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**DRAFT PROGRAMME OF WORK AND BUDGET**

**FOR THE PERIOD 2010-2011**

**(a) Draft programme budget prepared  
by the Secretary-General**

**Note by the Secretary-General**

In accordance with the provisions of Article 23(2) of the Statutes, the Secretary-General will submit to the Executive Council at its eighty-fifth session, for recommendation to the General Assembly, the draft programme of work and budget forecasts for the financial period 2010-2011.

This document is subject to revision so as to take account of the evolution of the Organization's membership, the rate of inflation and the Euro/US dollar exchange rate prevailing at the time of the General Assembly.



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## **DRAFT PROGRAMME OF WORK**

### **FOR THE PERIOD 2010-2011**

#### **INTRODUCTION**

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This Draft Programme of Work and Budget of the World Tourism Organization for the period 2010-2011 has been prepared by the Secretariat having in mind the following principles and guidelines emanating from the Programme Committee and the Executive Council, as well as the global recommendations of the United Nations to all agencies in the system; these guidelines are:

- a) to better reflect and respond to the Members' needs and priorities;
- b) to respond to permanent and current issues in which the Organization has a leadership and/or an irreplaceable role;
- c) to concentrate the work of the Secretariat in a small number of areas in order to achieve significant and noticeable results that benefit the largest possible number of Members;
- d) to reinforce the results-based management and results-based budgeting (RBM and RBB) approaches; and
- e) to maintain the policy of zero-growth budget for the 2010-2011 biennium.

In order to identify the needs and priorities of Member States and Affiliate Members, the Secretariat, with the full support of the Programme Committee, adopted a consultative process that included:

- A survey on priority areas among Full and Associate Members carried out between February and May 2008.
- Debates during the Regional Commission meetings (May to September 2008) to further clarify and agree on regional and in some cases sub-regional priorities. The region of Europe complemented this process with an additional regional survey and a seminar (December 2008), in order to refine the sub-regional analysis and identify appropriate responses.
- A specific survey on priorities conducted among Affiliate Members (September to November 2008) in order to enrich the results obtained from Full and Associate Members.
- Several internal coordination meetings at the Secretariat, lead by the Deputy Secretary General and driven by the Division of Programme and Coordination with the involvement of all Regional Representatives and heads of Departments and Units.

Throughout the process of preparing this Draft Programme, the Secretariat has consulted systematically with, and obtained the agreement of the Programme Committee (PC). Its members have played a key role in providing inputs to the Secretariat and in consulting with the Member States in the respective regions that they represent in the Committee.

The Programme Committee 36<sup>th</sup> meeting (24-25 February 2009) approved the Draft Programme of Work for 2010-2011 roughly as it was presented, with the following main recommendations:

1. To make some adjustments (as shown in the PC36 Report, document CE/85/7(b) in order to better align the activities planned with the priorities established by Member States,
2. To establish a special reserve mechanism in order to respond, within the Programme of Work, to unexpected events that may arise after the approval of the PoW 2010-2011 by the General Assembly in October 2009, and that require UNWTO intervention.

Both recommendations of the Committee have been taken into account by the Secretariat and are reflected in the present document.

Like in the previous biennium, this Draft Programme is structured around strategic objectives, the number of which has been reduced from four to two. The first objective relates to **tourism competitiveness**, and the second to the **sustainability of tourism**. Within each strategic objective, a number of specific objectives are proposed, as well as the corresponding activities to achieve them.

In line with the recommendations of the Executive Council, the number of specific objectives has been reduced from 16 in the current Programme 2008-2009 to only 10 in the next Programme 2010-2011, and the number of specific actions from 255 to 130. Thus, the Secretariat is responding to the call for concentrating the activities of the Organization into a smaller number of areas.

In addition to the differentiation between two strategic objectives, the Committee agreed that the next Programme of Work should include two levels of activity: (a) worldwide activities, the results of which would be of interest to, and benefit all types of Members; and (b) specific activities for the regions, and even sub-regions whenever possible.

The Committee also agreed that specific responses to individual country needs could not be accommodated within the Programme due to well-known, prevailing budgetary constraints; these needs, whenever possible, should be handled through development assistance activities and specific technical missions, funded from external, non-budgetary sources, as and when they are available. In this respect, the Committee recommended the Secretariat and Member States alike to identify further sources of funding for this type of assistance activities.

## **THE STRATEGIC OBJECTIVES OF THE PROGRAMME**

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The **two strategic objectives** proposed, as initially approved by the Executive Council at its previous session, attempt to respond to the Members' short term needs (objective A), and to their development, or long term needs (objective B). They can be summarised as follows:

The Secretariat will assist UNWTO Members in:

**Objective A: Improving Competitiveness**, in order to achieve greater success in the management and marketing of their existing tourism industry, and

**Objective B: Raising Sustainability**, in order to ensure a long-lasting development of tourism, increasing the contribution to the national economies and the MDGs

Of course the two objectives are not totally independent from each other, since actions in the short term also have an impact on the longer term development and performance of tourism. Therefore, the differentiation between the two strategic objectives is for programming purposes only, and it should not be seen as a dividing line in the Secretariat's work; on the contrary, all departments and units will aim at adopting a comprehensive approach in conducting their work, establishing the necessary linkages between short-term and longer term actions.

The two objectives can be formulated in more detail as follows:

- **Strategic Objective A** aims at a continuous improvement of competitiveness of the Members' tourism supply, promoting quality and excellence at their destinations, improving their human resources, enhancing their marketing and image promotion techniques, helping them to face crises, and providing them with updated information and data on market trends, market forecasting and accurate evaluation of the economic contribution of tourism.
- **Strategic Objective B** aims at increasing the contribution of tourism to the Millennium Development Goals, especially to poverty alleviation and to environmental protection, including the climate change and biodiversity conservation challenges, as well as a full integration of tourism in the local economy of destinations, ensuring that economic benefits accrue to a wide range of stakeholders.

**A number of cross-cutting areas** that appeared as separate objectives in the Programme of Work 2008-2009 -such as development assistance, communications, publications, knowledge dissemination, information, documentation, promotion of public-private partnerships, and the like- are actually considered to be **instruments and tools** in the work of the Organization. **They will, therefore, be mainstreamed into all areas of activity in the biennium 2010-2011.**

In the following pages the draft Programme is presented in a concise format that includes the **two strategic objectives**, the **ten specific objectives** and the corresponding **40 areas of activity**, with the proposed budget allocations to each of the latter. The Secretariat has prepared a more detailed document, which includes the specific actions in each area of activity, the expected outputs of each of them, and the indicators to measure the results of each specific action. This detailed document will be made available to all Members of the Organization at the General Assembly, once the draft Programme has been approved by the Executive Council. It is also available for the Members of the Council at its current session.

## Strategic Objective A: Improving Competitiveness

**Specific Objective A1:** To foster the development of national Systems of Tourism Statistics (STS), the international comparability of tourism statistics and the macroeconomic analysis of tourism

Area of activities	Budget (euros)
<b>A1</b> -1: Compilation guidance for implementing the new recommendations for tourism statistics (IRTS 2008), and reinforcement of international comparability of basic tourism statistical data	195,000
<b>A1</b> -2: Dissemination of TSA data and fostering the macroeconomic analysis of tourism	20,000
<b>A1</b> -3: Technical assistance for Member States on tourism statistics and TSA	260,000
<b>A1</b> -4: Cooperation on statistics within the UN System	28,000

**Specific Objective A2:** To provide members with up to date information on market trends and forecasts

Area of activities	Budget (euros)
<b>A2</b> -1 Short-term trends and forecasts: current developments and characteristics of tourism destinations and generating markets	145,000
<b>A2</b> -2 Long-term trends and forecasts	70,000
<b>A2</b> -3 Trends and Developments in Source Markets on a annual basis	80,000
<b>A2</b> -4 New Tourism Products Development	125,000

**Specific Objective A3:** To identify innovative marketing & promotion techniques and to provide assistance to Members

Area of activities	Budget (euros)
<b>A3</b> -1 Tourism Strategic Marketing Planning	30,000
<b>A3</b> -2 E-marketing techniques	61,000
<b>A3</b> -3. Branding, communications capacities in tourism, including image building	60,000
<b>A3</b> -4 Tourism Market Segmentation / Evaluation of NTO Marketing Activities, etc.	According to requests and cost covering by host country

**Specific Objective A4:** To identify factors that help enhancing competitiveness and provide relevant assistance to Members

Area of activities	Budget (euros)
<b>A4-1</b> Safe and efficient movement of travellers	50,000
<b>A4-2:</b> Facilitating dialogue between the private sector and governments through studies, projects, assistance and training to public-private sectors	70,000
<b>A4-3:</b> Innovation in Tourism	20,000
<b>A4-4:</b> Promotion of the image and importance of Tourism; effective strategic messaging	263,000
<b>A4-5:</b> General policy support to Members	150,000

