

**REVIEW OF MANAGEMENT AND ADMINISTRATION IN  
THE UNITED NATIONS WORLD TOURISM  
ORGANIZATION (UNWTO)**

*Prepared by*

***Even Fontaine Ortiz***

**Joint Inspection Unit**

**Geneva 2009**



**United Nations**



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## EXECUTIVE SUMMARY

### **Review of management and administration in the United Nations World Tourism Organization (UNWTO) JIU/REP/2009/1**

This “Review of management and administration in the United Nations World Tourism Organization (UNWTO)” is one of a series of reviews of management and administration of participating organizations undertaken by the Joint Inspection Unit (JIU). The objective of the review is to identify areas for the improvement in the management and administration practices in UNWTO. Its focus is on structure and governance, strategic planning and budgeting, human resources management, central support services, oversight and cooperation with other United Nations entities and private sector entities. Recommendations 2, 6, 9, 10, 12, 13, 15-18, 20, 21 and 24 are addressed to the Secretary-General for his action. Recommendations for consideration by the UNWTO General Assembly and Executive Council are listed below.

As UNWTO joined the United Nations system in 2003, the Organization is still in the process of harmonizing its rules and procedures to comply with those of the United Nations. While undertaking this review, the Inspector is of the view that future requests for admittance in the United Nations system should be subject to, inter-alia, an external and independent qualification process. Hence, recommendation 25 is directed to the Secretary-General of the United Nations.

#### **Recommendations for consideration by legislative bodies**

##### **Recommendation 1**

**The practice of appointing the Executive Director of Affiliate Members by a single Member State should be discontinued. The position may be financed from extra-budgetary sources, but the selection process has to be done according to an open, competitive and transparent recruitment process.**

##### **Recommendation 3**

**The Executive Council may wish to revisit its practice of holding its meetings outside Headquarters, in the light of the potential associated benefits and drawbacks.**

##### **Recommendation 4**

**The UNWTO General Assembly may wish to revisit its practice of holding its meetings outside Headquarters in the light of the potential associated benefits and drawbacks, and establish, as part of the Statutes of the Organization, an article regulating the conditions for exceptions.**

##### **Recommendation 5**

**The UNWTO General Assembly may wish to revisit its current decision-making process at all legislative levels to ensure that sufficient dialogue and negotiations among the parties take place, in order to reach clear decisions as a prerequisite to properly guide, direct and oversee the operations of the Organization, thus releasing the secretariat from the responsibility to provide the basis for its decisions.**

**Recommendation 7**

**The UNWTO General Assembly should call for a greater Member State participation and leadership in the planning, programming and budgeting process.**

**Recommendation 8**

**The UNWTO General Assembly should endorse the results-based management (RBM) framework developed by the JIU and request the secretariat to use it in the implementation of RBM.**

**Recommendation 11**

**The UNWTO General Assembly should call for the members to pay their arrears within the period stated in the Statutes and Financing Rules.**

**Recommendation 14**

**The UNWTO General Assembly should adopt the status, basic rights and duties of United Nations staff members (ST/SGB/2002/13) and the corresponding financial disclosures policy, while promoting ethics and integrity at work, and allocate resources for relevant training of staff on these issues.**

**Recommendation 19**

**The UNWTO General Assembly should provide the required resources to permit the use of the Chinese language as an official language of the Organization in accordance with UNWTO General Assembly resolution 521 (XVII).**

**Recommendation 22**

**The UNWTO General Assembly should in-source the internal audit, inspection, evaluation, investigation and monitoring functions to any other organization in the United Nations system that has the capacity to respond.**

**Alternatively, The UNWTO General Assembly should provide the necessary resources, three positions, for the above-mentioned functions for the 2010-2011 biennium.**

**Recommendation 23**

**The UNWTO General Assembly should modify the Statutes of the Organization in order to provide for the selection of a single external auditor with a specified term limitation and country rotation.**

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**ABBREVIATIONS**

CEB	United Nations System Chief Executives Board for Coordination
DPC	Direction for Programme Coordination
DPKO	Department of Peacekeeping Operations
ERP	Enterprise resource planning
HLCM	High-Level Committee on Management
HLCF	High-Level Committee on Programmes
ICSC	International Civil Service Commission
ICT	Information and communications technology
ILO	International Labour Organization
ITC	International Trade Centre
IPSAS	International Public Sector Accounting Standards
JIU	Joint Inspection Unit
PAHO	Pan American Health Organization
RBM	Results-based management
ST-EP	Sustainable Tourism Eliminating Poverty
UIOTO	International Union of Official Travel Organizations
UNCCD	United Nations Convention to Combat Desertification
UNDP	United Nations Development Programme
UNCTAD	United Nations Conference on Trade and Development
UNTEN	United Nations Tourism Exchange Network
UNWTO	United Nations World Tourism Organization
WTO	World Tourism Organization

## I. INTRODUCTION

1. As part of its programme of work for 2007, the Joint Inspection Unit (JIU) has conducted a review of management and administration in the United Nations World Tourism Organization (UNWTO). This review is part of a series of reviews of management and administration at participating organizations. The objective of the review is to assess the management and administration of the Organization, with a view to providing guidance during its process of integration into the United Nations system, focussing on areas of governance, strategic planning, budgeting, human resources management, oversight and cooperation with other United Nations entities.

2. The Organization is the outcome of the transformation of the International Union of Official Travel Organizations (UIOTO) to the World Tourism Organization (WTO) in 1970 when it adopted its present Statutes. In 2003 it became a specialized agency of the United Nations with the approval and adoption of its General Assembly resolution 453 (XV) and the subsequent ratification by the General Assembly of the United Nations in resolution 58/232. In order to avoid confusion with the World Trade Organization, also known as WTO, it changed its name to UNWTO.

3. UNWTO is headquartered in Madrid, with a membership of 161 countries and territories and more than 350 Affiliate Members representing the private sector, educational institutions, tourism associations and local tourism authorities.

4. The fundamental aim of the Organization is the promotion and development of tourism with a view to contributing to economic development, international understanding, peace, prosperity, and universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language or religion. In pursuing this aim, the Organization shall pay particular attention to the interests of the developing countries in the field of tourism.<sup>1</sup>

5. UNWTO serves as a global forum for tourism policy issues and by encouraging the implementation of the Global Code of Ethics for Tourism recognized by the General Assembly of the United Nations in its resolution 56/212, helps to ensure that Member States, tourist destinations and the business community maximize the positive economic, social and cultural effects of tourism and fully reap its benefits, while minimizing its negative social and environmental impacts.

6. In accordance with the internal standards and guidelines of JIU and its internal working procedures, the methodology followed in preparing this report included a preliminary desk review, interviews and in-depth analysis. The JIU team also attended the seventeenth session of the UNWTO General Assembly in November 2007 in Cartagena de Indias, Colombia, and was able to meet with representatives of Member States, Affiliate Members and other participants.

7. In accordance with article 11.2 of the JIU statute, this report has been finalized after consultation among the Inspectors so as to test its conclusion and recommendations against the collective wisdom of the Unit.

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<sup>1</sup> Article 3 of the UNWTO Statutes – [www.unwto.org](http://www.unwto.org)

8. To facilitate the handling of the report and the implementation of its recommendations and the monitoring thereof, annex II contains a table indicating whether the report is submitted to the organization concerned for action or for information. The table identifies those recommendations relevant for the organization, specifying whether they require a decision by the legislative organ of the organization or can be acted upon by its executive head.

9. The Inspector wishes to express his appreciation to all who assisted him in the preparation of this report, and particularly to those who participated in the interviews and so willingly shared their knowledge and expertise.

