

**FOLLOW-UP INSPECTION OF THE 2009 REVIEW OF
MANAGEMENT AND ADMINISTRATION IN THE
WORLD TOURISM ORGANIZATION**

Prepared by

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**Joint Inspection Unit
Geneva 2014**



United Nations

JIU/REP/2014/5

Original: ENGLISH

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EXECUTIVE SUMMARY

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JIU/REP/2014/5

The Joint Inspection Unit of the United Nations system (JIU) has the mandate to provide independent views on all matters having a bearing on the efficiency of the services and the proper use of funds of the United Nations system organizations.¹ This is why, five years after UNWTO became a member of the system, the JIU decided to help the organization to benefit from the United Nations values as well as the best practices and lessons learned by other organizations of the system (governing bodies and secretariats) in their similar (administrative) activities. The Unit conducted in 2009 a Management and Administration Review in the UNWTO. The report (hereafter called 2009 MAR) was published as JIU/REP/2009/1. The 2009 MAR identified many areas for improvement and harmonization of the management and administration practices at UNWTO. Its focus was on structure and governance, strategic planning and budgeting, human resources, oversight and cooperation with other United Nations system organizations and private sector entities. Formally, in addition of one recommendation addressed to the Secretary-General of the United Nations, there were 24 recommendations for the consideration by UNWTO: 11 were addressed to its legislative bodies (General Assembly and Executive Council) and 13 to its Secretary-General for action.² Given the extensive nature of the recommendations and the subsequent lack of apparent follow-up, the JIU decided to assess how many of its recommendations had been accepted and implemented in the five-year period that has passed, and to which extent they have impacted the Organization in the changing context of its governance, funding, administrative and managerial activities.

Despite the lack of information on acceptance and implementation of the report's recommendations, the follow-up inspection showed that not only was the organization in a position to provide high-quality information and documentation to the JIU team, but also that many recommendations had been implemented. The Inspector was impressed by the seriousness with which both Member States and the Secretary-General elected in 2009 (and re-elected in 2013) took the JIU recommendations, the former by constituting among themselves an ad-hoc working group to discuss and understand the implications of the JIU recommendations, the latter by using those recommendations as one of the components of the "White Paper" (WP)³, elaborated with the participation of the UNWTO members and endorsed by the 2011 General Assembly of UNWTO⁴ "*as the main guiding strategic document of the organization for the medium term*". In the limits of the management and administration areas, the Inspector appreciates a lot, beyond some explicit references to the 2009 MAR, the convergence of the analysis and commitments contained in the WP with the content of most of the 2009 MAR recommendations. With few exceptions, the WP could be seen as an implementation plan.

The 2009 MAR came timely, as the year 2009 was a turning point in the Organization's governance

¹ See the statute of the JIU, art.5. This Statute was the annex of the UN General Assembly res. 31/192 and can be easily found in the JIU website www.unjiu.org

² While those recommendations were numbered from 1 to 24, plus a last one addressed to the Secretary-General of the United Nations, it must be noted that in practice, resolution 15 (a, b and c) had to be accounted for three recommendation: 15 (a), 15 (b) and 15 (c) in terms of follow up, bringing the total to 27. Annex 1 is listing all recommendations of the 2009 MAR with a double reference to the paragraphs of the original MAR and those of the present follow up Inspection report.

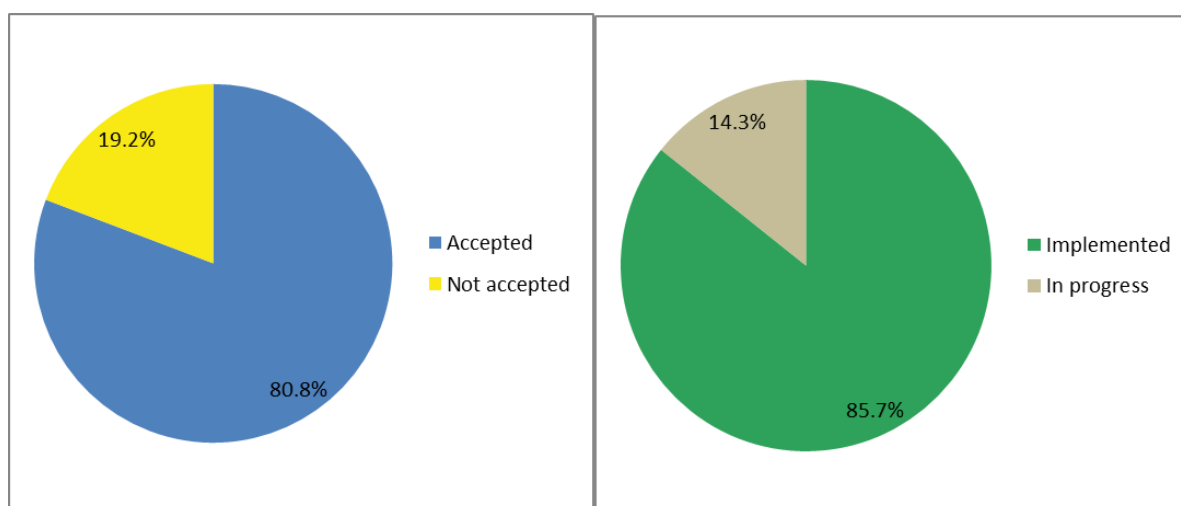
³ A/19/11.

⁴ A/RES/602(XIX).

and culture. On the basis of the WP which became the document of reference for UNWTO, the Organization has proceeded with its in-depth participatory reform, elaborated with the active involvement of all stakeholders. It naturally touched upon its administrative functions not only in terms of structures and mechanisms, or even modernization, but also out of a new spirit, bringing to life the United Nations values which are also underpinning the JIU work. This certainly facilitated the acceptance and implementation of most of the 2009 MAR recommendations by the various stakeholders as shown in this report.

At the same time, the information provided in August 2013 by the UNWTO secretariat to the JIU through its new online follow-up system and claiming 100 per cent acceptance rate for the 2009 MAR recommendations and 75 per cent implementation rate for the accepted recommendations, was over-optimistic and not accurate. A careful inspection results in a more realistic picture of the overall performance: 21 recommendations out of the 24 addressed to UNWTO⁵ were accepted (80.8 per cent) with 18 implemented (85.7 per cent) as shown by the figure below. A list of recommendations reflecting their status can be found in annex I to the report.

Figure 1: Status of acceptance and implementation of the recommendations contained in JIU/REP/2009/1



Source: JIU Web-based Tracking System

In the oversight area, such overall performance, as detailed in this report, is already quite significant and very satisfactory to both the JIU and the Organization. At the same time, the findings of the present report should allow UNWTO to concentrate on:

- what remains to be achieved in the line with its previous commitments;
- the few areas where the 2009 MAR recommendations were not accepted; and
- some emerging issues identified during this follow-up inspection, resulting in soft (i.e. less formal) recommendations or suggestions aimed at assisting the Organization to achieve further improvements.

The Inspector found that the organization made good use of 18 recommendations and did fully implement them. Another three recommendations were accepted, but not fully implemented. This

⁵ While those recommendations are numbered from 1 to 24, with a recommendation 25 addressed to the United Nations General Assembly, Recommendation 15 should be accounted for three recommendations: 15 (a), 15 (b) and 15 (c)

related to (a) a recommendation aimed at the satellite entities whose past modalities of cooperation were unsatisfactory; (b) to multilingualism and the provision of resources by the GA to ensure the use of the Chinese language as an official language of the Organization in accordance with GA resolution 521 (XVII), and, in view of the JIU most importantly, (c) the establishment of internal audit, inspection, evaluation, investigation and monitoring functions through either in-sourcing or the funding of three corresponding posts for those functions for the 2010-2011 biennium.

The Inspector also regrets that five recommendations, despite formal reporting on their acceptance, have not been accepted by the Organization. These recommendations aimed at external governance (the provision of summary records/minutes of governing body meetings; the appointment of the Director of the Affiliates Programme); RBM (the development of a result-based framework based on the JIU's model); human resources (related to contract extensions beyond retirement); and external audit (selecting one external auditor instead of three).

The way forward

Accepted and implemented recommendations implying continued activities

Among the recommendations to be fully implemented there are two priority issues for the Secretariat's recent, present and future administrative agenda:

- a) Full and validated implementation of the transition to the International Public Sector Accounting Standards (IPSAS), which was decided in 2006 by the General Assembly but fully commenced only in 2009, on which the Inspector has prepared a detailed and positive Management Letter, which will, however, require further work; and
- b) Clarification of the relations of the Organization with its several "satellite" entities, which had mushroomed during the previous decades, with different institutional frameworks, embedded within various legal, political and financial contexts.

On the first item, the JIU has sent a Management Letter to the Secretary-General, analysing in detail the undertaking of the Organization in this respect, referencing the related benchmarks published by the JIU in 2010.⁶ On the second item, given the multiple and rapidly changing contexts and the uncertain outcomes of ongoing negotiations, it is considered difficult for the JIU to supply updated reliable information in time for the June 2014 session of the UNWTO Executive Council. This could also complement the implementation of the recommendation 2 on the modalities of cooperation with the respective foundations and offices.

Accepted recommendations remaining to be implemented

Recommendation 19 of 2009 MAR was dealing with the use of the Chinese language in the Organization: the related decision of the General Assembly is still awaiting a sufficient number of ratifications of the adopted amendment to the Statutes: it seems that the rhythm of such ratifications is lagging far behind the growth of international tourism concerning China, which makes such amendment even more necessary.

While accepted in principle, **recommendation 22** is far from being implemented on the various aspects of the oversight, a major and typical responsibility of managers and the members of their board in the private sector, corresponding in UNWTO to the Secretary General and the membership of the Executive Council and the General Assembly. In an Organization with so many constraints, including financial ones, the development of services of oversight, in particular internal audit and evaluation, becomes one of the few ways to ascertain an efficient and effective use of financial and

⁶ JIU/REP/2010/6: Preparedness of United Nations system Organizations for the International Public Sector Accounting Standards (IPSAS).

human resources. The Inspector encourages the recent initiatives taken in this regard, in an area where UNWTO is running far behind other Organizations of the United Nations system, and where some sister organizations and the JIU stand ready to help it.

Not accepted recommendations

The JIU reiterates the critical importance of its previous five recommendations that were not accepted. It is aware that the small size of the Organization as well as the financial crisis and the consequent very strict budgetary policy imposed for long by its main contributors, in spite of a steady growth of the tourism activities as source of revenue, are not helping to fulfil all the reform requirements with enough certainty.

Rather than being seen as an unproductive additional expenditure, the production of written summary records/minutes of the governing body meetings in line with **recommendation 6** is a means to complement recent improvements in the decision-making process of the governing bodies, as put in place by the Secretary-General in the WP in response to the much more important recommendation 5, aiming at informed and responsible decisions in a democratic external governance framework.

The fact that such an important post of the UNWTO management as the post of Director of the Affiliate Members programme “pertains” to a single country is a remnant of an outdated culture predating the entrance of UNWTO to the United Nations system, where equality among Member States is the rule and such a privilege is not accepted. Logically, all Member States should share, in line with the assessments formula in force, the cost of any post of the regular budget, and their readiness to do so should be assured when the matter is to be renegotiated between the Secretary-General and the Host Country. However, so far **recommendation 1 as such has not been accepted** and the presentation of candidates remains the privilege of one single Member State and its cost is charged to its generous voluntary contribution. **The Inspector wishes that this double anomaly in terms of entitlement and of financial burden sharing be reviewed at the earliest opportunity, in conformity with the principle of equal rights and equal duties of all membership.**

It is not evident why **recommendation 8** pointing to “the results-based framework developed by the JIU” was not taken up by the authorities of UNWTO. This recommendation proposed to conceive the Organization activities in line with modern management practices according primarily to the results expected by their beneficiaries, rather than in terms of the volume of inputs and activities routinely developed. This is just common sense and a matter of spirit, and not a new complex system. But it implies some change in the customary administrative behaviours and requires some training on the basis of concrete cases. The comments of the United Nations System Chief Executives Board for Coordination (CEB) on the related JIU report⁷ had been very positive, assessing it as “a useful and valuable reference on the subject” and mentioning their broad agreements with its findings and conclusions. Most of the other specialized agencies and the United Nations entities have eventually adopted the concept and the related benchmarks, taking into account their specificities. Why UNWTO could not give thoughts to the gradual shift to new ways of doing things, as it has successfully done elsewhere?

Concerning the recommendation 15 (b) engaging the Secretary-General to develop a rule defining the exceptional circumstances under which the extension of contracts over the age of retirement could be granted, the executive head informed the Inspector that he had not developed such a rule for, when taking office, he initially did not extend anyone beyond mandatory retirement age. However, over time, he felt that some staff were too invaluable to let go and thus some were given

⁷ A/59/617/Add.1 on the JIU report “Managing for results in the United Nations system” (JIU/REP/2004/5 =A/59/617), https://www.unjiu.org/en/reports-notes/archive/JIU_REP_2004_5_English.pdf

contract extensions (for a maximum of one or two years). He made those decisions under the UNWTO Staff Regulation 28⁸, which grants him that authority to make such decisions. The Inspector is not making further comments on the subject.

The Inspector continues to fail to understand why the smallest of all the United Nations system organizations needs more external auditors than any other organization, with the exception of the United Nations Secretariat. This is not in conformity with the desirable trust of a legislative body in the professionalism of the head and the staff of the elected Supreme Audit Institution (SAI). Moreover, a plurality of external auditors requires them to agree on many elements of their engagement, making their tasks more difficult for themselves and for some of their partners in the Secretariat, starting with the IPSAS team. The Inspector is aware that amending the Statutes requires much time for the ratification process. However, the experience shows that after a decision of principle is adopted by the General Assembly, its application may be done on a voluntary basis. In addition, as for any oversight function, having a too long term of the same SAI is not considered a sound approach in terms of independence. As recommended in relevant JIU reports, rotation is the solution, especially for a light portfolio.

Emerging issues

The Inspector has used the opportunity of this follow-up inspection to make some soft recommendations on the New York Office (para. 48), an accountability framework (para. 51), a risk management approach (para. 60), job descriptions for the senior managers (para. 114), a better gender balance at the senior level (para. 117), use of Affiliate Members for training (para. 130), flexible working arrangements (para. 142) and policy of employment of collaborators (para. 145).

⁸ “Officials shall not be retained in active service beyond the age prescribed by the Staff Rules. The Secretary-General may, in the interest of the Organization, extend this age limit by one or two years in exceptional cases.”

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ABBREVIATIONS

AFM	UNWTO Affiliate Members
APB	Appointments and Promotion Board
CEB	United Nations System Chief Executives Board for Coordination
EA	External Auditor
EC	Executive Council
ERM	Enterprise Risk Management
ERP	Enterprise Resource Planning
FWA	Flexible working arrangements
HLCM	High Level Committee on Management (CEB)
ICT	Information and communication strategy
IPSAS	International Public Sector Accounting Standard
IT	Information technology
IUOTO	International Union of Official Travel Organizations
JIU	Joint Inspection Unit of the United Nations system
MAR	Management and Administrative Review
PoW	Programme of Work
RBM	Results-based management
RSOAP	Regional Support Office of Asia and the Pacific
SA	UNWTO Staff Association
SRB	Staff Representative Body
SMT	Senior Management Team
ST-EP	Sustainable Tourism Eliminating Poverty
UNOPS	United Nations Office for Project Services
UNTFAS	United Nations Task Force on Accounting Standards
UNWTO	World Tourism Organization
WBTS	Web-Based Tracking System
WG	Joint Working Groups
WP	White Paper
UNWTO	World Tourism Organization

I. INTRODUCTION

A. Background

1. The Joint Inspection Unit of the United Nations system (JIU), with its statute adopted in 1976 by the United Nations General Assembly⁹ is recognized as the only external and independent system-wide inspection, evaluation and investigation body for all United Nations system organizations.¹⁰ Through its oversight functions, its aim is to serve them without any discrimination and to enhance the harmonization of the United Nations system. When the World Tourism Organization became a member of the United Nations system in 2003, it accepted the JIU statute, including its related obligations, in particular its “follow-up system” on the acceptance and implementation of the recommendations contained in the JIU reports and notes by its participating organizations.¹¹ To date, the World Tourism Organization (UNWTO) is the only Organization not to have systematically provided information for this system and, accordingly, such silence is reflected in the JIU annual reports presented to the United Nations General Assembly.¹²

2. **Undertaken in 2008 and published in 2009 as JIU/REP/2009/1, the Management and Administrative Review (MAR) of UNWTO** (referred hereafter as 2009 MAR) intended to help the organization to benefit from the United Nations values as well as the best practices and lessons learned by the other organizations of the system (governing bodies and secretariats) in their similar activities in their administrative, rather than substantive functions. It identified areas for the improvement and harmonization practices in the management and the administration of UNWTO and presented it at the Executive Council meeting in Bamako, Mali¹³ and, subsequently, at the UNWTO General Assembly (GA) in Astana, Kazakhstan.¹⁴

3. The Executive Council took cognizance of the 2009 MAR, welcomed it and decided to create an ad hoc working group to review the report.¹⁵ This group carried out an exchange of views by electronic means to enable the UNWTO Secretary-General to prepare an implementation plan of the 2009 MAR recommendations, referring to all implications, including those of a financial nature. It was discontinued after the submission of the second draft of the White Paper¹⁶ to the Executive Council.¹⁷

4. For his part, the UNWTO Secretary-General ad interim had presented¹⁸ his vision on the management of secretariat for the period 2010-2013 and was incorporated into its report entitled “Management Strategy and Designation of the Management Team of the Secretariat”¹⁹ presented at the 2009 UNWTO GA, before it became known as **the “UNWTO White Paper (WP)”²⁰ – A reform process for a more relevant UNWTO” and was endorsed by consensus by the 19th GA in 2011,²¹**

⁹ UNGA resolution 31/192, annex 3.

