions	-
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Total	200,679
<i>Deduct:</i>	
Expenditure	309,795
Excess of expenditure over income	109,116
2000	
Capital	4,042,041
Income	
Interest and exchange adjustments	261,866
New contributions	37,558
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Total	299,424
<i>Deduct:</i>	
Expenditure	217,747
Excess of income over expenditure	81,677

11. With regard to the Special Account set up for the UNESCO-ASCHBERG Bursaries for Artists, income and expenditure were as follows:

	US \$
1999	
Capital	3,312,830
Income	
Interest and exchange adjustments	170,749
New contributions	39,250
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Total	209,999
<i>Deduct:</i>	
Expenditure	178,842
Excess of income over expenditure	31,157
2000	
Capital	3,392,922
Income	
Interest and exchange adjustments	221,638
New contributions	2,113
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Total	223,751
<i>Deduct:</i>	
Expenditure	140,313
Excess of income over expenditure	83,438