10. Nevertheless, the Inspector regrets that certain officials of the UNWTO secretariat were not forthright and cooperative in providing answers to questions raised by him as well as following through with promises to provide certain information requested. There are many instances of non-compliance with such requests and, therefore, the report includes paragraphs indicating that no information is available. In the view of the Inspector, there are several issues that appear awkward and require further clarification. In addition, the report identifies areas (i.e. staff promotion and recruitment, etc.) where the Organization practices are far from acceptable calling for an in-depth investigation to be carried out during 2009-2010.

## II. STRUCTURE AND GOVERNANCE

11. UNWTO consists of five main organs: the General Assembly, the Regional Commissions, the Executive Council, Committees and the Secretariat. The World Committee on Tourism Ethics is a subsidiary organ of the General Assembly.

### A. General Assembly

12. The General Assembly is the principal organ of UNWTO. It meets every two years to approve the budget and programme of work and to debate topics of vital importance to the tourism sector. Every four years it elects a Secretary-General. The General Assembly is composed of full members and associate members. Affiliate Members and representatives of other international organizations participate as observers.

13. Associate membership is open to all territories not responsible for their external relations and whose candidature has prior approval of the Member State that assumes responsibility for their external relations. There are currently seven Associate Members.

14. The original founders of UNWTO had a unique vision for the Organization – a leadership body for the tourism sector which, apart from its full members who are State representatives, includes Affiliate Members who may be from the private sector, academia and civil society. The Affiliate Members are expected to promote public-private partnerships that help support the UNWTO overall aims, including promoting responsible, sustainable and universally accessible tourism and contributing to economic and social development and international understanding, with particular attention paid to the interests of the developing countries.

15. Affiliate membership is open to the private sector, educational institutions, tourism associations and local tourism authorities whose activities are related to the aims of UNWTO. There are currently more than 350 Affiliate Members representing all aspects of the tourism industry, ranging from industry associations to airlines, travel agencies to consultants and trade unions to universities.

16. The involvement of these members is an indication of the UNWTO support for the involvement of civil society in the network of global institutions, as encouraged by the United Nations. Membership is made up of three groups of interest: UNWTO Business Council; UNWTO Education Council, and UNWTO Destination Council.

17. The Inspector notes that the participation of the private sector in UNWTO activities is a positive initiative, considering that tourism is not always the responsibility of national administrations and that the impact and influence of private sector firms in tourism activities is substantial. Furthermore, the tourism sector is characterized by the existence of an important number of small and medium-size enterprises, many of which are integrated in professional associations.

### B. Regional Commissions

18. Established in 1975 as subsidiary organs of the General Assembly, the six Regional Commissions<sup>2</sup> normally meet once a year. They enable Member States to maintain contact

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<sup>2</sup> The Commissions represent Africa, the Americas, East Asia and the Pacific, Europe, the Middle East and South Asia. Affiliate Members from the region participate as observers.

with one another and with the secretariat between sessions of the General Assembly, to which they submit their proposals and convey their concerns. Each Commission elects one Chairman and its Vice-Chairmen from among its members for a term of two years commencing from one session to the next session of the Assembly.

### **C. Executive Council**

19. The Executive Council is the governing board of UNWTO, responsible for ensuring that the Organization carries out its programme of work and adheres to its budget. It meets at least twice a year and is composed of members elected by the General Assembly in a ratio of one for every five full members. Spain is a permanent member of the Council. Representatives of Associate and Affiliate Members participate in Council meetings as observers. It takes all necessary measures, in consultation with the Secretary-General, for the implementation of its own decisions and recommendations of the Assembly, and reports thereon to the Assembly. The term of office of Council Members is four years and elections for one-half of the Council membership are held every two years. The Council elects one Chairman and two Vice-Chairmen from among its members.

### **D. Committees**

20. Specialized committees of UNWTO members advise on management and programme content. These include the Programme Committee, the Committee on Budget and Finance, the Committee on Statistics and the Tourism Satellite Account, the Committee on Market and Competitiveness, the Sustainable Development of Tourism Committee, the World Committee on Tourism Ethics, the Committee on Poverty Reduction and the Committee for the Review of Applications for Affiliate Membership.

### **E. Secretariat**

21. The secretariat is headed by the Secretary-General, assisted by the Deputy Secretary-General and recently reinforced with the appointment of an Assistant Secretary-General. The secretariat is located in Madrid. It also includes a regional support office for Asia-Pacific in Osaka, Japan, established in 1995. The Organization has no field representation.

22. The secretariat comprises 106 full-time staff at the UNWTO Madrid Headquarters. These officials are responsible for implementing the UNWTO programme of work and serving the needs of members.

23. The Inspector was informed that a full-time position (Affiliate Members Executive Director at headquarters), is financed by the Spanish Government to support Affiliate Members; furthermore the incumbent is selected by the Spanish Government, contrary to best practices in the United Nations system. Though the agreement between UNWTO and the Government of Spain is to provide UNWTO with a pool of candidates to select from, it does not occur in actual practice. The Inspector believes that this arrangement needs to be reconsidered and that the selection of the incumbent should be subject to a competitive and transparent recruitment process under the full responsibility of the Secretary-General.

24. Similarly, the Japanese Government finances the UNWTO regional support office for the Asia-Pacific in Osaka. When the Secretary-General was asked about the financial arrangements of the secretariat office in Osaka, he indicated that he was not aware or informed of the management of the office, including financial matters. When requested to provide documents related to the establishment of the office, the initial reply of the Organization was that the documentation was not available in English, and then that it was simply not available.

The above facts show a lack of transparency that is unacceptable in the view of the Inspector and that should be properly addressed.

25. The existence and details of the UNWTO office in Japan can be found at the UNWTO website<sup>3</sup> as well as that of the regional office.<sup>4</sup> According to the latter site, the WTO in 1992 decided to open its first regional support office in Asia and the Pacific region. At the 10<sup>th</sup> Joint Meeting of the WTO Commissions for South Asia and for East Asia and the Pacific held in Bali, Indonesia in October 1993, Japan was selected as the headquarters of the new office. The subsequent WTO General Assembly approved the establishment of the office in Japan.

26. Being that as it may, the investigation mentioned in paragraph 10 above shall examine the establishment, role and function of the regional office in Osaka, including its financing and staffing, together with the other issues raised in the present report.

27. The implementation of the following recommendation is expected to enhance the accountability of the Organization.

#### **Recommendation 1**

**The practice of appointing the Executive Director of Affiliate Members by a single Member State should be discontinued. The position may be financed from extra-budgetary sources, but the selection process has to be done according to an open, competitive and transparent recruitment process.**

#### **F. Other bodies**

28. UNWTO activities are also promoted through the work of foundations and offices that focus on specific UNWTO objectives. These foundations are financed by the host country Member States. The UNWTO THEMIS Foundation, headquartered in Andorra, is “an operational instrument to facilitate administration and management in implementing [UNWTO] programme of work in the area of education and training in tourism, and thus facilitating relations with UNWTO members”.<sup>5</sup> The Sustainable Tourism Eliminating Poverty (ST-EP) Foundation is the cornerstone of the ST-EP Programme established in 2003 by UNWTO. Though many countries have contributed to the Programme, the contribution of the Government of the Republic of Korea was allocated to setting up the Foundation and the office in Seoul, Korea. While the Foundation is an international, non-profit umbrella body overseeing the ST-EP Programme, it is the UNWTO Department of Development Assistance that is responsible for the implementation of ST-EP projects.