¹⁰ A/RES/67/256, preamble, para 2.

¹¹ Since 2013, the system, manually fed since 2004, has been put on-line, allowing to the authorized JIU focal point in the respective participating organizations to directly inform the Unit, and enabling anybody to check the status of acceptance and implementation of any JIU recommendation from any published report or note, at www.unjiu.org

¹² A/63/34 to 68/34.

¹³ CE/85/8(b): “Report of the Joint Inspection Unit”

¹⁴ A/18/10: “Review of Management and Administration in the United Nations World Tourism Organization (UNWTO)”

¹⁵ It was composed of Brazil, Egypt, France, Germany, Hungary, India, Indonesia, Iran, Iraq, Kazakhstan, Mali, Portugal, Republic of Korea, Russian Federation and Spain.

¹⁶ CE/DEC/10(LXXXIX).

¹⁷ A copy of the Member States’ viewpoints, as of 22 September 2009, was shared with the Inspector during his October 2013 mission to Madrid.

¹⁸ Statement of Intent and Management, 85th session of the Executive Council.

¹⁹ A/18/14, August 2009.

²⁰ A “White Paper” is an authoritative report or guide that addresses issues and how to solve them.

²¹ CE/DEC/10 (LXXXIX): Decisions taken by the Executive Council at its Eighty-Ninth session, CE/89/DEC.

making it the main guiding strategic document for the medium-term plan. Had the 2009 MAR influenced the content of the WP? This is discussed in chapter II below. Five years after the preparation of the first MAR, and taking into account quite limited reaction of the organization vis-à-vis its system-wide publications, the JIU decided to undertake, as part of its programme of work for 2013, and conducted from September 2013 to March 2014, a follow-up inspection of the acceptance and implementation of the recommendations addressed to the UNWTO legislative bodies and to its Secretary-General in the 2009 MAR.

B. Objectives

5. The present report assesses the nature and level of acceptance of the recommendations and the processes used by the Organization in their implementation. As such, the report reviews the corresponding roles and responsibilities (governance) of the Organizations' legislative bodies and the secretariat. It also briefly considers a number of services/entities related with the Organization, on which the level of control of the UNWTO has been for a long time unclear or is still disputed. The present analysis should allow UNWTO to concentrate on what remains to be achieved in the previously adopted implementation plan and on the few areas where the 2009 JIU recommendations were not accepted. The Inspector is aware that the smallness of the organization as well as the financial crisis and the consequent very strict budgetary policy imposed for long by the main contributors, in spite of a steady growth of the tourism activities as source of revenue, were not helping to fulfill all the reform requirements with enough certainty in the last five years. This is why, taking into account the wealth of information and documents shared with the JIU team by the UNWTO secretariat, he also used the opportunity of this inspection to make some new recommendations, without ambitioning to encompass all areas nor analyzing in depth each function through a comprehensive new MAR.

C. Methodology

6. The Inspector used a range of evaluation techniques to ensure triangulation of the findings and well-supported conclusions and recommendations. This report includes information and data received up to March 2014 through:

- Desk review of relevant policy documents available in the public domain (internet) and on the UNWTO intranet as well as secretariat replies to post mission additional questions.
- Two five-day missions to Madrid (October and November 2013) for interviews with representatives of Member States, senior secretariat officials and representatives of the UNWTO staff association. Video and telephone interviews were conducted with other staff and officials including the UNWTO Ethics Officer (London) and the IPSAS senior adviser.
- Comments from the secretariat on the draft report have been taken into account in finalizing the report. In accordance with article 11.2 of the JIU statute, this report was finalized after consultation among the Inspectors so as to test its conclusions and recommendations against the collective wisdom of the Unit.

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

8. While the 2009 MAR implied that JIU investigations were to take place in a near future in certain areas and satellite entities in various regions, this did not occur due to the strict budget limits of the Unit. Notwithstanding the recent frankness and cooperation of the UNWTO secretariat towards JIU, the Inspector is concerned that there are a few outstanding issues which need to be looked into as a priority. In this respect, a management letter was addressed to the UNWTO Secretary-General in December 2013 and another one will be sent to him shortly.

II. EXTERNAL GOVERNANCE

A. A new style

Statutes and other important texts

9. Except for the following initial reminder of UNWTO basics, this chapter will not repeat the description of institutional framework made in the 2009 MAR (paragraphs 11 to 22) of which many are still valid. Rather, it will underline some aspects which obviously changed or were raised by the related recommendations of that report.

10. The current statutes of the World Tourism Organization (WTO) were adopted in 1970²² when it morphed from the International Union of Official Travel Organizations (IUOTO). 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. UNWTO is headquartered in Madrid, Spain since 1975, with a membership of 156 Member States, six Associate Members and 425 Affiliate Members.²³ Its fundamental aim 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.²⁴

Two sources of inspiration: the private sector and the United Nations

11. Within UNWTO, values drawn from the United Nations Charter and other landmark texts on human rights and development have been associated to the business values from most of for profit entities of a sector in full economic and financial surge, which appears as a powerful actual and growing leverage for different and often opposed models of tourism, powerfully impacting in a positive or a negative manner most developing countries in their economic, social and human dimensions, particularly the most fragile civil societies (in least developed countries and small islands in particular). Tensions between those models may be resolved when taking into account a United Nations approach based on long-term (sustainability), the respect of environmental, social and ethical requirements. One of its flagship realizations has been the negotiation and publication of the *Global Code of Ethics for Tourism*.²⁵

12. The original founders of UNWTO have seen the Organization as a leader body for the tourism sector. From its non-governmental origin, the Organization inherited some distinct features, not shared by most of the other specialized agencies and in particular the fact that, in addition to its “full members” who are Member States and its Associate Members,²⁶ the Organization includes **Affiliate Members**.

13. Affiliate membership is open to voluntary actors from the private sector, educational institutions, tourism associations and local tourism authorities whose activities are related to the aims of UNWTO. Current members represent all aspects of the tourism industry, ranging from industry associations to airlines, travel agencies to consultants and trade unions to universities. While equally

²² Statutes of the World Tourism Organization, last revision of October 2012.

²³ As of 1 June 2013. See report of the Chair of the Affiliate Members” (UNWTO General Assembly document A/20/6) para. 8.

²⁴ Article 3 of the UNWTO statutes – www.unwto.org

²⁵ Adopted by resolution A/RES/406 (XIII) on October 1999.

²⁶ 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. Aruba; Puerto Rico; Hong Kong, China; Macao, China; Madeira and the Flemish Community of Belgium are current associate members.

treated by the secretariat, the Affiliate Members are quite diverse in many respects. They 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. 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, including as major national, regional and global actors.

14. The participation of these members is an indication of the UNWTO support for the involvement of the civil society in the network of global institutions, as encouraged by the United Nations. However, the real level of participation (about 30 out of 300 AFM) is low by lack of common denominator. Their motivations are as diverse as branding, linking with a UN organization, networking with governmental entities and private sector or lobbying. At a time when the United Nations and its intergovernmental specialized agencies are deploying efforts and creativity to approach the civil society, the WP raised a question of “*what benefits these entities could derive from becoming an affiliate member, how to get the expected benefits, the extension of participation, the influence that an affiliate member can have on the decision-making process of the Organization*”.²⁷ While the Inspector appreciates the role of launcher of themes (as seasonality in tourism) or initiatives such as *City Tourism* project that is played by some Affiliate Members, he **remains to be convinced that UNWTO is exploiting enough the wealth and complementarities presented by its double membership.**

15. Universally recognized as the main source for reliable statistics on tourism, UNWTO is well placed to comment on tourism’s growing economic importance as well as highlighting the associated environmental, social, cultural and ethical risks. Indeed, when the organization provides technical assistance²⁸ to requesting countries, it ensures that tourism-related projects meet four criteria, namely (i) economic viability; (ii) financially profitable; (iii) environmentally (including culturally) sustainable; and (iv) socio-culturally acceptable.²⁹

The White Paper as document of reference

16. **2009 has been a turning point in the governance of UNWTO, not only because of the election of a new Secretary-General, but with a deep change in the structure and the culture of the Organization. There was a clear convergence between the aspirations of the membership, the values underpinning the JIU recommendations and the content of the three versions of the report known as the *White Paper* (WP).**³⁰ That report was finally endorsed by the UNWTO GA by its resolution A/RES/602(XIX) “*as the main guiding strategic document of the Organization for the medium term*”; this was not just words, as the GA simultaneously requested “*the Secretary-General to implement the measures recommended in the White Paper and to report on the progress made to the subsequent Executive Council sessions*”, giving him the political means to progressively translate its content into reality. In addition, in the same resolution, the GA was blessing five important annexes as instruments for the foreseen reform³¹ and, finally, regarding **external entities**, mandated the Secretary-General, in coordination with their boards and the Executive Council, to make the

²⁷ “Report on the progress of the reform of the Organization (White Paper)”, A/19/11, para. 93

²⁸ See Article 12 of the Agreement between the United Nations and the World Tourism Organization (UNWTO basic texts).

²⁹ Interview with Dr. H. Varma, Director, Technical Cooperation and Services, UNWTO.

³⁰ CE/88/7 and A/19/11.

³¹ A/19/11, annex 1 (Merging of the Programme Committee and the Committee on Budget and Finance, including the new rules of procedure of the new Programme and Budget Committee), A/19/11 ann.2 (Draft rules of procedure of the Committee of the Affiliate Members), A/19/11 ann.3 (UNWTO Knowledge Network), A/19/11 ann.4 (on the modernization of the UNWTO website) and A/19/11 ann.5 (Strategic Alliances for Mainstreaming Tourism).

necessary changes in their legal framework to ensure their non-controlled status, wherever deemed relevant, and requests him to report upon the progress made to the GA.

17. Looking at its content, it can be said that **the WP contained most of the measures enabling the implementation of the 2009 MAR recommendations, which, among other sources, did inspire it, as acknowledged by the Secretary-General when meeting the JIU team.** On such basis the recent years have been the time of an in-depth and intense reform of the Organization, many facets of which are demonstrating the acceptance and implementation of the 2009 MAR recommendations. Not of all of them and this will clearly appear below, in addition to the fact that such reform is far from being fully completed and that the Organization still lacks some tools.

18. In the 2009 MAR (paras. 41-42), the Inspector described some practices he observed within the Executive Council on the decision-making process and, in particular, *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 particularly 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.*

19. Some facts seem to demonstrate that with a new Secretary-General, a new style of relationships with Member States had prevailed:

- The mere fact that, as soon as 2009, Member States could create a working group to discuss the recommendations of the JIU.
- The logical merging of the Programme Committee and the Committee on Budget and Finance in which the secretariat could have more easily its way than in the Programme and Budget Committee were the delegates could see both the strategic and the financial aspects at stake.
- The self-imposition of obligation to respect to seven fundamental principles listed in para. 11 of the Secretary-General's report A/18/14 and sanctified under the following titles: member's ownership, integration, partnerships, ethical standards, transparency and accountability, flexibility and results orientation.
- The deep appreciation of such new spirit by the representatives interviewed in November 2013 by the Inspector.
- The numerous professional contacts that the Secretary-General keeps with the representatives of the full members in their countries through his extensive travels and in the headquarters, on an individual or regional basis, to remain abreast of their preoccupations.
- The change in the secretariat structure, which was giving to Member States as interlocutors some secretariat officials (the executive directors) with a clearer delegation of authority.

B. General Assembly

20. The UNWTO GA meets every two years to discuss and adopt the budget and programme of work and to deliberate on topics of vital importance to the tourism sector. It is composed of Member States and associate members.³² Affiliate Members and representatives of other international organizations may participate as observers. Every four years the GA elects a Secretary-General following the recommendation of the Executive Council.³³

³² 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. Aruba; Puerto Rico; Hong Kong, China; Macao, China; Madeira and the Flemish Community of Belgium are current associate members.

³³ See Rule 53 on the Appointment of the Secretary-General, UNWTO Basic Documents, Volume I.

21. The 2009 MAR included **recommendation 5**: *The UNWTO General Assembly may wish to revisit its current decision-making process at all legislative body 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 decision.* The Inspector noted that in order to foster such a dialogue, the Organization has modified its practice by some new procedures: proposed draft resolutions are now included by the secretariat in its pre-session documents to the governing bodies and the involvement of the Chair and Vice-Chairs is ensured for the drafting of final resolutions and decisions. These resolutions are presented at plenary sessions prior to adoption. The above practice was stated by the Secretary-General in the organization's WP³⁴ (paras. 57-60) which expressly states that the role of the secretariat should be to only "*facilitate, propose language and help to reach consensus on decisions and resolutions*".³⁵ Thus, the Inspector concludes that **recommendation 5 has been accepted and implemented.**

22. The 2009 MAR included **recommendation 6**, inspired by the same spirit of facilitating a transparent and more democratic decision-making process: *The Secretary-General should ensure that written summary records/minutes of the governing body meetings are duly produced.*

23. The Inspector was informed that in lieu of written summary records/minutes, recordings of the meetings are made and archived within the secretariat. This does not facilitate the task of Member States and their officials in the respective capitals to make decisions based on easily accessible information. Hence, in the Inspector's opinion, **recommendation 6 has not been accepted**, notwithstanding the support it received from the Member States in the 2009 ad hoc Working Group. Brazil, for example, suggested that the "secretariat adopts the minutes used on the Regional Commission for the Americas meeting as standard. It has been a very efficient, clear and summarized aide-memoire."

24. Thus, **the recommendation on summary minutes is reiterated** and its implementation is expected to disseminate a good practice and enhance transparency and accountability.

25. The 2009 MAR included **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.*

26. The 2013 UNWTO GA welcomed and adopted the report of the Secretary-General³⁶ on the selection of venues for GA sessions which included a template for future agreements between a country candidate for hosting a GA meeting that establishes the standard requirements of the Organization in terms of privileges and immunities, logistic arrangements and security, among others.

27. Consultations with Member State representatives by the Inspector confirmed that the practice of geographical rotation of the GA sessions has greatly contributed to promote the role of tourism and UNWTO worldwide.³⁷ It enabled some countries to be visible on the tourism map and allows them to showcase their own experiences in cooperation between the state and national and international tourism stakeholders. It also permits Member States delegates to see first-hand how stakeholders such as the World Bank, the United Nations Resident Coordinators and other international Organizations' representatives work together in developing a country's tourism sector.³⁸ By revising the issue,

³⁴ Report on the progress of the reform of the Organization (White Paper) – A reform process for a more relevant UNWTO (UNWTO General Assembly document A/19/11).

³⁵ Ibid., para. 59.

³⁶ Report of the Secretary-General Part II: Administrative and statutory matters; (ii) Guidelines for the selection of venues for General Assembly sessions (UNWTO General Assembly document A/20/5(II)(i)) and UNWTO General Assembly Resolution A/RES/631(XX), Twentieth session, 24-29 August 2013.

³⁷ Ibid.

³⁸ Meeting with the Ambassador of Kenya in Madrid (November 2013).

recommendation 4 was accepted and implemented. A similar recommendation on the location of the Executive Council sessions is discussed below in paras 31 and 32.

