Item 3 of the provisional agenda

REPORT OF THE SECRETARY-GENERAL

Note by the Secretary-General

In this document, the Secretary-General presents to the Members of the UNWTO Commission for Africa his review of major tourism trends, UNWTO's management vision and priorities as well as the status and advances in the administrative and financial matters of the Organization.
Introduction

1. The present report to the 57th Meeting of the UNWTO Commission for Africa addresses the following subjects:
   A. International Tourism in 2014 and 2015;
   B. Mainstreaming Tourism in the Global Agenda;
   C. Administrative and Financial Matters.

A. International Tourism in 2014 and 2015

2. International tourism has continued to progress strongly in the last two years despite a lingering economic recovery, increased geopolitical challenges, health scares and natural disasters affecting many parts of the world.

3. In 2014, the number of international tourist arrivals reached 1.133 billion, a 4.3% growth over the previous year. This result consolidates the fifth consecutive year of robust growth in international tourist arrivals following the 2009 global economic crisis. Data for the first months of 2015 confirm this trend, with international tourist arrivals growing by 4% between January and April, according to the June 2015 issue of the UNWTO World Tourism Barometer.

4. As in recent years, the growth in international tourism receipts followed that of arrivals closely. In 2014, receipts increased by 3.8% in real terms as compared to a growth of 4.3% in arrivals, reaching US$ 1,246 billion (euro 938 billion). Adding the earnings generated from international passenger transport, total exports from international tourism reached US$ 1.5 trillion (euro 1.1 trillion) in 2014, representing 6% of international trade and 30% of the world’s service exports.

5. By region, Europe, the most visited region with over half the world’s international tourist arrivals, saw an increase of 3% in 2014 to reach 582 million and a further growth of 5% in the first months of 2015. Receipts from international tourism grew slightly above arrivals (+4%), accounting for US$ 509 billion (euro 383 billion) in exports for European destinations in 2014 and making an important contribution to the economic recovery in the region.

6. International tourist arrivals in Asia and the Pacific grew by 5% in 2014 to reach 263 million and 4% between January and April 2015, consolidating the region as the second most visited in the world (23% share). Receipts grew slightly slower (+4%) in view of the below average growth in South-East Asia, reaching US$ 377 billion in 2014.

7. The Americas (+8%) was the best performing region in relative terms in 2014, welcoming an additional 13 million international tourist arrivals and raising the total to 181 million much due to the recovery of the US economy. This trend is confirmed in the first four months of 2015 as the region saw a further 6% growth in international tourist arrivals. Nonetheless, the growth in arrivals was not followed by receipts which grew only 3% to a total of US$ 274 billion in 2014.

8. International tourism in the Middle East showed clear signs of recovery after three consecutive years of decline. The region attracted 5% more international tourist arrivals in 2014, bringing the
total up to 51 million, and showed a further 4% increase in the first months of 2015. Receipts grew even stronger, at 6%, to reach US$ 49 billion in 2014.

9. Africa's international tourist numbers grew by an estimated 3% in 2014 to reach 56 million while receipts increased by 3% to a total of US$ 36 billion despite the impact of the Ebola outbreak in the region. Data for 2015 shows, nonetheless, a significant slowdown, with international tourist arrivals estimated to have declined by 6% between January and April. In this context, the Secretariat has stepped up its initiatives in the region which included, alongside the direct support to Member States, in recent months the UNWTO Regional Conference on the Image of Africa, of which a detailed report will be presented to the 57th Meeting of the Commission for Africa (Ghana, 17-18 August 2015), the East Africa Tourism Development Forum (Kenya, 20-22 August) and the forthcoming UNWTO Conference on Tourism and the Media to be held in Tunisia in November 2015.

10. In terms of outbound as measured by international tourism expenditure, the past two years have seen the recovery of the traditional source markets compensating for some slowdown in the expenditure of large emerging markets, which had been driving growth in recent years.

11. Among the leading markets, expenditure from China, the first source market in the world, was up by 28% in 2014. As per the other two main emerging markets, the Russian Federation (-6%) lost strength and Brazil still grew by 2% despite the appreciation of the US dollar against the real. Expenditure from the USA, the second largest source market in the world, grew by 6%. Noteworthy is also the growth from France (+11%), Italy (+7%) and the UK (+3%). By contrast, expenditure from Germany, the third largest market, was rather flat (+1%).