29. The THEMIS Foundation was subject to an independent audit and the report was submitted to the Committee on Budget and Finance.<sup>6</sup> Its findings included, inter-alia, reimbursement of expenses without valid justification; questionable recruitment practices of

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<sup>3</sup> [www.unwto.org/aboutwto/how/en](http://www.unwto.org/aboutwto/how/en)

<sup>4</sup> [www.wto-osaka.org/english/index\\_e.htm](http://www.wto-osaka.org/english/index_e.htm)

<sup>5</sup> UNWTO Education, Training and Knowledge Department coordinates the activities of the foundation (<http://ekm.unwto.org/english/themis.php>).

<sup>6</sup> CBF/48/2 – Administrative, Financial and Statutory Matters – Themis Foundation Audit Report – November 2007.

Foundation personnel; and the ambiguous status of the UNWTO “office” in Andorra. These issues, inter-alia, together with other concerns relative to the relationship of the Organization with the THEMIS Foundation, will be the subjects of an investigation to be undertaken by JIU.

30. A proposed World Centre of Excellence for Destinations is being established in Montreal, Canada, with the support of the Canadian Federal Government. This non-profit organization aims at expanding upon the activities of UNWTO by bringing added value and expertise on innovative destination policies and practices.<sup>7</sup>

31. The Inspector is of the view that the establishment of different foundations and offices, including the secretariat office in Osaka, does not follow a preconceived strategy, and while they perhaps increase UNWTO outputs, their financing and linkages with the secretariat need to be transparent. Moreover, the Inspector found that the purpose, structure and financing of these foundations are unclear, inasmuch as they are part and parcel of the Organization. Therefore, the establishment of the above foundations (THEMIS and ST-EP), the World Centre of Excellence for Destinations and the secretariat office in Osaka, including their relationship with UNWTO, shall be part of the investigation mentioned above, which will recommend concrete measures to ensure control, accountability, transparency and compliance with the pertinent financial regulations and rules and avoid duplication/overlap with secretariat activities.

32. The implementation of the following recommendation is expected to enhance the accountability of the Organization.

**Recommendation 2**

**The Secretary-General should develop modalities of cooperation with the respective foundations and offices and submit them to the 2011 UNWTO General Assembly for consideration and approval, together with the outcome of the mentioned JIU investigation on the subject.**

**G. Hosting of meetings**

33. According to article 8, paragraph 2, of the UNWTO Statutes, “Meetings of the Assembly and the Council shall be held at the Headquarters of the Organization unless the respective organs decide otherwise.” Nevertheless, most, if not all, meetings of both organs take place outside the host country, making the exception a rule. While it is reasonable and convenient, considering related costs (i.e. travel, daily subsistence allowances, etc.) that regional commissions meet in their respective geographical areas, it is not a regular practice for most of the United Nations organizations to systematically hold main governance meetings away from headquarters. UNWTO organizes, as a regular practice, its General Assembly sessions and Executive Council meetings in different locations. The UNWTO Statutes does not specify any criteria in this regard and relevant decisions are made by the General Assembly according to its rules of procedure (normally and for most matters by simple majority; financial and budgetary matters, inter-alia, require a two-thirds majority).

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<sup>7</sup> See the “status report on the quality policy of destinations and establishment of the World Center of Excellence for Destinations of Montreal” (UNWTO General Assembly document A/17/21) for additional information on the proposed Centre.

34. Despite resolution 351 (XI) entitled “ place and dates of the twelfth session” in which the UNWTO General Assembly adopted the procedure proposed by the Secretary-General for choosing the venue of the General Assembly session and the principle of geographical rotation in the choice of countries to host future sessions, the Inspector believes that the current practice of the organization of General Assembly meetings and in particular the organization of Executive Council meetings in different locations needs to be reconsidered.

35. The seventeenth session of UNWTO General Assembly was held in 2007 in Cartagena de Indias, Colombia, and the next one is scheduled to take place in Astana, Kazakhstan in 2009. Since the first session, held in Madrid in 1975, only the seventh session in 1987 took place at headquarters. The Executive Council held sessions in: Senegal, 2005; Ecuador and Algeria, 2006; and Tunisia and Colombia, 2007.

36. UNWTO is the smallest specialized agency of the United Nations; its resources are very limited and it has practically no offices away from headquarters that could support the organization of meetings. Despite the considerable efforts and financial support of the countries interested in organizing a General Assembly, the Organization itself needs to make a significant logistical effort when organizing sessions abroad; sending support staff, documentation and relevant equipment and materials, which obviously imply indirect costs.<sup>8</sup>

37. While holding meetings outside headquarters may help to promote tourism in given countries, it makes more difficult the follow-up for delegations of Member States and does not contribute to the preservation of institutional memory on their side.

38. Different stakeholders interviewed by the JIU team, including host country authorities, expressed criticism on the issue of governance meetings being held in scattered locations, indicating that records of the Executive Council meetings are not regularly kept. Furthermore, they defined the governance process as “extraordinarily uncommon”. The host country agreement includes provisions for the organization of meetings of the General Assembly and the Executive Council at headquarters. The Government of Spain is committed to offer facilities, at no additional cost for UNWTO, for the organization of such meetings.<sup>9</sup>

39. The Inspector observes that the holding of these meetings outside Headquarters may result in organizational resources being devoted to logistical activities as opposed to substantive matters. Furthermore, with a limited number of secretariat staff present at these meetings, there is very little substantive support available. Finally, the holding of such meetings outside headquarters limits accessibility/visibility for media and hence coverage is limited for the outcome.

40. The implementation of the following recommendations is expected to disseminate best practice and enhance accountability.

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<sup>8</sup> Although rule 1 of the Rules of Procedure state that the Assembly may meet at another place if it so decides, provided the host country reimburses the extra expenses involved in holding the session, the fact that key Secretariat staff are away from headquarters may hinder work flows.

<sup>9</sup> Article 25 of the Agreement between the Government of Spain and UNWTO; articles 11 and 12 of the supplementary agreement signed 19 May 1977 and article VII of the special agreement on premises of 10 March 1980. Furthermore, the interest of candidates to organize future General Assembly sessions might lead to potential conflicts of interest and to conniving decisions.

**Recommendation 3**

**The Executive Council may wish to revisit its practice of holding its meetings outside Headquarters, in the light of the potential associated benefits and drawbacks.**

**Recommendation 4**

**The UNWTO General Assembly may wish to revisit its practice of holding its meetings outside Headquarters, in the light of the potential associated benefits and drawbacks, and establish, as part of the Statutes of the Organization, an article regulating the conditions for exceptions.**

**H. Legislative decision-making process**

41. The Inspector was present at the seventeenth session of the UNWTO General Assembly, held in Cartagena de Indias, Colombia, and observed excessive interventions by the secretariat during the decision-making process, in particular during the negotiations of the resolutions and decisions and the adoption of the agenda, which is not the role of a secretariat. Meetings held at different locations help to perpetuate this situation as many delegations consist of participants who frequently have not attended previous UNWTO meetings. The Inspector was, in particular, concerned to observe that, contrary to the standard practice, member State representatives were negotiating with the secretariat staff, as opposed to among themselves, on the text of resolutions being adopted.

42. The Inspector was also informed that no written record of the discussions held during the Executive Council or General Assembly meetings are produced. Only decisions/resolutions are recorded. Further, for those agenda documents for which decisions/resolutions are required, the Inspector noted that in such cases, no draft decision/resolution is included. As a result, meetings are lengthened and without recorded minutes, no background information on a related decision/resolution is available for future reference.

43. The implementation of the following recommendations is expected to disseminate best practice and enhance accountability.