**Specific Objective A5:** To support members to identify and mitigate global and local risks related to tourism; develop, plan and implement crisis management systems and coordinate with UN system

Area of activities	Budget (euros)
<b>A5-1</b> Support tourism crisis management efforts at national level	24,000
<b>A5-2</b> Support Members with mitigation strategies, actions and instruments and to develop and implement crisis management systems for the tourism sector	165,000
<b>A5-3</b> Emergency assistance to members: crisis management at national level	55,000

**Specific Objective A6:** To build knowledge management in tourism and assist Members in assessing and addressing their needs in education and training

Area of activities	Budget (euros)
<b>A6-1:</b> To build knowledge management	86,000
<b>A6-2:</b> Share knowledge and information management and supply Members with effective documentation services, including legal aspects of tourism	53,000
<b>A6-3:</b> Education and training needs assessment and planning	85,000

<b>A6-4:</b> Addressing Members' needs in education & training needs <sup>1</sup>	360,000
<b>A6-5:</b> Develop and implement Technology supported learning (TSL) and capacity building	30,000
<b>A6-6:</b> Apply learning tools for Development Assistance	5,000 <sup>2</sup>
<b>A6-7:</b> Quality assurance system for Tourism E&T Programmes (TedQual)	70,000
<b>A6-8:</b> Improve accessibility of UNWTO research results (publications and electronic products) for Member States and Affiliate Members	30,000
<b>A6-9:</b> General policy support to Members	150,000

## Strategic Objective B: Raising Sustainability

**Specific Objective B1:** To facilitate the integration of sustainability and quality criteria in national, regional and local tourism policies and development plans. Apply these criteria to different types of destinations and encourage their application by the private sector

Area of activities	Budget (euros)
<b>B1-1:</b> Undertake research, develop methodologies, provide assistance and training to national and local officials and other tourism stakeholders on sustainable tourism policies and tools	30,000
<b>B1-2:</b> Facilitating the application of sustainable tourism policies and tools, including indicators	250,000
<b>B1-3:</b> Increase the contribution of intangible heritage to tourism development	45,000

**Specific Objective B2:** To ensure the social and cultural sustainability of tourism, with a special focus on local communities, and provide guidance for, and monitoring of, the practical implementation of the Global Code of Ethics for Tourism

Area of activities	Budget (euros)
<b>B2-1:</b> Continue to provide guidance for, and monitoring of, the implementation of the Global Code of Ethics for Tourism and develop the TOURpact.Global Compact Initiative with UN Global Compact	110,000
<b>B2-2:</b> Provide social and economic opportunities to women in tourism development, especially in developing countries, and by promoting women's empowerment by means of creating appropriate policy frameworks	20,000
<b>B2-3:</b> Promote awareness of, and increase the involvement of the public and private	20,000

<sup>1</sup> The activities undertaken by the Secretariat in this domain will be complemented by those carried out by the Themis Foundation.

<sup>2</sup> From external DA project budgets, or self-financing activities

Area of activities	Budget (euros)
<b>B2-1:</b> Continue to provide guidance for, and monitoring of, the implementation of the Global Code of Ethics for Tourism and develop the TOURpact.Global Compact Initiative with UN Global Compact	110,000
tourism sector in, the protection of children and young people against exploitation (sexual and labour) and trafficking, especially in tourism destinations in developing countries	
<b>B2-4:</b> Support technical cooperation projects	100,000 <sup>3</sup>

**Specific Objective B3:** To deepen the knowledge of the contribution of tourism to poverty alleviation and its distribution among different stakeholders and host communities, in order to enhance both, policy formulation by public administrations and management practices by companies

Area of activities	Total Budget (euros)
<b>B3-1:</b> Integrate tourism into poverty reduction strategies and enhance its contribution to poverty alleviation	100,000
<b>B3-2:</b> Support development assistance projects on poverty alleviation, including ST-EP	100,000 <sup>4</sup>

**Specific Objective B4:** To promote the "Davos Process", through further improving the knowledge base on the relationship between climate change and tourism, facilitate the formulation and application of adaptation and mitigation policies and measures, and contribute to the UN concerted effort on climate change

Area of activities	Total Budget (euros)
<b>B4-1:</b> Conduct further research and capacity building and dissemination activities on climate change impacts, policy and response measures.	50,000
<b>B4-2:</b> Continue the pilot applications of adaptation and mitigation measures	44,000

<sup>3</sup> This item covers only the costs of sectoral support missions and project formulation; DA projects themselves are externally funded.

<sup>4</sup> This item covers only the costs of identification missions and production of guidelines and manuals; STEP projects themselves are externally funded.

## A N N E X

PROGRAMME AND BUDGET DISTRIBUTION BY REGIONS AND BY AREAS OF  
ACTIVITY**A. BUDGET BY REGIONS** (euros)**Africa**

1. General policy support to Members:	90,000
2. Technical activities (missions, workshops, etc.):	<u>505,000</u>
	<b>595,000</b>

**Americas**

1. General policy support to Members:	55,000
2. Technical activities (missions, workshops, etc.):	<u>285,000</u>
	<b>340,000</b>

**Asia-Pacific**

1. General policy support to Members:	55,000
2. Technical activities (missions, workshops, etc.):	<u>337,000</u>
	<b>392,000</b>

**Europe**

1. General policy support to Members:	75,000
2. Technical activities (missions, workshops, etc.):	<u>240,000</u>
	<b>315,000</b>

**Middle East**

1. General policy support to Members:	25,000
2. Technical activities (missions, workshops, etc.):	<u>253,000</u>
	<b>278,000</b>

## SUMMARY:

1. General policy support to Members:	300,000
2. Technical activities (missions, workshops, etc.):	<u>1,620,000</u>
<b>Sub-Total, regional level activities:</b>	<b>1,920,000</b>
plus	
<b>Sub-Total, global level activities, benefitting all regions:</b>	<b><u>1,689,000</u></b>

<b>TOTAL BUDGET PoW 2010/2011:</b>	<b>€ 3,609,000</b>
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**B. BUDGET BY AREAS OF ACTIVITY<sup>5</sup>**

<b>Objective A (Competitiveness)</b>	<b>(euros)</b>
<b>A1: International statistics and TSA</b>	
Global activities (R&D, publications, worldwide events, etc.):	274,000
Field activities in regions and sub-regions:	<u>229,000</u>
	<b>503,000</b>
<b>A2: Market trends and forecasts</b>	
Global activities (R&D, publications, worldwide events, etc.):	275,000
Field activities in regions and sub-regions:	<u>145,000</u>
	<b>420,000</b>
<b>A3: Innovative marketing &amp; promotion techniques</b>	
Global activities (R&D, publications, worldwide events, etc.):	60,000
Field activities in regions and sub-regions:	<u>91,000</u>
	<b>151,000</b>
<b>A4: Enhancement of competitiveness</b>	
Global activities (R&D, publications, worldwide events, etc.):	363,000
Field activities in regions and sub-regions, including general policy support to Members:	<u>190,000</u>
	<b>553,000</b>
<b>A5: Risk and crisis management</b>	
Global activities (R&D, publications, worldwide events, etc.):	84,000
Field activities in regions and sub-regions:	<u>160,000</u>
	<b>244,000</b>
<b>A6: Knowledge management building and education</b>	
Global activities (R&D, publications, worldwide events, etc.):	339,000
Field activities in regions and sub-regions, including general policy support to Members:	<u>530,000</u>
	<b>869,000</b>
<b>Sub-Total, Objective A (Competitiveness):</b>	
Global activities (R&D, publications, worldwide events, etc.):	1,395,000
Field activities in regions and sub-regions:	<u>1,345,000</u>
	<b>2,740,000</b>

<sup>5</sup> Areas of activity do not necessarily correspond to the internal structure of UNWTO Secretariat

<b>Objective B (Sustainability)</b>	(euros)
<b>B1: Sustainability and quality</b>	
Global activities (R&D, publications, worldwide events, etc.):	100,000
Field activities in regions and sub-regions:	<u>225,000</u>
	<b>325,000</b>
<b>B2: Social, cultural and ethical aspects of tourism</b>	
Global activities (R&D, publications, worldwide events, etc.):	120,000
Field activities in regions and sub-regions:	<u>130,000</u>
	<b>250,000</b>
<b>B3: Tourism and poverty alleviation</b>	
Global activities (R&D, publications, worldwide events, etc.):	10,000
Field activities in regions and sub-regions:	<u>190,000</u>
	<b>200,000</b>
<b>B4: Tourism and climate change</b>	
Global activities (R&D, publications, worldwide events, etc.):	64,000
Field activities in regions and sub-regions:	<u>30,000</u>
	<b>94,000</b>
<b>Sub-Total, Objective B (Sustainability):</b>	
Global activities (R&D, publications, worldwide events, etc.):	294,000
Field activities in regions and sub-regions:	<u>575,000</u>
	<b>869,000</b>
<b>Total Objectives A + B:</b>	<b>3,609,000</b>
SUMMARY:	
Field activities in regions and sub-regions:	1,920,000
plus	
Total global activities (R&D, publications, worldwide events):	<u>1,689,000</u>
benefitting all regions and members	
<b>TOTAL BUDGET PoW 2010/2011:</b>	<b>€3,609,000</b>

**DRAFT BUDGET OF THE ORGANIZATION FOR THE**  
**PERIOD 2010-2011**

1. The draft budget for 2010-2011 has been drawn up in euros, in accordance with A/RES/433(XIV) adopted by the General Assembly at its fourteenth session. This is the fifth budget to be prepared in the single European currency which is, since 1 January 2002, the Organization's accounting, budgetary and contributions currency.