28. The 2009 MAR included **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 process.*

29. The Inspector is aware that the funding of the above position comes as an extrabudgetary (voluntary) contribution from the government of Spain and that the Organization appreciates its generous support extended to the Affiliate Members programme.³⁹ The Secretary-General indicated to the Inspector that, following the present practice based on the text of the Convention between Spain and the UNWTO, the former is to provide the latter with a pool of candidates to select from. In 2013, the Spanish government had effectively submitted to the Secretary-General three nationals as candidates for the position and the Secretary-General had reviewed all of them and awarded the post to the best-suitable candidate after a competitive process. This procedure was also confirmed by the incumbent director. Therefore, what was accepted was the mere compliance with the former provisions: **recommendation 1 as such has not been accepted** and only partially implemented in terms of competitiveness, not in terms of openness, since the presentation of candidates remains with one single Member State. **The Inspector wishes that the earliest opportunity be found for a renegotiation of this issue with the host country and the cost of that post be reasonably shared by all Member States to better respect the principle of equal rights and equal duties among the full members.**

C. Regional Commissions

30. Established in 1975 as subsidiary organs of the UNWTO GA, the six regional commissions⁴⁰ normally meet once a year. They enable Member State administrations responsible for tourism of a given region to maintain contact with one another and with the secretariat between sessions of the GA, 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 another. In the last years efforts have been made for more cross-fertilization between Affiliate Members and Regional Commissions, in view of tighter relations and more influence on the decisions of the Executive Council.

D. Executive Council

31. 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 GA in a ratio of one for every five full members. As per its convention with UNWTO, Spain is a permanent member of the Executive Council. Representatives of associate and affiliate members participate in Councils' meetings as observers. The Executive Council takes all necessary measures, in consultation with the Secretary-General, for the implementation of its own decisions and recommendations of the GA, and reports thereon to it. 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.

³⁹ In 2009, the contribution was estimated at EUR 92,000 for the position as stated in the response by Spain to the ad hoc Working Group that reviewed the 2009 MAR.

⁴⁰ Affiliate members from the region participate as observers.

32. The 2009 MAR included **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.*

33. The GA effectively revisited the former practice and endorsed the procedure concerning the selection of venue for meetings to be implemented as of 2014, thereby ensuring that at least one meeting of the Council every other year takes place at Headquarters.⁴¹ The 2013 GA welcomed the report of the Secretary-General⁴² on the selection of venues for the GA sessions which included a template agreement for the hosting of an Executive Council meeting that establishes the standard requirements of the Organization in terms of privileges and immunities, logistic arrangements and security, among others. They adopted the procedures described in the report of the Secretary-General. With the practice having been reassessed and modified, **recommendation 3 has been accepted and implemented.** In the Inspector's opinion, this issue is not among the most serious risks for transparency and effectiveness of the governance, as proved by the experience of the 2013 GA, in spite of its setting in two different countries.

E. Committees

34. The specialized committees of UNWTO advise on the Organization's management and programme content. The UNWTO GA, in adopting the Secretary-General's proposal,⁴³ agreed, in the interests of simplification, efficiency and savings, to the merging of the Programme and the Finance Committees to become the Programme and Budget Committee.⁴⁴ The technical committees, specialized in technical and substantive issues, include the Committee on Statistics and the Tourism Satellite Account, the Committee on Tourism and Competitiveness, the Committee on Tourism and Sustainability, the World Committee on Tourism Ethics,⁴⁵ the Committee on Poverty Reduction and the Committee for the Review of Applications for Affiliate Membership. After criticism was heard on the lack of their activity,⁴⁶ the reform has been undertaken. In the Inspector's view, this is raising an issue which should be discussed (including as a cost-benefit analysis) in each committee, possibly through a survey or a self-evaluation, by an independent consultant, then brought to the Executive Council so the alternative ways could be either conceived, budgeted and compared in order to accomplish the work the technical committees.

⁴¹ Report of the Secretary-General, Part II: Administrative and statutory matters; (ii) Guidelines for the selection of venues of Executive Council and General Assembly sessions (document CE/94/3 (iii) (d) rev.1 and CE/DEC/11 (XCIV)).

⁴² Ibid.

⁴³ Report on the progress of the reform of the Organization (White Paper), A/19/11, para. 47.

⁴⁴ A/RES/602(XIX), page 25.

⁴⁵ Reports directly to the General Assembly.

⁴⁶ CE/DEC/4(LXXXVIII) and CE/DEC/4(LXXXIX).

III. INTERNAL GOVERNANCE: THE EXECUTIVE MANAGEMENT

A. Structure

35. Headed by the Secretary-General, the secretariat is located in Madrid and in various locations, as evoked under a chapter VII of this report, where diversely related satellite entities are working. The staffing table lists 106 posts, with about 10 posts remaining vacant;⁴⁷ the Organization is supported by the work of approximately 30-40 collaborators (project and non-project temporary staff) and 10-20 trainees at any given time.⁴⁸ The previous organizational chart was described in the 2009 MAR as being complex and not reflecting 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 resource management activities to direct supervision of substantive programmes. For example, the Secretary-General directly authorizes all mission travel, 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.”*⁴⁹

36. The 2009 MAR also observed that, while the centralization of authority may have been acceptable in the past, and 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”*.⁵⁰ This is why the 2009 MAR included **recommendation 13**: *The Secretary-General should develop an organizational chart reflecting actual responsibilities and clear reporting lines consistent with the authority delegated.*

37. The organizational charts of 2008 and 2014 are reproduced in annex II to this report. The Secretary-General addressed this issue as a key element in his proposal for a fresh management strategy in the secretariat. Accordingly, *“Senior Management of the Secretariat will be constituted into a Management Team and. This Team would support and be co-responsible with the Secretary-General in the discharge of the Organization’s mandate. In addition to the Secretary-General, the team will be formed by programme-oriented Executive Directors. Each member of the Team will be responsible for a group and resources of programmes and will receive appropriate delegation of authority. The Team will act as a cabinet under the chairmanship of the Secretary-General.”*⁵¹ The proposal was approved and adopted by the GA.⁵² **Hence, recommendation 13 was accepted and implemented.** In addition to the Senior Management Team (SMT),⁵³ but not finalized an Extended Management Team (EMT) was formally established in order to assist the Secretary-General in “examining and formulating strategic and current issues and in further strengthening the coordination and communication channels within the secretariat”.⁵⁴ It includes the SMT, the Regional and Programme Directors and the Chief of Human Resources. Other officials may be asked to attend certain meetings when pertinent issues are discussed.

38. The ad hoc Working Group that reviewed the 2009 MAR (supra) unanimously supported the above recommendation. The WP also reflected that the aim of these structural changes was to enhance

⁴⁷ Report of the Secretary-General, Part II: Administrative and statutory matters, (f) Human resources matters, CE/95/3(II)(f), Table 1.

⁴⁸ Source: Human Resources Section, UNWTO Secretariat. The Secretary-General report on ITC (CE/96/2(f) dated July 2013 mentions “150 internal customers”(pars. 2).

⁴⁹ JIU/REP/2009/1, para. 68.

⁵⁰ Ibid, para. 69.

⁵¹ Management Strategy and Designation of the Management Team of the Secretariat, Note by the Secretary-General, UNWTO General Assembly document A/18/14, para. 16.

⁵² A/RES/571 (XVIII), Resolutions adopted by the (UNWTO) General Assembly at its Eighteenth Session, Astana, Kazakhstan, 5-8 October 2009.

⁵³ It plays inter alia and de facto the role of “management committee” (like the homonymous body at the United Nations). Proposed at a time, this creation was eventually not deemed necessary in view of the size of the organization.

the secretariat' flexibility to ensure a maximum productivity of its limited staff and in line with the move towards a programme-based secretariat.⁵⁵

39. On a related topic, the 2009 MAR included **recommendation 15(c):** *The Secretary-General should...(c) review the current top-heavy structure of the secretariat with a view to streamlining it.*

40. The Secretary-General pointed out that the previous structure had over time resulted in unclear distribution of work among senior officials, created duplication of roles and led to difficulties in the coordination of the Programme of Work (PoW). The model also proved to be very central and vertical, sometimes with confusing reporting lines.⁵⁶ Thus, his proposal to create the SMT was accepted by Member States.⁵⁷

41. The newly-created three posts of Executive Directors (EDs) replaced the previous positions of Deputy Secretary-General, Assistant Secretary-General (ASG) and Director of Programme and Coordination. The Executive Directors would focus on programme-related areas. It was envisaged that these new positions would reduce a burden of decision-making required from the Secretary-General. This would enhance decision-making processes by "increasing delegation, avoiding duplication of efforts, promoting internal synergies, and improve work programme implementation."⁵⁸ **Thus, recommendation 15(c) has been accepted and implemented.**

42. While the above-mentioned changes in the top management positions brought some clarity in the distribution of work among senior officials, such initial progress should be pursued as changes in an organization culture take more time than changes in its organizational chart. The Secretary-General had a paternalistic image, centralizing all decision-making of the small secretariat for too long, with the inherent temptations of vote-catching. As stated by a member of the Working Group on JIU recommendations, "*clannish management that is totally centred on the Secretary-General, where functional relationships are not clear, should be avoided.*"⁵⁹ In the Inspector's opinion, the undertaken clarification should be continued by two means: (a) by a more precise and clearer identification of the areas of action reflected by the respective titles of the EDs; and (b) by taking measures against the top-heaviness of the secretariat structure which continues to be a concern for the JIU for such a modest entity in terms of workforce.

43. Indeed, in a management letter to the Secretary-General of UNWTO,⁶⁰ JIU has made the observation that, when comparing the respective proportions of professional staff members being placed and paid at **above the D2 grade** (sometimes called "political grades") at UNWTO and in the other United Nations system organizations, UNWTO rate amounts to nine percent while the rates of other organizations are all in a range between zero and two percent at headquarters and established offices.⁶¹

44. Furthermore, the EDs were given ASG salaries, which is disconcerting considering that the organization has been under severe budget constraints (zero nominal growth and real nominal growth very recently). In addition, so far the salary grades of the new EDs were never stated in the Secretary-General's reports to the Executive Council on the human resources situation at UNWTO. It was only by reviewing internal documentation that the JIU team discovered that the EDs (whose term is limited by the end of the term of the Secretary-General himself) were given an ASG salary grade, a finding subsequently confirmed by the secretariat. With respect to the cost implication and based on the salary grid of UNWTO staff in 2012,⁶² would the EDs be at D-2 position, the organization would have made

⁵⁵ White Paper, paragraphs 122-123.

⁵⁶ "Management strategy and designation of the Management Team of the Organization", CE/86/5, para. 13.

⁵⁷ CE/DEC/8(LXXXVI).

⁵⁸ CE/86/5, para. 18 (b).

⁵⁹ Summary of Recommendations and Proposals by Member States of the Working Group established by the Executive Council, as of 22 September 2009.

⁶⁰ JIU/ML/2013/1.

⁶¹ Personnel Statistics – Data as 31 December 201", Table 5A, CEB/2012/HLCEM/HR/16.

⁶² Pensionable Remuneration for staff in the Professional and higher category, effective 1 February 2012.

significant overall savings amounting to certainly more than EUR 100.000 annually without taking into account the post adjustment and the cost of support staff and other benefits dedicated to ASG positions.

UNWTO Liaison Office in New York

45. The Inspector, while going through the official documentation of the Organization, has noted that no reference is made to UNWTO Liaison Office in New York except in the Organization chart. Its existence was confirmed through a Note Verbale issued on 5 December 2013 by the Special Representative of the UNWTO to the United Nations addressed to the permanent representatives and observers to the United Nations and heads of Liaison offices of the specialized agencies and related organizations informing them of its office relocation.

46. The Inspector was also surprised to learn that all UNWTO officials based in the Liaison office (e.g. a Special Representative, a Deputy Representative and a Senior Counsellor) are “collaborators” and thus are non-staff members. Out of them, one of the collaborators is working part-time and is compensated accordingly. In the Inspector’s opinion, the fact that the organization is not represented by a single of its staff members to perform functions which may have a great importance,⁶³ raises an issue of accountability. The Inspector is of the view that at least the head of a Liaison Office should be a UNWTO staff member.

47. The aforementioned JIU management letter to the Secretary-General of UNWTO indicated that no report on the activities of the Liaison office had been made available to Member States; in his response, the Secretary-General agreed to include a detailed activities report as well as to undertake a cost-benefit analysis on the maintenance of the Liaison office. A detailed examination of the four Secretary-General’s reports on UNWTO in the United Nations system,⁶⁴ does not reveal any evidence of its activities as all activities mentioned in those reports can be documented from the Internet and/or have taken place in other regions.

48. It is suggested that the Secretary-General review the functions, staffing **(with status and grades), costs (gross and net from any compensation of services with the UN Women Fund) of the UNWTO’s New York Liaison Office and submit a report thereupon to the Executive Council.**

B. Delegation of Authority

49. The primary objective of delegation of authority is to apply the principle of subsidiarity to the decision-making and the related accountability with a more efficient use of human and financial resources to enable organizations to become more agile and responsive, thereby enhancing their overall performance.⁶⁵ It is a prerequisite for the successful implementation of results-based management that managers are given clear responsibilities for and delegation of authority in all areas where they are to be held accountable for results.⁶⁶ Independent controls are to be increased proportionally.

50. The Inspector was given copies of the delegation of authority granted by the Secretary-General to most of the members of his SMT (Executive Directors, the Director of Administration and Finance, Executive Secretaries and the Chef du Cabinet) to act as Authorizing officers for the respective programs and corresponding accounts assigned to them. Each Authorizing officer has been

⁶³ See in this respect JIU/REP/2007/10 : Liaison Offices in the United Nations System.

⁶⁴ CE/98/3(I)(g), CE/95/3(I)(d), CE/94/3(II)(a), and CE/90/9.

⁶⁵ JIU/REP/2004/7: Delegation of Authority and Accountability, Part II: Series on managing for results in the United Nations system.

⁶⁶ Ibid., para. 6.

informed that his/her “adequate performance of the authorizing officer role leads to sound implementation of the program and budget and the organization’s program of work in an effective, efficient and economical manner; while complying with the applicable rules and regulations.”⁶⁷ The representatives of UNWTO full members met in Madrid by the JIU team clearly appreciated the reorganization of the senior management.

C. Accountability Frameworks

51. To comply with the good definition of accountability adopted (without a vote) by the United Nations General Assembly in para. 6 of its resolution 64/259 after years of a difficult dialogue with the United Nations Secretariat, an accountability framework brings together all requisite components. JIU has addressed accountability in its previous reports, the most recent and comprehensive one being 2011 report on “Accountability frameworks in the United Nations System”.⁶⁸ In that report, the Inspectors noted that, while many organizational components⁶⁹ linked to accountability have been described in the UNWTO’s WP, **there was no accountability framework**. That report recommended, inter alia, that UNWTO develop a stand-alone accountability framework inspired by the benchmarks contained therein.⁷⁰ The Inspector notes that this has not been done and suggests that **the Secretary-General submit to the General Assembly a draft UNWTO accountability framework, taking into account the similar successful initiatives performed within the United Nations system**.

⁶⁷ UNWTO Decision Numbers: Delegation 1-5/2010, dated 1 January 2010.

⁶⁸ JIU/REP/2011/5: Accountability frameworks in the United Nations system.

⁶⁹ These include clarity of responsibility, delegation of authority, performance monitoring, reporting mechanisms, standards of integrity and ethical conduct, RBM, administration of justice and internal oversight.

⁷⁰ See Recommendation 1 in JIU/REP/2011/5.

IV. STRATEGY

A. Strategic Planning

52. Strategic Planning is the process by which an organization's medium- to long-term goals, as well as the resource plans to achieve them, are defined. As pointed out in a JIU report on the subject, in a period of budgetary constraints, organizational policy-making bodies will optimize the allocation of resources, promote programmatic and organizational synergies and complementarities, and develop effective tools for planning and monitoring the implementation of plans. That report further stated that an *“effective, forward-looking and well-structured strategic planning process will pave the way for transparent and meaningful reporting to stakeholders, and will facilitate further endorsement of subsequent plans by Member States and other stakeholders of the organizations.”*⁷¹

53. After the membership had recognized itself in the present Secretary-General's vision for the Organization by endorsing the WP as the “main guiding strategic document of the Organization for the medium-term”,⁷² a **White Paper Implementation Plan** was submitted to, and approved by, the 93rd session of the Executive Council.⁷³ The 2013 UNWTO GA took note of the progress of the plan and endorsed the Secretary-General's proposal to simplify the WP in maintaining it for “actions properly related to the reform of the Organization.”⁷⁴

B. Results-Based Management

54. The 2009 MAR issued **recommendation 8**: *The UNWTO General Assembly should endorse the results-based framework developed by the JIU and request the secretariat to use it in the implementation of results-based management (RBM).*

55. The CEB, of which UNWTO is a member, had invited all organizations of the United Nations system to endorse the JIU benchmarking framework for RBM and to use it as the common reference for their respective implementation of RBM.⁷⁵ The JIU RBM benchmarking framework was subsequently endorsed by the General Assembly of the United Nations.⁷⁶

56. The Secretary-General's WP mentions the notion of RBM by stating that “the full implementation of current and future monitoring and evaluation procedures will, in turn, facilitate the establishment of the recommended results-based management and results-based budgeting methods, which are meant to raise productivity and enhance work effectiveness.”⁷⁷ However, no results-based framework has been presented by the Secretary-General to the General Assembly for its endorsement, as if the secretariat could be exempted by its executive head from an obligation to implement a type of management accepted today by most organizations understanding their own interest.

