Seventeenth session
Cartagena, Colombia, 23-29 November 2007
Provisional agenda item 21

STATUS REPORT ON THE QUALITY POLICY OF DESTINATIONS' AND ESTABLISHMENT OF THE WORLD CENTER OF EXCELLENCE FOR DESTINATIONS OF MONTREAL

Note by the Secretary-General

In order to respond to the growing need of the tourism destinations in their efforts to reach excellence by: i) enhancing sustainable tourism development, ii) increasing competitiveness, iii) improving destination quality, and iv) monitoring strategic intelligence; Tourisme Montréal (Canada), an Affiliate Member of the UNWTO, proposed to launch a Centre of Excellence in Montreal as a non-profit organization which aims at expanding upon the activities of the UNWTO Destination Council by bringing added value and expertise on innovative destination policies and practices.

A feasibility study which analyzed the conceptual framework as well as the objectives and the possible structure of the CED was submitted to the UNWTO Secretariat in 2006 and was presented to the members during some events like the meetings of the Board of Affiliate Members, UNWTO Strategic Group, Destination Council and some technical seminars. The 79th Session of the Executive Council held in Algiers, Algeria in November 2006 favourably supported the initiative.
In February 2007, the local political and financial support was officially announced in Montreal in a meeting attended by the Secretary-General of the UNWTO. The Canadian Federal Government and the Quebec Provincial Government agreed to give the CEO, for the first three years of its operations (2007-2010), on a yearly basis, a non-refundable subsidy of 1.5 Million Canadian Dollars.

The Members of the Council will find in the present document a report introducing the World Centre of Excellence for Destinations (CED) as well as the draft Memorandum of Understanding between the UNWTO and the CED.

Furthermore, the Secretariat has received, on the one hand, the letters patent filed on 21 December 2006, which constitute the legal approval of the constitution of the CED in accordance with the laws of the Province of Quebec, and on the other hand, the by-laws of the Centre, as adopted on 9 February 2007 by its Board. Copies of these two documents shall be provided to the delegations upon request.
STATUS REPORT ON THE QUALITY POLICY OF DESTINATIONS
AND ESTABLISHMENT OF THE WORLD CENTER OF EXCELLENCE
FOR DESTINATIONS OF MONTREAL

REPORT ON THE WORLD CENTRE OF EXCELLENCE
FOR DESTINATIONS (CED)

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1.0 Conceptual framework

1.1 Mission

The mission of the Centre of Excellence for Destinations (CED) is to contribute to bring destinations worldwide towards excellence by:

- Developing their competitiveness
- Helping them reach their sustainable development objectives
- Improving the quality of the experience offered to tourists
- Strengthening the geographic character of destinations, which includes: their environment, their culture, their aesthetics, their heritage, and the well being of their inhabitants.

In performing its mission, the CED concretely extends the action of the Destination Council and departments of the United Nations World Tourism Organization (UNWTO) by bringing added value and expertise to innovative policies and practices on tourist destination management.

In essence, the CED will act as a catalyst for partnerships and collaborations with public and private stakeholders such as: destination management organizations (DMOs), associations and experts from the tourist industry, university centres, and civil society at large.

1.2 Objectives and roles

In order to accomplish its mission efficiently, UNWTO's CED will be called upon to fulfil several objectives and roles. These will be implemented progressively.

The objectives and roles to fulfill initially are:

- As a priority, to create and animate a network of partners who are recognised for their expertise, training and education, and/or research: the CED will leverage their expertise by contributing to federating and promoting their activities and by coordinating some of their activities.

- To organise worldwide strategic intelligence, monitoring and keeping abreast of destination trends and issues in order to understand the challenges and problems related to management, competitiveness, and sustainable development

- To provide a portal on worldwide expertise that inventories information and knowledge on destinations and that emphasizes practices and tools that could benefit public and private destinations stakeholders, including civil society at large

- To encourage destinations to make themselves recognized as Destinations of excellence, through a certification system, which is to be developed, based on criteria that are reliable and have been validated by experts.
The subsequent objectives and roles to fulfil are:

- To create and animate a place of exchange and communication between destinations by initiating and coordinating activities that encourage communication and sharing among key leaders and actors of different types of tourist destinations worldwide.
- To spearhead and lead thinking in order to develop expertise and innovation. By first acting as a visionary to anticipate destination needs and to identify innovative approaches. Then as a catalyst with partners when topics have been identified on which sufficient expertise is lacking.
- To promote awareness for the relevance and benefits of public-private partnerships, which account for numerous successes achieved by destinations.
- To highlight the importance of responsible management, a key element of competitiveness and sustainable development for tourist destinations.

2.0 Current status of CED

2.1 Local political and financial support

In February 2007, the CED has signed a contract with both the Canadian Federal Government and the Quebec Provincial Government in order to support the CED operations for the first three years of its operations (2007-2010). Both levels of government have agreed to give the CED, for the first three years of its operations (2007-2010), on a yearly basis, a non-refundable subsidy of 250 000 CAN$ each, for a total joint financial contribution of 1.5 million CAN$.