12. For 2015, UNWTO forecast international tourist arrivals to grow between 3% and 4% in line with the foreseen global economic growth of 3.3% as estimated by the International Monetary Fund (IMF). By region, growth is expected to be stronger in Asia and the Pacific (+4% to +5%) and the Americas (+4% to +5%), followed by Europe (+3% to +4%). Arrivals are expected to grow by 3% to 5% in Africa and by 2% to 5% in the Middle East.

13. Considering that this document was prepared in August 2015, updated information on international tourism results in 2015, particularly on the performance of Africa, will be provided verbally to the 57th Meeting of the Commission for Africa.

B. Mainstreaming Tourism in the Global Agenda

14. The UNWTO/WTTC Open Letter on Travel and Tourism campaign continues to advance. As of July 2015, 73 Heads of States and Government had received the Open Letter since February 2011, out of which 17 from Africa (by date of presentation): South Africa, Burkina Faso, Kenya, Mozambique, The Gambia, Seychelles, Tunisia, Zimbabwe, Zambia, Tanzania, Algeria, Rwanda, Uganda, Angola, Ethiopia, Morocco and Ghana. The campaign aims to raise awareness at the highest level of the importance of the tourism sector for socio-economic development.

15. The sixth T.20 Ministers Meeting will be held in Republic of Turkey on 29-30 September 2015 in line with the G20 Presidency. This will be a unique opportunity to further enhance the cooperation among the G20 countries in the area of tourism and enhance the contribution of the sector to more inclusive economic growth, particularly through the creation of decent jobs. As
per the priorities of the G20 Presidency, the sixth T.20 Ministers Meeting is proposed to discuss how tourism can address the challenges of a 'jobless growth', with a particular focus on policies that promote gender equality, youth unemployment, skills adequacy, entrepreneurship, and investment to unlock jobs and growth. To that end, UNWTO and the International Labour Organization (ILO) will be preparing a background document with the participation of T.20 countries.

16. The Secretariat continues to work to position tourism higher and in a coordinated manner in the United Nations system agenda as well as that of other relevant international and regional organizations. Among the activities carried out/planned under this area of work, it is worth highlighting:

(a) The proposal to designate 2017 as the International Year of Sustainable Tourism for Development: UNWTO is working with Member States to propose to the UN General Assembly the celebration of 2017 as the International Year of Sustainable Tourism for Development. Auspiciously, this would come 50 years after the 1967 UN International Tourism Year under the theme 'Passport for Peace'.

(b) The 10 Year Framework of Programmes on Sustainable Consumption and Production (10YFP) adopted at the Rio+20 Conference as a framework for action: Sustainable Tourism is, together with Consumer information; Sustainable lifestyles and education; Sustainable public procurement and Sustainable buildings and construction; one of the initial six programmes included in the 10 YFP. The Sustainable Tourism Programme was launched at the World Travel Market's (WTM) Responsible Tourism Day (5 November 2014, London, UK) with the presence of UNWTO, the lead of the Programme, Morocco, France and the Republic of Korea, the Programme co-leads.

(c) The Sustainable Development Goals (SDGs): As a result of concerted efforts of the UNWTO Secretariat and the UN New York Liaison Office (NYL), tourism is included in the current proposal of the SDGs to be approved by the UN General Assembly in September 2015, in the introduction and as a specific target in Goal 8 (promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all), Goal 12 (ensure sustainable consumption and production patterns) and Goal 14 (conserve and sustainably use the oceans, seas and marine resources for sustainable development).

(d) The tourism and security agenda: UNWTO has strengthened its cooperation with the relevant UN agencies and organizations, including the UN Counter-Terrorism Committee Executive Directorate (CTED) and the Counter-Terrorism Implementation Task Force (CTITF), for promoting tourism security. UNWTO had also joined the CTITF’s Working Group on Protection of Critical Infrastructure, Vulnerable Targets, Internet and Tourism Security in 2014;

(e) Tourism’s contribution to the sustainable development of Small Island Developing States (SIDS): Sustainable tourism is one of the priority areas included in the outcome document of the Third International Conference on Small Island Developing States (SIDS), the SIDS Accelerated Modalities of Action (SAMOA) Pathway (also known as the ‘Samoa Pathway’) with an extensive set of areas for action. UNWTO also played an important role and significantly contributed to several events during the Conference;
The 69th UNGA session resolution on the “Promotion of sustainable tourism, including ecotourism, for poverty eradication and environment protection” adopted, by consensus and sponsored by a total number of 107 Member States;