57. **The Inspector reiterates the 2009 MAR recommendation 8, which has neither been accepted nor implemented.** He observes that such acceptance and implementation are not a formality: it is another part of a cultural change by which the focus, through learning and experience, goes from measuring the activities to measuring their results at all levels and in all areas, and from the related change of emphasis from inputs to outputs. Being above all a cultural change, it does not

⁷¹ JIU/REP/2012/12: Strategic Planning in the United Nations system, para. 43.

⁷² A/RES/602/(XIX).

⁷³ CE/93/8, CE/DEC/14(XCIII) and A/20/5(I)(e).

⁷⁴ A/RES/621/(XX).

⁷⁵ CEB/2005/HLCM/R.6.

⁷⁶ Through the approval of paragraph 248 of the report of the fifty-fifth session of the CPC in United Nations General Assembly Resolution 60/257.

⁷⁷ A/19/11, para. 120.

require any complex ITC system, but only the use of the various benchmarks developed by the JIU in its related reports.⁷⁸

58. **Thus, the 2009 MAR recommendation on RBM is reiterated** and its implementation is expected to enhance the effectiveness of the Organization. **Therefore, the Secretary-General, making use of the results-based benchmarks and framework developed by the JIU, should present to the Programme and Budget Committee in 2015 a report demonstrating, how, within its particular constraints in terms of size and resources, the secretariat has moved toward the implementation of the results-based management (RBM).**

C. Risk Management

59. Risk management is an essential element of good organizational governance and accountability. It supports an organization's achievement of strategic objectives by proactively identifying, assessing, evaluating, prioritizing and controlling risks across the organization. As it assists the organization to better prepare for the future, and for uncertainty, it cannot be de-linked from planning and priority-setting mechanisms.⁷⁹ This is why the Programme and Budget Committee should also be the most interested body in seeing it performed. It helps to ensure the sustainability of an organization and enable it to meet organizational objectives. Organization-wide risk management policies and processes provide a coherent methodology for their implementation, possibly through an Enterprise Risk Management (ERM) system.⁸⁰

60. UNWTO does not plan to introduce at this stage any risk management in its managerial practice, claiming that the costs of an ERM system "far outweighs the benefits."⁸¹ The Inspector was surprised to find out that there was a perception that "common sense" practices were seen as sophisticated and costly. In fact, specific risk assessments are already more or less informally performs on some aspects of this small organization's activities such as security, financial transactions, procurement and information technology.⁸² This approach is valid in the context of restricted resources, where the seriousness/probability of the main risks has to be qualified in guiding decision-making: this is the essence of risk management, with or without a specific "system." **The Inspector invites the UNWTO to take advantage of the benefits of ERM as indicated in the box 2 of the JIU report JIU/REP/2010/4 "Review of Enterprise Risk Management in the United Nations System: Benchmarking Framework" and the benchmarks for successful ERM implementation contained in box 1 of the same report.**

⁷⁸ JIU/REP/2004/5, JIU/REP/2004/6, JIU/REP/2004/7 and JIU/REP/2004/8.

⁷⁹ JIU/REP/2010/4: Review of Enterprise Risk Management in the United Nations System Organizations, para. 4.

⁸⁰ Ibid., para 10.

⁸¹ UNWTO response to the JIU questionnaire.

⁸² Ibid.

V. FINANCE

A. Resources

61. The financial aspects of the Organization are governed by the Financial Regulations and Rules.⁸³ In 2010 and 2011, the relevant organs had revised them in order to make them compliant with the requirements of the International Public Sector Accounting Standards (IPSAS) and to “bring the Regulations more in line with other United Nations system organizations and to update the Regulations in areas such as voluntary contributions, internal control and external audit”, also taking into account the Executive Council’s decision of merging the Programme Committee and the Committee on Budget and Finance into the Programme and Budget Committee.⁸⁴

62. The Organization’s budget, covering its administrative functions and the general PoW, is “financed by contributions of the full, associate and affiliate members, according to the scale of assessment accepted by the GA and from other possible sources of receipts for the Organization in accordance with the Financing Rules which are attached to these statutes and form an integral part thereof”.⁸⁵ In the biennial budget 2012-2013, as approved by the GA, amounting to EUR 25.200.000, the amounts and proportions respectively expected from those sources were the following, as shown in table 1 below:

Table 1. Sources of income and their shares in 2012-2013

Sources of income	Amount (EUR)	Share
Full and associate members	23,018,000	91.3%
Other income sources:		
Affiliate members	1,058,000	4.2%
Publications sales	500,000	2.0%
Sundry income	624,000	2.5%
Sub-total other income	2,182,000	8.7%
GRAND TOTAL	25,200,000	

Source: A/19/12

63. The 2009 MAR included **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.**

64. The scale of assessments is determined by the UNWTO GA in accordance with the Financing Regulations and Rules. The draft scale of contributions is included in the Programme and Budget proposals submitted to the GA for discussion and approval.⁸⁶ **Recommendation 9 is therefore accepted and implemented.** Countries are assigned to groups according to the contribution capacity. The Inspector notes that while the methodology has not changed, the total amount of contribution

⁸³ Volume III of the UNWTO Basic Documents.

⁸⁴ A/19/11, June 201: Report on the progress of the reform of the Organization (White Paper) and CE/89/4(c), September 2010, “Merging of the Programme Committee and the Committee on Budget and Finance”.

⁸⁵ Article 25.1 of the UNWTO Statutes.

⁸⁶ A/20/5(I)(c) “Report of the Secretary-General Part 1: Programme of Work (c) Draft programme and budget of the Organization for 2014-2015” Annex A: Contributions of the Full, Associate and Affiliate Members.

does, when applying the “Lusaka formula” which takes into consideration factors such as economic development and tourism activities in arriving at the amounts payable.

65. The 2009 MAR included **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.*

66. The eighteenth GA adopted a resolution urging members to “observe with the utmost rigour the statutory and regulatory provisions governing the Organization’s financial affairs, with particular regard to the due date of contributions specified in paragraph 12 of the Financing Rules, so as to ensure, in the interest of all Members, that the execution of the programme and other activities of the Secretariat is in no way hampered by shortage of funds.”⁸⁷ As the GA has effectively made the requested call, the 2009 JIU **recommendation 11 was accepted and implemented, but the effectiveness of this call is still to be seen.**

67. While the above recommendation has been accepted and implemented, the Inspector would like to point out in the table 2 below the annual and cumulative UNWTO members’ arrears at the end of each calendar year. While the arrears are not taken into consideration when planning the biennium budget and whatever arrears are received and deposited into the General Fund, **firmer measures have been taken in 2013 to reduce the liabilities of affiliates to the organization.**⁸⁸ However, this is **addressing only a small part of all outstanding contributions.** Their accumulated amount (EUR 16.27 million and EUR 15.52 million respectively as at 31 December 2012 and 31 December 2013) represent respectively 133 per cent and 127 per cent of the approved level of all contributions for 2013, i.e. EUR 12.188 million, itself foreseen as superior by 15.8 per cent to the estimated level of EUR 10.513 million for all contributions in the same year; this is a significant structural difference which would be only compensated by about 8.2 per cent with a million of euros expected as payments in arrears.⁸⁹

68. The Inspector does not fully concur with the positive assessment made in the report on the “Financial situation of the Organization”⁹⁰ which qualifies as a “good performance” in terms of the prompt and on-time collection of contributions an average rate of 89 per cent over the period 2006-2012. If it can be said that *many* [countries with significant arrears] *are simply not yet in a position to make a firm commitment to repay their contribution arrears or to adopt a suitable payment plan*, such soothing statement cannot fairly be applied to several other members appearing in the annex 1 to the same document.

B. Programme Budget

69. As a sign of the willingness to allow better informed decisions by the Member States in terms of priorities and related means, the GA has accepted in 2011 the merging of the Programme Committee and the Budget and Finance Committee into a Programme Budget Committee, as proposed in annex 1 of the WP.

70. The Programme of Work (PoW) is structured along **two interdependent strategic objectives**: (a) improving competitiveness and quality of tourism; and (b) ensuring sustainability and ethics in tourism operations.⁹¹ Some programmes are serving **both** objectives. The Secretary-General has identified three types of programmes which served as the basis for the shift from a department-based to a programme-based secretariat in 2010. These are, as listed in the WP,⁹² the Operational Programmes, the Regional Programmes and the Support Programmes. Document A/20/5(I)(c)

⁸⁷ A/RES/567(XVIII).

⁸⁸ A/RES/616(XX), page 15.

⁸⁹ Financial situation of the Organization, A/20/5(II)(b), para 8.

⁹⁰ Ibid.

⁹¹ Report of the Secretary-General, Part I: Programme of work (c) Draft programme and budget of the Organization for 2014-2015, A/20/5(I)(c), para 4.

⁹² A/19/11, para. 123 and 128.

includes for the biennium 2014-2015 a summary description of each programme with its name and acronym (para. 8). In the related area, no follow-up has been given to the “option of formulating a four-year instead of a two-year PoW”.⁹³

71. The programme-budget appropriations distinguish two kinds of support: “direct to members” (communications, conference services and management) and “indirect to members” (budget and finance, human resources, ICT, premises and internal services and a financial amount as “provisions”). The latter, under the Director of the Administration, counts 7 staff at P level and 17 staff at G level. Collaborators do not appear on that staffing table, but they play an important role in some administrative projects.

72. The 2009 MAR included **recommendation 7**: *The UNWTO General Assembly should call for a greater Member State participation and leadership in the planning, programming and budgeting process.*

73. Similarly, criticism has been clearly expressed in the WP:

*“Currently, there is a shortfall of inputs from Members for identifying priority needs, for determining the corresponding programmes to respond to those needs and for deciding on other important matters. Some proposals have been made above in this respect [...] One of the reasons behind the lack of a sense of ownership has been an ineffective system of communications between the Secretariat and its Members, which operates poorly both ways.”*⁹⁴ The WP refers explicitly to that recommendation when it states: *in line with the recommendations made by the JIU, there is a need for greater discussion, involvement and debate among Member States in relation with decisions and resolutions*, consistently adding that: *the Secretariat should be there only to facilitate, propose language and help to reach consensus on decisions and resolutions.*⁹⁵

74. The Inspector appreciates that the WP dedicates its whole section 8 to “a relevant Organization owned by its Members”, which, inter alia, describes progress already made as “*the regionally appointed Vice- chairs of the XVIII General Assembly session becoming fully involved in drafting resolutions, and with drafts being submitted to all Member States in advance of the session in which resolutions were to be approved*”⁹⁶ and presents some interesting ideas to overcome this issue: for instance, to reserve some routine matters to the Executive Council rather than to address them in the GA, to present and debate around a technical report on a major policy issue at each GA meeting, and insists on a “special efforts will be made by the Secretary-General in the current term to enhance and ensure permanent communication with the members”.⁹⁷ While only 31 Member States had replied to the 2006 survey for the PoW for 2008-2009,⁹⁸ the response rate was much higher in the following years. 113 replies were received⁹⁹ for the PoW 2010-2011, and, more recently, 95 replies for the PoW 2014-2015.¹⁰⁰ These figures speak by themselves and also allow to consider that beyond statements, **recommendation 7 has been accepted and implemented; this conclusion was confirmed by the representatives of Member States met by the Inspector in November 2013.**

75. **Recommendation 10** of the 2009 MAR stated: *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).*

⁹³ Ibid, para.46.

⁹⁴ Ibid, para. 54 and 61.

⁹⁵ Ibid, para. 59.

⁹⁶ Ibid. para. 60.

⁹⁷ Ibid. para. 61.

⁹⁸ Draft Programme of Work and Budget of the Organization for the Period 2008-2009, General Assembly Document A/17/7 Rev., p.2.

⁹⁹ General Programme of Work – Report on the Preparation of the General Programme of Work 2010-2011” PC/35/6 (Programme Committee Document), July 2008.

¹⁰⁰ Survey on Member States’ priorities for 2014-2015 – Summary Report, UNWTO Internal Document.

76. Included in the draft programme and budget of the organization for 2014-15 was a table entitled “Appropriations proposed for 2014-2015 and approved for 2012-2013 budget estimates and analysis of increases by part and programme”.¹⁰¹ It shows clearly the allocation of funds (or allotments) to each programme and each unit. A table called “Revised appropriations for 2012-2013 in accordance to the proposed new structure” shows for each regional, operational and support programme the number of staff posts for professional and general service categories, totaling to 106 posts. Another table shows in detail the whole secretariat allocation by grades and non-staff, confirming that **Recommendation 10 is accepted and implemented.**

B. Financial Monitoring and Accounting: the long path to IPSAS implementation

77. In the circumstances pictured in the JIU report on IPSAS,¹⁰² an interagency United Nations Task Force on Accounting Standards (UNTFAS) concluded that the International Public Sector Accounting Standards (IPSAS) derived from the private sector International Financial Reporting Standards (IFRS) represented international best practices for international organizations to improving the quality, comparability and credibility of the financial reporting of United Nations system organizations. This conclusion was successively endorsed by the CEB High-Level Committee on Management (HLCM) and the United Nations General Assembly in its resolution 60/283 (IV). UNWTO Executive Council and GA approved the adoption of IPSAS the same year (2006)¹⁰³ and the Executive Council approved the progressive adoption of the standards in 2010-2011¹⁰⁴ and agreed (as late as May 2009) to the utilization of the reserve fund for the replacement of fixed assets¹⁰⁵ to finance their implementation.¹⁰⁶ It further agreed that the UNWTO should take steps aimed at ensuring that these new accounting standards would be adopted “as soon as possible”.¹⁰⁷ Together with the United Nations and Food and Agriculture Organization (FAO), UNWTO targets 2014 as its first year of IPSAS compliance. IPSAS compliance in the financial statements for 2014 will be reported on by the External Auditors (EAs) in 2015. Similarly to the other United Nations system organizations, UNWTO took its political decision in 2006 without realizing the variety and complexity of tasks it would face in its path to IPSAS. Eventually, in December 2013, twenty one United Nations system organizations had completed their IPSAS implementation successfully.

The strategy

78. In view of the lack of action by UNWTO from 2006 to 2008 to undertake the required action in this respect, the 2009 MAR included **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.***

79. In 2009, a detailed gap analysis was done by the expert who had led the World Food Programme (WFP) through the first successful IPSAS implementation within the United Nations

¹⁰¹ A/20/5(I)(c) “Report of the Secretary-General Part I: Programme of Work (c) Draft programme and budget of the Organization for 2014-2015” UNWTO General Assembly document 24-29 August 2013.

¹⁰² JIU/REP/2010/6: Preparedness of United Nations system Organizations for the International Public Sector Accounting Standards (IPSAS), Chapter II: Towards IPSAS. The report is freely downloadable from at www.unjiu.org or A/66/308 at <http://documents.un.org>

¹⁰³ CE/81/DEC.

¹⁰⁴ CE/DEC/7 (LXXXV).

¹⁰⁵ A Replacement reserve was provided for by Detailed Financial Rule VI.21 to compensate the depreciation determined for the non-expendable fixed assets and intangible assets acquired in previous financial years, so funds are available for their replacement, the acquisition of new ones and the improvement of the infrastructure and / or **administrative support.**

¹⁰⁶ The Inspector checked that it effectively supports the planning, budgeting and implementation of the various activities of the IPSAS project.

¹⁰⁷ CE/95/3(II)(a).Add1: progress report and amendments, 03-04-2013, 94 p (para.3).

system.¹⁰⁸ The expert compared the existing administrative, accounting and IT actual situation with the requirements of IPSAS. As a result, the secretariat obtained the support of the Executive Council through its **decision CE/DEC/5/LXXXVIII which outlined the strategy, structure, work plan and the major impact areas and the revised plan to prepare UNWTO to become IPSAS compliant in the biennium 2014-2015.**

80. As recommended by the JIU, **a work plan was carefully elaborated**, including:

- a pre-phase (2009-2010) with the establishment of new document flow and approval procedures, a new financial model, a review of the IT infrastructure, the migration of the Financial and Management Information System (FMIS) to a superior software (Oracle Forms 10g) and the development of a FMIS manual;
- a main phase (2011-2014) with a review of the regulatory framework, a new accounting policy and practice, a review of all applicable procedures, all communication and training at all levels, determination of IT appropriate specifications; and
- a post-phase (after 2014) which would allow sustaining the compliance with IPSAS and benefiting from its expected advantages. During this phase, the decision to establish an Enterprise Resource Planning (ERP)¹⁰⁹ or possible alternative IT solutions will be taken, subject to a rigorous cost- benefits analysis.