**Recommendation 5**

**The UNWTO General Assembly may wish to revisit its current decision-making process at all legislative levels to ensure that sufficient dialogue and negotiations among the parties take place, in order to reach clear decisions as a prerequisite to properly guide, direct and oversee the operations of the Organization, thus releasing the secretariat from the responsibility to provide the basis for its decisions.**

**Recommendation 6**

**The Secretary-General should ensure that written summary records/minutes of the governing body meetings are duly produced.**

### III. STRATEGIC PLANNING AND BUDGETING

#### A. Strategic planning

44. In accordance with UNWTO statutory provisions, the Secretary-General submits to the General Assembly the draft general programme of work and budget for the biennium, approved by the Executive Council at its previous meeting. Accordingly, in resolution 524 (XVII), the General Assembly, at its seventeenth session, approved the Draft Programme of Work and Budget for the Organization for the period 2008-2009. This document constitutes a road map for the Organization and lists four strategic objectives that attempt to respond to the short and long term development needs of members; the promotion of partnerships and proper governance within the tourism sector and the provision of information technology advice and image-building support to members.

45. The draft programme of work was prepared by the Direction for Programme Coordination (DPC)<sup>10</sup> in five stages. An analysis of the priority areas indicated by the Member States in response to a 2006 survey undertaken by the secretariat served as the basis for the document. All programme departments, sections, units and regional representations within the secretariat were asked to prepare and submit proposals to DPC. These proposals were then reviewed by DPC to ensure coherence and avoid overlaps or duplications, and to group them around the four strategic objectives. Within each objective, a number of specific objectives and corresponding activities to achieve them were identified. Finally, the budgets for each activity were established and hence in the process, the budget presented was no longer structured around the secretariat departments, sections or regional representations, but around each activity.

46. The Inspector notes that only 31 Member States had replied to the 2006 survey and many of them had not indicated any priority areas for 2008-2009.<sup>11</sup> The Organization needs to be driven by the Member States, and not by its secretariat, in order for it to serve the needs of its constituents and develop its capabilities and usefulness.

47. The implementation of the following recommendation is expected to enhance the effectiveness of the Organization:

#### **Recommendation 7**

**The UNWTO General Assembly should call for a greater Member State participation and leadership in the planning, programming and budgeting process.**

#### B. Results-based management

48. UNWTO started to consider results-based management (RBM) principles in 2004. The Secretary-General submitted Agenda 2010 to the Executive Council in 2004 in order to take a long-term outlook and plan of activities. This was done within the context of a presumed RBM approach, as it was important to establish a limited number of strategic objectives for such a plan and in the process pursue three main aims: (a) UNWTO reinforces its own structure in order to fully act as a United Nations specialized agency (b) increase its financial resources

<sup>10</sup> Established by the Secretary-General in February 2007.

<sup>11</sup> "Draft Programme of Work and Budget of the Organization for the Period 2008-2009" (General Assembly document A/17/7 Rev.), p.3.

coming from alternative sources other than government contributions and (c) be empowered during a four-year period to provide maximum assistance to its members. Four strategic objectives and the corresponding expected results and performance indicators were set out.<sup>12</sup>

49. At the seventeenth session of the UNWTO General Assembly, a mid-term evaluation of the four strategic objectives was tabled for review as well as the membership being informed that the Executive Council had requested the Secretary-General to prepare a report evaluating the 2006-2007 activities in order to assess the results obtained.<sup>13</sup> The Secretary-General also informed the membership that the Organization will have to adapt its performance evaluation procedures to the RBM system that is being devised by the United Nations System Chief Executives Board for Coordination (CEB).<sup>14</sup> However, the Inspector is not aware of any "RBM system being devised by the CEB"; additionally, he observed that there are no systematic and meaningful evaluation mechanisms in place within UNWTO.

50. The Inspector notes that while the RBM approach initiated by UNWTO is in accordance with trends in other organizations, it is very basic and limited in nature and needs further development, inter-alia, the careful selection and refinement of quantitative and qualitative indicators. The budget and programme of work includes strategic objectives and associated outputs and indicators. However, most of the indicators lack associated targets and baseline data to determine their relevance and to facilitate the evaluation of achievements. This is an area that should be improved upon.

51. Any comprehensive RBM approach should include, in addition to the programmatic and substantive component already initiated by UNWTO, a human resources management component as well. These components need to be supported by appropriate tools, i.e., information technology that can facilitate planning, programming, budgeting, monitoring, evaluation and reporting activities.

52. In 2004, the JIU prepared a series of reports on results-based management including a benchmarking framework for the implementation of RBM (JIU/REP/2004/5, JIU/REP/2004/6, JIU/REP/2004/7 and JIU/REP/2004/8). The JIU has already applied it in the administration and management reviews of several organizations, namely, the United Nations Secretariat, the Department of Peacekeeping Operations (DPKO), the Pan-American Health Organization (PAHO), the United Nations Convention to Combat Desertification (UNCCD) and the International Labour Organization (ILO).

53. The CEB invited all organizations of the United Nations system to endorse the JIU benchmarking framework for RBM and to use it as the chapeau for their respective implementation of RBM.<sup>15</sup> The JIU RBM benchmarking framework was subsequently endorsed by the General Assembly of the United Nations.<sup>16</sup>

54. The main prerequisite for a results-based implementation, which is the development of a results oriented organizational culture, is still a challenge for an organization that needs to shift its culture from a compliance one, oriented towards form and procedures, to one geared to

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<sup>12</sup> See Agenda 2010 — Note by Secretary-General (UNWTO General Assembly document A/16/13(b)).

<sup>13</sup> "Report on the Implementation of the General Programme of Work for 2006-2007" – Note by Secretary-General (UNWTO General Assembly document A/17/4).

<sup>14</sup> Ibid, p. 2.

<sup>15</sup> CEB/2005/HLCM/R.6.

<sup>16</sup> Through the approval of paragraph 248 of the report of the fifty-fifth session of the CPC in resolution 60/257.

accountability and results achievement at all levels. The above-mentioned strategic framework for the implementation of RBM should guide this process.

55. The implementation of the following recommendations is expected to enhance the functionality of the Organization.

**Recommendation 8**

**The UNWTO General Assembly should endorse the results-based management (RBM) framework developed by the JIU and request the secretariat to use it in the implementation of RBM.**

**C. Budget issues**

56. The Organization is financed by assessed contributions of Full, Associate and Affiliate Members according to a scale of assessment accepted by the General Assembly and from other possible sources of receipts for the Organization in accordance with the Financing Rules. Contributions are determined in accordance with the “Lusaka formula”, which takes into consideration different factors, including economic development and tourism activities of Full Members. It is noted that members are grouped in seven different categories. This report does not intend to analyse the appropriateness of the formula used, however the Inspector would like to highlight that contributions, from a United Nations system perspective, are very low.

57. The Inspector was informed that Member States have inquired from the secretariat as to the exact basis/criteria used in calculating their individual assessments. Such assessments should be established in a clear and transparent manner. For example, with the United Kingdom of Great Britain and Northern Ireland withdrawing from the Organization, effective 1 August 2009, the resulting shortfall in the budget was covered by increasing proportionately the assessed contributions of other Member States. The revised assessments were made by the secretariat without informing the Member States accordingly.

58. The implementation of the following recommendation is expected to enhance the accountability of the Organization.

**Recommendation 9**

**The Secretary-General should inform and obtain approval from the UNWTO General Assembly prior to any revision of assessed contributions of Member States to the budget.**

59. The programme budget of the Organization covers a biannual period. The current budget period (2008-2009) represents an amount of 25.1 million euros and is divided into three parts.

