

Hundred and seventy-first session

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UNESCO's CO-ACTION PROGRAMME

SUMMARY

This document describes the developments in UNESCO's Co-Action Programme since its inception in 1950, and the problems it has encountered in recent years, notably with regard to attracting financial contributions. Based on an analysis of the decreasing comparative advantages of the Co-Action Programme in relation to other similar international small-scale development cooperation programmes, and its relatively cumbersome administration, the Director-General proposes to abolish the Programme.

However, the Director-General also invites the Executive Board to consider the possibilities of utilizing the networks and resource base of the Co-Action Programme to reinforce, under modalities to be defined, UNESCO's emergency response to situations of natural disaster, crisis and post-conflict.

Decision proposed: paragraph 25.

I. INTRODUCTION AND BACKGROUND

1. The Co-Action Programme was created by the Executive Board in 1950 by 23 EX/Decision 7.2, approving the detailed proposals contained in document 23 EX/4. Modelled over UNESCO's Book Coupon Scheme, established a year earlier, the Co-Action Programme aims at collecting funds, mainly from civil society, to enable war-torn or less developed countries to rehabilitate their educational, scientific and cultural institutions through the purchase of equipment. The small-scale projects to be funded under the Programme were not meant to be prepared or implemented by UNESCO, but by national or international NGOs, charitable groups, or private individuals. UNESCO was given the role as "clearing house" in evaluating the project proposals, and presenting them, through regular project catalogues, to potential funding sources, mainly UNESCO Clubs and Associations, schools and universities, charitable organizations, foundations, and private enterprise. UNESCO is also responsible for the transfer of the funds, upon appropriate justification, to the projects selected by the donors, and for the monitoring of the utilization of the funds. The Co-Action Programme is handled as a sub-account under the Public Information, Liaison and Relations Fund (PILRF) and thus governed by the financial regulations for this Fund.

2. As the Book Coupon Scheme, the Co-Action Programme was set up to function through gift vouchers, later named UNUM cheques. The cheques would be bought by the donors from UNESCO, and presented to the project managers for onwards presentation to the suppliers of the equipment needed by the project. The suppliers, in turn, would present the UNUM cheques to UNESCO for reimbursement, allowing UNESCO to retain a handling charge of 3% to 5% of the amount for administration and promotion of the Co-Action Programme.

3. As the Co-Action Programme over the years grew to cover more and more beneficiary countries, with the projects often being implemented in regions far from the capital, it became increasingly difficult to find suppliers that were willing to accept the UNUM cheques. In 2000, it was therefore decided to abolish this system, and manage the Co-Action Programme on the basis of bank transfers. Upon being informed by UNESCO that a donation has arrived for a project, the project manager now submits invoices for the equipment needed. Upon verification of the invoice, and its compatibility with the project description, UNESCO transfers the donation to the project manager, and requests a receipt, to be followed by a narrative and financial report upon completion of the project. No handling charge is levied on the transfer of the donations.

4. Although the Co-Action Programme from its inception was meant to be self-financing, mainly through the handling charge levied on the UNUM cheques, substantial support has always been extended through UNESCO's Regular Budget. With few exceptions, the staff responsible for the daily administration of the Programme, including project evaluation and monitoring, and transfer of the donations, are regular UNESCO staff. Currently, a P-1/P-2 staff under a short-term ALD contract, together with a permanent G-6 staff, are directly responsible for the daily handling and promotion of the Co-Action Programme. The Division of the Comptroller carries out the actual transfer of funds to the projects. Direct UNESCO costs to administer and promote the Co-Action Programme also include the layout and printing of the project catalogue and other publicity material, as well as (limited) promotional mission travel.