The proposals for 2010-2011 are submitted in four parts as indicated below:

- Part I: Programme of work
- Part II: Executive organs and meetings
- Part III: Programme support services and other budgetary provisions
- Part IV: Provisions

2. The draft budget for the next biennium proposes, for each of the strategic objectives included in the programme of work, the necessary human and financial resources to cover both staff and operational costs.

3. The human and financial resources proposed for each strategic objective cover the directly identifiable costs of the corresponding activities necessary to achieve it. The indirect, or support, costs of each activity in Part I have not been shown because these form part of the direct costs of the activities contemplated in Parts II and III.

4. Compared with the previous programme-budget, the following changes have been made for 2010-2011. In accordance with the new structure proposed by the Secretary-General (who took account in particular of recommendations made by the Regional Commissions, the Programme Committee, the Strategic Group and individual Members responding to the survey on the programme of work) Part I- Programme of Work has been reformulated around two strategic objectives instead of four as in previous budgets. Each objective may call for inputs from various Programme Departments, Sections or Units. At the same time, the number of sections of Part I has been reduced from 10 to 9, as section 4, Destination Management of the 2008-2009 budget has been included in the 2010-2011 budget under section 3, Affiliate Members, in order to improve the coordination of the three governing councils of the Affiliate Members. Furthermore, various Programme Departments and/or Regional Commissions are encouraged, and indeed expected, to cooperate in specific activities in order to attain the strategic objectives. The rationale for this change is to foster greater synergy between the different areas of the Secretariat and to avoid unnecessary and wasteful duplication or overlap. To oversee this process each thematic area will in future be managed by a Head of Department under the direction of the newly created post of Director for Programme and Coordination. From the budgetary standpoint, it will be observed that not only can the cost of an activity be expressed at departmental level but also at total level, covering inputs from all involved departments as well as external partners.

5. The institutional structure necessary to undertake the programme of work is as follows:

- 0) Programme and coordination management
- 1) Market
- 2) Information and communication
- 3) Affiliate Members and public-private partnership
- 4) Education, training and knowledge management
- 5) Sustainable development of tourism
- 6) Development assistance
- 7) Regional activities
- 8) United Nations System\*
- 9) Technical Conferences\*\*

6. It will be noted that cooperation with the United Nations System is considered as a pre-eminently programme activity. This is based on the consideration that it includes, in addition to certain administrative and statutory issues, UNWTO participation in the United Nations High-Level Committee on Programmes (HLCP) and the United Nations Development Group (UNDG), the setting up and managing the United Nations Tourism Exchange Network (UNTEN), the submission of periodic reports on tourism and related issues to the United Nations General Assembly and its subsidiary body the United Nations Economic and Social Council (ECOSOC) as well as specific thematic cooperation on an inter-agency basis as envisaged in the Agreement on Cooperation and Relations between UNWTO and the United Nations of 23 December 2003. This Section will continue to count on the support of the Office of the UNWTO Special Representative to the United Nations in New York.

7. The activities of the Conferences, Translation and Reprography (Part II-4)\*\* are not limited to meetings of the executive organs of UNWTO but include the organization and holding of a variety of meetings relating to both technical and policy aspects of tourism, for example Parliamentary Fora, Conferences on Tourism in the Economy, etc. For this reason, the Unit "Technical Conferences" is maintained as Part I-Section 10 which, while formally part of the Programme of Work, will be managed by and come under the direct responsibility of the Chief of the Conferences Service.

8. Moreover, the budget for 2010-2011 includes a new element in its principal structure. A Part IV has been created to reflect the budgetary allocations that the UNWTO is obliged to make provisions for in order to cover the contingencies provided for in the International Public Sector Accounting Standards (IPSAS) and which must be applied starting 1 January 2010. For the biennium 2010-2011 the two principal contingencies established by IPSAS have been identified and constitute Part IV of the budget:

- Provision to cover the cost of medical insurance after the retirement of staff members, for the accrued amount corresponding the two-year budgetary period (EUR400,000);
- Provision to cover the cost of repatriation of staff members upon retirement, for the accrued amount corresponding to the two-year budgetary period (EUR200,000).

9. Three economic hypotheses were kept in mind in preparing the present draft programme-budget. First, one Full Member belonging to the top group on the scale of contributions will cease to be a member in 2009, and two new Full Members are expected to join the Organization, by the time of the eighteenth General Assembly, thus spreading the cost of membership among a greater number but with lower total income. Second, the expected level of inflation for the biennium 2010-2011 will be around 2.5% per annum if we take the average of the inflation forecasts made by the different international economic institutions, as shown in the following table.

SOURCE :	Forecast inflation rates in Spain for the period 2010-2011				
	2007 Actual	2008 Est./Act.	2009 Forecast	2010 Forecast	2011 Forecast
Spain's Finance Ministry ( PGE - 2009 )	INE 4,2	INE 1,4	2,5	2,5 *	2,5 *
IMF ( World Economic Outlook - October 2008 )	4,3	3,6	2,2	2,2 *	2,2 *
OECD ( Economic Outlook - June 2008 )	2,8	4,6	3,0	3,0 *	3,0 *
European Commission ( Eurostat - November 2008 )	2,8	4,2	2,1	2,8	2,8 *
UNOG ( in Switzerland )	n.a	2,6	1,5	1,1	1,3
UNOG ( projection in Spain based on IMF's data ) **	n.a	n.a	2,2	1,6	1,9
Average			2,4	2,4	2,5

\* 2009 forecast extended over period of projection

\*\* Assuming constant exchange rate CHF/EURO over period and keeping inflation differential of IMF's country projection

The result of the afore mentioned estimates suggest that it would be prudent and reasonable to increase the contributions of the Members by 2.5% per annum. Thirdly, the Euro/US Dollar exchange rate at the time this document was prepared was 1Euro = 1.43 US dollars. If a rate of exchange of 1 Euro = 1.49 US dollars is assumed the risk of adverse currency movements affecting the Organization's financial stability appears acceptably low. Indeed, the continuing strength of the Euro on international markets and the fact that most of the Organization's expenditure is today incurred in the single European currency confers an appreciable degree of protection from exchange risk that could only be undermined by a prolonged and significant resurgence of the US dollar.

10. As shown in **TABLE I**, the proposals in the programme budget for 2010-2011 come to EUR26,546,000 which implies an increase of 5.7 per cent in nominal terms over the approved budget of EUR25,110,000 for 2008-2009. However, in real terms, allowing for the effects on inflation, the increase is just 0.64% (see **TABLE III**). Now then, if we leave out the contingency provisions of Part IV of the budget (EUR600,000) which were not provided for in the previous budget, the nominal increase, as can be seen in the following table, would be 3.3%, which would represent a decrease in real terms of 1.76%.

	2008-2009	2010-2011	Nominal increase	Real increase
Budget before Provisions	25,110,000	25,946,000	3.3%	-1.76%
Provisions (Part IV)	---	<u>600,000</u>		
Budget after provisions	25,100,000	26,546,000	5.7%	0.64%

11. The increase in current terms in the various parts of the budget has not been uniform, each having varied according to the anticipated increase in costs and in the operating and staff costs applicable to each part. There has also been a transfer of posts between parts reflecting a reorganization. This has resulted in increases in the appropriations of some parts and decreases in those of others. Most of the Organization's human and financial resources are concentrated in the nine areas or sections of Part I: Major Programme -Programme of Work.

12. The appropriations assigned to this Part amount to EUR14,349,000 accounting for 54.05 per cent of the total budget (see **TABLE II**) and represent a 3.6 per cent increase over the period 2008-2009 (see **TABLE I**).