Part I: Programme of Work;

Part II: Executive Organs and Meetings

Part III: Programme support services and other budgetary provisions

Staff costs for the period amount to 70 per cent, in line with other United Nations entities; other expenditures related to Part I represent 15 per cent; Part II, 4 per cent and Part III, 11 per cent.

60. The Inspector welcomes the use of the euro as the budget currency for in doing so, the Organization protects itself against currency fluctuations, as the same currency is being used for planning purposes and most of the incurred organizational expenditure is in euros.

61. Article 17, paragraph 5, of the Agreement between the United Nations and the World Tourism Organization refers to the requirement to achieve uniformity in the presentation of the budget of system organizations.<sup>17</sup> In this regard, the Inspector would like to point out that UNWTO does not include in its budget presentation staffing tables for each department, or organizational unit; it only includes staff costs and other costs without a detailed breakdown of different categories of costs. Human resources allocated to sections are described in terms of “work/months”. In order to achieve uniformity, transparency and accountability, it would be necessary to attach staffing tables for each section, indicating number of staff, categories and grades, in accordance with system practice. Furthermore, the budget for each section, departments or organizational units should show clearly resources allocated to each area and it should be broken down into different objects of expenditure to ensure that the programmes correlate with the level of resources allocated to them.

62. The Inspector regrets that important documents, such as the proposed programme budget, are not available in electronic format and only hardcopies were received when documentation was requested in the context of the preparation of this report. Furthermore, hardcopies of certain documents, including the answer to certain formal questions, were received in a sealed envelope without any introductory letter and/or covering note. The Inspector wishes to point out that formal questions and requests for information should be properly and officially answered by the Organization.

63. The implementation of the following recommendation is expected to enhance efficiency of the Organization.

**Recommendation 10**

**The Secretary-General should include in the budget proposals a breakdown by organizational unit showing financial resources and staffing tables for each budget component (organizational unit).**

64. In the 2008-2009 Draft Programme of Work and Budget, it is stated that the secretariat has a scarce financial capacity to deal with activities not included in its Programme of Work and thus sources of external financing have to be identified. Being that as it may, the Inspector notes that arrears of Member States as at 31 December 2007 amount to 16.44 million euros.<sup>18</sup> Though Member States are encouraged to repay their contribution arrears either in full or in instalments, the fact that some members owe contributions starting from 1976, is not a sign of financial discipline. There are provisions in the Statutes and Financing Rules relating to payment of arrears that are not strictly enforced.<sup>19</sup>

<sup>17</sup> United Nations General Assembly resolution 58/232, annex.

<sup>18</sup> Information provided by UNWTO Secretariat – 31 October 2008.

<sup>19</sup> See article 34 of the Statutes of the Organization and paragraph 13 of the Financing Rules.

65. The implementation of the following recommendation is expected to enhance the functionality of the Organization.

**Recommendation 11**

**The UNWTO General Assembly should call for the members to pay their arrears within the period stated in the Statutes and Financing Rules.**

**D. Accounting**

66. The Organization currently bases its accounting procedures on local standards.<sup>20</sup> Current supporting information management systems are outdated and accounting activities require a lot of manual work. However, in July 2006 the General Assembly of the United Nations approved the introduction of the International Public Sector Accounting Standards (IPSAS) across the system. In this regard, UNWTO is committed to implement IPSAS initially by 2010, in line with other entities of the United Nations system. Compliance with the IPSAS standards guarantees that the financial reporting of public bodies conveys what is termed a “true and fair view” of the financial situation. IPSAS takes account of the characteristic features of the public sector. The adoption of IPSAS, together with disclosure of compliance, will lead to a significant improvement in the quality of general purpose financial reporting by public sector entities. This, in turn, is likely to lead to better-informed assessments of the resource allocation decisions made, thereby increasing transparency and accountability. The Inspector welcomes the initiative of UNWTO to join other United Nations entities in the implementation of IPSAS; he also welcomes the decision of the UNWTO General Assembly (resolution 519 (XVII), para. 4) to make a provision of 100,000 euros in order to cover expenses related to the implementation of IPSAS. However, he warns about the potential resource implications of such implementation and the need to further develop a specific work plan, including, inter-alia, the costing of such implementation. The same warning and recommendation have been expressed by the auditors in their report for the closing of the period 2006 (CE/80/5I). The Executive Council, following the external auditors’ recommendation, also requested the secretariat to prepare a plan for IPSAS implementation.

67. The implementation of the following recommendation is expected to enhance the efficiency of the Organization.

**Recommendation 12**

**The Secretary-General should elaborate a detailed phased work plan, including necessary resources, for the implementation of IPSAS and submit it to the General Assembly for approval.**

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<sup>20</sup> General Accounting Plan (Plan General Contable) is a standard accounting system used in Spain.

## IV. HUMAN RESOURCES MANAGEMENT

### A. Organigramme

68. The UNWTO organizational chart<sup>21</sup> is complex and in some cases does not reflect clearly defined reporting lines. Given the small size of the Organization, the Secretary-General is involved in most of the management activities, including many that should be delegated to lower levels, from human resources management activities to direct supervision of substantive programmes. For example, the Secretary-General directly authorizes all mission travel,<sup>22</sup> and the chiefs of Conference Services and Human Resources Management both report directly to him. Interviews with staff members also indicated that there is a need for more delegation of authority. The Inspector agrees with those views.

69. The Organization is in a transition phase and while the centralization of authority could be somehow understood in the past, given its small size, there is a need for a clearer and wider distribution of responsibilities, instead of the current vertical chain of command, with a top-heavy structure which has become a bottleneck for the dynamic functioning of the Organization. The Organization is facing new challenges, such as its integration in the United Nations system, which demand a more horizontal and efficient management structure.

70. The implementation of the following recommendation is expected to enhance accountability within the Organization.

#### **Recommendation 13**

**The Secretary-General should develop an organizational chart reflecting actual responsibilities and clear reporting lines consistent with the authority delegated.**

### Senior management

71. The Secretary-General, the Deputy Secretary-General, an Assistant Secretary-General, a Director of Programme Coordination and the Director of Administration form senior management. For an Organization of a little over 100 full time staff, it is top-heavy and there is potential overlap of responsibilities and functions.

72. The responsibilities and delegation of authority within senior management need to be clearly defined; for example Human Resources Management reports directly to the Secretary-General and is not under the responsibility of the Director of Administration, as is the normal practice in other United Nations entities.

73. The role and delegation of authority of the Deputy Secretary-General and that of other senior managers need to be expanded in order to reduce the number of direct reporting lines to the Secretary-General. A clear division of labour between the Secretary-General, Deputy Secretary-General and the Assistant Secretary-General needs to be reconsidered. The Inspector is of the view that the functions assigned to each of these positions are not clearly stated. When asked to submit the job descriptions for the Director of Programme Coordination and of the Assistant Secretary-General, the reply was that they are currently under review. A further request to provide the existing job descriptions was not adhered to.

<sup>21</sup> See Annex I of the present report for the Secretariat structure.

<sup>22</sup> See Annex 1 to the "Detailed Financial Provisions of the Financial Regulations of the World Tourism Organization".

74. The Secretary-General is currently in his third mandate. The General Assembly approved an amendment to the UNWTO Statutes to establish a limit of two terms for the Secretary-General;<sup>23</sup> but regrettably this amendment has yet to be ratified. The Inspector notes with concern that all adopted amendments to the Statutes have not been ratified to date.