5. In addition to the above-mentioned support to the Co-Action Programme, UNESCO has also over the years, mainly through activity financing contracts, extended financial support to a number of national organizations that provide services to the Co-Action Programme in promotion and fund-raising. Regular budget funds for this purpose have been steadily decreasing over the years, reaching the US \$40,000 to \$50,000 range for each of the last four biennia. Currently, no such contracts are in force, pending the review by the Executive Board of the Co-Action Programme.

II. PROJECT SELECTION AND MONITORING

6. Criteria for project selection for the Co-Action Programme have evolved over the years, but have concentrated on the items outlined below. The projects must:

- (a) fall within the fields of education, science, culture or communication;
- (b) contribute to the improvement of living conditions of local communities in the beneficiary country;
- (c) give particular emphasis to the most vulnerable groups, such as indigenous peoples, the disabled, refugees, women, and children;
- (d) have some perspective for sustainability after the termination of the Co-Action Programme's support.

7. In addition, financial support from the Co-Action Programme must be devoted mainly to the purchase of equipment, with a limited amount allowed for services, such as training for the use of a given equipment, or rent for temporary facilities pending the reconstruction of a classroom. In the overall selection of projects for the Co-Action Programme, consideration is given to an equitable geographical distribution. Priority is given to projects where funding from the Programme is seen to be “decisive”, either as an initial contribution to launch the project, or as a final contribution to allow the completion of a project. The funding ceiling for individual projects is normally set around \$30,000 to allow as many projects as possible to benefit from the limited resources of the Co-Action Programme. This, in turn, means that the Programme is normally one among several funding sources for a given project.

8. As mentioned above, the projects funded under the Co-Action Programme are rarely planned and managed by UNESCO, but emanate from civil society. UNESCO undertakes, within available means, an evaluation of the proposals in accordance with the criteria listed above, calling as necessary on the expertise of the relevant programme sectors or field offices. The National Commission of the beneficiary country in question is informed of the proposal, and requested to provide its views, if any. The project managers are kept informed of the project selection, and informed of the final result, as are the Permanent Delegation and the National Commission concerned.

9. Throughout most of the existence of the Co-Action Programme, project evaluation and selection has taken place once a year, and the result published in the annual catalogue for the Programme. In recent years, the process has been carried out at shorter intervals; and selected projects have in some cases been presented to potential donors individually, normally through electronic means. Given the limited funds of the Co-Action Programme, the annual selection of new projects has normally been kept around 30 projects. Projects are kept open for donations until their funding target has been achieved, with the maximum time limit set as three years to allow the selection of new projects.

10. Within available means, UNESCO monitors implementation of the projects under the Co-Action Programme, and notably encourages the project managers to keep the donors directly informed of the utilization of the donations, and overall developments under the project. In actual fact, UNESCO's possibilities for project visits are limited; and it must also be recognized that few project managers comply with UNESCO's request for the submission of regular narrative and financial reporting, or even a final report. Beyond reflecting the small-scale nature of the projects, and the often fragile infrastructure under which they are carried out, this also highlights one of the

main weaknesses of the Co-Action Programme: the absence of predictability of the funds to be raised. The fact that a project has been positively evaluated, and selected for inclusion in the project catalogue, does not necessarily mean that it will achieve its funding target, or even receive any funding at all. This, in turn, weakens UNESCO's credibility in imposing reporting requirements on the project managers, so much the more as equipment-heavy projects, notably comprising rehabilitation of buildings, do not lend themselves to partial reporting on individual donations. It is, however, important to emphasize that virtually all the Co-Action projects that have actually been visited by UNESCO, in the context of other field missions, have showed exemplary management and results.

III. FUND-RAISING

11. As mentioned above, fund-raising efforts for the Co-Action Programme have from the beginning been directed towards civil society with the main emphasis on UNESCO Clubs and Associations, schools and universities, charitable groups, foundations, and private enterprise. At the inception of the Programme, it was foreseen that national focal points would be designated in Member States to promote the Co-Action Programme and mobilize financial resources, mainly through the sale of UNUM cheques. In addition, the project catalogue is widely distributed to potential funding sources, and has indeed been one of the main tools for fund-raising.