13. The appropriation in Part II - Executive Organs and Meetings, amounting to EUR5,348,000, has decreased by 0.3 per cent. This is due to the elimination of expected expenditures to cover compensation for repatriation of the Secretary-General and Deputy Secretary-General at the end of their mandate in the eighteenth General Assembly with respect to the period 2008-2009. Section 5 of Part II of the budget was introduced in 2004-2005 in order to meet the costs of WTO's participation as a new Specialized Agency in the United Nations System, in particular financial contributions due to the International Civil Service Commission, the Joint Inspection Unit and the Chief Executives Board for Coordination. The budget for this Section has been estimated for 2010-2011 on the basis of WTO's experience during the previous biennium and takes account of foreseeable developments in cost-sharing between agencies, bodies and funds of the United Nations family, notably in the field of security.

14. In Part III - Programme Support Services and Other Budgetary Provisions - the appropriation totals EUR6,249,000, an increase of 6.1 per cent compared to 2008-2009 due to the transfer of credits for personnel (1 General Service posts) from Part I to section 4 of Part III, Information and Communication Technologies, as a consequence of the internal reorganization of the Secretariat.

15. For the biennium 2010-2011, budgetary income from the contributions of Full and Associate Members amounts to EUR23,067,000, an accumulated increase over the previous period of 3.6 per cent. This reflects applying individually to each contribution an annual increase of 2.5 per cent, taking as a basis the assessed contributions for 2009 taking into account both new and withdrawing Members<sup>1</sup>. For the present Members, therefore, the increase in the total volume of contributions is, in real terms, 0.0 per cent for the period.

Variation of contributions						
2009	Price 2,50%	Volume +/- members	2010	Price 2,50%	Volume +/- members	2011
11.213.000	280.000	-102.000	11.391.000	387.000	0	11.676.000

16. In presenting the draft budget for the biennium 2010-2011, the Secretary-General is well aware of the economic effort required from the Members. This is all the more so in the case of those countries whose currencies have declined over the past two years, due to the strength of the Euro, which has increased the financial commitment to be made.

17. That being said, UNWTO continues to be an exceptionally "low cost" organization when compared with other United Nations Specialized Agencies, whose individual staff numbers range up to more than four thousand. With scarcely more than 100 staff at its Madrid headquarters, UNWTO truly requires only a marginal financial effort from its main contributing countries. This is all the more apparent when it is recalled that, while UNWTO's staff numbers are gradually increasing towards the previous maximum level of 120 staff experienced in 1986-1987, its membership at that time was scarcely 100 Full Members whereas, in 2010-2011, the number of States Members should attain 154. Nevertheless, the Secretary-General, taking into account the current situation of worldwide economic crisis, has decided not to increase the staff and to maintain the same posts of the 2008-2009 budget.

18. In drawing up the 2010-2011 budget the Secretary-General was, as always, mindful of the need to maintain a healthy balance between staff costs and other expenses. The fact that these so-called fixed costs amount to about 70% of the draft budget does not imply in any sense that they are unproductive. On the contrary, a substantial proportion of UNWTO's programme is permanent or regular in character. This is particularly true of the work carried out in the statistics, market trends, information and communications areas. These activities are conducted by a full-time team of experienced officials, whereas other more selective, occasional and specialized tasks are entrusted to outside experts.

<sup>1</sup> At this date, Norway and Vanuatu had joined or re-joined the Organization. The United Kingdom Government has made known its intention of withdrawing from UNWTO on 21 August 2009.

19. All told, over 50% of the draft budget is dedicated to implementation of the general programme of work while “executive organs, meetings and general management”, and “programme support” account for 20% and 24% each. In the area of support, it is worth recalling that, despite UNWTO’s small size, it has already staff producing work in the four official languages while a fifth language, Arabic, has been introduced on a pragmatic basis in order to respect the sense of resolution 61(III) adopted by the General Assembly in 1979 amending Article 38 of the Statutes.

20. Reference should be made to the Staff Assessment Plan contemplated in Rule 12(7) of the Organization’s Staff Rules. Since its inception, UNWTO has always paid net salaries to its officials in accordance with the salary scales published by the International Civil Service Commission (ICSC) in New York. This is, the Secretary-General understands, in accordance with the practice followed by most if not all the United Nations Specialized Agencies. The difference between gross and net salaries is known as the Staff Assessment. The Secretary-General believes that, in the interests of transparency, the Members should be aware of the amount of Staff Assessment as it would apply to UNWTO in 2010-2011. This amount has therefore been calculated for 2010-2011 on the basis of the tables and rates published by the ICSC. The total of Staff Assessment would be 3,074,000 Euros for the biennium. This amount has therefore been included in the budget, both as a receipt and as expenditure.

21. Finally, as can be seen in Annex 2, the total number of staff for the 2010-2011 is maintained at 106 posts.

I - DRAFT BUDGET OF EXPENDITURE AND INCOME FOR 2010-2011

IN EUROS

	2008	2009	2008-2009	2010	2011	2010-2011	VAR %
<b>BUDGETED EXPENSES</b>							
PART I - Programme of work .....	6.823.000,00	7.033.000,00	13.856.000,00	7.014.000,00	7.335.000,00	14.349.000,00	3,6
PART II - Executive Organs and Meetings .....	2.422.000,00	2.942.000,00	5.364.000,00	2.564.000,00	2.784.000,00	5.348.000,00	(0,3)
PART III - Programme Support Services and Other budgetary provisions .....	2.903.000,00	2.987.000,00	5.890.000,00	3.072.000,00	3.177.000,00	6.249.000,00	6,1
PART IV - Provisions .....				300.000,00	300.000,00	600.000,00	
<b>TOTAL BUDGETED ESPENSES</b>	<b>12.148.000,00</b>	<b>12.962.000,00</b>	<b>25.110.000,00</b>	<b>12.950.000,00</b>	<b>13.596.000,00</b>	<b>26.546.000,00</b>	<b>5,7</b>
STAFF ASSESSMENT	1.576.000,00	1.646.000,00	3.222.000,00	1.503.000,00	1.571.000,00	3.074.000,00	
<b>GROSS EXPENSES</b>	<b>13.724.000,00</b>	<b>14.608.000,00</b>	<b>28.332.000,00</b>	<b>14.453.000,00</b>	<b>15.167.000,00</b>	<b>29.620.000,00</b>	<b>4,5</b>
<b>BUDGETED INCOME</b>							
· Contributions from Full and Associate Members .....	11.048.000,00	11.213.000,00	22.261.000,00	11.391.000,00	11.676.000,00	23.067.000,00 (2)	3,6
· Other income sources, of which :							
· Sundry income .....	253.000,00	394.750,48	647.750,48	384.000,00	544.006,50	928.006,50	
· Income from the sale of publications .....	232.000,00	408.000,00	640.000,00	250.000,00	450.000,00	700.000,00	
· Affiliate Members .....	457.000,00	457.000,00	914.000,00	510.000,00 (1)	510.000,00 (1)	1.020.000,00	
· Income from 2004-2005/2006-2007 Surplus .....	158.000,00	489.249,52	647.249,52	415.000,00	415.993,50	830.993,50	
<b>TOTAL BUDGETED INCOME</b>	<b>12.148.000,00</b>	<b>12.962.000,00</b>	<b>25.110.000,00</b>	<b>12.950.000,00</b>	<b>13.596.000,00</b>	<b>26.546.000,00</b>	<b>5,7</b>
STAFF ASSESSMENT	1.576.000,00	1.646.000,00	3.222.000,00	1.503.000,00	1.571.000,00	3.074.000,00	
<b>GROSS INCOME</b>	<b>13.724.000,00</b>	<b>14.608.000,00</b>	<b>28.332.000,00</b>	<b>14.453.000,00</b>	<b>15.167.000,00</b>	<b>29.620.000,00</b>	<b>4,5</b>

(1) 364 Affiliate Members

(2) Variation due to 2.5 per cent increase in contributions for 2010 and 2.5 per cent for 2011 (base year 2009) and to the net balance of new Members

**II - APPROPRIATIONS PROPOSED FOR 2010-2011**  
**BUDGET ESTIMATES AND ANALYSIS OF INCREASES BY MAJOR PROGRAMME**

(in euros)