75. The Inspector notes with high concern that some senior managers and several managers at lower levels are either over the age of retirement or very close to retirement. The Inspector is not satisfied with the answers received regarding the number, names and activities undertaken by staff members over the age of retirement; the Organization provided repeatedly vague answers, again not contributing to the expected transparency. There are no systematic and objective criteria for the transparent and impartial granting of contract extensions beyond the age of retirement and cases are handled on a “case-by-case” basis, originating criticism within the Organization due to the unequal treatment of cases and alleged arbitrary decisions. This issue will also be part of the future investigation.

76. The Inspector also believes that the Organization needs to develop a culture of accountability, where results and performance at all levels are encouraged and recognized. In this respect, the role of senior management is crucial: senior management should lead the change through, inter-alia, exemplary behaviour. The series of reports on RBM refer to this point indicating, “In some secretariats, in fact, expectations of performance for posts at the highest level, for which even job descriptions are not always available, are not spelled out in any document. This may lead to a situation where accountability of senior managers is less clearly established than that of other staff at lower levels. The Inspector wishes to emphasize that for a genuine performance culture to strike root, everyone, including the executive heads and their senior staff, must be held accountable and it is therefore imperative that accountabilities for all officials be established in an unambiguous way.”<sup>24</sup>

77. The same series states “Beyond the mere verification of the adequacy of existing control mechanisms to prevent potential abuses of authority, efforts must also be undertaken to strengthen the ethical behaviour of staff at all levels, but particularly of senior managers. Therefore, the formulation, dissemination and enforcement of codes of conduct and ethical standards must become one of the organizations’ strategic priorities in the development of a culture of accountability.”<sup>25</sup>

78. To this end, the seemingly improper behaviour within the office of some senior managers has been brought to the attention of the Inspector by staff members interviewed, including the case of a senior official who is concurrently holding positions (in some cases, remunerated) in tourism-related institutions. These too, will be looked into during the investigation that the JIU will be launching shortly. Even though the Secretary-General may have permitted such activities,<sup>26</sup> they are not in accordance with the United Nations system accepted standards on the subject and thus any such activity undertaken after the Organization joined the United Nations family is not acceptable.

79. The Inspector was also informed that a UNWTO senior official had used the services of a helicopter to attend a meeting, even though ground transportation had been approved and pre-arranged, and the costs were billed to the Organization. This incident will also be reviewed during the investigation process, which will look, inter-alia, into the use of travel resources.

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<sup>23</sup> Resolution 512(XVI) adopted at the sixteenth session, held in Dakar, November-December 2005.

<sup>24</sup> JIU/REP/2004/7, para. 47

<sup>25</sup> Ibid, para. 57.

<sup>26</sup> Rule 10(4) of the UNWTO Staff Rules

80. The Organization has not yet developed an internal code of conduct for staff. In this regard, the Inspector underlines that the adoption of codes of conduct of international civil servants is a must within the current efforts to bring accountability and oversight to the United Nations system organizations.

81. UNWTO has not established a clear management succession plan that in the view of the Inspector is urgent and necessary, to protect institutional memory and to guarantee a smooth transition and management of the Organization while adapting to United Nations practices and standards.

82. The implementation of the following recommendations is expected to disseminate best practice.

**Recommendation 14**

**The UNWTO General Assembly should adopt the status, basic rights and duties of United Nations staff members (ST/SGB/2002/13) and the corresponding financial disclosures policy, while promoting ethics and integrity at work, and allocate resources for relevant training of staff on these issues.**

**Recommendation 15**

**The Secretary-General should:**

**(a) Develop a senior management succession plan in order to preserve institutional memory and guarantee the smooth future management of the Organization;**

**(b) Develop a rule defining the exceptional circumstances under which the extension of contracts over the age of retirement could be granted;**

**(c) Review the current top-heavy structure of the secretariat with a view to streamlining it.**

**B. Human resources issues**

**Job description and classification**

83. The following table shows the number and category of established posts under the regular budget. While the table indicates that 106 posts have been approved for the period 2008-2009, only 96 have been filled. The Inspector learned that these vacant posts have been filled by retirees, the exact extent and number of which is not known as the Organization has refused to provide the actual numbers, while acknowledging the practice. A further nine positions will become vacant through retirement by the end of 2009.

	Number of posts		
	2004-2005	2006-2007	2008-2009
<b>Secretary-General</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Deputy Secretary-General</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Assistant Secretary-General</b>	<b>-</b>	<b>-</b>	<b>1</b>
<b>Professional and higher categories</b>	<b>42</b>	<b>44</b>	<b>45</b>
<b>General Services category</b>	<b>51</b>	<b>57</b>	<b>58</b>
<b>TOTAL</b>	<b>95</b>	<b>103</b>	<b>106</b>

84. The Organization, after joining the United Nations system in 2003, undertook a job classification exercise in 2004 with a view to harmonizing job descriptions/classifications in accordance with system standards. However, when interviewing staff, it was clear that this was an area that needed a lot of improvement. A considerable number of staff members showed their dissatisfaction indicating that they did not have, or did not know if they had, a job description; some others indicated that the functions undertaken by them did not correspond to the specific grade they had and several complained about arbitrary decisions regarding the awarding of grades and lack of transparency in certain promotions. It is ascertainable that there are cases of staff members undertaking very similar functions but having different grades.

85. The development of clear job descriptions and related fair grading is fundamental for a subsequent assessment of individual performance, which has a very important impact on staff morale. Interviews with staff representatives and with a group of staff representing the General Service category clearly indicated their frustration regarding this issue.

86. The integration of UNWTO into the United Nations system requires UNWTO to adapt its former practices to new standards. It is obvious that the transition from the old structure to the United Nations grading system has had and will have financial implications, however, article 16 of the Agreement between UNWTO and the United Nations indicates that both organizations "...agree to develop, in the interests of uniform standards of international employment and to the extent feasible, common personnel standards, methods and arrangements designed to avoid unjustified differences in terms and conditions of employment..."<sup>27</sup>

87. The implementation of the following recommendation is expected to enhance the effectiveness of the Organization.

**Recommendation 16**

**The Secretary-General should conduct an overall review of job descriptions and subsequently a job classification exercise in accordance with United Nations generic job descriptions and standards for consideration by the UNWTO General Assembly.**

**Recruitment and promotion**

88. The Deputy Secretary-General chairs the Appointments and Promotions Board of the Organization, however and according to information received during the interviews held, the Secretary-General deals directly with vacancies for the Professional category. The recruitment of staff should be guided by the principles included in article 24, paragraph 3 of the Statutes of the Organization "the paramount consideration in the recruitment of staff and in the determination of the conditions of service shall be the necessity of securing the highest standards of efficiency, technical competence and integrity. Subject to this consideration, due regard shall be paid to the importance of recruiting the staff on as wide a geographical basis as possible." Along this line, the JIU RBM strategic framework indicates, inter-alia, that "Recruitment, placement, reassignment and promotion decisions should be based strictly on professional competence, and political considerations, other than those expressly agreed and legislated on by the legislative organs, are not allowed to influence those decisions."<sup>28</sup>

<sup>27</sup> United Nations General Assembly resolution 58/232, annex, article 16, para. 1.

<sup>28</sup> Overview of the series of reports on managing for results in the United Nations (JIU/REP/2004/5), Accountability; Benchmark 3.