2.2 Legal status in Canada

The CED is a non for profit organization incorporated in Canada. A copy of the CED’s Patents Letters is available upon request.

2.3 Budget for three years

<table>
<thead>
<tr>
<th></th>
<th>CAN $</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007-2008</td>
<td>690 000</td>
</tr>
<tr>
<td>2008-2009</td>
<td>740 000</td>
</tr>
<tr>
<td>2009-2010</td>
<td>790 000</td>
</tr>
</tbody>
</table>

For the budget allocation on a yearly basis, see item 4.0 of this document.
2.4 Internal structure

CED ORGANIZATIONAL CHART

![Organizational Chart]

CED By-laws (available upon request)

2.5 Founding partners, and their roles and responsibilities

<table>
<thead>
<tr>
<th>Founding Partners</th>
<th>Roles and Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canadian Federal Government</td>
<td>• Host country's political support.</td>
</tr>
<tr>
<td>1. Board member</td>
<td>• Financial support for the first three years of the CED operations: 750 000 CAN$.</td>
</tr>
<tr>
<td>2. Board member</td>
<td>• Members (2) of the CED Board of Directors.</td>
</tr>
<tr>
<td>Quebec Provincial Government</td>
<td>• Host province's political support.</td>
</tr>
<tr>
<td>3. Board member</td>
<td>• Expertise in sub-national (provincial or state) destination strategy, policies and operations.</td>
</tr>
<tr>
<td>4. Board member</td>
<td>• Financial support for the first three years of the CED operations: 750 000 CAN$.</td>
</tr>
<tr>
<td></td>
<td>• Members (2) of the CED Board of Directors.</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
</tbody>
</table>
| 5. Tourisme Montréal | • Host Montreal region’s political support.  
• Expertise in urban destination strategy, policies and operations.  
• Financial support for the first three years of the CED operations: 30 000 CAN$.  
• Member of the CED Board of Directors. |
| 6. Bell Canada | • Expertise in e-tourism and, in particular, in destination management system.  
• Financial support for the first three years of the CED operations: 180 000 CAN$.  
• Member of the CED Board of Directors. |
| 7. Université du Québec à Montréal (UQAM) | • Assistance in the CED management and operations.  
• Participation in the development of the CED portal and intelligence network.  
• Financial support for the first three years of the CED operations: a minimum of 60 000 CAN$.  
• Member of the CED Board of Directors. |
| 8. National Geographic Society’s Center for Sustainable Destinations | • In-kind contributions: available upon request.  
• Member of the CED Board of Directors. |
| 9. George Washington University’s International Institute for Tourism Studies | • In-kind contributions: available upon request.  
• Member of the CED Board of Directors. |
3.0 Strategy and programme priorities

3.1 CED's Destination Intelligence Network (DIN)

The CED will organise worldwide strategic intelligence, monitoring and keeping abreast of destination trends and issues in order to understand the challenges and problems related to management, competitiveness, and sustainable development.

The CED will provide an electronic portal on worldwide expertise that inventories information and knowledge on destinations and that emphasizes practices and tools that could benefit public and private destinations stakeholders, including civil society at large. In addition to giving access to available expertise on tourist destinations, this portal will synthesise and draw lessons from current research.

3.2 CED's Destination Excellence Measurement System (DEMS)

The CED will conduct a feasibility study for a Destination Excellence Measurement System. The objective of this new service is to encourage destinations to make themselves recognized as destinations of excellence, through an excellence measurement system, which is to be developed, based on criteria that are reliable and have been validated by experts.

3.3 CED's World Destination Marketplace (WDM)

The CED will conduct a feasibility study for the World Destination Marketplace. The objective of this initiative is to create an annual major international event where destination products and services providers and DMOs will gather in a marketplace. Destinations’ decision makers and managers will have the opportunities to be presented the latest tools, methods, products, services, technologies, innovations of all kind available on the market worldwide.

3.4 CED's Consulting and Training Services (CTS)

The CED will develop, in cooperation with UNWTO, consulting and training services designed to assist destinations in developed and developing countries to reach excellence. Consulting and training services offered will be aimed at bringing assistance to UNWTO members in order to meet the best practices in destination stewardship, development and operations.

3.5 CED's Sustainable Destination Initiative (CTF)

The CED will conduct a feasibility study for the Sustainable Destination Initiative. The objective of this initiative is to assist destinations in implementing their strategy in sustainable tourism, including environmental issues and the National Geographic's geotourism concept.
3.6 CED Trust Fund (CTF)

The CED will put in place a trust fund designed to contribute to CED’s self sustainability. Foundations and international donors will be targeted for constituting this fund, which could benefit from the assistance of founding partners. From the fourth year on, interests generated from this trust fund will be dedicated to financing the CED’s operational costs.