APPROPRIATION LINE	POSTS		A			B		C		D		E			POSTS		F % OF TOTAL BUDGET 2010-2011
			APPROVED 2008-2009 APPROPRIATIONS			INCREASE/ DECREASE ACCORDING TO NEEDS		COST INCREASE/ DECREASE		NET INCREASE  (B + C)		PROPOSED 2010-2011 APPROPRIATIONS (A + D)					
			P	G	Staff costs	Operational costs	Total	Staff costs	Operational costs	Staff costs	Operational costs	Staff costs	Operational costs	Staff costs			
<b>PART I-MAJOR PROGRAMME- PROGRAMME OF WORK</b>																	
Programme and Coordination Management .....	2	1	547.000	42.000	589.000	222.000	-3.000	35.000	0	257.000	-3.000	804.000	39.000	843.000	3	1	
Market .....	7	6	2.173.000	655.000	2.828.000	-547.000	34.000	75.000	24.000	-472.000	58.000	1.701.000	713.000	2.414.000	5	5	
Information and communication .....	3	7	1.385.000	360.000	1.745.000	222.000	-9.000	80.000	0	302.000	-9.000	1.687.000	351.000	2.038.000	4	7	
Affiliate Members and public-private partnership .....	1	2	428.000	94.000	522.000	325.000	160.000	35.000	5.000	360.000	165.000	788.000	259.000	1.047.000	2	3	
[Destination management].....	1	1	325.000	81.000	406.000	-325.000	-81.000	0	0	-325.000	-81.000	0	0	0	0	0	
Education, training and knowledge management .....	2	1	547.000	398.000	945.000	-222.000	-228.000	14.000	0	-208.000	-228.000	339.000	170.000	509.000	1	1	
Sustainable development of tourism .....	4	2	1.094.000	464.000	1.558.000	0	-289.000	50.000	0	50.000	-289.000	1.144.000	175.000	1.319.000	4	2	
Development assistance .....	2	4	855.000	193.000	1.048.000	0	0	42.000	7.000	42.000	7.000	897.000	200.000	1.097.000	2	4	
Regional activities.....	8	6	2.393.000	1.242.000	3.635.000	222.000	437.000	120.000	62.000	342.000	499.000	2.735.000	1.741.000	4.476.000	9	6	
United Nations System .....	0	1	103.000	189.000	292.000	0	0	5.000	5.000	5.000	5.000	108.000	194.000	302.000	0	1	
Technical conferences .....	0	2	205.000	83.000	288.000	0	0	12.000	4.000	12.000	4.000	217.000	87.000	304.000	0	2	
<b>TOTAL PART I .....</b>	<b>30</b>	<b>33</b>	<b>10.055.000</b>	<b>3.801.000</b>	<b>13.856.000</b>	<b>-103.000</b>	<b>21.000</b>	<b>468.000</b>	<b>107.000</b>	<b>365.000</b>	<b>128.000</b>	<b>10.420.000</b>	<b>3.929.000</b>	<b>14.349.000</b>	<b>30</b>	<b>32</b>	<b>54,05</b>
<b>PART II-MAJOR PROGRAMME- EXECUTIVE ORGANS AND MEETINGS</b>																	
General Assembly .....	0	0	0	193.000	193.000	0	0	0	5.000	0	5.000	0	198.000	198.000	0	0	
Executive Council and Subsidiary organs .....	0	0	0	130.000	130.000	0	0	0	6.000	0	6.000	0	136.000	136.000	0	0	
Management .....	6	1	2.317.000	314.000	2.631.000	0	0	106.000	13.000	106.000	13.000	2.423.000	327.000	2.750.000	6	1	
Conferences, Translation and Reprography .....	7	5	2.068.000	95.000	2.163.000	0	0	97.000	4.000	97.000	4.000	2.165.000	99.000	2.264.000	7	5	
Repatriation .....	0	0	247.000	0	247.000	-247.000	0	0	0	-247.000	0	0	0	0	0	0	
<b>TOTAL PART II .....</b>	<b>13</b>	<b>6</b>	<b>4.632.000</b>	<b>732.000</b>	<b>5.364.000</b>	<b>-247.000</b>	<b>0</b>	<b>203.000</b>	<b>28.000</b>	<b>-44.000</b>	<b>28.000</b>	<b>4.588.000</b>	<b>760.000</b>	<b>5.348.000</b>	<b>13</b>	<b>6</b>	<b>20,15</b>
<b>PART III-MAJOR PROGRAMME- PROGRAMME SUPPORT SERVICES AND OTHER BUDGETARY PROVISIONS</b>																	
Budget and Finance .....	2	3	752.000	0	752.000	0	0	36.000	0	36.000	0	788.000	0	788.000	2	3	
Human Resources and Travel .....	1	4	634.000	272.000	906.000	0	0	31.000	10.000	31.000	10.000	665.000	282.000	947.000	1	4	
Purchases, maintenance and security.....	0	7	719.000	1.753.000	2.472.000	0	0	40.000	51.000	40.000	51.000	759.000	1.804.000	2.563.000	0	7	
Information and Communication Technologies .....	2	2	650.000	0	650.000	103.000	0	36.000	0	139.000	0	789.000	0	789.000	2	3	
Posts and Telecommunications .....	0	3	308.000	745.000	1.053.000	0	0	18.000	32.000	18.000	32.000	326.000	777.000	1.103.000	0	3	
Other budgetary provisions .....	0	0	0	57.000	57.000	0	0	0	2.000	0	2.000	0	59.000	59.000	0	0	
<b>TOTAL PART III .....</b>	<b>5</b>	<b>19</b>	<b>3.063.000</b>	<b>2.827.000</b>	<b>5.890.000</b>	<b>103.000</b>	<b>0</b>	<b>161.000</b>	<b>95.000</b>	<b>264.000</b>	<b>95.000</b>	<b>3.327.000</b>	<b>2.922.000</b>	<b>6.249.000</b>	<b>5</b>	<b>20</b>	<b>23,54</b>
<b>PART IV-MAJOR PROGRAMME- PROVISIONS FOR CONTINGENT LIABILITIES</b>																	
After Service Health Insurance provisions .....			0	0	0	400.000	0	0	0	400.000	0	400.000	0	400.000			
Repatriation Grant provisions .....			0	0	0	200.000	0	0	0	200.000	0	200.000	0	200.000			
<b>TOTAL PART IV .....</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>600.000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>600.000</b>	<b>0</b>	<b>600.000</b>	<b>0</b>	<b>600.000</b>			<b>2,26</b>
<b>SUBTOTALS .....</b>	<b>48</b>	<b>58</b>	<b>17.750.000</b>	<b>7.360.000</b>	<b>25.110.000</b>	<b>353.000</b>	<b>21.000</b>	<b>832.000</b>	<b>230.000</b>	<b>1.185.000</b>	<b>251.000</b>	<b>18.935.000</b>	<b>7.611.000</b>	<b>26.546.000</b>	<b>48</b>	<b>58</b>	<b>100,00</b>
<b>TOTAL .....</b>	<b>106</b>		<b>25.110.000</b>			<b>374.000</b>		<b>1.062.000</b>		<b>1.436.000</b>		<b>26.546.000</b>			<b>106</b>		
						1,5%		4,2%		5,7%							

**III - DETERMINATION OF PROGRAMME BUDGET LEVEL  
2010-2011**

IN EUROS

	Staff costs	Operational costs		Total EUR	Variation in current terms	Estimated variation in real terms (estimated CPI 2010-2011 : 5.06%)
		Programme of work (Part I)	(Part II, III and IV)			
Approved appropriations 2008-2009.....	17.750.000	3.801.000	3.559.000	25.110.000	---	0,64
Increase/saving according to needs .....	353.000	21.000	0	374.000	1,5	
Cost increases/decreases .....	832.000	107.000	123.000	1.062.000	4,2	
Proposed appropriations 2010-2011 .....	18.935.000	3.929.000	3.682.000	26.546.000	5,7	

**PART I  
PROGRAMME OF WORK**

**Summary of 2010-2011 proposals**

Programmes	Work-Years/Months 2010-2011		EURO						
	Professional and higher categories	General Service	Staff costs		Operational costs		Total Resources		
			2010	2011	2010	2011	2010	2011	2010-2011
Section 0 : PROGRAMME AND COORDINATION MANAGEMENT	06/00	02/00	391.000	413.000	19.000	20.000	410.000	433.000	843.000
Section 1 : MARKET	10/00	10/00	828.000	873.000	352.000	361.000	1.180.000	1.234.000	2.414.000
Section 2 : INFORMATION AND COMMUNICATION	08/00	14/00	822.000	865.000	173.000	178.000	995.000	1.043.000	2.038.000
Section 3 : AFFILIATE MEMBERS AND PUBLIC-PRIVATE PARTNERSHIP	04/00	06/00	384.000	404.000	128.000	131.000	512.000	535.000	1.047.000
Section 4 : EDUCATION, TRAINING AND KNOWLEDGE MANAGEMENT	02/00	02/00	165.000	174.000	84.000	86.000	249.000	260.000	509.000
Section 5 : SUSTAINABLE DEVELOPMENT OF TOURISM	08/00	04/00	557.000	587.000	86.000	89.000	643.000	676.000	1.319.000
Section 6 : DEVELOPMENT ASSISTANCE	04/00	08/00	437.000	460.000	99.000	101.000	536.000	561.000	1.097.000
Section 7 : REGIONAL ACTIVITIES	18/00	12/00	1.331.000	1.404.000	860.000	881.000	2.191.000	2.285.000	4.476.000
Section 8 : UNITED NATIONS SYSTEM	00/00	02/00	53.000	55.000	96.000	98.000	149.000	153.000	302.000
Section 9 : TECHNICAL CONFERENCES	00/00	04/00	106.000	111.000	43.000	44.000	149.000	155.000	304.000
<b>Totals 2010-2011</b>	<b>60/00</b>	<b>64/00</b>	<b>5.074.000</b>	<b>5.346.000</b>	<b>1.940.000</b>	<b>1.989.000</b>	<b>7.014.000</b>	<b>7.335.000</b>	<b>14.349.000</b>
			<b>10.420.000</b>		<b>3.929.000</b>		<b>14.349.000</b>		

