Report on the progress of the reform of the Organization (White Paper)

Annex 5

Strategic Alliances for Mainstreaming Tourism

A. Mainstreaming tourism and strengthening the delivery capacity: a priority for the Organization

A.1 International cooperation and assistance is not only necessary, but critical to improve the effective delivery of the Organization in serving its Members’ needs. It is as well the first time in the Organization’s history, and 8 years after becoming a United Nations Specialized Agency for Tourism, that under the guidance of the Secretary-General, partnerships and fundraising efforts will become a strategic streamline of work within the organization.

A.2 The size of the Organization and its budget are challenging factors for the broad mandate and the tasks to be achieved. Directly linked to the size, UNWTO is not a UN Resident Agency, has no or limited local outreach, and therefore has to adopt an approach to address this situation by taking full advantage of the UN system and partnering with UN agencies and programmes as well as international, regional, local institutions that can bridge the gap in global and local delivery. UNWTO has been part of the UN family only since the end of 2003 and has to better optimize the opportunities offered.

A.3 The other important challenge is the lack of understanding of tourism: greater awareness is needed amongst the global community – and the public at large - of the relevance and the importance of tourism in all its dimensions, as well as the role played by the World Tourism Organization.

A.4 To accomplish this, UNWTO needs to further strengthen alliances with other international and regional organizations, including some from the private sector as well as to build the institutional framework to better equip the Organization with policies, tools and knowledge in order to enhance results.

A.5 The new Institutional and Corporate Relations Programme is responsible for developing partnerships and alliances, cooperating with UN institutions, as well as other international and regional organizations, and devising and implementing a resource mobilization strategy so as to strengthen UNWTO’s capacity to provide leadership, serve its Members while positioning tourism in the global development agenda.

A.6 Although tourism as a sector represents 5% of the world’s GDP, generates about 30% of total world exports in services, and provides one in twelve jobs in the world, tourism normally is not a priority
area for engagement and funding from the broader international donor community or international development finance institutions. We have to formulate and adapt our needs to the global development agenda such as the MDG’s priorities and the forthcoming UN policies towards a Green Economy for which tourism clearly has an important contribution. The traditional resources available for international aid activities have stabilized and in some cases declined over the past few years. Thus, the need for active awareness raising and advocacy and exploration of alternative funding approaches is more relevant than ever.

A.7 An integral part of fundraising is raising awareness of the importance of tourism, as well as the role played by the World Tourism Organization. The Secretariat has deployed great efforts within the international community at large. This part is vital for sustaining any fundraising activity and must be done in a coordinated manner in order to convey a unified message. Linking tourism impacts to the achievement of the MDGs and the Green Economy challenges could be a good means to understand the importance of tourism within the UN system and the donor community at large. The roadmap to the Earth Summit RIO+20 in June 2012 represents a unique milestone for the World Tourism Organization to position Tourism in the Global Agenda. UNWTO’s active participation in UN coordinating bodies and mechanisms and working together with other international organizations will help sustain those efforts.

B. Building an operational framework and Strategic Alliances for resources mobilization

B.1 With the aim of contributing to the fulfilment of the Organization’s mandate, UNWTO is translating the broad organizational objectives into creative and effective delivery. Building capacity within the Organization requires being in line with an enhanced framework of new global strategies and policies in world emerging challenges.

B.2 The OECD’s Development Assistance Committee (DAC) is a unique international forum where donor governments and multilateral organizations – such as the World Bank and the United Nations – come together to help partner countries reduce poverty and achieve the Millennium Development Goals. This means seeking new ways of working to increase not only the quantity, but also the quality of aid and to improve aid effectiveness. The DAC’s objective is to be the definitive source of statistics on official development assistance (ODA).

B.3 While looking at sustained efforts for resource mobilization for Bilateral Aid through the donor community at large, UNWTO had the support of Spain, which successfully submitted the Organization’s application to the DAC’s annual meeting last February 2011. As a result, UNWTO now is recognized as an ODA Eligible Organization for Bilateral Aid, which means that funds channelled through UNWTO for projects in ODA eligible countries can now be considered as an official development assistance amount. For the next programming period UNWTO would need to increase its extra-budgetary resources so as to meet the DAC’s present minimum threshold of USD 20 million of overall resources annually directed at ODA recipient countries in order to become a fully-fledged ODA eligible international organization.

B.4 UNWTO is working towards building the in-house capacity and requirements to sign a FAFA (Financial and Administrative and Framework Agreement) with the European Commission. Resource mobilization with the European Commission could be very effective for Member States as well as for the UNWTO GPOW. Looking at the OECD DAC statistics, the annual percentage of the ODA funds for international aid with the European Commission is higher than the one for the entire UN system. The United Nations and several UN entities have taken advantage of the FAFA for mobilizing additional resources from the EC on an ongoing basis, strengthening their own capacity and delivery. For signing the FAFA with the EC (Directorate-General for Development and Cooperation) UNWTO will have to comply with internal rules for which IPSAS might be required. This work has been initiated but will require time and resources. The FAFA would allow UNWTO to reduce administrative and financial
burdens while accessing EC Funds, as well as securing additional financial resources for UNWTO GPOW and its Member States within the EC programming periods, aligning UNWTO and EC priorities for growth and development.