81. Given the above, the 2009 MAR **recommendation 12 has been fully accepted and implemented.**¹¹⁰ Moreover, regular reports to the Executive Council and detailed documents had been produced using the UNTFAS guidance, to implement the IPSAS project plan, detailing the tasks, their planned and actual deadlines, regularly produced and updated degrees of achievement, main costs and the mention of the overall balance for the reserve fund used to this end.¹¹¹

Governance and human resources of the UNWTO IPSAS project: risks and luck

82. Under the sanctified principle of zero nominal budget growth, the human and financial resources to be dedicated to the IPSAS project **were calculated at such a low level that serious risks were taken** for a possible success, without being officially recognized. In this regard, the secretariat highlights its transparency vis-à-vis Member States which *have always been informed through the IPSAS progress reports on possible identified risk issues*,¹¹² and refers to last progress reports to illustrate its point. All stakeholders could therefore be seen as having their share in the risky situation thus created.

83. Until the above mentioned 2009 gap analysis of IPSAS implementation, the lack of financial and human resources had delayed its effective undertaking. **Until 2010 only one staff at professional level was in charge of accounting and IPSAS, besides other tasks; she remained the only staff member at the professional level, leading from her P3 post an IPSAS team constituted of herself and completed with the progressive arrival of three collaborators recruited as accounting specialists.** In the Inspector's view, such a small number and such a grade level are clearly under-rated in comparison with the qualification requirements and the responsibilities incurred by the team and its leader. The governance of the project through a steering group¹¹³ was not found to be effective,

¹⁰⁸ Project story described in annex IV of JIU/REP/2010/6 under the title "A success story the WFP process"

¹⁰⁹ ERP systems provide standard applications to manage the financial, human and physical resources of a user Organization, integrating data and business processes under a unified information system sharing a common set of data. See JIU/REP/2012/8, para. 2

¹¹⁰ Annex I below gives a more detailed rendition of the plan implementation.

¹¹¹ CE/DEC/7(LXXXV), 2009

¹¹² Secretariat written reply to JIU additional questionnaire. See CE/95/3(II)(a) Add.1/part 4 addresses IPSAS-identified risk issues.

¹¹³ CE/88/5(a)/ point 4 regarding "Progress report on the implementation of International Public Sector Financial Standards (IPSAS)" reads: "An IPSAS Steering Group comprising the senior management of the Organization has been established in order to support and enable the implementation of the IPSAS project

and oversight was provided through a more direct supervision by the Director of Administration and the Secretary-General. Since 2012, the SMT met two times on the subject. Formally, the responsibility for implementation is with the Director of Administration under the overall supervision of the Secretary-General.¹¹⁴ The real leadership materialized through several meetings per year of a swift three-level group composed by the Secretary-General, with his political weight and personal commitment, the Director of the Administration with his bird's eye view of all administrative procedures and a staff member at the professional level leading the project team. An external independent adviser who authored the gap analysis, continued to monitor the operations several hours per month and visits sometimes UNWTO headquarters in this respect. The project took advantage of the JIU report on IPSAS and, above all, of the guidance and working papers provided by the United Nations Task Force on Accounting Standards (UNTFAS), implementing one of the roles embedded into its four strategic orientations.¹¹⁵

84. On 23 December 2013, the Secretary-General of UNWTO issued a circular¹¹⁶ regarding the approval and entering into force from, from 1 January 2014, of the UNWTO Financial Rules and Regulations (FRR), UNWTO IPSAS Policy Guidance Manual (PGM), UNWTO Accounting Manual, and UNWTO IPSAS-related Operational and Management Procedures.

85. The Inspector has written a detailed management letter to the Secretary-General on the degree of implementation by UNWTO of the three JIU recommendations and 16 benchmarks.¹¹⁷ He concludes favourably on the reporting to the UNWTO governing bodies, observing, however, that their political support was not accompanied by a level of staffing and funding commensurate with the amount and complexity of the related requirements; consequently, in the absence of a risk analysis and mitigation, the very committed but too small IPSAS team was clearly overstretched putting serious risks for a successful, effective and timely transition to IPSAS. The Inspector considers that these risks did not materialized so far due to the exceptional dedication and skills of the secretariat at all levels; he underlines that converging and continuous miracles cannot be factored in any project. However, the close management support and control of the project ensured that problem issues were dealt with expeditiously until now. **The Inspector found that UNWTO has effectively satisfied to the “Best Practices for a Smooth Transition to IPSAS” except BP 12**, requiring “the adoption of risk assessment, management and mitigation strategies and practices for the project implementation”, **and BP 16 since no resources were set apart** for “an independent and comprehensive validation and verification of the system towards the end of its completion.”¹¹⁸ **The full implementation of BP 13 remains unlikely:** it requires to plan and prepare interim financial statements (also called “dry runs”) for review by external auditor(s) “well ahead of the final implementation date (31 December 2014)”, while the “pilot financial statements” at UNWTO are foreseen for implementation in September 2014, only three months prior to the closing balance date. Moreover, a number of data for the accounts of the year 2014, in particular from the “satellite entities”, will have to be introduced retrospectively, once their relations with the Organization at a political level are fixed and agreed upon.

within the Secretariat. This structure is presented in annex IV of the document”. Decision CE/DEC/7(LXXXV) takes note of the above.

¹¹⁴ CE/93/5(b) add.1 Progress report on the implementation of International Public Sector Accounting Standards (IPSAS). Decision CE/DEC/7(XCIII) takes note of the above.

¹¹⁵ Those are: (a) facilitation and communication; (b) IPSAS Board monitoring and follow-up activities; (c) coordination of accounting diversity; and, (d) guidance and support. discussion and guidance documents.

¹¹⁶ NS 775.

¹¹⁷ JIU/REP/2010/6 at www.unjiu.org or A/66/308 at <http://documents.un.org>: Preparedness of United Nations system Organizations for the International Public Sector Accounting Standards (IPSAS).

¹¹⁸ JIU/REP/2010/6 at www.unjiu.org or A/66/308 at <http://documents.un.org> : Preparedness of United Nations system Organizations for the International Public Sector Accounting Standards (IPSAS), Best Practice 16.

86. In addition, UNWTO made the choice of a “big bang strategy”: from the first hours of 2014, the recording of any business process or action was supposed to change overnight rather than progressively, as it had been decided by the Executive Council in 2006 (CE/81/DEC); this was made possible by the new business flows introduced in the pre-phase and an extremely rigorous planning, as finally shown in March 2014 when the 2013 closing balance for the 2012-2013 (under UNSAS, the previous United Nations accounting standards) has been validated, at the Inspector’s great relief.

87. The 2014 opening balance under IPSAS remains to be checked and validated by the EAs. They would have, in particular, to assess whether the accounts of the controlled satellites (under IPSAS 6) or the external satellites keeping a power relation with the organization (see the next chapter) would lend themselves to an IPSAS compliant treatment (under IPSAS 7 or 8). At the time of drafting the present report (April 2014), such IPSAS compliant 2014 opening balance (at 1 January 2014) is claimed by the secretariat to be *under preparation and will be submitted in May 2014 to the External Auditors for their revision and external auditing (planned to be carried out immediately thereafter).*¹¹⁹

88. Without preempting the External Auditors’ conclusions in 2015 and taking into account the financial and human resources limitations imposed on IPSAS project and the limited time span resulting from the announcement of 2014 compliance, **the Inspector is of the opinion that the UNWTO secretariat had previously made all efforts to request more resources from the legislative bodies for this endeavour, applying the best possible strategy to ensure unqualified compliance of its Financial Statements with IPSAS.** This was done **at an extraordinary modest cost.** Upon request, the Inspector received a written statement according to which *“the impact of IPSAS implementation is currently being absorbed mainly by selected staff within two programs, Budget and Finance (by three staff members and two collaborators) and Information and Communication Technologies (by two staff members and one collaborator). Both programs are called upon to provide support and input, in addition to ongoing responsibilities.”* **The Inspector regrets that such a huge programme was not timely taken into account at the last review of the generic job profiles conducted in March and May 2011,**¹²⁰ precisely because he supports the principle that *“the criteria [...] with all jobs be defined by the work of the programme.”*¹²¹

¹¹⁹ Such language invites to wonder whether there could be some conflict of interest between the EA’s successive tasks respectively as coaches for the revision and later as validators of the IPSAS compliance for the same Organization, an issue which had emerged years ago within the Panel of EAs.

¹²⁰ CE/90/5(a)_Add.3, Annex, , par. 1

¹²¹ Ibid, par. 16

VI. THE “SATELLITE ENTITIES”

89. A number of other bodies better known today as “satellite entities” had been created in the previous decade(s) in a context of deliberate scarcity in UNWTO resources¹²² with the conjunction of:

- The direct or indirect interest of some UNWTO full members or group thereof for a particular aspect of the tourism related policies, as tourism advocacy, training activities, technical cooperation projects, contribution to the elimination of poverty, etc.
- The availability of funds in a founding/hosting country.
- Its interest in organizing (often at home countries) international events.
- The individual interest of a number of officials of the UNWTO secretariat at various levels to travel to those countries.¹²³

90. In the 2009 MAR (paragraphs 28 to 32), five entities were mentioned:¹²⁴ “The Inspector found that the purpose, structure and financing of these foundations [was] unclear, inasmuch as they are part and parcel of the Organization” (para. 31) and deplored that their respective relations with UNWTO were not clearly defining the Organization’s responsibilities, especially in the areas of human and financial resources as well as the legal aspects involved in each entity. A document entitled *Themis Foundation Audit Report* of November 2007 had begun to raise doubts on those aspects. Since then, another audit report sadly confirmed the lack of record management and transparency of the ST-EP Foundation and UNWTO Osaka office.¹²⁵ Under its section 12, “External Entities”, the WP was not less critical when observing all these partnerships set up with a different model of association, without clarity and without a general norm as to the specific role that the Organization has to play in it. The governance model and responsibilities of UNWTO vary from one entity to another and are not always clearly defined. The responsibility of the Secretary-General in respect of these entities is not clear either, and there are no rules regarding the reporting lines on financial and administrative issues concerning them.¹²⁶

91. The 2009 MAR included **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.*

92. JIU did not get the resources to carry on investigations envisaged in its 2009 MAR. However, after such an alert, the tone of official UNWTO documents in regards those entities changed dramatically.¹²⁷ The need for more consistency and control emerged with some strength. The

¹²² Article 12 of the Agreement between the United Nations and the World Tourism Organization (UNWTO basic texts) restricts the use of UNWTO technical assistance for projects. In addition, since 2007 the main contributors applied a restrictive funding doctrine and budgetary policy practice of zero nominal growth (that the U.N. did not then apply to itself).

¹²³ In diplomatic language “*some Member States have offered to provide the Organization with a special, voluntary support, either in cash or in kind, over and above their assessed contribution to the UNWTO’s budget*” which has been “*instrumental to allow the secretariat to expand its services to Member and to the entire tourism community*” (A/18/17, Report on the entities associated with UNWTO, para. 3).

¹²⁴ Themis Foundation in Andorra, an “office” in the same country, Sustainable Tourism Eliminating Poverty (ST-EP) Foundation as the cornerstone of the ST-EP Programme established in 2003 by UNWTO and set up in Republic of Korea, a proposed World Centre of Excellence for Destinations being then established in Montreal, Canada, and a secretariat office in Osaka.

¹²⁵ CE/85/5(c) Add.1.

¹²⁶ A/19/11, para. 105.

¹²⁷ Compare in this regard the March 2009 Progress report (CE/85/9) on six “different external entities with which the UNWTO has established collaborative links” and the August 2009 “Report on the entities associated with UNWTO” (A/18/17).

UNWTO secretariat undertook in 2010 a valuable internal legal analysis of the external entities on the basis of public documents. It remained internal but was shared with the Inspector. Its objective was to analyze the legal relationship existing between the secretariat and its eight associated entities and to propose a new model of governance in order to protect UNWTO from any legal or financial liability. As a result, a major progress has been the announcement in the WP of a criterion which should be applied to each entity, following the clarity required by IPSAS.¹²⁸

93. It must be reminded that one of the absolute requirements of IPSAS 1 (Presentation of the financial statements) was as follows: “an entity whose financial statements comply with IPSASs shall make an explicit and unreserved statement of such compliance in the notes. **Financial statements shall not be described as complying with IPSASs unless they comply with all¹²⁹ the requirements of IPSAS.** (para. 28). While since 2009 important steps have been already made, surmounted this aspect could have endangered a timely transition of UNWTO to IPSAS as, until quite recently, there was much uncertainty on the two issues:

- 1) Whether each of the various UNWTO satellites has to be considered as:
 - an integral part of the organization, and its financial data integrated into those of the UNWTO under IPSAS 6 “Consolidated and Separate Financial Statements”;
 - an associate, under IPSAS 7 “Investments in Associates”;
 - a joint venture under IPSAS 8 “Jointly Controlled Entities”;
 - a fully independent entity, without any requirement for specially addressing its financial relations with UNWTO.
- 2) Whether in any of the three first cases above, sufficiently transparent accounting policies and data (for their inventories, for example) existed within each of the satellites **prior to 1** January 2014 to give a credible basis to the opening balance for the first year of compliance.

94. By its decision CE/DEC/17/LXXXV on the entities associated with UNWTO, the **Executive Council agreed on the necessity of an appropriate policy framework regarding all these bodies** which had been severely but rightly criticized in A/18/17 (paras. 7 to 11).

95. To provide some clarity and consistency to such policy, the secretariat had exposed the legal framework binding UNWTO: “Any deviation to any Basic Document and sources of Law constitutes an infringement of the legal framework of UNWTO and of the rules established by the members. Therefore, they require the specific approval of the Secretary-General. The Secretary-General remains accountable to the Executive Council and the GA for such deviations and their consequences.”¹³⁰ In the same spirit, a circular on “UNWTO Policy on Agreements”¹³¹ listed the criteria to be applied in determining the need for the organization to conclude an agreement, defined as “*a legal instrument concluded between the World Tourism Organization (UNWTO) and external parties for the exercise of its functions and fulfillment of its mission and strategic objectives.*” In addition, “any draft agreement that envisages the creation of a new body, entity or subsidiary organ will be referred by the Secretary-General to the Executive Council for its opinion.”¹³² No room was left for amateurism in agreements.

96. The secretariat undertook another **analysis of those entities from an IPSAS perspective**, to classify each UNWTO satellites in its current form out of or into the framework of IPSAS (6, 7 or 8),

¹²⁸ IPSAS 6 states, *inter alia* that:

- the *Consolidated financial statements shall include all controlled entities of the controlling entity (foreign or domestic)*, except [2 exceptions not applicable to UNWTO]
- *An entity (the controlling entity) controls another entity (the controlled entity) if one entity has the power to govern decision-making in relation to the financial and operating policies of another entity so as to benefit from its activities.*

¹²⁹ Underlined by the Inspector.

¹³⁰ UNWTO’s Legal Framework.

¹³¹ NS 738, dated 16 November 2011.

¹³² Ibid, page 1.

if applicable, as well as determine its implications and challenges from the finance and accounting perspective for the UNWTO.¹³³

97. It became evident rather recently that legal and financial liability for acts and omissions of the UNWTO satellites remained UNWTO responsibility (secretariat and Members).¹³⁴ The secretariat's legal and accounting approaches were spurred in the recent years by a trend towards giving more responsibility to the organizations on the deeds of their satellites,¹³⁵ which highlighted the importance and urgency of **the need to protect an organization from the liabilities of badly controlled satellites** created without established limitation to its own responsibility.

98. **With the endorsement of the WP, section 12, the GA resolution 602(XIX) had fully accepted the above mentioned 2009 MAR recommendation 2 and solidly prepared for its (necessarily time consuming) implementation. The reform of the satellite entities** implied clarity in the model of management and legal and financial security for the organization. Subsequently, the question arose on **“which entities are controlled by the UNWTO”**. A comprehensive response required to study whether UNWTO was effectively sharing or not a part of its power with one or several of its Member States, in a way which had to be analyzed on pragmatic, political, sociological, legal and financial perspectives through a retrospective and prospective cost-benefit analysis of each of those entities.