## P A R T II

### EXECUTIVE ORGANS AND MEETINGS

Summary of proposals for 2010-2011

Programmes	Work-Years/Months 2010-2011		Euros 2010-2011		
	Profes- sional and higher categories	General Service	Staff Cost	Operational Costs	Total Resources
Section 1: <b>GENERAL ASSEMBLY</b>	--	--	--	198,000	198,000
Section 2: <b>EXECUTIVE COUNCIL AND SUBSIDIARY BODIES</b>	--	--	--	136,000	136,000
Section 3: <b>MANAGEMENT</b>	12/00	02/00	2,423,000	327,000	2,750,000
Section 4: <b>CONFERENCES, TRANSLATION AND REPROGRAPHY<sup>1</sup></b>	14/00	10/00	2,165,000	99,000	2,264,000
Section 5: <b>REPATRIATION</b>	--	--	--	--	--
Totals 2010-2011	26/00	12/00	4,588,000	760,000	<b>5,348,000</b>
Totals 2008-2009	26/00	12/00	4,632,000	732,000	<b>5,364,000</b>

1. The resources in this major programme cover the directly identifiable costs of holding meetings of the Organization's general policy-making organs, which, in their respective spheres of competence, consider and adopt the decisions on which the Organization's activity is based, as a general rule in the light of the Secretary-General's proposals. This major programme also includes resources to cover the costs of Management and of the programme of Conferences, Translation and Reprography.

<sup>1</sup> The "Technical Conferences" Unit (Part I Section 9) is part of the Conferences Service and is managed by the Chief of that Service. It has 04/00 General Service staff, in addition to those indicated above.

2. In estimating expenditure for 2010-2011 the policy has been to limit the length of meetings so far as possible in order to keep costs down.
3. Estimated expenditure for meetings has been based on the actual expenses incurred in 2008 and, in the case of the General Assembly, on the cost of the last session held in 2007, albeit taking into account current costs and their trends.
4. This major programme provides for the directly identifiable costs of holding meetings in the biennium 2010-2011. In addition to the directly identifiable costs shown in the budget table for this major programme, costs are allocated to a number of other programmes. These costs are not shown in this Part because they correspond to work forming part of other programmes. The Conference programme provides for the coordination of secretariat services and contributes certain staff resources for in-meeting servicing, as well as for the translation, printing and reproduction of documents. The other budget programmes also contribute to meetings by providing administrative support, such as personnel, finance, typing, messenger, information and reception services.
5. The resources shown for each meeting in this major programme relate to the direct costs of interpreters, external collaborators and other temporary staff, as well as sundry costs, including those of equipment and supplies.

**SECTION 1: GENERAL ASSEMBLY**

Euros

		Costs	Total Resources
		2010	2011
		2010-2011	
		--	198,000
		198,000	198,000

Totals 2010-2011 .....	<b>198,000</b>
Totals 2008-2009 .....	<b>193,000</b>

6. The General Assembly meets in ordinary session every two years.

**SECTION 2: EXECUTIVE COUNCIL AND SUBSIDIARY BODIES**

Euros 2010-2011		
Subprogrammes	Costs	Total Resources
Heading 1: <b>Executive Council</b>	63,000	63,000
Heading 2: <b>Programme Committee</b>	49,000	49,000
Heading 3: <b>Committee on Budget and Finance</b>	24,000	24,000
Totals 2010-2011.....		<b>136,000</b>
Totals 2008-2009.....		<b>130,000</b>

**Heading 1: Executive Council**

Euros			
	Costs		Total Resources
	2010	2011	2010-2011
	31,000	32,000	63,000
Totals 2010-2011 .....			<b>63,000</b>
Totals 2008-2009 .....			<b>61,000</b>

7. The Executive Council meets twice in the first year of the biennium. In the second year it holds three sessions, the last of them in conjunction with the General Assembly.

**Heading 2: Programme Committee**

Euros

Costs		Total Resources
2010	2011	2010-2011
24,000	25,000	49,000

Totals 2010-2011.....	<b>49,000</b>
Totals 2008-2009.....	<b>46,000</b>

8. The Programme Committee (PC) holds two meetings each calendar year, normally before the sessions of the Executive Council that are required to examine the general programme of work. Each meeting last two days and is held in conjunction with a meeting of the Evaluation Task Force which is also financed under this budget heading.

**Heading 3: Committee on Budget and Finance**

Euros

Costs		Total Resources
2010	2011	2010-2011
12,000	12,000	24,000

Totals 2010-2011 .....	<b>24,000</b>
Totals 2008-2009 .....	<b>23,000</b>

9. The Committee on Budget and Finance (CBF) generally holds a one-day meeting once or twice every financial year.

**SECTION 3: MANAGEMENT**

Work-Years/Months 2010-2011		Euros					
Professional and higher categories	General Services	Staff Costs		Operational Costs		Total Resources	
		2010	2011	2010	2011	2010	2011
12/00	02/00	1,233,000	1,190,000	162,000	165,000	1,395,000	1,355,000

Totals 2010-2011		2,423,000		327,000		<b>2,750,000</b>	
Totals 2008-2009		2,317,000		314,000		<b>2,631,000</b>	

10. Resources are provided under this programme for the management activities that enable the Secretary-General to discharge his responsibility, consisting in the main of ensuring the efficient operation of the World Tourism Organization. Provision is made for the posts of Secretary-General, Deputy Secretary-General and Director of Administration, their staff and their direct collaborators as well as for official travel and legal advice.

**SECTION 4: CONFERENCES, TRANSLATION AND REPROGRAPHY**

Work-Years/Months 2010-2011		Euros					
Professional and higher categories	General Services	Staff Costs		Operational Costs		Total Resources	
		2010	2011	2010	2011	2010	2011
14/00	10/00	1,053,000	1,112,000	49,000	50,000	1,102,000	1,162,000

Totals 2010-2011		2,165,000		99,000		<b>2,264,000</b>	
Totals 2008-2009		2,068,000		95,000		<b>2,163,000</b>	

11. The activities under this programme include the organization of General Assembly and Executive Council sessions, and other meetings convened by UNWTO.

12. The Translation service provides language support for the translation of documents for meetings, as well as of periodic publications.

13. As its name suggests, the Printing and Reproduction service is responsible for printing, reproducing and distributing documents for meetings convened by the Organization. If the volume of work permits, other documents and publications are also printed in-house.

14. Besides maintaining an appropriation of EUR16,000 for travel costs, "Operational Costs" includes an appropriation of EUR83,000 to meet the needs of outsourcing translation work at times when the workload increases to the extent that it cannot be handled in-house.

15. It is recalled that the "Technical Conferences" Unit, which organizes meetings related to technical and policy aspects of tourism, is included in Part I-9 of the programme budget with 04/00 General Service staff and a budgetary appropriation for operational expenses of EUR87,000.

### **SECTION 5: REPATRIATION**

Work-Years/Months 2010-2011		Euros					
Professional and higher categories	General Services	Staff Costs		Operational Costs		Total Resources	
		2010	2011	2010	2011	2010	2011
00/00	00/00	--	--	--	--	--	--
Totals 2010-2011		--	--	--	--	--	--
Totals 2008-2009		247.000		--		<b>247.000</b>	

16. Financial provision has been made in 2008-2009 under a new heading "Repatriation" for the separation from service of members of the Management on completion of their mandates. This section will not be included in Part II after the 2010-2011 budget. Any financial provision made under the heading of Repatriation of staff members shall be incorporated in Part IV of the budget "Provisions for Contingent Liabilities".