B.5 The transversal dimension of tourism and our mandate within the UN system represents a unique opportunity for UNWTO. As the umbrella organization for tourism it gives us the legitimacy to bring together all public and private sector actors and stakeholders in tourism, and to pull resources for advocacy and outreach led by a common interest. Lessons can be learned from other UN sister agencies and programmes, and joining forces in co-branding UNWTO with other institutions from public and private sectors can only boost our visibility, and build our brand equity.

B.6 Recognizing the importance of tourism as a strategic vehicle for development for most Least Developed Countries (LDCs) and a need to improve our support to their development policies and initiatives, UNWTO initiated a number of consultations with other UN entities. This resulted in the initiative of the UNWTO Secretary-General to formulate a UN Steering Committee on Tourism for Development (SCTD), which aims to strengthen the promotion of tourism for development through the coordination of efforts and putting in place the Deliver-as-One UN principle for tourism. Coordinated by UNWTO, the SCTD is composed of eight other UN Partners besides UNWTO: International Labour Organization (ILO), International Trade Centre (ITC), UN Conference on Trade and Development (UNCTAD), UN Development Programme (UNDP), UN Environment Programme (UNEP), United Nations Educational, Scientific and Cultural Organization (UNESCO), UN Industrial Development Organization (UNIDO) and World Trade Organization (WTO). Ongoing activities of the SCTD have since been the development of a preliminary work plan for the next year; incorporating the development of an integrated UN Tourism Service Portfolio, as well as the preparation of an initial capacity building workshop aimed at several LDCs in 2011, which will lead at preparing tourism projects proposals to be funded by the Enhanced Integrated Framework Trust Fund, a multi-donor trust fund for Aid for Trade.

B.7 The EIF is a multi-donor programme for Aid for Trade – including tourism as trade in services - which supports LDCs to be more active players in the global trading system by helping them tackle supply-side constraints to trade. In this way, the programme works towards a wider goal of promoting economic growth and sustainable development and helping to lift more people out of poverty. The programme is currently helping 47 LDCs worldwide and the EIF Trust Fund has contributions from 22 donors. The overall estimated budget for the fund should be of USD 230 million USD for the period 2010-2015.

B.8 While looking ahead and planning for the long term, SCTD objectives in assisting LDCs can only be achieved by mobilizing resources for delivery. Existing mechanisms available such as the Enhanced Integrated Framework, for the period 2010-2015, are promising instruments for both the SCTD and UNWTO in particular as the lead agency for Tourism, as well as for the EIF Secretariat that is looking for more project proposals to be submitted to the MDTF of the EIF.

C. Addressing UNWTO General Programme of Work and individual Members’ needs

C.1 Approaches in fundraising differ for UNWTO General Programme of Work (GPOW) needs and Members’ needs, because donors have shifted their priorities on country delivery and on bilateral aid. This also applies to the UN system and the bilateral donors’ scene as well as to the European Commission. Therefore UNWTO programme needs must be carefully analyzed for activities supported by UNWTO General Budget, and additional, innovative funding sources will have to be devised.

C.2 Based on UNWTO Member States priorities, the Secretariat has prepared a draft programme of work for 2012-13. This forthcoming programme will allow to accurately defining existing and forthcoming UNWTO lines of work matching with donors’ priorities, mostly on competitiveness and on all three
dimensions of sustainability, with a strong emphasis on economic development, employment, poverty reduction within the new paradigm of climate change and the recent crisis. It is critical as well to differ in the fundraising approach for the various levels of development of UNWTO Members.

C.3 Direct Member needs - for least developed countries, developing countries and middle income countries - can be earmarked through UNDAF (United Nations Development Assistance Framework), managed by each UNDP office and the UN National Country Team in respective countries. As UNWTO is not a UN Resident Agency, in 2010 and 2011 the Organization has contributed in UNDAFs for several pilot countries, so as to create a systematic approach for the future, as well as to foresee the mechanism to be proposed for each UNWTO Member State. In the period 2012-13 UNWTO will provide a clear framework to Member States for better taking advantage of the UNDAFs and Delivering as One mechanism in support of tourism development policies within each country.

C.4 It is worth mentioning the Hotel Energy Solutions project – offering an innovative energy mitigation E-toolkit - as a good example of successful fundraising efforts for developed countries in the 27 EU Member States. This type of lighthouse project has the potential to be rolled out and adapted for countries from all regions of the world in the future. The project has been developed and implemented in five pilot destinations in Europe with the support of Intelligent Energy Europe and in partnership with other institutions and associations for a total value of 1.2 million euros, while UNWTO has invested 180,000 euros in 3 years.

D. Concluding remarks

These consolidated efforts should help position tourism and UNWTO as an attractive partner and brand for raising funds from ODA donor countries, international development finance institutions, and from the private sector, giving evidence of the positive socio-economic impact of tourism. The World Tourism Organization is committed to working across our sector, both in the public and private domains, to advance a coherent response to Climate and Development imperatives, placing tourism at the heart of the transformation to a low-carbon economy and seeking to identify and support all possibilities tourism has to offer in order to attain sustainable development.