12. Over the years, it has proved more and more difficult to identify national focal points in Member States that are able and willing to undertake advocacy and resource mobilization for the Co-Action Programme. In recent years, only the UNESCO Centrum in the Netherlands, the Belfast chapter of the Council for Education in World Citizenship (CEWC), and the UNESCO Centre in Florence have been active in this field, and have benefited from activity financing contracts with UNESCO to help defray their costs in this context. In addition, a few National Commissions, and federations of UNESCO Clubs, have undertaken punctual promotion of the Co-Action Programme, and helped raise funds for individual projects. Beyond the diffusion of the project catalogue, fund-raising efforts have normally taken the form of special promotional events, such as galas, lotteries, or sale of donated commodities, general publicity aimed at the public at large, or presentations to particularly interested groups. Such efforts have aimed not only at the mobilization of financial resources, but also at overall awareness-raising with regard to UNESCO's activities and ideals, and have often been most successful in the latter respect.

13. UNESCO itself has also over the years, with mixed results, sought direct cooperation, and joint resource mobilization, with major international NGOs active within the Organization's mandates, notably in the field of promotion of reading, books and libraries, education for refugees, and special education for the handicapped. In recent years, UNESCO has, also with mixed results, introduced new fund-raising tools for the Co-Action Programme. One such tool is the direct mail campaigns that UNESCO has carried out in Switzerland since 1997, and which on a few occasions have benefited projects under the Co-Action Programme. The results have, however, not been conclusive to the extent that they would justify replication of the experience in other countries. Similarly, UNESCO has had only punctual success in appealing to private enterprises to select Co-Action projects as a component in their "corporate social responsibility" portfolio, or as beneficiaries for instance of the enterprises' year-end gifts to clients and personnel.

14. In spite of intensified, and to a certain extent innovative, fund-raising efforts, it must be recognized that UNESCO has experienced increasing difficulties in attracting funding for the Co-Action Programme, and notably in diversifying its resource base beyond the above-mentioned main fund-raising partners. Whereas the annual contributions to the Co-Action Programme throughout the 1980s and the early part of the 1990s normally surpassed \$1 million, the amount has

been in the range of \$200,000 to \$300,000 per year during the last 10 years, and reached an all time low during 2003 with only some \$100,000 in new donations. While figures for 2004, and the first few months of 2005, give rise to some optimism, it must be recognized that there are few signs that the Co-Action Programme will be able to increase its resource base to a level that will justify the continuation of the Programme in present form, and the staffing resources required.

IV. CURRENT ASSESSMENT OF THE CO-ACTION PROGRAMME

15. At its inception in 1950, the Co-Action Programme was seen as UNESCO's main, if not only, vehicle for direct assistance to Member States in the field of development cooperation. The Programme and its projects were discussed regularly in the Executive Board, and also brought to the attention of the General Conference. As UNESCO's own technical cooperation activities increased, the Co-Action Programme received less emphasis and visibility, but remained a staple in UNESCO's operational relations with its Member States, the National Commissions and the NGO community. It has, however, not been discussed in any depth in UNESCO's governing bodies for the last three decades.

16. For the first some 40 years of its existence, the Co-Action Programme was managed under the Office of Public Information, since it – in addition to its development cooperation objectives – was seen as an important instrument to increase UNESCO's visibility among its Member States and the public at large, and a vehicle to transmit UNESCO's ideals and messages on international cooperation and solidarity. In the late 1980s, responsibility for the Co-Action Programme was transferred to the Division for Cooperation with Extrabudgetary Funding Sources. While this to a certain extent has enhanced the administration of the Programme, it has undoubtedly also occasioned a further decrease in the emphasis and visibility given to the Programme, now in competition with the much larger operational projects and programmes implemented by UNESCO under extrabudgetary funds. In particular, it must be recognized that staffing resources have not always been adequate to sustain this small, but very labour intensive Programme.