99. Such a review implied gathering a lot of information on each of the entities, including sound accounting and record management policies at least for the preceding 2014; this can only be assessed by the External Auditors and/or the EAs of the organization. **It also required to review and, to some extent, change the legal and political framework of each satellite entity**, with the help of the focal points in UNWTO for each entity and the good will and understanding of the full member primarily concerned by and hosting the external entity. At the XXth GA in 2013, the secretariat announced **its objective of an implementation plan on the reform of the satellite entities** to ensure either their on-control status when deemed necessary or their non-controlled status, acknowledging, at that time, only a progress rate of 50 per cent.¹³⁶ **Hence, the implementation of the 2009 MAR recommendation 2 is still in progress. The related External Auditors' reports expected for the 98th session of the Executive Council shall indicate to which extent it was implemented.**

100. With the same objective of clarity and accountability, the 2009 MAR included **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.***

101. In 2011, the Secretary-General issued a circular entitled “UNWTO Policy on Agreements”¹³⁷, which sets out the rules, guidelines and procedures to be followed when entering into agreements with third parties, including from the private sector. The secretariat subsequently conducted, within the scope of IPSAS project, an “Analysis of UNWTO satellites from the IPSAS perspective” (Edition I, 2013) which was shared with stakeholders and published internally. Its purpose was to classify the UNWTO satellites in their current form into the framework of either IPSAS 6, 7 or 8, as applicable, as well as to determine implications and challenges for UNWTO and for each corresponding satellite

¹³³ In addition, a survey was launched by the UNWTO secretariat to inquire about possible similar situations faced by other Intergovernmental Organizations, mostly from the UN system. It confirmed that among 4 responding Organizations with “satellites” (some others had none) only UNESCO felt comfortable thanks to clearly defined responsibilities (influence of the roman written law).

¹³⁴ UNWTO is not protected by its immunity of jurisdiction from claims made to their satellites, which could have to be settled in mechanisms such as ILOAT or arbitration.

¹³⁵ Judgment 2867 of the International Labour Organization Administrative Tribunal (ILOAT) condemning the International Fund for Agriculture Development (IFAD) to award \$100,000 to its satellite's employee; its confirmation by an advisory opinion of the International Court of Justice (1st February 2012); adoption by the International Law Commission of articles on the Responsibility of International Organizations.

¹³⁶ A/20/5(I)(e), Annex, under Action 42.

¹³⁷ Op. cit. Circular NS/738.

entity from the financial and accounting perspective. Such analysis has acted as a powerful driver to adapt the governance models of different satellites. Upon request, the Inspector received information reproduced in the table below that illustrates the results of the analysis.

Satellite	Relationship	Up to 31/12/2013	From 01/01/2014
RSOAP (Regional Support Office of Asia and the Pacific)	Part of UNWTO	Not part of UNWTO accounting documents	It will be part of UNWTO financial statements
STEP foundation	<ul style="list-style-type: none"> - Up to Aug 2013: Controlled entity. - From Sept 2013: In Aug 2013 the UNWTO 20th General Assembly (GA) to transform the ST-EP Foundation into an independent international organization (A/RES/622(XX)) 	Not part of UNWTO accounting documents	<p>Not applicable (n.a.) – not part of UNWTO financial statements because UNWTO has no direct control over the STEP.</p> <p>No materiality in respect to total UNWTO resources.</p>
Themis foundation	Joint venture	Not part of UNWTO accounting documents	It will be part of UNWTO financial statements
TOI (Tour Operators' Initiative for Sustainable Tourism Development)	Independent from UNWTO	Not part of UNWTO accounting documents	<p>Not applicable (n.a.) – not part of UNWTO financial statements.</p> <p>New MOU between TOI and UNWTO signed in 2014</p>
International Centre for Knowledge Management on Meetings and Events	Independent from UNWTO	Not part of UNWTO accounting documents	Not applicable (n.a.) – not part of UNWTO financial statements
Silk Road Tourism Office	Associate to UNWTO	Not part of UNWTO accounting documents	Not applicable (n.a.) – not part of UNWTO financial statements because there is no way of ascribing ownership.
International Documentation and Research Centre on Industrial heritage for Tourism	Independent from UNWTO	Not part of UNWTO accounting documents	Not applicable (n.a.) – not part of UNWTO financial statements

102. Therefore, **recommendation 24 has been accepted and implemented**. The remaining current UNWTO satellites (Diplomatic Office, Centre for the promotion of the Global Code of Ethics for Tourism and World Center of Excellence Destination) are not included in this table because UNWTO has no control over them, they are subsequently not subject to any IPSAS and will not be mentioned in the UNWTO financial statements for the year 2014.

103. The Executive Council will be informed by the Secretary-General reports on the transformation and future of the respective UNWTO satellites. This report evokes below only some major aspects in this regards.

104. Contrary to previous forecasting, a new international organization was established in 2013 as a successor of the **Sustainable Tourism - Eliminating Poverty Initiative (ST-EP)**. Its statutes have been inspired by UNWTO, and the decision of separation was taken by the UNWTO XXth GA at Victoria Falls. UNWTO remains an observer in the governing body of the new organization; its Member States are entrusted with the task of finalizing its basic texts.

105. With the termination of the UNWTO-Germany agreement, the status of its **Bonn Office** has changed in 2011 and its accounts were fully integrated to the organization's accounts in 2013. The German government seems interested in maintaining its activities that it continues to fund via voluntary contributions to the Organization's budget.

106. UNWTO is considering a similar formula for the **Nara** (former Osaka) **Office** in Japan, while a clear-cut solution has yet to be found, including on the accounting matters. A possible delegation of authority is being discussed by the headquarters and officials in Nara. The agreement still to be found would allow for some control by the organization over its Nara Office while the latter would keep some operational autonomy. The Inspector is interested to learn how all those provisions would be retrospectively translated in terms of control for the whole year 2014, in respect of compliance with IPSAS.

107. The Themis Foundation provides training services which are deemed valuable by the Secretary-General; however, they are submitted to the national legislation of Andorra which does not apply IPSAS. In accounting terms, the relations between UNWTO and Themis Foundation could be considered as a joint venture under IPSAS 8 but this implies a partial integration of the respective financial statements and a clear measurement of the net value of the Foundation assets, its revenue and expenses, therefore requiring some adjustments in the presentation of its accounts, enabling the operation of the organization's EAs. Another satellite entity, the Diplomatic Office also located in Andorra, remains without any activity since years and should be disposed of.

108. As it could be seen, the organization is changing in different ways its unclear, ambiguous and unsafe relations with various satellites, to some clear models such as integration, independence or joint ventures. **However, in a context where clear and comprehensive information has not always been a distinctive mark, the required political, legal and accounting decisions are still carrying some uncertainty, therefore threatening to delay by one year some of the prerequisite conditions for IPSAS compliance. This is why IPSAS and the satellite entities,¹³⁸ two intertwined issues, have taken the first priority rank in the activities of the UNWTO administration; the Secretary-General and the secretariat are running against time to timely complete the necessary work of clarification requested by the JIU in its 2009 MAR.** The satellite entities remain apparently the Achilles's heel of UNWTO.

¹³⁸ Further to change in governance models, Themis and the RSOAP are those to be consolidated into UNWTO's financial statements.

VII. HUMAN RESOURCES

A. Composition of the secretariat

109. Following the 2009 MAR, the WP confirmed that the organization's human resources management required further updates and strengthening and highlighted the priority areas. These included the review of recruitment practices to foster wider dissemination of vacancies, the establishment of career management principles based on merits and results, and review of contract typologies in light of defined working conditions.¹³⁹ In addition, the Inspector would like the organization to consider the areas described in this chapter of the report.

Grade distribution

110. The 2009 MAR included **recommendation 16**: *The Secretary-General should conduct an overall review of job descriptions and subsequently a job classification exercise in accordance with the United Nations generic job descriptions and standards for consideration by the UNWTO General Assembly.*

111. As recommended by the Secretary-General, a review of the generic job profiles (GJPs) of the UNWTO was carried out from March through May 2011 by an external consultant under the direction of the Chief of Human Resources. At the conclusion of the review, six generic job descriptions were created.¹⁴⁰ An additional job description for Programme Chief (at P4-P5 level) was subsequently added. These job descriptions are posted on the UNWTO intranet website. The Executive Council welcomed the transparency demonstrated by the management of the Organization and encouraged the Secretary-General's to carry out his efforts in implementing such reform.¹⁴¹ Hence, **recommendation 16 has been formally accepted and implemented.**

112. However, the Inspector notes that the external consultant was not able to find rationale for having a Programme Manager or Programme Chief in small organizational units of UNWTO that consist of two to three staff supported by a few consultants or collaborators. *"With such small programmes it was considered unnecessary to have Executive Directors and Directors and then two additional management positions. [...] It was decided that for those who primarily manage a programme, with small groups of staff,"*¹⁴² they would be given the title of Programme Coordinator (at P3-P4 level) instead of the Programme Chief/Manager (at P4-P5 level).

113. The newly created Executive Director (ED) positions replaced the previous Deputy Secretary-General, the Assistant Secretary-General and the Director of Programme and Coordination posts.¹⁴³ The incumbents were presented by the Secretary-General at the 2009 UNWTO GA and the latter **supported**, "in the context of the restructuring of the secretariat, their appointment."¹⁴⁴ *"Executive Directors will focus each on Competitiveness, Sustainability and Partnerships, discharging among them the [...] responsibilities"* described in para. 17 of the fundamental note "Management Strategy and Designation of the Management Team of the Secretariat" and approved by the General Assembly.¹⁴⁵ They include planning, programming, funding, overseeing, identifying members needs and possible response, supported by relevant, updated and available data, at the national, sub-regional

¹³⁹ A/19/11, para 131.

¹⁴⁰ CE/90/5(a) Add.3, Annex.

¹⁴¹ See Executive Council Decision CE/DEC/5(XC).

¹⁴² CE/90/5(a) Add. 3, Annex, para 15.

¹⁴³ A/18/14.

¹⁴⁴ A/RES/571/(XVIII), welcomed the proposal made in the Note by the Secretary-General (UNWTO General Assembly document A/18/14).

¹⁴⁵ A/18/14.

and regional levels; prospect and define new partnerships leading to synergies, higher effectiveness and additional funding; communication with Members and all stakeholders; advising the Secretary-General on all technical and political issues.

114. The fact that the ED posts were not filled through a standardized recruitment and selection process does not mean that the Secretary-General is given a “carte blanche” to make the selection. **The appointment of the EDs should follow an established process, to be as transparent as possible, as stated in JIU/REP/2011/2 on “Transparency in the selection and appointment of senior managers in the United Nations secretariat”. In this spirit, the Secretary-General could, in the context of the appointment of the EDs, formulate and publish formal job descriptions and inform the UNWTO governing bodies on measures to enhance the transparency of their grade, selection and appointment process.** These measures should contribute to enhanced clarity in the respective functions of the EDs and more transparency and accountability at the senior managers' level in the manner to discharge their respective responsibilities.¹⁴⁶

Gender Distribution

115. In the area of staff recruitment in United Nations system organizations, JIU has recently completed a comparative analysis and benchmarking framework of gender balance and geographic distribution.¹⁴⁷ Benchmarks 14 and 15 of that study are reproduced below:

Benchmarks 14-15

The principle of 50/50 gender balance (benchmark 14) and of equitable geographical distribution (benchmark 15) is embedded in organizational culture, staff regulations and recruitment strategies, policies, guidelines, procedures and practices, bearing in mind that the paramount consideration in the employment of the staff and the determination of the conditions of service shall be the necessity of securing the highest standards of efficiency, competence and integrity.

116. The Inspector noted that the following paragraph was included into recent UNWTO vacancy announcements: *“In filing vacancies, due regard will be paid towards maintaining a staff selected on a wide and equitable geographical basis. Candidates of all nationalities are welcome to apply; under similar circumstances, preference will be given to nationals of UNWTO Member States. Women candidates and nationals from non-represented Member States in UNWTO Secretariat are encouraged to apply.”* UNWTO has therefore accepted and virtually implemented benchmark 14.

Table 2: Staff distribution by category and gender (as of April 2013)

	Professionals category and above	General Service category	TOTAL
Female	20	32	52
Male	25	18	43
Total	45	50	95

Source: “Report of the Secretary-General, Part II: Administrative and statutory matters, (f) Human resources matters”, CE/95/3(II)(f), April 2013

¹⁴⁶ At the United Nations, since 2008, the senior managers (at the Under-Secretary-General and Assistant – Secretary-General level) sign with Secretary-General Ban Ki Moon individual “management compacts” outlining their goals for reaching priorities set by Member States. These documents are shared with their staff and used by the Secretary-General to yearly assess their personal performance. This comes in addition to the duty to file their financial disclosure statements. Non-compliance may result in disciplinary measures.

¹⁴⁷ JIU/NOTE/2012/3: Staff recruitment in United Nations system Organizations: a comparative analysis and benchmarking framework, Gender balance and geographical distribution.

117. However, only four of 14 positions at the higher professional grades (P5 and above) are held by women. The Inspector notes that SMT, as defined previously, includes only one woman (at the P4 level).¹⁴⁸ It appears that the parity implied by benchmark 14 is yet far from being respected. The recent appointment of a third male at the ED level seems to confirm this observation. **In this respect, the Inspector is of the view that the Secretary-General could take measures to improve the gender balance at the senior grade level.**

Geographical Distribution

118. As shown in table 3 below, nationals of 36 countries were employed by UNWTO in 2013. A proportion of Spanish nationals is due to a number of staff recruited locally, predominantly at the general service level, which is a common practice in various duty stations of the international organizations. **While UNWTO does not presently apply, contrary to many other United Nations system organisations, rules to assess gender and geographical distribution at the professional and above level, a thought could be given to a new presentation, with or without quota, which would suggest valuable measures to fulfil the above-mentioned benchmark 15 of the JIU/NOTE/2012/3.**¹⁴⁹

Table 3: Staff distribution by category and nationality

COUNTRY	P	GS	COUNTRY	P	GS
Algeria		1	Mexico	1	1
Argentina	1	1	Morocco		1
Austria	1		Mozambique	1	
Bosnia & Herzegovina		1	Netherlands	3	
Brazil	1		Nicaragua		1
Cambodia	1		Peru	1	
Cameroon		1	Philippines	1	
Canada	1		Portugal	1	
China	1	1	Republic of Korea	1	1
Dominican Republic		1	Republic of Moldova		1
Egypt	1		Russian Federation	1	1
France	4	3	Senegal	1	
Germany	2	1	Seychelles	1	
Ghana		1	Spain	8	26
Haiti	1		Switzerland		1
Hungary	1		Turkey	1	
India	1		Ukraine	1	
Indonesia		1	United Kingdom	1	
Italy	3		United States of America		1
Jordan	1		Uruguay		1
Lebanon	1	1	Uzbekistan		1
Lithuania		1	Venezuela	1	
			Total number per category of staff	45	50
			Total number of staff	95	

Source: Report of the Secretary-General, Part II: Administrative and statutory matters, (f) Human resources matters”, CE/95/3(II)(f), Table 4

Non-staff

119. UNWTO circular NS/677¹⁵⁰ provides guidelines for the recruitment of trainees and collaborators in the secretariat, as well as the terms and conditions of each category. As the guidelines are under revision, **the Inspector trusts that the following changes are incorporated:**

- Terms of Reference are issued for all trainees and collaborators.

¹⁴⁸ Source: UNWTO secretariat.

¹⁴⁹ “Staff recruitment in United Nations system Organizations: a comparative analysis and benchmarking framework, Gender balance and geographical distribution”

¹⁵⁰ Dated 17 April 2008 and under revision.

- Maximum duration of contract (including extensions) would be 18 months for all collaborators, with or without interruption.
- Student trainees are granted similar annual and sick leave entitlements as their graduate trainee counterparts.

120. UNWTO has two types of collaborators: either internal, recruited by the Secretary-General on a 12- months contract and paid through the payroll; or external, tied to projects, and paid when deliverables indicated in the contract are made available, without appearance in the payroll. Three levels of payment (all inclusive) are established on a yearly basis and influenced a lot by the Spanish labour market: up to EUR 2000, between EUR 2000 and 3000, and above EUR €3000, with no equivalence with the staff (comparisons are discouraged) and no career perspective. Collaborators benefit from the same leave modalities and medical coverage as staff but have no entitlements with regards to pension. Some of them voluntarily contribute to the Spanish social security system. Inflation is factored when the contracts are renewed. When the recruitment corresponds to urgent need of qualified people, as in the case of accounting specialists for the IPSAS team, a copy of the original call for expressions of interest is attached to the contract and, after a first year, yearly extensions may increase the remuneration or not.

121. While collaborators are usually recruited for short-term projects or activities, many have been hired for core administrative functions. While the latter recruitment is perhaps justifiable for ad hoc requirements or temporary projects (as for IPSAS project), the Inspector noted that a few collaborators in such positions have been with the secretariat for over four years. **This practice should be reviewed and long-standing employees should either be given fixed-term contracts or not renewed, thereby adhering to the provisions of circular NS/677.** JIU currently works on this issue, which affects many other organizations of the United Nations system and is at the risk of deeply dividing the United Nations workforce. In this regard, the Inspector is worried to see in the WP that *“The target is to balance the proportion of staff costs to the benefit of increasing the non-staff amount in the budget of the Organization.”*¹⁵¹

122. In this area, one of the challenges of SMR at UNWTO is the absence of formal representation for the internal collaborators¹⁵² - time-bound project personnel tied to projects with average contract durations of 1-2 years – clearly categorized as non-staff in the programme budget document. Their total number increased from 34 in 2010 to 45 in 2012 (with around 50 in 2013 including 10-15 interns). With a great diversity of contracts, collaborators often perform the same tasks as staff members, even core functions in some cases, and have workspaces in the UNWTO premises, but are subject to less desirable conditions of services than staff members. This is the category of employees that suffers the most from budgetary restrictions (see A/20/5(I)(c) para. 18).