## PART III

PROGRAMME SUPPORT SERVICES AND  
OTHER BUDGETARY PROVISIONS

Summary of proposals for 2010-2011

Programmes	Work-Years/Months 2010-2011			Euros 2010-2011	
	Profes- sional and higher categories	General Service	Staff Cost	Operational and Other Costs	Total Resources
Section 1: <b>BUDGET AND FINANCE</b>	04/00	06/00	788,000	---	788,000
Section 2: <b>HUMAN RESOURCES AND TRAVEL</b>	02/00	08/00	665,000	282,000	947,000
Section 3: <b>PURCHASES, MAINTENANCE AND SECURITY</b>	00/00	14/00	759,000	1,804,000	2,563,000
Section 4: <b>INFORMATION AND COMMUNICATION TECHNOLOGIES</b>	04/00	06/00	789,000	---	789,000
Section 5: <b>POSTS AND TELECOMMUNICATIONS</b>	---	06/00	326,000	777,000	1,103,000
Section 6: <b>OTHER BUDGETARY PROVISIONS</b>	---	---	---	59,000	59,000
Totals 2010-2011	10/00	40/00	3,327,000	2,922,000	<b>6,249,000</b>
Totals 2008-2009	10/00	38/00	3,063,000	2,827,000	<b>5,890,000</b>

17. The activities under this major programme include the following: financial and personnel services; purchases and maintenance; and computers and telecommunications.

**SECTION 1: BUDGET AND FINANCE**

Work-Years/Months 2010-2011		Euros					
Professional and higher categories	General Services	Staff Costs		Operational Costs		Total Resources	
		2010	2011	2010	2011	2010	2011
04/00	06/00	384,000	404,000	--	--	384,000	404,000
Totals 2010-2011		788,000		--		<b>788,000</b>	
Totals 2008-2009		752,000		--		<b>752,000</b>	

18. Resources are provided under this programme for the Budget and Finance Section which is responsible for the Organization's financial and accounting activities

**SECTION 2: HUMAN RESOURCES AND TRAVEL**

Work-Years/Months 2010-2011		Euros					
Professional and higher categories	General Services	Staff Costs		Operational Costs		Total Resources	
		2010	2011	2010	2011	2010	2011
02/00	08/00	325,000	340,000	139,000	143,000	464,000	483,000
Totals 2010-2011		665,000		282,000		<b>947,000</b>	
Totals 2008-2009		634,000		272,000		<b>906,000</b>	

19. Resources under this programme are allocated to the Human Resources Section which is responsible for all administrative procedures for the recruitment of staff, internal staffing changes, transfers, and separation from service. "Operational Costs" include appropriations to meet the needs that may arise in the Secretariat for temporary staff to assist at times of increased workload as well as covering the cost of internal staff training courses. The Unit responsible for official travel is also part of this Section.

**SECTION 3: PURCHASES, MAINTENANCE AND SECURITY**

Subprogrammes	Work-Years/Months 2010-2011		Euros 2010-2011		
	Profes- sional and higher categories	General Service	Staff Cost	Operational and Other Costs	Total re- sources
Heading 1: <b>Office procurement, purchasing and supplies</b>	00/00	02/00	108,000	1,209,00	1,317,000
Heading 2: <b>Maintenance security and other services</b>	00/00	12/00	651,000	595,000	1,246,000
Totals 2010-2011	00/00	14/00	759,000	1,804,000	<b>2,563,000</b>
Totals 2008-2009	00/00	14/00	719,000	1,753,000	<b>2,472,000</b>

**Heading 1: Office purchasing and supplies**

Profes- sional and higher categories	General Services	Work-Years/Months 2010-2011		Euros			
		2010	2011	Operational and Other Costs		Total Resources	
				2010	2011	2010	2011
00/00	02/00	53,000	55,000	602,000	607,000	655,000	662,000
Totals 2010-2011			108,000		1,209,000		<b>1,317,000</b>
Totals 2008-2009			103,000		1,175,000		<b>1,278,000</b>

20. The activities of this subprogramme include the procurement, purchase, storage, distribution and maintenance of office furniture, equipment and stationery and other goods and supplies necessary for the Organization as a whole. The subprogramme's resources, excluding staff costs, are as follows:

	Euros	
	2010	2011
Stationery, office and document reproduction supplies .....	206,000	207,000
Acquisition of furniture, equipment and vehicles .....	65,000	66,000
Use and maintenance of furniture, office equipment and vehicles .....	42,000	42,000
Depreciation of fixed assets.....	229,000	231,000
Hospitality costs and other supplies and services.....	<u>60,000</u>	<u>61,000</u>
Total .....	<u>602,000</u>	<u>607,000</u>

21. In general, the annual increase applied, i.e. 2.5 per cent, reflects inflation. However, the appropriation corresponding to the item "Depreciation of fixed assets" has to be updated in each period, not on the basis of inflation but according to the estimated amount of the replacement and the yearly replacement rates already established by the straight-line system applied.

## **Heading 2: Maintenance, security and other services**

Work-Years/Months 2010-2011		Euros					
Professional and higher categories	General Services	Staff Costs		Operational and Other Costs		Total Resources	
		2010	2011	2010	2011	2010	2011
00/00	12/00	318,000	333,000	296,000	299,000	614,000	632,000
Totals 2010-2011		651,000		595,000		<b>1,246,000</b>	
Totals 2008-2009		616,000		578,000		<b>1,194,000</b>	

22. The resources under this subprogramme cover the general running costs of the building, as well as those of maintenance staff, security, a driver and messengers.

23. With the exception of staff costs, the following list sets out the resources required for the general costs of running the building, with an estimated increase of 2.5 per cent a year, the rate of inflation.

	Euros	
	2010	2011
Maintenance and renovation of UNWTO premises .	16,000	16,000
Insurance .....	9,000	9,000
Utilities (electricity, heating and water).....	75,000	76,000
Cleaning and security .....	<u>196,000</u>	<u>198,000</u>
Total .....	<u>296,000</u>	<u>299,000</u>
	=====	=====

24. The Headquarters building of the Organization was supplied by the Government of Spain for a token annual rental of USD1.00.

#### **SECTION 4: COMMUNICATION AND INFORMATION TECHNOLOGIES**

Work-Years/Months 2010-2011		Euros					
Professional and higher categories	General Services	Staff Costs		Operational and Other Costs		Total Resources	
		2010	2011	2010	2011	2010	2011
04/00	06/00	384,000	405,000	--	--	384,000	405,000

Totals 2010-2011	789,000	---	<b>789,000</b>
Totals 2008-2009	650,000	---	<b>650,000</b>

25. The activities of this programme include the operation and management of computer systems, maintenance of existing programmes and their adjustment to changing needs; preparation of software; in-house training courses and advice and support to users; and maintenance of electronic mail, Internet systems and telephony.

#### **SECTION 5: POSTS AND TELECOMMUNICATIONS**

Work-Years/Months 2010-2011		Euros					
Professional and higher categories	General Services	Staff Costs		Operational and Other Costs		Total Resources	
		2010	2011	2010	2011	2010	2011
00/00	06/00	159,000	167,000	384,000	393,000	543,000	560,000

Totals 2010-2011	326,000	777,000	<b>1,103,000</b>
Totals 2008-2009	308,000	745,000	<b>1.053,000</b>

26. With the exception of staff costs, the "Operational and Other Costs" under this programme refer to postage, telephone, telefax, and cables. These appropriations have been increased in line with the cost-of-living rise forecast for the period 2010-2011.

**SECTION 6: OTHER BUDGETARY PROVISIONS**

Euros

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Costs		Total Resources
2010	2011	2010-2011
28,000	31,000	59,000

Totals 2010-2011 .....	<b>59,000</b>
Totals 2008-2009 .....	<b>57,000</b>

27. Resources are provided under this programme for external auditing costs, for the Organization's contribution towards Staff Association expenses and for unforeseen expenditure. The appropriation for this Section has been slightly increased in anticipation of a possible rise in the Auditors' travel expenses and per diems.

**PART IV****PROVISIONS**

## Summary of proposals for 2010-2011

Programmes	Work-Years/Months 2010-2011			Euros 2010-2011	
	Profes- sional and higher categories	General Service	Staff Cost	Operational and Other Costs	Total Resources
Section 1: <b>AFTER SERVICE HEALTH INSURANCE PROVISIONS</b>	00/00	00/00	---	---	400,000
Section 2: <b>REPATRIATION GRANT PROVISIONS</b>	00/00	00/00	---	---	200,000
<b>Totals 2010-2011</b>	00/00	00/00	---	600,000	<b>600,000</b>
<b>Totals 2008-2009</b>	00/00	00/00	---	---	---

28. The external auditors of the United Nations have repeatedly underlined, in their annual recommendations, the urgent need for all the organizations to recognize the liabilities deriving from benefits after separation from service, to book them in their financial statements, and to propose measures to ensure the funding of the total amount of such liabilities.