“Transparent, effective and fair recruitment/placement systems are in place to support results-oriented contractual policies.”<sup>29</sup> This should be done through, inter-alia:

(a) The development of tools and mechanisms such as tests, competency-based interviews and “assessment centres” to assist managers in the discharge of their responsibilities; the use of pre-defined, clear and verifiable criteria for the selection of candidates, the respective weights of these criteria to be clearly determined;

(b) The establishment of central bodies, which UNWTO has already established, that review selection decisions to verify that these pre-defined evaluation criteria and relevant procedures have been applied, and that the comparative evaluation has been duly recorded.

In addition to the above elements, the JIU RBM strategic framework also refers to the required empowerment of programme managers for the recruitment and placement of staff to posts under their responsibility; which is also an area for further improvement within the Organization.

89. Several cases of alleged recruitment favouritism were brought to the attention of the Inspector. The issue of alleged biased recruitment and associated lack of transparency, including those specific cases previously mentioned will also be part of the investigation to be conducted.

#### **Geographical distribution and gender balance**

90. According to article 24, paragraph 3, of the Statutes of the Organization, the staff should be recruited “on as wide a geographical basis as possible” (see paragraph 88 above). UNWTO does not have a formal policy for geographical distribution: in order to achieve as wide a geographical distribution as possible among staff, vacancy announcements for posts to be filled within UNWTO are circulated among its Member States, Associate Members, Affiliate Members, and other international organizations and advertised on the UNWTO website.

91. Being that as it may, the Inspector commends the Organization for having staff from 43 nationalities on board.<sup>30</sup> This includes staff from the General Service category and consultants, though Rule 14 (5) of the Staff Rules states that such posts are not subject to geographical distribution requirements.

92. Despite the absence of a specific rule/regulation on gender balance, the current gender balance for professional and general service staff is shown below.<sup>31</sup>

<b>Professional Staff</b>			<b>General Service Staff</b>			<b>TOTAL</b>
<b>Female</b>	<b>Male</b>	<b>Total</b>	<b>Female</b>	<b>Male</b>	<b>Total</b>	
17	24	41	38	17	55	96

93. The implementation of the following recommendation is expected to enhance the effectiveness of the Organization.

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<sup>29</sup>Ibid, Contractual arrangements; Benchmark 3.

<sup>30</sup> Information provided by the UNWTO Secretariat.

<sup>31</sup> Ibid.

**Recommendation 17**

**The Secretary-General should develop tools and control mechanisms to guarantee that recruitment and promotion is based on transparent, comparative evaluations of the professional competencies of the candidates, with due consideration given to a balanced geographical and gender representation.**

**Performance appraisal systems**

94. While the Organization has launched a new individual performance appraisal system, the fact remains that in many cases, there are no meaningful targets and objectives that could be used to assess performance in an objective manner. Furthermore, without clear job descriptions and a comprehensive performance assessment instrument, there is no individual accountability.

95. UNWTO has introduced a rudimentary results-based approach in its programme budget for 2008-2009. While some achievement indicators have been introduced, the programmatic objectives are not linked in a meaningful way to individual ones. In this respect, the Organization must make a concerted effort to adopt a comprehensive results-based approach to include human resources management, given that results are only achieved through the management of people.

96. The implementation of the following recommendation is expected to enhance the effectiveness of the Organization.

**Recommendation 18**

**The Secretary-General should develop, after consultations with the staff, an individual performance assessment instrument, which should include, inter-alia, Specific, Measurable, Attainable, Results-oriented and Time-bound (SMART) objectives and targets for each staff member in order to allow a fair, objective and transparent assessment of staff performance.**

**Training**

97. Training is provided for staff members in the area of Information and Communications Technology (ICT), language and management skills. The Organization has also assisted staff wishing to undertake post-graduate studies related to their job-responsibilities.

98. The Inspector regrets that further elaboration in this subject area was not possible due to the inability to obtain further information from the secretariat, despite numerous reminders.

## V. CENTRAL SUPPORT SERVICES

### A. Conference and language services

99. The provision of conference and language services for UNWTO meeting bodies falls within the responsibility of the Conference Department. The official languages of the Organization are English, Spanish, French, Russian and Arabic. While the General Assembly, at its seventeenth session, approved the use of the Chinese language as an official language, the Secretary-General pointed out that the Organization had not provided for this in the 2008-2009 biennium budget and hence requested extra-budgetary funds for this activity.<sup>32</sup>

100. The implementation of the following recommendation is expected to enhance the functionality of the Organization.

#### **Recommendation 19**

**The UNWTO General Assembly should provide the required resources to permit the use of the Chinese language as an official language of the Organization in accordance with UNWTO General Assembly resolution 521 (XVII).**

### B. Information and communications technology systems

101. The Information and Communications Technology (ICT) systems in the secretariat are outdated and a project is envisaged at upgrading the network infrastructure. Financial systems are obsolete (see paragraph 66 above), as several accounting-related tasks need to be done manually.

102. The Inspector believes that given the diverse challenges faced by the Organization, it should develop a comprehensive ICT strategy. This strategy should take into consideration the current and future needs of the different departments/organizational units and future direction of management activities (i.e., implementation of RBM, IPSAS, etc.) and even consider implementing an Enterprise Resource Planning (ERP)<sup>33</sup> and ERM solutions, like many United Nations entities.

103. The implementation of the following recommendation is expected to enhance the efficiency of the Organization.

#### **Recommendation 20**

**The Secretary-General should develop a long-term holistic ICT strategy taking into consideration the current and future needs of different stakeholders. The strategy should include a phased cost plan to be submitted to the General Assembly for consideration and approval.**

<sup>32</sup> See Report of UNWTO Secretary-General on linguistic diversity (document, A/17/5(c)).

<sup>33</sup> ERP is an information management system supporting all the information needs of an organization in a comprehensive and integrated manner. ERPs usually contain different modules (finance and accounting, human resources management, payroll, programme management, etc).

### **C. Publications and outreach**

104. UNWTO has established an advanced system to sell its publications through the Internet. This system seems to be functional and bringing in revenue to the Organization.

105. In terms of dissemination of information about the activities of the Organization through its proprietary website (www.unwto.org), the Inspector is of the view that there is a necessity to revise the web content and functionality. For example, some of the links do not work, outdated information postings and the need to include additional information such as General Assembly resolutions by session, etc.

106. The implementation of the following recommendation is expected to increase awareness of UNWTO activities.

**Recommendation 21**

**The Secretary-General should revise, continuously update the content and maintain the functionality of the UNWTO website.**

## VI. OVERSIGHT

107. The JIU, in its report “Oversight lacunae in the United Nations system”<sup>34</sup> found that the internal oversight budget of UNWTO was nil (biennium 2004-2005, annex VII of the report) and that the Organization was below the minimum number of staff required by the JIU suggested standard for an in-house oversight function. The JIU report further stated that the Organization did not have in place an adequate structure for internal oversight, including investigative functions or professional staff on board for internal audit, investigation or evaluation.

108. Presently, the Secretary-General submits to the UNWTO General Assembly a report on the implementation of the general programme of work for the biennium and its evaluation. For the purpose of evaluating results, the regional representatives and heads of departments at UNWTO have been instructed to collect information from Member States regarding their assessments of the activities undertaken by the secretariat in each respective region or programme area. In addition, a comprehensive survey was carried out with all Member States in the second half of 2007 in order to collect and/or update information on the level of achievement in each country regarding: (a) the activities undertaken by the UNWTO secretariat during 2006/2007; and (b) the objectives established in the Agenda 2010 approved by the General Assembly, at its sixteenth session, held in Dakar in December 2005.

109. On the basis of the replies received, and other evaluation instruments being applied within the secretariat according to the recommendations of the Programme Committee, an evaluation of the implementation of the Programme of Work 2006-2007 was undertaken.