17. Over the years, several attempts have been made by UNESCO to streamline the relatively cumbersome administration of the Co-Action Programme, and notably increase and diversify its funding base. This was notably the case through a comprehensive in-house review of the Programme during the years 1994 and 1995, and a major external evaluation carried out during the spring of 2003. In 2004, UNESCO's Internal Oversight Service undertook an audit of the Co-Action Programme covering the period 2002-2003. The report and its recommendations have yet to be finalized. The Co-Action Programme was also covered within the scope of the External Auditor's biennial financial statement audit.

18. In spite of several clear recommendations emanating from these reviews, outlining comprehensive measures that might allow political and financial revitalization of the Co-Action Programme, and consistent attempts from UNESCO's side to implement them, a number of inherent weaknesses in the Co-Action Programme have proved very difficult to overcome. These may be summarized as follows:

- (a) The original aim of the Co-Action Programme – to provide foreign exchange for the purchase of equipment for the rehabilitation of educational, scientific and cultural institutions – is less relevant today than it was in 1950. While the needs of developing countries for direct UNESCO assistance still remain very substantial, emphasis has moved towards technical cooperation for capacity-building, entailing assistance in the form of personnel and other services, rather than equipment only;

- (b) UNESCO's added value in the Co-Action Programme has over the years become less obvious. A growing number of other national and international institutions, including notably the NGO community, are playing an increasingly important role in the planning and delivery of small-scale projects in direct cooperation with the local communities at grass-roots level; and most of these have a much more extensive field presence, and a more precise mandate, than UNESCO;
- (c) The role of the Co-Action Programme as a complement to UNESCO's other activities in the direct interest of Member States has also become less obvious. The Co-Action Programme is rarely seen as an alternative to, or a component in, larger scale funds-in-trust projects and programmes handled by UNESCO. More importantly, UNESCO has never been successful in placing the Co-Action Programme in the forefront as a vehicle for the expression of solidarity among the various National Commissions and the UNESCO Clubs and Associations;
- (d) As mentioned above, the Co-Action Programme seems to be losing its attraction for donors, who question the utility and effectiveness of the Programme, and notably UNESCO's role therein;
- (e) Finally, the Co-Action Programme has undoubtedly over the years also become less attractive to the developing countries. While several hundreds of applications were received every year, mainly from countries in Africa and Asia, throughout the 1980s and 1990s, the number has now dropped to less than a hundred per year. The generally morose situation that has characterized the Co-Action Programme in recent years undoubtedly plays a major role in this decrease in interest. However, as mentioned above, the main weakness of the Co-Action Programme remains the lack of predictability of financial resources. Although it is clearly explained to project managers that the selection of a project for the catalogue does not equal availability of funds, this uncertainty obviously weakens the overall credibility of the Co-Action Programme, and hence the interest of the potential beneficiaries.

V. PERSPECTIVES FOR THE FUTURE: RECOMMENDATIONS

19. As will be clear from the above, the Director-General unfortunately sees little perspective for the effective political and financial revitalization of the Co-Action Programme in current form. The world has undergone very fundamental changes since the inception of the Programme in 1950; and the numerous initiatives undertaken by UNESCO throughout the years to adapt the Programme to changing circumstances have unfortunately not proved sufficient to maintain the Programme as a credible vehicle for UNESCO's direct assistance to Member States.

20. In view of this, and in accordance with article 11 of the financial regulations of the Public Information, Liaison and Relations Fund, the Director-General therefore **proposes that the Co-Action Programme be closed**, and that steps be taken immediately to initiate an orderly phasing out of the Programme. Beyond widespread and comprehensive information to all stakeholders on this decision, and the reasoning behind it, the winding up of the Co-Action Programme would obviously also necessitate direct consultations with the current donors to the Programme with regard to the allocation of funds already raised or within reach, and subsequent consultations with the project managers to allow a rapid and efficient utilization of the funds for the beneficiary projects selected. Following this, all project accounts will be closed, and the Co-Action Programme definitively abolished. It is the Director-General's estimate that the orderly phasing out of the projects, and the final closing of the Programme, could take place within four months.