Granting diplomatic privileges to UNWTO officials on pro-bono contracts

123. Some UNWTO officials are either given pro-bono contracts and, therefore, theoretically incur no “costs” to the organization. However, as it has been brought to the Inspector’s attention, in addition to office space, supplies and travel-related requirements and costs, some of these officials have been granted diplomatic privileges by the host country at the request of UNWTO. The Inspector questions in this regard whether the decision to grant such contracts creates a precedent that would not be in the long-term interests of the organization.

¹⁵¹ A/19/11, para. 131.

¹⁵² Internal collaborators are in-house and in the payroll, external collaborators are contracted to work outside headquarters usually for very short periods of time and paid by task -lectures, papers and articles, preparation of reports, etc.

B. Career Management

124. UNWTO recruited a consultant from March to May 2011 to provide guidelines for professional growth.¹⁵³ The Inspector appreciates the inclusion of the five steps for the implementation of the UNWTO Post Review and Professional Growth Plan¹⁵⁴ and the involvement of the staff representative body in that important and sensitive reform, complemented by the related guidelines¹⁵⁵ and procedures reviewed annually.¹⁵⁶

Selection and recruitment

125. The 2009 MAR included **recommendation 17**: *The Secretary-General should develop tools and control mechanisms to guarantee that recruitment and promotion are based on transparent, comparative evaluations of the professional competencies of the candidates, with due consideration given to a balanced geographical and gender representation.*

126. The Secretary-General strengthened the Appointments and Promotion Board (APB) which reviews applications of screened candidates submitted to them by the Human Resources section by giving clear and transparent guidelines to this board. Following an evaluation of the professional competencies of the respective candidates, a short list of recommended candidates are submitted to the Secretary-General for a final selection. Members of the APB include a representative of the staff association. **Hence, recommendation 17 has been accepted and implemented.**

127. The 2009 MAR included **recommendation 15(b)**: *The Secretary-General should develop a rule defining the exceptional circumstances under which the extension of contracts over the age of retirement could be granted.*

128. The Secretary-General informed the Inspector that he had not developed such a rule, and, upon taking the office, he did not extend anyone beyond mandatory retirement age. However, over time, he felt that some staff were too invaluable to let go and thus some were given contract extensions (for a maximum of one or two years). He made those decisions under Staff Regulation 28, which grants him that authority to make such decisions at his discretion. **As a result, recommendation 15(b) was not accepted.**

Training

129. In addition to IPSAS-related training, UNWTO provides training to staff in the areas listed in the table below:

Table 4: UNWTO training activities

Language	Eligible UNWTO staff can take language courses (English, French, Spanish, Russian and Chinese currently offered) for a (subsidized) fee of EUR 80 per year. ¹⁵⁷
Information Technology	UNWTO's Information and Technology Section organizes on a regular basis training sessions on software applications, the most recent being one on Microsoft Office 2010.
Themis Foundation	UNWTO education certificate training is given by the Themis Foundation for staff from national tourism agencies. Some UNWTO staff also participated in this training.
Individual	UNWTO gives time flexibility and, in some instances, partial financing awarded on a case-by-case basis.
In-house	UNWTO is pursuing the possibility of some UNWTO staff giving training to other UNWTO staff members.

Source: UNWTO secretariat

¹⁵³ UNWTO circular NS/731, 6 July 2011.

¹⁵⁴ Ibid.

¹⁵⁵ Circular NS/734.

¹⁵⁶ Circular NS 772.

¹⁵⁷ NI/12/13 – Information Note – Language Courses 2013-2104, 3 September 2013.

130. The Inspector was informed by the UNWTO secretariat that the Organization has a training budget line limited to EUR 38.000 used by the Human Resources section in 2013, and that it does not provide for IPSAS training included in the overall IPSAS project. In view of cost savings, the Inspector suggests that **the Organization request selected Affiliate Members (if they are so inclined) to deliver training on tourism-related topics for its staff at no cost.**

Personal Accountability

131. The 2009 MAR included **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.*

132. The Secretary-General, after consultations with staff, has also put in place a performance evaluation system for all staff members (not for collaborators) that enables promotions based on positive reviews over a period of time. **Hence, recommendation 18 has been accepted and implemented.**

133. The current format for annual reports on performance evaluation for UNWTO staff was introduced in June 2012, together with the issuance of *Guidelines and replies to frequently-asked questions*, representing a major improvement on the prior staff evaluation mechanism. The Organization reiterated to staff that the purpose of the review is to “allow room for recognition and for improvement by identifying problems or difficulties in performance issues. It also constitutes a tool when assessing performance with the professional growth plan.”¹⁵⁸

Age-related issues

134. Table 5 below leads to admit that the Organization does not face any apparent age-related issues. Furthermore, to ensure that there is knowledge transfer to mid-level staff, the Secretary-General has established the EMT (see para. 37 above). UNWTO will implement the United Nations GA decision to extend the retirement age to 65 for those staff recruited after 1 January 2014.

Table 5: Staff distribution by category and age

Category	P and above	GS	Total
29 or less	1	2	3
30 – 39	7	15	22
40 – 49	11	14	25
50 – 54	8	8	16
55 – 59	9	9	18
60 – 62	5	2	7
Total	41	50	91

Source: “Report of the Secretary-General, Part II: Administrative and statutory matters, (f) Human resources matters”, CE/95/3(II)(f), Table 5

¹⁵⁸ Circular NS/751.

Succession planning and retirement age

135. The 2009 MAR included **recommendation 15 (a)**: *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;*

136. The Inspector realized that the formulation of that recommendation had raised some issues of interpretation. He appreciates some instances where the successors to key retiring managers in UNWTO were able to overlap their respective functions for a short period of time, which is among the best practices to facilitate succession and institutional memory. **Prima facie, recommendation 15 (a) has been accepted and implemented**, if not with the extensive meaning given to the notion of succession planning in the private sector, but at least as a basic requirement of any succession planning; demographic aspects are a prerequisite to prepare a timely succession process,¹⁵⁹ at any level, including the consideration of the normal retirement age (NRA) and the mandatory age of separation (MAS).¹⁶⁰

137. It can be noted that the United Nations GA has already approved the NRA,¹⁶¹ not to be confused with the MAS.¹⁶² By its resolution 68/253 (27-12-2013), the United Nations GA deferred its “*decision on the recommendation of the International Civil Service Commission to raise the mandatory age of separation to 65 years*”, needing some more consultations with the stakeholders.

138. As regards to institutional memory, the Inspector draws the attention on lessons that could be learnt by all UNWTO stakeholders from the recent JIU report on Records and Archives Management in the United Nations.¹⁶³

C. Other human resources issues

Ethics Function

139. The 2009 MAR included **recommendation 14**: *The UNWTO should adopt the status, basic rights and duties of United Nations staff members (ST/SGB/2002/13) and the corresponding financial disclosures, while promoting ethics and integrity at work, and allocate resources for relevant training of staff on these issues.*

140. The secretariat has adopted the International Civil Service Commission’s (ICSC) Code of Conduct for staff. It has just recently approved and circulated internally the organization’s policy on personal financial disclosures and issued a similar circular on the acceptance of gifts.¹⁶⁴ The Executive Council endorsed¹⁶⁵ the Secretary-General’s proposal¹⁶⁶ to fulfil the requirement of the ethics function by outsourcing it to the United Nations Office for Project Services (UNOPS). The ethics function is aimed at promoting an ethical organizational culture based on integrity, accountability, transparency and respect.¹⁶⁷

¹⁵⁹ JIU/REP/2007/4: Age structure of human resources in the organizations of the United Nations system.

¹⁶⁰ In the private companies succession planning is a process for identifying and developing internal people with the potential to fill key business leadership positions in the company.

¹⁶¹ UN system-wide age at which a retiring participant to the United Nations Joint Staff Pension Fund would be entitled to a retirement benefit unreduced on account of age: 60 or 62 for participants who entered or re-entered the Fund on or after 01 January 1990 or 65 for entry after 01 January 2014.

¹⁶² The MAS is set by the Staff Regulations of an Employing Organization as UNWTO.

¹⁶³ JIU/REP/2013/2.

¹⁶⁴ NS 780 Policy of accepting gifts, honours, decoration, favours or non-UN remuneration of benefits from governmental and non-governmental sources (1 January 2014).

¹⁶⁵ CE/DEC/12/(XCIV).

¹⁶⁶ CE/94/3(III)(e), “Report of the Secretary-General Part III: Administrative and statutory matters (e) implementation of an ethics function” (Executive Council document 23-25 October 2012).

¹⁶⁷ “Establishment of an Ethics Function” UNWTO Circular NS/762, 27 February 2013.

141. The Terms of Reference of the UNWTO ethics function are the suggested standards of paragraph 20 of the JIU report “Ethics in the United Nations system”¹⁶⁸ as approved by the Executive Council.¹⁶⁹ The services of the UNOPS Ethics officer are shared with UNWTO, effective as of 1 January 2013. While based in London, he organizes ethics-related training in Madrid and reports directly to the UNWTO Secretary-General. The Ethics officer shall provide the Secretary-General with an annual report about his activities for UNWTO.¹⁷⁰ **The 2009 MAR recommendation 14 has, therefore, been accepted and implemented.**

Work -life balance issues

142. UNWTO does not have an official policy on flexible working arrangements (FWA). However, the JIU note on the subject¹⁷¹ pointed out that the organization nevertheless has informally incorporated elements of FWA, including the possibility for UNWTO staff members to have staggered working hours as normal working hours and to take time off for personal study. The UNWTO Staff Association confirmed to the Inspector that, similarly to many other international organizations, UNWTO staff members are unaware that such procedures exist as they are dispersed across the Staff Rules, various circulars and internal procedures. **In this respect, the Secretary-General could draft, in consultation with the UNWTO Staff Association, a policy and relevant staff rules on flexible working arrangements within the secretariat.**

Staff – management relations

143. Staff representation in UNWTO is formally established by its Staff Regulation 23 and Staff Rule 23.1 on the conditions for the representativeness of a Staff Representative Body (SRB). UNWTO Staff Association (SA), the only SRB at UNWTO, comprises 75 per cent (72 out of 96) of all staff (in 2012) holding either indefinite or fixed-term contracts and paying dues.

144. Both management and the SA qualify the present state of SMR as good and the quality of consultations and communications as excellent organization-wide, with no litigation case for years submitted to the ILO Administrative Tribunal (ILOAT). In the spirit of consultation, all administrative issuances affecting staff welfare are shared with the SA for their inputs and views; SA has informal access to the Director of Administration and (less frequent) the Secretary-General. Both sides view Joint Working Groups (JWGs) as informal mechanisms that have played a positive role in facilitating discussions and moving forward relevant issues such as annual performance reports, ethics, overtime, flexible working arrangement, external collaborators, reclassification, etc. Their recommendations have often constituted the basis for decisions taken by the Secretary-General on issues within the realm of his authority, but they are non-binding and have no follow-up mechanisms. Access to Member States is qualified as excellent by both sides, with the SA being allowed, since 2009, to present a report directly to the Executive Council without any censorship, as part of the Report of the Secretary General.¹⁷²

145. In line with the SA statute which clearly enables it to “*establish the ways and means for the participation and representation, if applicable, of collaborators of the General Secretariat who express a desire to form part of the Association*”, the SA Committee was discussing with the administration at the time of the JIU mission the best ways to represent non-staff interests in their relations with management. In this regard, during a meeting with the SA in mid-2012, the Secretary-General had expressed the view that until some flexibility introduced into representation mechanisms for non-staff, it would only be natural for the SA to become a channel for raising to management concerns of non-staff. The Inspector fully shares this view. **Non-staff of the United Nations system**

¹⁶⁸ JIU/REP/2010/3: Ethics in the United Nations system.

¹⁶⁹ Establishment of an Ethics Function UNWTO Circular NS/762, 27 February 2013.

¹⁷⁰ Ibid.

¹⁷¹ JIU/NOTE/2012/4: Flexible Working arrangements in the United Nations system organizations.

¹⁷² For example the report CE/95/3(II)(g) dated 12 March 2013, presented to the June session of the EC.

organizations will be the subject of a system-wide JIU report to be made available soon. It is suggested that this forthcoming report be used for reviewing the employment of collaborators, in liaison with the human Resources network of the CEB.

VIII. OVERSIGHT

146. JIU defined the Member States responsibilities in terms of oversight in para. 4 of its report “Oversight lacunae in the United Nations system”.¹⁷³

A. Number of External Auditors

147. As the UNWTO statutes were promulgated prior to the organization’s entering the United Nations system, the 2009 MAR included **recommendation 23** to ensure that Organization follows the United Nations practice in this area: *The UNWTO General Assembly should modify the Statutes of the Organization in order to provide the selection of a single external auditor with a specified term limitation as well as country rotation.*

148. Article 26 of the UNWTO Statutes stipulates that the UNWTO GA “shall elect from among its full members, on the recommendation of the Council, **two External Auditors**”. From the outset, it should be acknowledged that some confusion could have been introduced by the use of the words “single external auditor”: the recommendation had nothing to do with the “single audit principle”¹⁷⁴ which reserves the access of the United Nations system organization’s accounts to the auditors elected by their respective Member States, to audit the accounts of the Organization.”¹⁷⁵ Moreover, the GA, at its twentieth session, designated Germany, Spain and India as the External Auditors for the period 2014-2015.¹⁷⁶ **Recommendation 23 was not accepted. It was even directly challenged**, based on the excuse of the implementation of IPSAS¹⁷⁷ while actually this plurality only complicates and slows down the enormous tasks of the secretariat in this respect. Three EAs have to agree on numerous points of their dialog with the administration. As a result of the resolution on the election of the auditors for 2014-2015,¹⁷⁸ while every **other Organization of the United Nations system has only one Supreme Audit Institution to audit its respective accounts and financial statements**, only two Organizations have three EAs: the UNWTO and... the United Nations, with hardly comparable portfolios. In the case of the United Nations, one third of the total portfolio is allocated to each EA so that they have not to discuss on each element of their respective findings and reports, a practice which wisely avoids any political debate.

B. Relations with the Joint Inspection Unit

149. UNWTO is also subject to oversight by Joint Inspection Unit of the United Nations system, the only independent external oversight body of the latter. Statutorily, “*the Inspectors shall provide an independent view through inspection and evaluation aimed at improving management and methods and at achieving greater co-ordination between organizations*”.¹⁷⁹ Furthermore, the United Nations General Assembly is regularly stressing since 1996 (resolution 50/233) that “**the impact of the Unit on the cost-effectiveness of activities within the United Nations system is a shared responsibility of the Member States, the Unit and the secretariats of the participating Organizations.**”

150. While a group of UNWTO full members had taken quite seriously the 2009 MAR and worked on it, for years the UNWTO secretariat had stopped answering the JIU messages requesting information on the governing bodies position and its own position with regards acceptance and implementation of the recommendations contained in the various reports and notes officially sent to it. This was tarnishing the organization’s performance image in the JIU annual reports (A/63/34 to A/67/34), yearly presented and discussed in March at the United Nations General Assembly, thus

¹⁷³ JIU/REP/2006/2.

¹⁷⁴ JIU/REP/2010/5, para 173 and A/48/587, para. 3

¹⁷⁵ Article 26, FR

¹⁷⁶ A/RES/627(XX)

¹⁷⁷ See below the chapter on finance

¹⁷⁸ Agenda item 5(II)(e) (document A/20/5(II)(e))

¹⁷⁹ JIU statute, art. 5.2.

minimizing the JIU own overall apparent impact in the ratings presented in the follow-up part of those reports.¹⁸⁰

151. However, insulated from the JIU, the UNWTO secretariat made efforts to convey to the members some reflection of the JIU work in documents such as “Review of JIU Recommendations in 2011 and their impact for the UNWTO”¹⁸¹ or the 104-page document “(g) Joint Inspection Unit recommendations in the context of the White Paper”.¹⁸² Recently, preparing for a mission in the context of present follow-up inspection, the secretariat faced it with a remarkable effort of transparency, cascading from the Secretary-General level. A letter of the Director of Administration and JIU focal point, dated 10 July 2013, mentioned from outset that the document A/18/14 by the Secretary-General-elect “*presented a reform agenda which in reference to JIU/REP/2009/1 stated: most of the above issues are either directly referenced or become indirect requirements in addressing recommendations of the JIU report. The Secretary-General a.i. has the firm intention to consider all these requirements, while some prioritization has to be introduced for effective action. In this regard a roadmap for responding to JIU recommendations will be established...*”

152. In September 2013, the UNWTO administration made steps forward to take advantage of the Web-Based Tracking System (WBTS) put online by the JIU, and is expected to pursue improving and recording its acceptance and implementation of each JIU recommendation. The WBTS allows one authorized person (JIU focal point) in each participating organization to record online its organization’s status vis-à-vis any recommendation from any JIU report or note; it also allows any Member State representative, from anywhere to consult the data in real time and watch over the progress made.