29. The International Public Sector Accounting Standards (IPSAS), adopted by the United Nations at its 60th General Assembly in 2006, and which must be applied at all organizations of the system starting 1 January 2010, prescribe that the liabilities be accounted for on a full accrual basis, which entails that liabilities deriving from post-retirement benefits should be recognized and be disclosed in the financial statements, and that the future benefits of active staff members that accrue annually should be booked as expenditure each year until the staff members become eligible to receive the benefits.

**SECTION 1: AFTER SERVICE HEALTH INSURANCE PROVISIONS**

Euros											
	Costs		Total Resources								
	2010	2011	2010-2011								
	200,000	200,000	400,000								
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Totals 2010-2011 .....</td> <td colspan="2"></td> <td style="text-align: right; vertical-align: bottom;"><b>400,000</b></td> </tr> <tr> <td>Totals 2008-2009 .....</td> <td colspan="2"></td> <td style="text-align: right; vertical-align: bottom;">----</td> </tr> </table>				Totals 2010-2011 .....			<b>400,000</b>	Totals 2008-2009 .....			----
Totals 2010-2011 .....			<b>400,000</b>								
Totals 2008-2009 .....			----								

30. The United Nations provides staff members who have met certain eligibility requirements with medical coverage and other post-termination benefits. The liabilities pertaining to these benefits must be disclosed as such in the financial statements of the Organization.

31. Health coverage provided through the post-separation medical insurance plan is a fundamental element of the social security of retired officials, many of whom cannot benefit from the national social security plans of the Member States as a consequence of having served in the United Nations.

32. The medical insurance plans of the United Nations are funded with contributions from the Organization and from the participants, both active and retired. All the plans provide medical insurance that is common to active officials and retired officials. Currently, the UNWTO funds two-thirds of the medical insurance, and the participants, active and retired, one-third.

33. Bearing in mind the amount of the liabilities of the after-service medical insurance, it is not possible to achieve full funding in the short or medium term of the accrued liability of the Organization; and it will be necessary to establish a special long-term funding strategy. As part of this strategy, it is necessary to individually identify funding sources in order to ensure that sufficient resources are available to cover all future liabilities, while at the same time maintaining the annual funding of the Organization in accordance with a rate that is as constant as possible.

34. An annual provision of 200,000 euros has been made to cover services rendered in the period 2010-2011, based on a study carried out by an external consultant.

**SECTION 2: REPATRIATION GRANT PROVISIONS**

Euros

Costs		Total Resources
2010	2011	2010-2011
100,000	100,000	200,000

Totals 2010-2011 .....	<b>200,000</b>
Totals 2008-2009 .....	----

35. In accordance with Rule 24(11) of the Staff Rules of the UNWTO, a repatriation grant is payable to any non-locally recruited official who, on leaving the Organization otherwise than by summary dismissal and has completed one year of service outside the country of his home.

36. The International Public Sector Accounting Standards (IPSAS) establish that liabilities pertaining to these liabilities must be accounted for on a full accrual basis and be disclosed as such in the financial statements of the Organization.

37. In order to comply with the requirements of IPSAS an estimated annual provision of 100,000 euros has been made to cover services rendered accrued in the period 2010-2011.



**ANNEX 1****DETAIL OF COST INCREASES**

1. This Annex provides information on the cost increases that have been included in this budget and that are calculated on the basis either of the objects of expenditure common to most of the major programmes or of the analysis of a specific activity.

**RATES OF INFLATION IN SPAIN AND OTHER COST INCREASES**

2. Cost changes for which it was considered necessary to make provision in the budget proposals included the probable effects of inflation and "statutory" increases in staff costs, bearing in mind the costs of annual salary increments or "step increases", education grants, separation and recruitment and premiums payable to the pension fund and for health and accident insurance, etc.

3. As to inflation, the official consumer price index (CPI) in Spain recorded a 1.4 per cent increase in 2008. The Spanish Government has put this figure at 2.5 per cent for 2009. The latest forecast of the International Monetary Fund (IMF), the Organization for Economic Cooperation and Development (OECD), the European Commission and UNOG for Spain puts this figure between 2.1 and 3.0 per cent for 2009 (see table in page 3). Considering that these forecasts reflect an approximation of the possible evolution of prices in Spain, the average of these estimations has been chosen, that is 2,5 per cent annual budgetary rate of increase.

4. For each of the major items of expenditure, consideration was given separately to the cost increases that could be expected in 2010 and 2011. In some cases the rates of inflation applied for certain types of expenditure differ from the overall forecast rate depending on the particular conditions of each.

**Staff costs for the Professional and higher categories in Madrid**

5. The remuneration of staff in the Professional and higher categories consists of a base salary and a post adjustment. The base salary scale is published, and periodically updated, by the International Civil Service Commission (ICSC) in New York. The ICSC also publishes a monthly post adjustment index, reflecting the evolution of the cost of living at UNWTO's Headquarters. Since UNWTO is a Specialized Agency of the United Nations, it periodically cooperates with ICSC in conducting "Place to place surveys" to determine the level of the cost of living at Madrid for United Nations System officials. The last such survey was conducted in October 2005. A new survey would normally be conducted in 2010.

6. The cost estimates for this staff category in 2010-2011 have been based on the planned staffing level for the biennium, taking as reference the base and pensionable salary scales in force on 1 January 2008, statutory increments due plus a provision of 2.5% for the possible annual increase in the cost of living.

### **Staff costs for the General Service category in Madrid**

7. The estimates for 2010-2011 are based on the budgeted staffing level in this category. The salary scale for General Service officials is published by the ICSC and is expressed in Euros. The present salary scale, based on a survey conducted by the ICSC in cooperation with UNWTO, has been in force since April 2004. Since then, the ICSC has determined the annual increases by reference to the Spanish cost of living index.

8. The salary scale effective 1 April 2008 has been used to determine staff costs in this category, after making allowance for statutory increments and the possible annual increase in the cost of living at Madrid.

### **Contributions to the United Nations Joint Staff Pension Fund**

9. The basis for calculating this expenditure is unchanged with respect to the period 2008-2009. In effect, of the total contribution rate of 24 per cent (\*) (the rate currently applicable in the UNJSPF), the two-thirds financed by the Organization will amount in this case to 16 per cent (\*) of pensionable remuneration for the financial years 2010 and 2011.

### **Staff health and accident insurance**

10. For the purpose of the 2010-2011 budget, an increase of the premium rates of 2.5% in 2011 over the premium rate fixed for 2008 is expected, but has not yet modified to date by the insurance company. It is planned to revise the policy provisions of the medical insurance scheme in late 2010 and to negotiate a new policy for a 3 to 5 year period. As a result the rate foreseen to be contributed by the Organization is equal to 7.67 per cent in 2010 and 7.86 per cent for 2011 of gross staff remuneration.

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(\*) Percentage rounded up

## ANNEX 2

## SCHEDULE OF ESTABLISHED POSTS

This Schedule shows the number and category of established posts under the regular budget:

	<u>Number of posts</u>	
	<u>2010-2011</u>	<u>2008-2009</u>
Secretary-General	1	1
Deputy Secretary-General	1	1
Assistant Secretary-General	1	1
Professional and higher categories	45	45
General Service category	58	58
	—	—
TOTAL .....	106	106
	===	===



## ANNEX 3

## IMPACT OF INCOME VARIATIONS ON THE 2010-2011 BUDGET

The purpose of this annex is to explain the impact that possible income variations would have on the proposed budget.

The figures presented in the proposed budget for 2010-2011 are based on an inflation (CPI) scenario of 2.5% per annum, taking financial year 2009 as the starting point of the inflation estimate.

The contributions of the Full and Associate Members have been calculated applying the aforementioned annual inflation rate to the contributions approved for the 2009 budget.

Based on these estimates, the proposed budget for the period 2010-2011 amounts to 26,546,000 euros.

If the impact of inflation and its repercussions on income are not fully assumed, it would be absolutely necessary to readjust lower the level of activities of the Organization as a consequence of the corresponding decrease in income.

The following table shows the budgetary impact that a one-percentage-point reduction in the annual increase of the contributions of the members:

## BUDGETARY SCENARIOS

(in thousands of euros)

	2008	2009	2010		2011		2010-2011
			Amount	Variation	Amount	Variation	Variation
<u>Estimated income</u>							
- With full CPI adjustment	12.148	12.962	12.950	(12)	13.596	646	634
- With adjustment by CPI minus 1 percentage point	12.148	12.962	12.828	(134)	13.378	550	416
Impact of the variation				(122)		(96)	(218)
<u>Expenditure estimate adjusted by CPI minus 1 percentage point</u>	12.148	12.962	12.828	(134)	13.378	550	416
- Structural costs	8.613	9.137	9.283	146	9.652	369	515
- Other costs	3.535	3.825	3.545	(280)	3.726	181	(99)