21. Whereas the Director-General, for the reasons described above, feels confident that UNESCO could have done no more to revitalize the Co-Action Programme, he is also aware that Member States still have expectations of UNESCO with regard to measures that may provide for more relevant direct assistance activities to meet the emerging needs of Member States. **The Director-General therefore proposes that the network and resource base of the Co-Action Programme, together with the broad knowledge and goodwill associated with the Programme, be utilized to further reinforce UNESCO's emergency response to situations of natural disaster, crisis and post-conflict.**

22. In the above context, it should be noted that the Co-Action Programme currently, beyond donations already allocated to projects – which, as mentioned above, are expected to be fully disbursed as part of the orderly winding up of the Co-Action Programme – in its General Fund holds an unallocated balance (stemming from non-earmarked contributions over the years, together with savings from closed projects), of some \$260,000. In addition, \$506,000 is held under the Public Information Relations and Liaison Fund (PILRF), stemming from UNUM cheques sold since the inception of the Co-Action Programme in 1950, but not claimed for reimbursement. While a proportion of these funds should be held in reserve in case UNUM cheques, in spite of a very careful review carried out in the context of the abolition of this system in 2000, should be presented for reimbursement, the major part of these funds could also be utilized for UNESCO's emergency response as suggested above. The Director-General is studying the feasibility of issuing a public notice through the media, as indeed foreseen in the basic texts on the Co-Action Programme, to the effect that UNUM cheques not redeemed within six months from the notice will be considered null and void. This would allow the transfer of the full balance remaining after the expiration of the notice period to the proposed new emergency response mechanism, whereupon the PILRF subaccount for the Co-Action Programme will be closed in accordance with Article 11 of its financial regulations as mentioned above.

23. In addition to the above existing funds, UNESCO would seek resources from governments, as well as civil society, in order to reinforce its emergency response to situations of natural disaster, crisis and post-conflict. The recent tsunami disaster has demonstrated that UNESCO, although not seen as a traditional main player in emergency situations, is able to attract a great deal of extrabudgetary funding at very short notice, provided that the activities to be implemented are seen as a timely and adapted response to the perceived needs of suffering population groups, and that they have a real impact on these target groups. The tsunami disaster has, however, also confirmed that it is a major impediment to a rapid and adequate UNESCO response to such situations that funds are not readily available within UNESCO for immediate action, including needs assessment and project formulation. While UNESCO would seek to mobilize resources mainly through traditional channels, fund-raising, notably from the private sector, would also be carried out through web-based tools and other electronic means, now currently utilized for broad-based resource mobilization.

24. An appropriate steering mechanism would be devised within UNESCO's overall structure for assistance to crisis and conflict affected countries for the utilization of the above-mentioned funds, together with functional modalities that would ensure a rapid and adequate response in such situations as they emerge.

PROPOSED DRAFT DECISION

25. In the light of the above, the Executive Board may wish to consider and adopt the following decision:

The Executive Board,

1. Having examined document 171 EX/45,
2. Takes note of the analysis made on the current status of the Co-Action Programme;
3. Decides to abolish the Co-Action Programme as created by 23 EX/Decision 7.2;
4. Invites the Director-General to inform all stakeholders of this decision, and the reasoning behind it, and to ensure an orderly phasing out of all existing Co-Action projects through the effective utilization of available funds already allocated to projects;
5. Furthermore requests the Director-General to study the feasibility of the utilization of the networks, resource base, and goodwill of the Co-Action Programme to further reinforce UNESCO's emergency response to situations of natural disaster, crisis and post-conflict.