153. However, the Secretary-General expressed to the Inspector his concern about the organization’s capacity to comply with the numerous requirements of the JIU system-wide reports and notes, highlighting the special difficulties of the smaller agencies adhering to the JIU statute (e.g. IMO, ITC, UNWTO, UPU and WMO) to fully accept and implement all JIU recommendations. Following this discussion, the Inspector convinced the Unit to take constructively into account the specific difficulties of the five smaller agencies to ensuring that all recommendations made would make sense for them. Consequently, in December 2013, the JIU, by its decision JIU/DEC/2013/40, “**decided that:**

- *when soliciting substantive comments to the draft version of such reports or notes to each of the five secretariats concerned, it will draw their attention to the annex called overview table and engage the secretariat at through its JIU focal point, to undertake a specific dialog with the author or coordinating Inspector of the document in order to ascertain how much the secretariat concerned will be able, with its best efforts and in good faith, to fully accept and implement – or not, giving its size – each of the recommendations contained in the draft document concerned;*
- *such a dialog will take place before the deadline indicated for receiving factual corrections and substantive comments;*
- *in the published version of the report or note, the “overview” annex will reflect, as “for information” only, rather than “for action”, those recommendations the implementation of which would be agreed upon to be beyond the capacity of the Organization, given its size; consequently, all follow up tables and statistics made in the JIU publications, including the WBTS and the annual report of the Unit to the United Nations General Assembly*

¹⁸⁰ These ratings are computed by number of organizations accepting or implementing the recommendations, with the same weight allocated to any of them, independently of its relative weight in staff and volume of activities.

¹⁸¹ Annex XVI of CE/94/3(II)(b).

¹⁸² CE/96/2(g), part of the Report of the Secretary-General on administrative and statutory matters.

(A/xx/34) will not reflect negatively – but neutrally – the agreed upon non-acceptance or non-implementation of those specific recommendations;

- where proposed recommendations could not be agreed upon through the dialog referred to above, the current practices would continue to apply in all respects.”

C. Internal Audit

154. The 2009 MAR noted that the oversight functions at the United Nations include audit, investigations, inspection and evaluation.¹⁸³ At UNWTO, however, while the external auditors certify the accounts and the financial statements, the other oversight functions were not carried out. The report thus included **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 2010-11 biennium.*

155. In addition to the preparation of an Internal Oversight Charter¹⁸⁴, which was not finalized, UNWTO’s response to the above recommendation in para. 131 of the WP was ambiguous: positive on the principle as it was announcing “An internal oversight function will be created in the secretariat to oversee the management and operation of the Organization, to take note of any complaints, and to advise the Secretary-General as necessary.” The GA followed the Secretary-General on his fear for the magnitude of the means too roughly estimated and clumsily suggested for its implementation: three additional full time positions, were perceived as “unaffordable and unnecessary for a small agency such as UNWTO.” As a result, **while recommendation 22 has been accepted in principle, it has not, to date, been implemented.**

156. The Inspector, who had an opportunity to discuss this matter with the Secretary-General, appreciates that in line with the WP perspective that “*this function could be deployed with external support and as expected would deliver annual reports to the Secretary-General on their findings and recommendations*”,¹⁸⁵ a gap analysis of a need for internal controls is going to take place with the help of a sister United Nations system organization of a similar size, the Universal Postal Union. Many internal controls are built in the various administrative processes and IT systems: they ensure that a number of mistakes or wrongdoings would not be made. Monitoring them, ensuring their good functioning and improving them is part of the internal auditor’s work (a function still to be funded and implemented at UNWTO). In addition, taking into account the article 5.4 of the JIU statute,¹⁸⁶ an exchange of views has started with JIU on options that can enhance the establishment of an evaluation function with professional integrity (i.e. meeting appropriate norms and standards) and with due regard to economy, efficiency and impact for the development of the Organization.

D. Evaluation

157. According to the WP, UNWTO has recognized that monitoring and evaluation should become “*continuous management functions at UNWTO, aiming primarily to provide the Senior Management*

¹⁸³ JIU/REP/2010/5: “The audit function in the United Nations system”.

¹⁸⁴ See CE/94/3 (III) (e), para. 35.

¹⁸⁵ White Paper, A/19/11, para. 131.

¹⁸⁶ “Without prejudice to the principle that external evaluation remains the responsibility of appropriate intergovernmental bodies, the Unit, with due regard to its other responsibilities, may assist them in carrying out their responsibilities for external evaluation of programmes and activities. On its own initiative or at the request of the executive heads, the Unit may also advise organizations on their methods for internal evaluation, periodically assess these methods and make ad hoc evaluations of programmes and activities.”

*Team and members with regular feedback and early indications of progress and lack thereof in the achievement of intended results.*¹⁸⁷

158. Evaluation tools were introduced in 2008 to measure the results and effectiveness of UNWTO activities. Progress made in this regard has included such areas as technical conferences, technical missions, capacity building exercises, publications issued and implemented technical projects. These tools were tailored to UNWTO and were to be refined, enhanced and incorporated into each activity.¹⁸⁸ The evidence¹⁸⁹ indicates not a systematic but an ad hoc and limited use of such tools and limited evaluations. Budget limitations, the absence of a culture of evaluation and learning, associated absence of an RBM framework and technical capacity to carry out evaluations are identified as constraining factors.

159. The WP further recognized that evaluation could be carried out in partnerships and collaboration with external institutions, including with Affiliate Members. This is currently done on an ad hoc case-by-case basis and the results are not always evident. Notwithstanding the fact that such activities are *“sometimes undertaken without a direct cost to UNWTO”*, providing resources would enhance the success of the partnership. Finally, the WP also indicated that *“full implementation of current and future monitoring and evaluation procedures put in place will, in turn, facilitate the establishment of the recommended results-based management and results-based budgeting methods, which are meant to raise productivity and enhance work effectiveness.”*¹⁹⁰ The RBM is almost non-existent, as observed above in respect of the 2009 MAR recommendation 8. Efforts to initiate the development of the system were hampered by a lack of RB culture as the present one is still focused on activities rather than oriented towards results.

¹⁸⁷ Para. 115 of the WP.

¹⁸⁸ Ibid., para. 117.

¹⁸⁹ JIU 2013 Survey: Analysis of the Evaluation Function of the United Nations system.

¹⁹⁰ Ibid., para 120.

IX. OTHER ISSUES

A. Procurement

160. UNWTO, until recently, was the only organization of United Nations system that did not establish general procurement principles.¹⁹¹ However, with the recruitment of a Legal and Procurement Officer (LPO) in March 2010 who reports directly to the Director of Administration, the organization which had introduced Detailed Financial Rules (in 2013) on the subject will be issuing its procurement manual soon (at the time of writing of this report, a draft had been internally approved), in accordance with United Nations practices. In 2012, the organization's procurement amounted to EUR 4 million.¹⁹²

161. The procurement function in UNWTO is decentralized; each programme conducts its own procurement activities as stated in the PoW; the LPO does not conduct procurement; she only advises on procurement practices. The organization considers procurement to be of a relatively low risk for itself and risk assessment is done on an ad hoc basis whenever needed.¹⁹³

162. JIU in its note on procurement advised heads of organizations to acknowledge the importance of the procurement function which should be an "integral part of the corporate decision-making and planning of each organization."¹⁹⁴ The dynamic nature of procurement, including the expansion of activities and increasing technical complexity, calls for regular professional training of the concerned staff. Investing in such activities is "*capable of providing a relatively quick payback in terms of financial savings and best value for money.*"¹⁹⁵

B. Information and communication

Website

163. The 2009 AR issued **recommendation 21**: *The Secretary-General should revise, continuously update the content and maintain the functionality of the UNWTO website.*

164. Paragraph 63 of the WP states that under the assigned ED, "*ICT and electronic communications systems at the Secretariat are being substantially improved for, among other purposes, enhancing the frequency, quality and contents in the relationships and contacts with and among members, and improving the contents, appearance and ease-of-use of the Organization's website.*"¹⁹⁶ Annex 4 of the WP provided an overview of the measures taken to modernize the UNWTO website.¹⁹⁷ It makes reference to its first achievement in implementing a brand-new and reliable web infrastructure to host all contents and the secretariat choice to use "cloud" servers, allowing for worldwide availability, scalability and stretched costs (not without security risks). All services are built on an Open-Source software and, hence, at no license costs or maintenance fees. **Recommendation 21 has been accepted and implemented.**

Information and Communication Technologies

165. The 2009 MAR contained **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.*

¹⁹¹ JIU/NOTE/2011/1: Procurement reforms in the United Nations system, annex 1.

¹⁹² 2012 UNOPS Annual Statistical Report on United Nations Procurement.

¹⁹³ Response to Inspector's questionnaire on procurement reform.

¹⁹⁴ JIU/NOTE/2011/1: Op. Cit., para. 24.

¹⁹⁵ Ibid., para 35.

¹⁹⁶ A/19/11, para 63.

¹⁹⁷ A/19/11, annex 4.

166. Microsoft, at the request of the secretariat in 2009, performed an independent evaluation of information and communication technologies (ICT) at UNWTO which formed the basis of the current ICT PoW and for which a status report was submitted to the Executive Council at its 94th session in October 2012.¹⁹⁸ The Executive Council took note of the organization and development of the ICT programme and welcomed the Secretary-General's initiative of keeping them regularly informed on the ICT strategy, PoW and developments.¹⁹⁹

167. The transition to IPSAS and the related transformations in the management and accounting of all transactions could not be done without **an in depth adaptation of the UNWTO IT system** and its "integration to the administration", not through a too costly ERP, but through a series of modules (payables, receivables, the monitoring of inventories, etc.) managed manually. Each case required the functional analysis of the IT system and a definition of all modifications to be made on the current software. The work of the consulting firm (Delaware, chosen on competitive bidding) was to design, define, check, test and train staff for the adapted IT system, to analyse and define all changes on current data bases, to conceive the interface with and migration to Oracle of other in-house databases which share reference data with pre-IPSAS IT.²⁰⁰ The secretariat provided an update to the ICT PoW to the Executive Council at its 96th session on 25 August 2013 including an outline of current/future activities.²⁰¹ The Executive Council took note of the report and "supported the orientation given by the Secretariat to the ICT PoW, in particular the projects related to IPSAS implementation and telecommunications infrastructure and services"²⁰² showing the acceptance of **recommendation 20, duly implemented.**

168. According to the report on Information and Communication Technologies at the secretariat²⁰³ dated 10 July 2013, which describes the main activities of the ICT programme, the main infrastructures plan was then *close to completion and focus would need to be changed to application development. With a very crucial and time-critical project currently going on in ICT (ICT-PREIPSAS), it is ICT's intention to run a second comprehensive ICT audit in 2014. The outcome of this audit is expected to provide the main lines to prepare a strategic ICT plan till 2017*".

Multilingualism

169. The 2009 MAR included **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).*

170. While the amendment to Article 38 of the UNWTO Statutes was indeed adopted by the UNWTO GA at its seventeenth session in Cartagena de Indias in November 2007, constitutional requirements (two-thirds of the Member States to notify the Depositary Government of their ratification of such amendment) delay its entry into force. Indeed, as of 4 June 2013, only 48 Member States had ratified the amendment; therefore, a further 55 ratifications were required to reach the threshold of 103.²⁰⁴ However, the Inspector notes that some UNWTO documents are already

¹⁹⁸ CE/94/3(III)(f), "Report of the Secretary-General Part III: Administrative and statutory matters (f) Information and communications technologies at the Secretariat" (UNWTO Executive Council document – 94th session 23-25 October 2012).

¹⁹⁹ CE/DEC/13(XCIV), Executive Council 94th session, 23-25 October 2012.

²⁰⁰ The Secretary General report CE/96/2(f) on ICT at the Secretariat describes those efforts.

²⁰¹ CE (96/2(f), "Report of the Secretary-General on administrative and statutory matters (f) Information and communication technologies at the Secretariat" (UNWTO Executive Council document – 96th session 25 August 2013).

²⁰² CE/DEC/6(XCVI), Executive Council 96th session, 25 August 2013.

²⁰³ CE/96/2(f): Secretary-General report on administrative and statutory matters: Information and communication technologies at the Secretariat, para. 13

²⁰⁴ A/20/5(II)(f), "Report of the Secretary-General Part II: Administrative and statutory matters (f) Situation of amendments to the Statutes and the Financing Rules" (UNWTO General Assembly Document – Twentieth Session, 24-29 August 2013).

translated into Chinese with the support of the Chinese Government and/or other voluntary contributions.

171. The secretariat has brought the ratification issue to the forefront. Out of ten amendments to the statutes and Financing Rules adopted so far by the GA since 1975, only one on the inclusion of Arabic as an official language has entered into force, and only twenty-nine years later.²⁰⁵ The GA took note of the Secretary-General's note on the subject and has called on Member States to ratify all amendments to the statutes and Financing Rules and requested the Secretary-General to report systematically to them on the situation of the amendments.²⁰⁶ **Therefore, recommendation 19 has been accepted but not implemented.** However, at the national level, it appears practically difficult for the authorities in charge of tourism to mobilize the Ministry of Foreign Affairs in this regard.

²⁰⁵ Ibid., para 2.

²⁰⁶ A/RES/628(XX), Decision of UNWTO General Assembly, Twentieth Session, 2429 August 2013.

**Annex I: Status of acceptance and implementation of the recommendations contained in
JIU/REP/2009/1**

Original report JIU/REP/2009/1		Present report JIU/REP/2014/X	Acceptance		Implementation	
			As reported by UNWTO	As assessed by JIU	As reported by UNWTO	As assessed by JIU
Rec 1	Paras 21-27	Paras 28-29	Accepted	Not Accepted	Implemented	N.A.
Rec 2	Paras 28-32	Paras 89-98	Accepted	Accepted	In Progress	In Progress
Rec 3	Paras 33-40	Paras 32-33	Accepted	Accepted	Implemented	Implemented
Rec 4	Paras 33-40	Paras 25-27	Accepted	Accepted	Implemented	Implemented
Rec 5	Paras 41-43	Paras 20-21	Accepted	Accepted	Implemented	Implemented
Rec 6	Paras 41-43	Paras 22-24	Accepted	Not Accepted	Implemented	N.A.
Rec 7	Paras 44-47	Paras 72-74	Accepted	Accepted	Implemented	Implemented
Rec 8	Paras 48-55	Paras 54-57	Accepted	Not Accepted	Implemented	N.A.
Rec 9	Paras 56-58	Paras 63-64	Accepted	Accepted	Implemented	Implemented
Rec 10	Paras 59-63	Paras 75-76	Accepted	Accepted	Implemented	Implemented
Rec 11	Paras 64-65	Paras 65-66	Accepted	Accepted	Implemented	Implemented
Rec 12	Paras 66-67	Paras 78-81	Accepted	Accepted	Implemented	Implemented
Rec 13	Paras 68-70	Paras 36-37	Accepted	Accepted	Implemented	Implemented
Rec 14	Paras 71-82	Paras 138-140	Accepted	Accepted	Implemented	Implemented
Rec 15a	Paras 71-82	Paras 134-135	Accepted	Accepted	Implemented	Implemented
Rec 15b	Paras 71-82	Paras 126-127	Accepted	Not accepted	Implemented	N.A.
Rec 15c	Paras 71-82	Paras 39-41	Accepted	Accepted	Implemented	Implemented
Rec 16	Paras 83-87	Paras 109-110	Accepted	Accepted	Implemented	Implemented
Rec 17	Paras 91-93	Paras 124-125	Accepted	Accepted	Implemented	Implemented
Rec 18	Paras 94-96	Paras 130-131	Accepted	Accepted	Implemented	Implemented
Rec 19	Paras 99-100	Paras 169-171	Accepted	Accepted	Implemented	In Progress
Rec 20	Paras 101-103	Paras 165-167	Accepted	Accepted	In Progress	Implemented
Rec 21	Paras 104-106	Paras 163-164	Accepted	Accepted	Implemented	Implemented
Rec 22	Paras 107-116	Paras 153-154	Accepted	Accepted	In Progress	In Progress
Rec 23	Paras 107-116	Paras 146-147	Accepted	Not Accepted	Implemented	N.A.
Rec 24	Paras 121-124	Paras 99-101	Accepted	Accepted	In Progress	Implemented

Annex II: 2014 UNWTO organizational chart