3.7 CED Worldwide network of partners (WNP)

The CED will develop a worldwide network of partners. The network will contribute to enriching the contents of its activities, programmes, and services, and will benefit from its influence, peak expertise, and capability for worldwide promotion. These partners, to be selected on the basis of their expertise and excellence, include:

- National tourism administrations
- Experts, industry from the private sector
- Industry associations
- Destination management organizations (DMOs)
- University centres who are recognised for their excellence and their expertise on destinations
- Groups from the civil society that represent preservation of historical heritage, territory management, architecture and aesthetics, agriculture, and other contributors to the quality of the tourist experience at the destination.

Likely recipients of benefits generated by the Centre of Excellence on Destinations include:

- National tourism administrations
- Public and private DMOs at local, regional, and national levels
- Public authorities at the local and regional levels
- Tourism industry associations, organizations, and businesses working in areas where success is often linked to the performance of tourist destinations: hospitality, leisure, exhibitions, conventions, etc.
- Institutions engaged in tourism teaching, training, and research
- Non government organizations (NGOs) and the civil society
- Residents and tourists.
### 4.0 Budget allocation for the first three years of operations

*(Abstracts from the Feasibility Study for the CED)*

<table>
<thead>
<tr>
<th>Year 1 (2007-)</th>
<th>Year 2 (2008-)</th>
<th>Year 3 (2009-)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A) Financial Contributions:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Canadian and Provincial Quebec Governments</td>
<td>500 000</td>
<td>500 000</td>
</tr>
<tr>
<td>Founding Partners:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bell Canada</td>
<td>60 000</td>
<td>60 000</td>
</tr>
<tr>
<td>UQAM</td>
<td>20 000</td>
<td>20 000</td>
</tr>
<tr>
<td>Tourisme Montréal</td>
<td>10 000</td>
<td>10 000</td>
</tr>
<tr>
<td>Total financial contributions</td>
<td>590 000</td>
<td>590 000</td>
</tr>
<tr>
<td>B) Non financial contributions by partners</td>
<td>100 000</td>
<td>150 000</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES (A + B)</strong></td>
<td>690 000</td>
<td>740 000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Secretariat</th>
<th>Programme Development:</th>
<th>Overhead &amp; travel</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C) Secretariat</td>
<td>100 000</td>
<td>110 000</td>
<td>110 000</td>
</tr>
<tr>
<td>D) Programme Development:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>180 000</td>
<td>180 000</td>
<td>190 000</td>
</tr>
<tr>
<td>Education &amp; Training</td>
<td>160 000</td>
<td>170 000</td>
<td>170 000</td>
</tr>
<tr>
<td>Trust Fund Development</td>
<td>135 000</td>
<td>165 000</td>
<td>190 000</td>
</tr>
<tr>
<td>Documentation</td>
<td>25 000</td>
<td>25 000</td>
<td>25 000</td>
</tr>
<tr>
<td>Promotion/communication/translation</td>
<td>25 000</td>
<td>25 000</td>
<td>40 000</td>
</tr>
<tr>
<td>E) Overhead &amp; travel</td>
<td>65 000</td>
<td>65 000</td>
<td>65 000</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES (C + D + E)</strong></td>
<td>690 000</td>
<td>740 000</td>
<td>790 000</td>
</tr>
</tbody>
</table>

### 5.0 Strategy for being self sustainable in the future

The revenue structure scenario for CED after 2010 is comprised of five different sources:

(i) Interest income from the CED Trust Fund (CTF).
(ii) Fees paid by destinations for the use of the CED's Destination Excellence Measurement System (DEMS).
(iii) Net revenue from the CED’s World Destination Marketplace operations (WDM).
(iv) Fees paid by destinations for the use of the CED’s Consulting and Training Services (CTS). In the case of destinations in developing countries, fees could be paid partly or entirely by UNWTO, in accordance with UNWTO programme of work and budget.
(v) In-kind and financial contributions from CED’s partners to support CED activities.
### Revenue Structure Scenario for CED after 2010

<table>
<thead>
<tr>
<th>Service</th>
<th>Percentage</th>
<th>Amount (CANS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust Fund (CTF)</td>
<td>10%</td>
<td>79,000</td>
</tr>
<tr>
<td>Destination Excellence Measurement System (DEMS)</td>
<td>15%</td>
<td>118,500</td>
</tr>
<tr>
<td>World Destination Marketplace (WDM)</td>
<td>20%</td>
<td>158,000</td>
</tr>
<tr>
<td>Consulting and Training Services (CTS)</td>
<td>25%</td>
<td>197,500</td>
</tr>
<tr>
<td>In-kind and financial contributions from CED's partners</td>
<td>30%</td>
<td>237,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
<td><strong>790,000</strong></td>
</tr>
</tbody>
</table>