The UNWTO/UNESCO World Conference on Tourism and Culture - Building a New Partnership held in Siem Reap, Cambodia on 4-6 February 2015. The Conference brought together over 900 participants, including over 45 Ministers and Vice Ministers of Tourism and Culture, international experts, speakers and guests from 100 countries. The resulting Siem Reap Declaration on Tourism and Culture highlights the need to create a new framework for collaboration between tourism and culture, which includes active participation of host communities, visitors, the public and the private sector and sets a series of commitments covering the four key areas discussed at the Conference – tourism and cultural heritage, cultural routes, the linkages between tourism, living cultures and creative industries and the contribution of cultural tourism to urban development (see tourismandculture.org).

D. Administrative and Financial Matters

17. The Secretariat notes with appreciation the efforts made by the large majority of Member States to keep current with their financial obligations and, in some cases, to advance the payment of accumulated arrears, particularly in the current economic context. At the same time, and in view of the reduction observed in the collection rate of membership fees and the extraordinary need to advance financing from the Working Capital Fund in 2014, the Secretary-General calls upon all Members to pay their contributions in a timely manner, given that without the regular financial means provided by the Members, it is not possible for the Organization to operate adequately and deliver effectively on its programme of work.

18. Regarding the financial situation for 2015, an income and expenditure plan was presented to the 100th session of the Executive Council following the approved appropriations and the forecast income – income is estimated at euro 13,170,000 and expenses limited to 13,170,000 (98% of the approved budget).

19. Regarding the financial closing of 2014, accounts have been produced in accordance to IPSAS for the first time as requested by the UN and UNWTO’s General Assembly. There has been a lengthy and resource-intensive exercise to adapt UNWTO’s accounting and reporting systems to IPSAS and ensure that IPSAS principles become operational as of 1.1.2014. UNWTO’s external auditors (Germany, India and Spain) have audited the accounts during the month of March and concluded that UNWTO’s accounts duly represent its financial position in accordance to these accounting standards. The report on the 2014 accounts, together with the auditors’ report, was presented to the 100th session of the Executive Council.

20. Budget implementation for 2014 reached 99% of approved credits while income reached 92% of the budgeted amount. The corresponding gap was closed through the recourse to the Working Capital Fund as per Financial Regulation 10.2(b). This level of implementation aimed to support the work on UNWTO in the areas of tourism and culture and tourism and peace, with the need to formulate specific budget transfers. These transfers have been submitted for approval in written form to the Programme and Budget Committee (PBC) and subsequently to Executive Council Members. Both bodies approved them in written form, and budget implementation for 2014 formally submitted for approval at the 100th session of the Executive Council after recommendation of the PBC.
21. The Secretariat continues highly committed to strengthen the efforts in raising extra-budgetary funds. In this regard, the proposal of the Working Group on ODA to create a Tourism for Development Facility (TDF), will be presented to the 21st General Assembly as a mechanism for leveraging ODA-eligible bilateral contributions to support activities in developing countries, while enhancing the recognition of tourism as a development tool and increasing ODA funding.

22. As per mandate of the 98th Executive Council, the Secretariat has assisted the Programme and Budget Committee in assessing recommendations provided by the Joint Inspection Unit and the External Auditors. The corresponding report as prepared by a working group of the PBC was submitted to the 6th PBC meeting.

23. Pursuant to decision of the Executive Council, a report on the Ethics Function at UNWTO for 2014 was presented to the 100th session of the Executive Council.

24. In the area of Human Resources, three vacancy announcements were filled: Programme Officer, Tourism Market Trends; Senior Programme Assistant, Regional Programme for the Americas and Senior Programme Assistant, Institutional Relations and Resource Mobilization Programme. In addition, the vacancies for Programme Chief, Budget and Finance Programme and Deputy Director, Regional Programme for Africa have been open.

25. Once again, the Organization invites all Members to avail themselves of the existing capacity-building scheme whereby Members may propose to loan officials to the Organization on a non-reimbursable basis. Requests shall be channelled through the respective Regional Programmes.

26. In the area of procurement, a procurement manual, templates for contracts and other bidding documents following UN standards are being progressively implemented by the Organization.