

**ADDITIONAL COMMENTS ON THE 2022 FINANCIAL STATEMENTS, THE CURRENT FINANCIAL YEAR 2023 AND THE THREE-YEAR BUDGET 2024-2026**

**A/ 2022 FINANCIAL STATEMENTS**

- The 2022 annual accounts submitted for your approval were presented to the Board of Directors on 6 March 2020.
- The 2022 financial year ended with a surplus of €146,128, compared with a deficit of €28,398 in 2021.
- After two years impacted by the pandemic, which led to a general slowdown in business, 2022 was a year of recovery, with parallel growth in income and expenditure.
- In particular, it saw the completion of a number of international projects (final phase of Connecting Practice, international ICOMOS-UNESCO-GIEC co-sponsored meeting, etc.). It is the closing of these projects that accounts for a large part of the surplus recorded last year, since, as a precautionary measure, the income we derive from these activities is only booked once the projects are closed.
- Membership fees remained stable at around €452,000. Membership fees account for over 40% of our non-earmarked resources and are, therefore, essential to the sustainability and independence of our organization.
- The long-awaited appeal judgment in a legal action by an employee dismissed in 2018 has finally been handed down. As the amount to be paid was lower than the provision set aside, the effect on our accounts was slightly positive.
- Finally, we would like to draw your attention once again to the generosity of the French Ministry of Culture towards our organisation. We occupy presently our premises free of charge (only the maintenance and upkeep costs are our responsibility), which obviously has a very significant positive impact on our financial situation.
- To date, we have attracted financial support from the cultural authorities of two other countries: NCHA (National Cultural Heritage Administration) in the People's Republic of China and the Federal Ministry for Arts, Culture, Public Service and Sport, in Austria. We would also like to express our gratitude to them.

**B/ FISCAL YEAR 2023**

- In financial terms, inflation around the world, and particularly in France where we are based, is one of the key factors for 2023.
- As an example, hosting costs for our website and those of the National and International Scientific Committees now hosted by the International Secretariat will rise by 30% in 2023. The same applies to the above-mentioned premises maintenance costs, which are likely to rise sharply in 2023, following an initial increase of over 25% in 2022.
- On the wages front, after more than two decades of stability, Secretariat staff salaries were increased by an average of 5% last April, following a 3% increase in 2022.
- 2023 will also see the acquisition and implementation of our new digital documentation platform. This investment, in the order of €45,000, will be amortized over 5 years, as required by French accounting rules.
- In terms of resources, the increase in membership fees voted in Bangkok will only come into effect in 2024, so the amounts collected should be stable in 2023.
- It is, therefore, mainly through the development of international projects and our consulting activities that we will be able to cope with higher operating costs.
- It is still very early in the year to make an accurate forecast, but we are confident in our ability to close the year with a balanced budget.

**C/ TRIENNIAL BUDGET 2024-2026**

- The draft budget is still only a rudimentary estimate (all the more so as the Annual General Assembly is being held particularly early this year). It will be refined before being presented to the Board of Directors.

- In view of current uncertainties, only the draft 2024 budget is presented in its detailed form. The main assumptions adopted today are a 2% increase in salaries and main external services as most economists are now banking on a slowdown in inflation in 2024, due in particular to the fall in energy prices observed in recent months.
- Also worth noting:
  - 2024 will be the year in which a new website is set up, which will, therefore, be a major expense item. In France, when a website is not a commercial tool for online sales - which is our case - the costs of creation and maintenance are considered as expenses for the year of implementation and not as an investment to be amortized over several years.
  - Increase in committee dues: expected to be around €90,000 for 2024, the first increase in 8 years.
  - The scope of services provided for UNESCO in connection with the implementation of the World Heritage Convention (evaluation of nominations and monitoring of listed sites) should increase by around 30% with the reform of the Preliminary Assessment. As the timetable for implementation has not yet been precisely defined, we have not included this development in our three-year budget. We will see if and how to do so after the World Heritage Committee meeting in Riyadh in September.