110. The above approach shows several limitations in undertaking an evaluation in a comprehensive and coherent manner. There is no indication about the availability of central evaluation guidance. Furthermore no secretariat documentation made available indicates any internal evaluation criteria and activities related to the performance of the different departments within the secretariat.

111. It should be noted that the Organization does not possess any internal audit, inspection, evaluation, investigation or monitoring capabilities. The Inspector believes that it is necessary for these functions to be either in-sourced to any other United Nations system organization that has the capacity to respond, or alternatively, an internal oversight unit should be established to perform the above-mentioned functions. This would be in accordance with the practice of other United Nations entities that establish such units. This would also help spearhead the introduction of RBM within UNWTO.

112. The Statutes of the Organization provides that the accounts of UNWTO shall be examined by two auditors elected by the General Assembly on the recommendation of the Executive Council for a period of two years. The auditors shall be eligible for re-election. The auditors, in addition to examining the accounts, may make such observations as they deem necessary with respect to the efficiency of the financial procedures and management, the accounting system, the internal financial controls and, in general, the financial consequences of administrative practices.

113. The audit for the 2007 financial year also included an examination of the accounts of the Funds in Trust for activities related to Education and Sustainable Tourism Development

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<sup>34</sup> JIU/REP/2006/2.

(UNWTO-Italy Agreement); the Permanent Secretariat of the Affiliate Members (UNWTO-Spain Agreement) and the United Nations Development Programme (UNDP-UNWTO). For completeness, the Inspector is of the view that the accounts of other UNWTO affiliated programmes/offices should be audited as well, failing which, their audited accounts should be presented to the General Assembly for consideration/review.

114. The General Assembly exceptionally decided at its last session to designate three auditors (France, Spain and India). The Indian auditors will be responsible for the inspection of the accounts relating to the activities carried out by UNWTO in its capacity, as an executing agency of the United Nations Development Programme (UNDP).

115. The Inspector is not convinced of the practice of having multiple external auditors and is of the view that the Organization should follow United Nations system-wide practice, namely the use of a single external auditor. In doing so, there is consistency in reporting and no potential overlap of subject areas covered.

116. The implementation of the following recommendations is expected to disseminate best practice.

**Recommendation 22**

**The UNWTO General Assembly should in-source the internal audit, inspection, evaluation, investigation and monitoring functions to any other organization in the United Nations system that has the capacity to respond.**

**Alternatively, The UNWTO General Assembly should provide the necessary resources, three positions, for the above-mentioned functions for the 2010-2011 biennium.**

**Recommendation 23**

**The UNWTO General Assembly should modify the Statutes of the Organization in order to provide for the selection of a single external auditor with a specified term limitation as well as country rotation.**

## VII. COOPERATION

### A. Cooperation with other United Nations organizations/entities

117. UNWTO has taken positive steps to integrate into the United Nations system. It has participated on a regular basis in the various coordination mechanisms, i.e., the CEB, the High-Level Committee on Programmes (HLCP), the High-Level Committee on Management (HLCM) and the United Nations Development Group (UNDG).

118. The CEB, at the UNWTO request, established the United Nations Tourism Exchange Network (UNTEN) in 2006. The UNTEN vision and mission is for the better coordination of UNWTO and other United Nations organizations in tourism through the development of a comprehensive database of tourism activities by all actors. The Inspector is fully supportive of the initiative but is of the view that the UNTEN web portal should be operational sooner than later. When asked for the status update of UNTEN, the Organization replied in October 2008 that “work on the UNTEN has been restructured and is now supervised directly by the Director of Programme and Coordination. The project is making good progress which will be reported to the 85<sup>th</sup> council session.” However, in a document submitted to the 83<sup>rd</sup> session of the Executive Council, the Secretary-General stated that during the April 2008 meeting of the CEB, he informed them that UNTEN was operational.<sup>35</sup>

119. The Inspector notes that other international organizations are involved in tourism activities, including the United Nations Environmental Programme (UNEP), the International Trade Centre (ITC), the United Nations Conference on Trade and Development (UNCTAD) and the World Bank. He is of the view that if the Organization wishes to be the specialized international agency on tourism and grow as an organization, it should partner the above-mentioned institutions in the planning and implementation of such activities, in particular when taking into consideration that the stated objective of UNTEN is to minimize duplication and overlap in tourism sector activity in the United Nations system, as well as generating synergies, in the spirit of the *One United Nations*.<sup>36</sup>

120. Furthermore, tourism has a major impact on many global issues, including environment and climate change; employment and poverty alleviation, gender issues and empowerment. UNWTO, as a member of the United Nations family, would have a paramount role to play in the above-mentioned areas if it is able to demonstrate that the Organization is ready to lead the coordination of tourism activities across the United Nations system, through, inter-alia, the effective and efficient use of resources. Therefore, the Inspector is of the view that the UNWTO General Assembly should fast-track the implementation of UNTEN, thereby asserting the specialized competence and role in tourism of UNWTO within the United Nations system.

### B. Cooperation with the private sector

121. The Inspector refers to the recent JIU Note on “Corporate Sponsoring in the United Nations System”<sup>37</sup> and believes that its contents are relevant to the activities of the Organization, as the private sector has a key role in tourism-related activities.

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<sup>35</sup> CEB/83/6 Add 3 (May 2008) – Participation in the United Nations System’s Coordination Mechanisms – Addendum 2.

<sup>36</sup> Presentation by Luigi Cabrini, Chief Sustainable Development of Tourism, UNWTO.

<sup>37</sup> JIU/NOTE/2009/1. Corporate Sponsoring is a form of a partnership between the private sector and United Nations entities in which the private sector entity, aiming to enhance its corporate image (or

122. The Inspector refers to the guidelines on cooperation between the United Nations and the business community<sup>38</sup> and believes that they should be extended to UNWTO and in particular that due care should be exercised in the use of the UNWTO logo for partnership activities. To prevent potential conflict of interest, rules and procedures should be adopted for the use of the logo.

123. The Inspector was informed that UNWTO is under constant pressure from the private sector to participate in a myriad of commercial activities, including the creation of a bank and endorsement of hotels. The Inspector cautions against any involvement of the Organization in commercial and/or profit activities besides those well-established revenue producing activities of any United Nations system organizations. As such, there is an urgent need to establish transparent rules and procedures for such requests.

124. The implementation of the following recommendation is expected to enhance the accountability and transparency within the Organization in dealing with the private sector.

**Recommendation 24**

**The Secretary-General should develop rules and procedures for establishing private sector partnerships in the context of potential conflict of interest for the consideration and approval of the General Assembly.**

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obtain publicity for its product/service) supports an event or activity, through the provision of financial or in kind support, for promotional purposes, in exchange for publicity, and/or obtain access to a wider audience.

<sup>38</sup> Report of the Secretary-General on "Cooperation between the United Nations and all relevant partners, in particular the private sector (A/56/323), annex III.

## VIII. INTEGRATION INTO THE UNITED NATIONS SYSTEM

125. Taking into consideration lessons learned during the preparation of the current review, the Inspector wishes to propose that future requests for admittance in the United Nations system should be carefully examined and that potential candidates to bear the name of the United Nations are subject to an external and independent qualification process, which might imply transitional and/or probationary periods.

### **Recommendation 25**

**The Secretary-General of the United Nations should develop a set of criteria and a mechanism for the prior qualification of organizations wishing to become members of the United Nations system, with a view to protecting the values and principles of the system and to guaranteeing the soundness of future members of the United Nations family, and submit them to the General Assembly of the United Nations for consideration and approval.**

Annex I

ORGANIGRAMME





